

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
March 6, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (KM)
 2. **Communications**
 3. **Consent Agenda**
 - C=> 3a) Approval of February 6, 2023 Minutes (GD)
 - C=> 3b) Approval of March 6, 2023 Agenda (KM)
 - C=> 3c) Correction to January 3, 2023 Minutes (GD)
 - C=> 3d) March 6, 2023 Warrant List (KW)
 - C=> 3e) MMPA February Member Meeting Update (GD)
 - C=> 3f) Governance Handbook Updates (GD)
 - C=> 3g) PFAS Results (LS)
 - C=> 3h) Monthly Water Dashboard for January 2023 (LS)
 - C=> 3i) Res #2023-05 Resolution Approving Shakopee Public Utilities Commission's Cogeneration and Small Power Production Tariff (JA)
 - C => 3j) Res #2023-06 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project: Summerland 2nd Addition (JA)
 - C=> 3k) December 2022 Preliminary Financials (KW)
 4. **Liaison Report** (JD)
 5. **Public Comment Period.** Please step up to the table and state your name and address for the record.
 6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)
 - 6b) Lateral Water Main Equivalent Charge Policy and Past Projects (JA)
Public Comments
 - 6c) Resolution #2023-07 Resolution Approving Purchase Agreement, All Documents Necessary To Carry Out Purchase Agreement, And Completion Of Closing Under Purchase Agreement (JA)
 7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)
 - 7b) Staffing and Organizational Update (GD)
 - 7c) Bid Award 2024 Digger Derrick (BC)
 8. **Reports: Human Resources**
 9. **Reports: General**
 - 9a) General Manager Report – Verbal (GD)
 - 9b) NES WTP Site Search Update (JA) **
- ** A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property located at 3690 Eagle Creek Boulevard.
10. **Items for Future Agendas**
 11. **Tentative Dates for Upcoming Meetings**
 - April 3, 2023 Commission Meeting
 - May 1, 2023 Commission Meeting
 12. **Adjournment**

Proposed As Consent Item

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
February 6, 2023
Regular Meeting

1. Call to Order. President Mocol called the February 6, 2023 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Mocol, Vice President Krieg, Commissioner DuLaney, Commissioner Fox, and Commissioner Letourneau were present.
2. Approval of Consent Agenda. Commissioner Fox moved approval of the consent agenda: (3a) January 3, 2023 minutes; (3b) February 6, 2023 agenda; (3c) January 17, 2023 warrant list; (3d) February 6, 2023 warrant list; (3e) MMPA December 2022 meeting; (3f) MMPA January 2023 meeting; (3g) Pay Equity Implementation Report; (3h) AMI Vendor Contract for Signature; (3i) Delegating Payment of Budgeted Claims Powers to General Manager; (3j) November Financial Report; (3k) MVEC Joint Use Pole Agreement transfer to SPU; and (3l) Phased Retirement Agreement. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None. Motion carried.
3. Liaison Report. Commissioner DuLaney had nothing to report at this time.
4. Public Comment Period. No comments were offered.
5. Water Report. David Hagen, Water Distribution Supervisor, reported that a new employee will start on February 22. He also noted that Jackie Hanson, an SPU employee since April 2021, received her Water “C” Operator license. On January 26, five SPU water operators went to Delano to tour its water treatment plant. Mr. Hagen reported that the Water Department is 90% done with inspection of all the fire detect meters, which is done annually. He also noted that staff is working with fire protection companies on fire flows for the design of buildings. Mr. Hagen reported that Well 15 was removed in January. SPU staff is working with Shakopee Police and Fire on handouts to homeowners regarding clearing areas around hydrants; SPU’s Water Department will help if needed.
6. Electric Report. Brad Carlson, Electric Superintendent, reported that five outages occurred since the last Commission meeting; one outage was significant with a faulty cable. He also discussed electric projects, including energizing the Summerland Second Addition. He reported that crews began using NISC for service orders. Mr. Carlson noted that the 115kv breaker for the West Shakopee Substation was delivered. He also noted that crews continue tree trimming throughout the City.
7. Stagecoach Road Overhead Electric Facilities Relocation. Joseph Adams, Planning and Engineering Director, described this unexpected and urgent project, SPU’s longstanding policy concerning costs to relocate overhead lines underground, and the estimated costs for overhead

facilities as compared to underground costs. Commissioner Fox moved to accept the estimated overhead and actual underground cost to relocate BL-22 overhead facilities to the project area due to the unplanned 2021 Stagecoach Road Improvements. Commissioner DuLaney seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None. Vice President Krieg moved to direct staff to make the necessary accounting entries to assign the \$39,000 cost of the estimated overhead relocation costs from the Electric Operating Fund and the additional \$70,785.32 cost due to placing the facilities underground per City direction from the Electric Underground Relocation Fund. Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

8. Resolution #2023-04 Resolution Approving Purchase Agreement, Utility Easement Agreement, and Lease. Mr. Adams explained that this property purchase concerns the future East Shakopee Substation site, and that the timing for constructing the substation will depend on load growth. Commissioner Fox moved to approve Resolution #2023-04 A Resolution Approving Purchase Agreement, Utility Easement Agreement, and Lease: All Documents Necessary to carry out Purchase Agreement, Utility Easement Agreement, and Lease; and Completion of Closing Under Purchase Agreement for the East Shakopee Substation Site. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

9. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, reported that the conservation programs for 2023 residential, commercial, and industrial customers are open. She noted that communications with all MVEC customers transferred to SPU are complete, except for three customers who used an Energy Wise program that SPU does not offer. She plans to meet with about 20 commercial customers that have not yet signed up. Ms. Walsh stated that the AMI project will continue to move forward. She has focused on the NISC rollout, with numerous Facebook postings on the new billing statements. Ms. Walsh reported that the Shakopee Chamber of Commerce awarded SPU the 2022 Community Award.

10. Director of Finance & Administration. Kelley Willemsen, Director of Finance and Administration, reported that SPU's account and business side for NISC went live in October and that customer support side is now live. She noted additional NISC-related updates: SPU is working with vendors to go paperless; check runs will be done every week; and the Paymentus portal will be used through February 28 and then NISC payment process will begin. Ms. Willemsen also reported that finance staff are preparing for the annual audit. She plans to meet with PFM representatives tomorrow to review the fourth quarter 2022 results; PFM will present to the Commission later in the year. She noted that MVEC and SPU plan to finalize the facilities information next week.

11. General Manager Report. Greg Drent, General Manager, explained that SPU currently offers a renewable energy option for \$3/month. He explained recent legislation requiring carbon

free energy by 2040 and 55% renewable energy by 2030; he noted that last year MMPA was 43% renewable energy. Mr. Drent is working with SMSC on a potential large solar project. He noted that SPU is considering candidates for the IT Director position. He noted that SPU applied, but was not selected for, the first round of grant funding; staff will continue to apply.

12. 2023 Workshops. Mr. Drent noted that because of the current absence of an IT Director, he proposed canceling the February 2023 workshop on IT Security. Commissioner Fox moved to cancel the February workshop; Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

13. Goals 2023. Mr. Drent presented a review of the status of 2022 SPU goals as well as the proposed goals for 2023. Commissioner Letourneau moved approval of the 2023 SPU goals, amended to include hiring an IT Director. Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

14. NES WTP Site Search Update. Commissioner Letourneau moved, seconded by Commissioner Fox, that the Commission go into closed session under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property described as 3690 Eagle Creek Boulevard and 3650 Eagle Creek Boulevard. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None. In open session, President Mocol noted that the Commission gave direction to staff to address the counteroffer.

15. Adjourn. Motion by Commissioner Fox, seconded by Commissioner DuLaney, to adjourn to the March 6, 2023 meeting. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.



Greg Drent, Commission Secretary

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
March 6, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (KM)
 2. **Communications**
 3. **Consent Agenda**
 - C=> 3a) Approval of February 6, 2023 Minutes (GD)
 - C=> 3b) Approval of March 6, 2023 Agenda (KM)
 - C=> 3c) Correction to January 3, 2023 Minutes (GD)
 - C=> 3d) March 6, 2023 Warrant List (KW)
 - C=> 3e) MMPA February Member Meeting Update (GD)
 - C=> 3f) Governance Handbook Updates (GD)
 - C=> 3g) PFAS Results (LS)
 - C=> 3h) Monthly Water Dashboard for January 2023 (LS)
 - C=> 3i) Res #2023-05 Resolution Approving Shakopee Public Utilities Commission's Cogeneration and Small Power Production Tariff (JA)
 - C => 3j) Res #2023-06 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project: Summerland 2nd Addition (JA)
 - C=> 3k) December 2022 Preliminary Financials (KW)
 4. **Liaison Report** (JD)
 5. **Public Comment Period.** Please step up to the table and state your name and address for the record.
 6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)
 - 6b) Lateral Water Main Equivalent Charge Policy and Past Projects (JA)
Public Comments
 - 6c) Resolution #2023-07 Resolution Approving Purchase Agreement, All Documents Necessary To Carry Out Purchase Agreement, And Completion Of Closing Under Purchase Agreement (JA)
 7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)
 - 7b) Staffing and Organizational Update (GD)
 - 7c) Bid Award 2024 Digger Derrick (BC)
 8. **Reports: Human Resources**
 9. **Reports: General**
 - 9a) General Manager Report – Verbal (GD)
 - 9b) NES WTP Site Search Update (JA) **
- ** A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property located at 3690 Eagle Creek Boulevard.
10. **Items for Future Agendas**
 11. **Tentative Dates for Upcoming Meetings**
 - April 3, 2023 Commission Meeting
 - May 1, 2023 Commission Meeting
 12. **Adjournment**



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 & Commission Members' 
FROM: Denise Nelson, SPU Administrative Assistant 
DATE: March 6, 2023
SUBJECT: Correction to January 3, 2023 Minutes

DISCUSSION

After the Commission approved the January 3, 2023 minutes, we realized a clerical error. Item 3(h) DNR Water Appropriation Permit Increase was inadvertently not included under the consent agenda portion of the minutes. This correction is highlighted and underlined in the attached proposed corrected minutes.

ACTION

It is requested that the Commission make the motion below.

Motion: I move to rescind approval of the January 3, 2023 Minutes and to approve the corrected minutes, as presented.

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
January 3, 2023
Regular Meeting - CORRECTED

1. Call to Order. President Mocol called the January 3, 2023, meeting of the Shakopee Public Utilities Commission to order at 5:00 PM. President Mocol, Vice President Krieg, Commissioner Fox, and Commissioner Letourneau were present. President Mocol and Commissioner Fox participated through interactive technology due to weather conditions.
2. Approval of Consent Agenda. Commissioner Fox moved approval of the consent agenda: (3a) December 5, 2022 minutes; (3b) January 3, 2023 agenda; (3c) December 19, 2022 warrant list; (3d) January 3, 2023 warrant list; (3e) Monthly dashboard; (3f) Nitrate results; (3g) PFAS results; (3h) DNR Water Appropriation Permit Increase; (3i) MMPA November 2022 Meeting; (3j) Res #2023-01 Resolution Adjusting Fees Applied Under the Water Capacity Charge Policy; and (3k) Res #2023-02 Resolution Clarifying the Provisions of Resolution #815 Resolution for the Equivalent Lateral Water Main Portion of a Trunk Water Project. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, Fox, and Letourneau. Nays: None. Motion carried.
3. Public Comment Period. Mike Lavoie asked about timing for SPU to rely fully on renewable energy sources. General Manager Drent explained that SPU currently exceeds state requirements, and the efforts with MMPA to achieve 50% renewables by the end of 2023.
4. Water Report. David Hagen, Water Distribution Supervisor, reported two water leaks. One was found on December 23rd at the curb stop and it was fixed by December 29th. The second was found on December 30th when SPU used leak detection to help locate the leak, which was under the front porch and the customer's responsibility. Mr. Hagen noted that crews have started reading fire detection meters at businesses. He stated that Well 15 will be removed on January 16th. He reported that staff is working on year-end inventory counts, preventive maintenance at pump houses and well sites, rebuilding the chlorine equipment and tubing, and with engineering on concluding projects for 2022 and upcoming projects.
5. Electric Report. Brad Carlson, Electric Superintendent, reported that no outages occurred since the last Commission meeting nearly a month ago. He discussed electric projects, including the SW Gateway; changing over 200 meters for the Bonnevista Terrace transfer from MVEC; Summerland Second Addition joint trench project; Canterbury Crossing 2nd is close to completion; scheduled maintenance shutdown on Old Carriage Court; and work on multiple streetlights damaged in recent storms. He reported that SPU sent two staff members to Moose Lake on December 15th for mutual aid; after their work was completed, the crew was reassigned to Northwestern Wisconsin and they returned on December 21st. Mr. Carlson noted an appreciation letter from the City of Bartow for the mutual aid provided after Hurricane Ian; of the 2.7 million affected customers, the 10,000 in Bartow were restored power within four days.

6. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, reported that the customer billing insert has been drafted and will be sent to the printer; City staff decided to do a separate insert and SPU will work with them to include it. Ms. Walsh noted that updated rate brochures were printed and posted to the website, and staff reviewed every page of the website to update for 2023. Ms. Walsh also modified the EV charging page. She noted that the AMI contract negotiations are close to be completion but due to vendor vacations and the holidays the documents were not finalized for this meeting.

7. General Manager Report. Mr. Drent provided an update, including grant funding with the State and MMUA; his meeting with new Mayor and that a Commissioner appointment is expected soon; Policy Manual clean-up; and meeting with new property owner and Greystone on the Water Capacity Charge Agreement for Bravis and Badger Hill. Mr. Drent noted that a customer concern with water damage at a property that changed hands was referred to SPU's insurer. With the changeover to NISC, he also noted that financial reports will occur on a more regular basis.

8. Organizational Chart. Mr. Drent presented the proposed revised SPU's Organizational Chart, with Engineering Supervisor (Water) and Engineering Supervisor (Electric), and changing the open engineering technical position to civil engineer. Commissioner Letourneau moved approval of the Organizational Chart as presented. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, Fox, and Letourneau. Nays: None.

9. 2023 Commission Meeting Schedule. Mr. Drent presented the proposed 2023 Commission regular meeting schedule, in which meetings will occur monthly on the first Monday. He also discussed holding four work sessions, on the third Monday in February, May, September, and December. Commissioner Letourneau moved approval of the 2023 meeting schedule and work sessions; Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, Fox, and Letourneau. Nays: None.

10. Land Purchase Status - Water Treatment Plant Site and East Shakopee Substation Site. Commissioner Letourneau moved, seconded by Vice President Kreig, 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 3650 Eagle Creek Boulevard and 1462 Maras Street. Ayes: Mocol, Krieg, Fox, and Letourneau. Nays: None. In open session, President Mocol noted that the Commission gave direction to staff.

11. Adjourn. Motion by Commissioner Letourneau, seconded by Commissioner Fox, to adjourn to the February 6, 2023 meeting. Ayes: Mocol, Krieg, Fox, and Letourneau. Nays: None.

Greg Drent, Commission Secretary

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 6, 2023

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:

WEEK OF 2/10/23

ABDO LLP	7,515.00	ACCOUNTING SERVICES JANUARY 2023
ALLINA HEALTH	4,959.39	INTERIOR LIGHTING REBATE PROJ #985
ALTERNATIVE TECHNOLOGIES INC	1,529.00	OIL TEST - GAS ANALYSIS
ROBERT BERNDTSON	80.56	REIMB 123 MILES
BORDER STATES ELECTRIC SUPPLY	803.92	WIRE CONNECTORS
JOAN BREID	150.00	WATER SENSE TOILET REBATE
CUSTOMER CONTACT SERVICES	435.28	ANSWERING SVC 1/26-2/6 2023
DANIEL FAHEY	100.00	WATER SENSE TOILET REBATE
INC. FERGUSON US HOLDINGS	5,371.74	SWIVEL CONNECTOR
GENERAL SECURITY SERVICES CORP	442.92	2/1-4/30 2023 MAINT VIDEO SYSTEM
GOPHER STATE ONE-CALL	170.10	JANUARY TICKETS
JACKLYN HANSON	252.56	PER DIEM TRAVEL TO ST CLOUD 1/17-1/19 23
INC. HENNEN'S AUTO SERVIC	11.41	NON-OXY FUEL - WATER DEPT
HREXPRTISEBP LLC	375.00	JAN BILLING PD HR CONSULTING
INC. IMPACT MAILING OF MI	14,307.50	COLLECTION LETTERS
INNOVATIVE OFFICE SOLUTIONS LLC	229.21	OFFICE SUPPLIES
MARTIN IVANCA DROUILLARD	971.37	FUNDAMENTALS OF ENG (FE) ELEC & COMP EXAM
JOHNSON ANDERSON @ ASSOCIATES	46,678.00	PROCESS IMPROVEMENT REBATE PROJ#986
MATTHEW KAHLE	250.00	REIMB SAFETY BOOTS
INC. MILSOFT UTILITY SOLU	3,500.00	ONE ADDL DATA PULL SERVICE
MN DEPT OF HEALTH	23.00	JACKI HANSONS CLASS C WATER OPR CERTIFIC
MRA-THE MANAGEMENT ASSOCIATION	120.00	BACKGROUND CHECKS R.H, E.L, K.M
NAPA AUTO PARTS	31.65	CARBURETOR CLEANER,FUEL FILTER
NCPERS GROUP LIFE INS.	208.00	FEB RUARY NCPERS PREMIUM
GERRY NEVILLE	53.71	REIMB 82 MILES
CINDY NICKOLAY	75.32	REIMB 115 MILES
NP EAGLE CREEK INDUSTRIAL LLC	3,995.00	INTERIOR LIGHTING REBATE
POMP'S TIRE SERVICE INC	4,304.78	TIRES OR TRAILER
PRINCIPAL LIFE INS. COMPANY	4,001.38	FEB LTD PREMIUMS
VOIDED CHECK	-	VOIDED CHECK
SCOTT COUNTY TRANSIT	852.00	INTERIOR LIGHTING REBATE PROJ#983
GREG TRIPLETT	95.63	REIMB 146 MILES
VERIZON WIRELESS	2,866.30	12/24/22 - 1/23/23 BILLING PERIOD
WESCO RECEIVABLES CORP.	5,666.18	LUCALOX
WIN-911 SOFTWARE LLC	2,579.04	3 ANNUAL RENEWALS BASIC CUST CARE SUBSCR
ZAYO GROUP HOLDINGS INC.	2,447.68	PIKE LAKE SUB, SHAK SUB
MMPA C/O AVANT ENERGY	2,942,380.34	JANUARY POWER BILL
BENEFITS & TAXES FOR 2.10.23	133,815.67	BENEFITS & TAXES FOR 2.10.23
PAYROLL FOR 2.10.23	123,581.33	PAYROLL FOR 2.10.23

Total Week of 2/10/23

3,315,229.97

WEEK OF 2/17/23

SCOTT COUNTY ABSTRACT & TITLE CO	10,000.00	EARNST MONEY LAND WO#2651-CHECK ON DEMAND
JESSY ABRAHAM	8.98	ENERGY STAR LED LIGHTING REBATE
APPLE FORD OF SHAKOPEE	99.56	WATER TRUCK 626 OIL CHANGE
ROBERT BERNDTSON	88.42	REIMB 135 MILES
BORDER STATES ELECTRIC SUPPLY	463.63	WASHERS
ERIC BRAESCH	50.00	ENERGY STAR APPLI REBATE
CDW GOVERNMENT LLC	30,821.24	15 HP LAPTOPS/15 DOCKING STATIONS
ROBIN CHANCE	75.00	ENERGY STAR APPLI REBATE
CITY OF SHAKOPEE	6,079.38	JANUARY FUEL BILL
CONCRETE CUTTING & CORING INC	20.83	TANK CAP
CORE & MAIN LP	1,133.44	OMNI 20' PULSE CABLE
CUSTOMER CONTACT SERVICES	135.78	ANSWERING SVC 2/1-3/6 2023
ANNA DANIELS	155.00	ENERGY STAR APPLI REBATE
KELSEY EBERHARDT	50.00	ENERGY STAR APPLI REBATE
ALYSSA EGERSETT	50.00	ENERGY STAR APPLI REBATE

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 6, 2023

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:

MARLA ESTENSON	75.00	APPLIANCE ENERGY STAR REBATE
INC. FERGUSON US HOLDINGS	14,464.35	RPZ FIRE HYD MTR
FLYTE HCM LLC	10.00	COBRA PLATFORM USAGE - JAN 2023
INC. FRONTIER ENERGY	5,674.35	PROF SERVICES 1/1 - 1/31 2023
KIP GALLOWAY	500.00	ENERGY STAR COOLING/HEATING REBATE
GRAINGER INC	403.79	SINGLE POINT HOOK - WATER
HAWKINS INC	440.00	CHLORINE CYLINDERS
JOHN HECKEL	200.00	ENERGY STAR APPLI REBATE
INTERSTATE COMPANIES INC	375.74	CATERPILLAR MAINT.
MATTHEW JOHNSON	80.00	ENERGY STAR DISHWASHER REBATE
ERIC KING	236.00	MMUA METER SCHOL
GARRET KIRCH	500.00	ENERGY STAR COOLING/HEATING REBATE
HARLAND LIPKER	75.00	ENERGY STAR APPLI REBATE
JAKE LUCE	100.00	ENERGY STAR DISHWASHER REBATE
JAKE LUCE	125.00	APPLIANCE ENERGY STAR REBATE
INC M E SIMPSON CO.	21,669.48	METERS TESTED 10/17-10/27 2022
INC. MIDWEST SAFETY COUNS	420.02	WHITE TOWELS
MINN VALLEY TESTING LABS INC	149.86	COLIFORM
MOBILE HEALTH SERVICES LLC	670.00	ANNUAL HEARING TEST
SHERRI NELSON	50.00	ENERGY STAR APPLI REBATE WASHER
GERRY NEVILLE	102.83	REIMB 157 MILES
CINDY NICKOLAY	88.42	REIMB 135 MILES
NPL CONSTRUCTION COMPANY	1,069.20	WO#2649 VAC SVC @ 333WTH AVE W
MACHELLE PEARSON	126.50	ONSITE COLLECTION SEAVER,VONBANK,SCHWARZ
RESCO	2,237.54	ELBOW ARRESTER/BUSHING WELL
SANMAR CORPORATION	1,205.00	EXTERIOR LIGHTING REBATE
JACK SCHINTZ	236.00	MMUA METER SCHOOL PER DIEM
SCOTT CNTY TREASURER	170.00	COUNTY LICENSE FEE 2023
SCOTT COUNTY	592.00	RECORDING OF WC CHARGE AGREEMENTS
SEAGATE TECHNOLOGY INC	2,550.00	INTERIOR LIGHTING REBATE
ELLE SEAVER	236.00	MMUA METER SCHOOL PER DIEM
DAVID SEBALD	50.00	ENERGY STAR APPLI REBATE
TRAUT COMPANIES	16,386.32	WO#2525REVISED WELL NO#23 PAY REQUEST NO
GREG TRIPLETT	67.46	REIMB 103 MILES
USA BLUE BOOK	2,279.01	HYDRANT METER LOCK/CAP GASKET
VERIZON	527.33	TRUCK TRACKING
PHAN VINH MAU	75.00	ENERGY STAR APPLI REBATE
JENNIFER VOEGELE	225.00	ENERGY STAR APPLI REBATE
JAMIE VON BANK	125.00	DOT HEALTH CARD REIMB
EMILY WEIGEL	125.00	ENERGY STAR DISHWASHER REBATE
WESCO RECEIVABLES CORP.	12,764.62	PHS CUTOUT
XCEL ENERGY	2,375.11	12/21/22-1/25 /23 GAS USAGE AMBERGLEN CI
LIGNITE ENERGY COUNCIL	65.00	SENATOR PRATT LUNCHEON ATTENDEES
VOIDED CHECK RUN	-	VOIDED CHECK RUN
FURTHER ACH	194.05	MEDICAL/DAYCARE CLAIM REDMB
AMERICAN NATIONAL BANK	14,861.28	MONTHLY CREDIT CARD ACTIVITY/FEBRUARY STATEMENT

Total Week of 2/17/23

154,183.52

WEEK OF 2/24/23

FADUMO ABDILAH	52.91	FEBRUARY CREDIT REFUNDS
MEHMAD H ASHFAQ	72.86	FEBRUARY CREDIT REFUNDS
JOHN K BREJCHA	44.40	FEBRUARY CREDIT REFUNDS
DAKOTA CARROLL	100.00	FEBRUARY CREDIT REFUNDS
CLIFTON TOWNHOMES	14.91	FEBRUARY CREDIT REFUNDS
D R HORTON INC	62.36	FEBRUARY CREDIT REFUNDS
DECO SHAKOPEE LLC	14.91	FEBRUARY CREDIT REFUNDS
DEMETRI DYE	31.07	FEBRUARY CREDIT REFUNDS
CAROL EAGER	43.67	FEBRUARY CREDIT REFUNDS
MELISSA EARNHART	32.24	FEBRUARY CREDIT REFUNDS
ERIC FINK	32.49	FEBRUARY CREDIT REFUNDS
GREG FRIENDSHUH	141.69	FEBRUARY CREDIT REFUNDS

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 6, 2023

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:

GOODWEL ADVENTURES LLC	1,366.85	FEBRUARY CREDIT REFUNDS
ROBERT J HART	8.04	FEBRUARY CREDIT REFUNDS
NATHALY HERNANDEZ	51.60	FEBRUARY CREDIT REFUNDS
ALEJO HERNANDEZ-LUNA	28.63	FEBRUARY CREDIT REFUNDS
JUAN C HERRERA-MONJARRES	76.26	FEBRUARY CREDIT REFUNDS
DAVID HRUBY	220.14	FEBRUARY CREDIT REFUNDS
DANIEL J HUBER	37.12	FEBRUARY CREDIT REFUNDS
JAMES S PERRY LLC	16.70	FEBRUARY CREDIT REFUNDS
JAMES S PERRY LLC	13.85	FEBRUARY CREDIT REFUNDS
RICHARD A JUREK	150.00	FEBRUARY CREDIT REFUNDS
AMANDA R KELLY	120.77	FEBRUARY CREDIT REFUNDS
MELJNDA KRUEGER	82.59	FEBRUARY CREDIT REFUNDS
MICHAEL LIBERA	77.84	FEBRUARY CREDIT REFUNDS
MICHAEL R LIND	59.35	FEBRUARY CREDIT REFUNDS
LINK CONSTRUCTION	7.24	FEBRUARY CREDIT REFUNDS
MARLENE Z LOWERY	30.00	FEBRUARY CREDIT REFUNDS
M/I HOMES	72.90	FEBRUARY CREDIT REFUNDS
M/I HOMES	86.34	FEBRUARY CREDIT REFUNDS
MEDTHERA INC	958.93	FEBRUARY CREDIT REFUNDS
YAHAYA MOHAMED	26.39	FEBRUARY CREDIT REFUNDS
JAGAN MUTTASSERIL	2.64	FEBRUARY CREDIT REFUNDS
NADG/AA ARASAN LP	110.11	FEBRUARY CREDIT REFUNDS
NADG/AA ARASAN LP	7.78	FEBRUARY CREDIT REFUNDS
NADG/AA ARASAN LP	33.84	FEBRUARY CREDIT REFUNDS
NORTHRIDGE COURT APTS	44.66	FEBRUARY CREDIT REFUNDS
OPENDOOR LABS INC	41.26	FEBRUARY CREDIT REFUNDS
OPENDOOR LABS INC	66.96	FEBRUARY CREDIT REFUNDS
MARY PETERSON	27.37	FEBRUARY CREDIT REFUNDS
PULTE HOMES OF MN	30.27	FEBRUARY CREDIT REFUNDS
PULTE HOMES OF MN	34.99	FEBRUARY CREDIT REFUNDS
PULTE HOMES OF MN	28.94	FEBRUARY CREDIT REFUNDS
PULTE HOMES OF MN	33.98	FEBRUARY CREDIT REFUNDS
PATRICIA A RIORDAN	9.50	FEBRUARY CREDIT REFUNDS
RIVA RIDGE APARTMENTS	27.36	FEBRUARY CREDIT REFUNDS
SAFETY TRAINING & RESPONSE STRATEGIES LL	82.98	FEBRUARY CREDIT REFUNDS
TERESA SAMLASKA	59.04	FEBRUARY CREDIT REFUNDS
SARAZIN FLATS	23.12	FEBRUARY CREDIT REFUNDS
SARAZIN FLATS II	25.23	FEBRUARY CREDIT REFUNDS
THOMAS E SAWYER	49.45	FEBRUARY CREDIT REFUNDS
MARY STANFORD	32.07	FEBRUARY CREDIT REFUNDS
TERRA CAPITAL LLC	37.78	FEBRUARY CREDIT REFUNDS
TRILLIUM COVE HOMEOWNERS ASSOC	64.51	FEBRUARY CREDIT REFUNDS
RENEE TROJE	48.72	FEBRUARY CREDIT REFUNDS
DYLAN J WALLEBECK	29.37	FEBRUARY CREDIT REFUNDS
SEIL WEISS	7.64	FEBRUARY CREDIT REFUNDS
YOUNG PROPERTY MGMT	2.14	FEBRUARY CREDIT REFUNDS
KURT A ZARTH	26.90	FEBRUARY CREDIT REFUNDS
VAN LAM	229.37	FEBRUARY CREDIT REFUNDS
ALTEC INDUSTRIES INC	810.47	WIRE TOOL WITH HANDLE
APPA	21,084.42	UTILITY MEMBERSHIP 4/1/2023-3/31/2024
BARR ENGINEERING CO.	2,671.50	WO#2683 TANK 9 PROF SVCS DEC 2022
BERLIN PACKAGING LLC	137.10	40Z CLEAR BOSTON ROUND -WATER DEPT
ROBERT BERNDTSON	135.58	REMIB 207 MILES
BORDER STATES ELECTRIC SUPPLY	30,217.79	CENTRON METERS
CAMFIL USA INC	2,969.42	RFCMV22PH-A 24X24X12
CDW GOVERNMENT LLC	25,922.11	2 KEYS SET - ORDERED BY MIKE V
CITY OF SHAKOPEE	336.16	1756 SWITCHGRASS CT/TAX ID 27-386031-0
CITY OF SHAKOPEE	495,404.40	JAN 2023 SW\$386,829.78 & SD\$108,574.62
DESIGN TREE ENGINEERING INC	4,870.56	WO#2581 SHAKO P.H.#23
DEZURIK INC.	1,411.24	APCO AVV3
INC. E & M CONSULTING	665.95	2 SIDED POSTCARD 2023 CHAMBER OF COMM
FENUXLABS INC	2,000.00	SOFTWARE MAINT KESTREL 1/1-12/31 2023
GRAINGER INC	68.64	SAFETY GLASSES

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 6, 2023

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:

BETH GUIDARELL	1,000.00 SOLAR REBATE (MVEC) WO2612
HAWKINS INC	7,961.72 HYDROFLUOSILICIC,CHLORINE
MATTHEW HOPPENSTEDT	139.32 CREDIT REFUNDS
INDELCO PLASTICS CORP	700.18 PIPE, ELBOW, CEMENT, BALL VALVE
INNOVATIVE OFFICE SOLUTIONS LLC	203.56 NAME PLATE FOR COMMISSIONER
INTERSTATE ALL BATTERY CENTER	215.96 BATTERY
KATAMA TECHNOLOGIES, INC.	5,906.25 WO#2472 GENERAL FEES AMI PROJ 31.5 HRS
INC. MIDWEST SAFETY COUNS	1,788.16 FULLY AUTOMATIC AED PLUS
MINN VALLEY TESTING LABS INC	65.16 NITRATES
NAGEL COMPANIES LLC	12,540.00 EAGLEWOOD DR HYDROVAC CALL OUT
GERRY NEVILLE	79.91 REIMB 122 MILES
CINDY NICKOLAY	24.23 REIMB 37 MILES
NISC	3,323.39 JANUARY 2023 ROCURRING INVOICE
MATTHEW PETERSEN	275.52 CREDIT REFUND
SCOTT COUNTY VSQG COLLECTION PROGRAM	619.50 WASTE MGMT COLLECTION
LP SENSIDYNE	6,197.82 GAS CYL CL2
MANU SETHI	575.51 CREDIT REFUNDS
GREG TRIPLETT	106.76 REIMB 163 MILES
U.S. POSTAL SERVICE	424.00 PO BOX RENEWAL 2023
VERIZON WIRELESS	106.87 1/6-2/5 2023
VTI SECURITY	9,937.08 ADVANTAGE RENEWAL FLAT RATE OMNICAST
WESCO RECEIVABLES CORP.	1,739.47 BUSS MIDGET FUSE
BARRY & SARAH WHELOCK	600.00 SOLAR REBATE (MVEC) WO2612
NORTHERN STATES POWER CO.	3,822.92 JANUARY POWER BILL
CITY OF SHAKOPEE	318,000.00 FEBRUARY 2023 PILOT TRANSFER FEE
CITY OF SHAKOPEE	1,031.08 MARCH 2023 DS/SPU PROPERTIES
XCEL ENERGY	15,660.06 WO#2536 WINDERMERE S 5TH ADDN
FURTHER - ACH	5,250.01 MEDICAL/DAYCARE CLAIM REIMB'S
MN DEPT OF REVENUE ACH PAYMENTS	274,278.00 JAN 2023 SALES & USE TAX PAYABLE
DELTA DENTAL PLAN OF MN - ACH	5,914.62 FEBRUARY DENTAL PREMIUMS
MINNESOTA LIFE - ACH	1,378.53 FEBRUARY LIFE INS. PREMIUMS
FURTHER - ACH	226.00 FEBRUARY ADMIN FEES
BENEFITS & TAXES FOR 2.24.23	122,010.94 BENEFITS & TAXES FOR 2.24.23
PAYROLL FOR 2.24.23	116,755.51 PAYROLL FOR 2.24.23

Total Week of 2/24/23

1,512,916.41


Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President



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

To: SPU Commissioners
From: Greg Drent, General Manager *gd*
Date: March 3, 2023
Subject: MMPA February 2023 Member Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on February 21, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.

Management presented a summary of 2022 performance. The presentation is attached.

The Board reviewed the Agency's financial and operating performance for January 2023.

Customer penetration for the residential Clean Energy Choice program increased to 4.4%. There was an increase of 69 customers participating in the residential Clean Energy Choice program from December to January.

The Board discussed the current business environment.

The Board discussed the new Minnesota carbon free standard.

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

Thanks



2022 Year in Review

February 21, 2023



Outline

- Accomplishments in 2022
- Financial Review of 2022
- Operations Review of 2022
- Business Environment in 2023
- Looking Ahead to 2023



2022 Accomplishments

- Rates 10% Below Xcel
- Members Extended Contracts to 2060
- Fitch Upgraded MMPA from A+ to AA-
- Walleye Wind Farm Placed Into Service



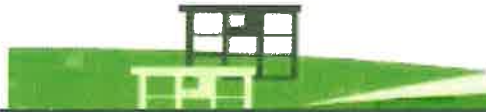
Rates 10% Below Xcel

- MMPA Average Rate: \$ 91.80
- Xcel Average Rate: \$101.57
- MMPA's Rate Was 10% Below During a Period of:
 - Higher Inflation
 - Higher Interest Rates
 - Volatile Natural Gas and Electric Prices
 - COVID-19 Effects (Labor Markets, Supply Chain)



Member Contracts Extended to 2060

- 10 of 12 Members Have Extended MMPA Contracts Through 2060
 - 95% of Agency Load
- Objective: To Allow MMPA to Issue 30-Year Debt through 2030
 - Reduces Costs and Rates
- Two Members Still Considering Contract Extension
 - Agency Offer Open through March 31, 2023



Fitch Bond Rating Upgrade

- Fitch Upgraded MMPA's Bond Rating from A+ to AA-
- Fitch Commented on MMPA's
 - Competitive Rates
 - Strong Financial Performance
 - Strong Member Credit Quality
- Reduces Cost of New Debt

	AAA
	AA+
	AA
MMPA ->	AA-
	A+
	A
NSP MN ->	A-
	BBB+
	BBB
	BBB-



Walleye Wind Farm in Service

- Walleye Wind Now in Service
- Annual Energy: ~438,000 MWh
 - 23% of Projected MMPA Load
- Reduces Fossil Fuel Price Risk





2022 Financial Review

- Net Income of \$7 Million
- Unrestricted Cash Increased by \$17 Million



2022 Operations Review

- Generation Portfolio Produced 1.2 Million MWh

	<u>MWh</u>
Faribault	650,619
Shakopee	33,038
MRS	733
Black Oak	333,065
Oak Glen	112,675
Walleye	29,497
HTBE	23,332
Buffalo Solar	11,094
Total	1,194,053

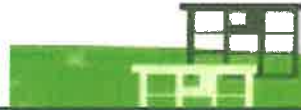


2022 Operations Review

- Generation Portfolio Produced \$14.1 Million of Margins

	<u>Margin (\$000)</u>
Faribault	8,830
Shakopee	504
MRS	(60)
Oak Glen	3,794
HTBE	1,026
Total	14,094

- Plant Margins Reduce Costs to Members



2023 Business Environment

- Gas & Electric Prices Have Decreased Substantially
- Yield Curve Remains Inverted
- Inflation Still High But Decreasing
- DFL In Full Control of Minnesota Government
- Inflation Reduction Act Provides Direct Pay for ITC
 - Reduces Cost of Renewable Investment



Looking Ahead to 2023

- Budgeted Rates 2.1% Lower than 2022
- January & February Rates Lower than Budget
- 43% Renewable
- HTBE RNG to Come Online

The logo for the Minnesota Municipal Power Agency (MMPA) features the letters 'MMPA' in a bold, dark blue, sans-serif font. A horizontal green line is positioned behind the letters, starting from the left edge of the first 'M' and ending at the right edge of the 'A'.

Minnesota Municipal Power Agency

the power of your hometown



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

DATE: February 27, 2023
TO: Commissioners
FROM: Greg Drent, General Manager *GD*
Subject: Governance Handbook updates

The SPU Governance handbook was last updated in April 2021. There are a few changes that need to be made to this document. All the changes are minor. I have attached the document with the redline changes for your review. If the commission has questions or wants to discuss further, please pull it off consent, and we will discuss.

Action:
Approve Governance Handbook



GOVERNANCE HANDBOOK

**SHAKOPEE PUBLIC UTILITIES COMMISSION 255
SARAZIN STREET
SHAKOPEE, MN 55379**

TABLE OF CONTENTS

GOVERNANCE PRINCIPALS.....	3
COMMISSION MEETINGS.....	4
ROLE OF THE COMMISSION.....	5
ROLE OF AN INDIVIDUAL COMMISSIONER	6
ROLE OF SPU PRESIDENT	7
ROLE OF SPU VICE PRESIDENT	8
ROLE OF SPU SECRETARY	9
ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP	10
SPU ROLES IN MMPA	10
COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICER ELECTIONS	11
LIST OF CURRENT COMMISSIONERS AND THEIR TERMS	12

GOVERNANCE PRINCIPLES

1. The Commission governs SPU with the best interests of all customers as its first priority in the spirit of the SPU mission:

Shakopee Public Utilities delivers on a fundamental promise: to provide our customers with reliable electric and water service at affordable rates, as we have done for over 100 years.

2. The Commission shall govern SPU for long term sustainability, reliability, safety, and regulatory compliance.
3. The Commission conducts its business according to the highest ethical, legal, and fiduciary standards.
4. The Commission treats all customers and staff with courtesy and respect.
5. Although independently governed from the City of Shakopee, SPU is part of our local government and the Commission shall coordinate and collaborate with the City to promote improved value to our community and increase economies of scale.
6. The Commission understands that diversity of opinion is inevitable and shall respect the opinions and privacy of all other Commissioners, staff, and customers.
7. Regular meetings of the Commission shall be open and accessible to the public.
8. The Commission is responsible for the hiring and is ultimately accountable for the performance of the General Utilities-Manager. The Commission is responsible to ensure that the General Utilities-Manager implements Commission direction and policy to ensure long term sustainability, reliability, safety, and regulatory compliance.
9. The Commission governs SPU; the Commission does not manage it. Management of SPU is the role of the General Utilities-Manager and staff that serve in a management or supervisory role.

COMMISSION MEETINGS

1. The Commission shall hold regular meetings pursuant to a schedule adopted by the Commission, typically the first ~~and third~~ Mondays of the month, unless that day falls on a legal holiday, then the meeting will be held the following day. A schedule of the regular meetings of the Commission shall be kept on file at its primary office. Unless otherwise designated, regular meetings shall begin at 5:00 PM in the Commission meeting room at 255 Sarazin Street, Shakopee, Minnesota 55379.
2. Meetings of the Commission and any formal, standing committee or subcommittee of the Commission are subject to the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. SPU is a government entity for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.
3. Special meetings of the Commission may be called by: (a) the President, or (b) upon written request of any two (2) or more Commissioners. Emergency meetings may be called by the President.
4. The Commission has officially adopted Robert's Rules of Order Revised as its rules of parliamentary procedure.
5. Commission meeting protocols: come prepared; ensure all are heard; state your concern; ensure you understand; no sidebar discussions; no interruptions; don't take things personally.

ROLE OF THE COMMISSION

1. The Commission engages in ongoing planning activities as necessary to determine the mission and strategic direction of SPU, to define specific goals and objectives related to the mission, and to evaluate the success of SPU's efforts toward achieving the mission.
2. The Commission approves the policies for the effective, efficient, and cost-effective operation of SPU.
3. The Commission approves SPU's annual budget and assesses its financial performance in relation to the budget on a regular basis.
4. The Commission hires the ~~General Utilities~~ Manager, sets the compensation, and provides for an annual evaluation of the performance of the ~~General Utilities~~ Manager.
5. The Commission establishes and evaluates compensation for employees to ensure value to the customers and competitiveness within appropriate markets.
6. The Commission approves written policies governing the work and actions of SPU's employees and committees.
7. The Commission ensures that an internal review of SPU's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Commission.
8. The Commission develops, monitors, and strengthens SPU's services. The Commission assesses its performance.

ROLE OF AN INDIVIDUAL COMMISSIONER

1. The authority of an individual Commissioner resides in the ability to vote. Each Commissioner is entitled to cast one vote for every action item unless prohibited by law, ordinance, or policy (for example, conflicts of interest).
2. Make every effort to attend all Commission meetings. Review the agenda and supporting materials prior to Commission meetings.
3. Stay informed about SPU's mission, services, policies, and programs. Participate in SPU events, programs, and services as often as possible. Inform others about SPU and its programs and services. Be stewards for municipal public power and water.
4. Discharge the duties of the position of Commissioner in good faith, in a manner the Commissioner reasonably believes to be in the best interests of SPU, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.
5. Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Commission discussions and deliberations.
6. Assist the Commission in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
7. Be actively involved in Commission discussions. Express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
8. Endeavor to make decisions based upon the common interests of all customers rather than the interests of a particular organization or individual customer. Serve the organization as a whole rather than any particular interest group or constituency.
9. Serve on informal working groups or committees of not more than two Commissioners, as appropriate, including: wage and benefits, SPU director interview, hiring of General Utilities Manager. Offer to take on special assignments when appropriate.
10. Seek feedback from customers regarding SPU's priorities, activities, programs, and services.
11. Avoid conflicts of interest and maintain confidentiality of information when appropriate.
12. Refrain from attempting to direct the activities of staff or making special requests of the staff.
13. Adhere to the SPU Social Media Policy, as adopted.

ROLE OF SPU PRESIDENT

1. Ensure that the Commission and individual Commissioners fulfill their responsibilities for the governance of SPU and adhere to the Commission's Governance Principles.
2. Ensure that Commission actions are effectively communicated.
3. Serve as a lead spokesperson for the Commission and serve as appropriate as the organization's representative to government, media, other industry organizations, and the public.
4. Seek direction from the Commission on matters of policy and procedure.
5. Support the efforts of the General Utilities-Manager to achieve SPU's mission.
6. Facilitate an annual review of the General Utilities-Manager's performance and compensation.
7. Facilitate productive and mutually respectful relationships among the Commission, staff, customers, and the City.
8. Chair meetings of the Commission, ensuring that the Commission functions effectively and fulfills all of its duties. Encourage all Commissioners participate in discussion and ensure that all points of view are fully expressed before a vote is taken. Work with the General Utilities-Manager regarding development of the agenda for Commission meetings.
9. Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy, and performance of the organization.
10. Fulfill such other roles as the President and General Utilities-Manager agree are appropriate and desirable for the President to perform, consistent with Commission policy or directions.

ROLE OF SPU VICE PRESIDENT

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPU programs, services, and activities in preparation for fulfilling the duties of SPU President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPU and serve as a spokesperson for the organization in the absence of the President.

ROLE OF SPU COMMISSION SECRETARY

1. Keep records Commission actions. Be responsible for documents and records of the Commission on file. Keep an up-to-date list of all Commissioners, past and present.
2. Notify Commissioners of their election to office.
3. Sign all minutes and certified acts of the Commission.
4. Maintain the official documents of the organization.
5. Provide Commissioners with a notice and materials for each upcoming meeting.
6. Provide minutes of each Commission meeting, for review and approval by the Commission.
7. In the event of the absence of the President and Vice President, call a meeting of the Commission to order until the Commission elects, by vote, a temporary President to preside at the meeting.

ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP

The Wage and Benefits informal working group helps the Commission develop and maintain a pay plan structure and benefits package that are market competitive, promotes employee retention, *and* provides value to the customers through fair labor costs. The group may include, unless otherwise determined by the Commission, no more than two Commissioners, the General Utilities Manager, and the ~~Finance Director~~Director of Finance and Administration.

The duties of the group may include:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. Present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for its consideration and approval.
3. Review health and dental insurance policies and evaluate policy renewals. Present options and make recommendations regarding insurance policies to the Commission for its consideration and approval.
4. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.

SPU ROLES IN MMPA

1. SPU must designate its Representative and Alternate to Minnesota Municipal Power Agency (MMPA). The MMPA Representative is a voting member of the MMPA Board of Directors and attends monthly Board meetings. The MMPA Alternate also may attend MMPA Board meetings, but is not eligible to vote. The term of service for the Representative and Alternate is one year.
2. Unless determined otherwise by the Commission, the General Utilities Manager shall serve as the MMPA Representative, and the President shall serve as the MMPA Alternate.

COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICERS

The City of Shakopee City Council is responsible for the appointment of Commissioners. Persons interested in being considered for appointment to the Commission shall complete an "*Application For Council Advisory Board and/or Commissions*" form furnished by the City.

3. Ninety days before the expiration of the term of any Commissioner, the Council shall be advised of the pending vacancies and those individuals eligible for reappointment.
4. Thirty days before the expiration of the term of any Commissioner, an informal working group comprised of two City Council Members and the SPU Vice-President will meet to review all applications and interview applicants.
5. The group shall recommend all qualified candidates per position to the City Council for consideration.
6. Pursuant to City of Shakopee Resolution 2559, appointments to Shakopee Public Utilities Commission shall be made in January and shall become effective April 1st.
7. A Commissioner term of service is for 3 years. A Commissioner is eligible and encouraged to serve three consecutive three-year-terms. If a Commissioner were appointed to serve the remainder of an open term, after April 1st, the appointment period will not affect the maximum service term of three consecutive three-year-terms.
8. At the first Commission meeting in April, the election of officers will take place, if officer terms are expiring. The officers are the Commission President, Vice-President, and the Secretary. Each office has a term of one year.

LIST OF CURRENT COMMISSIONERS

Kathi Mocol – President
Kayden Fox – Vice President
Jody Brennan
BJ Letourneau
Justin Krieg

	Terms
Mocol	4/1/19 – 3/31/22
Fox	4/1/20 – 3/31/23
Brennan	4/1/20 – 3/31/23
Letourneau	4/1/21 – 3/31/24
Krieg	4/1/21 – 3/31/24

LIST OF CURRENT COMMISSIONERS

Kathi Mocol - President
Justin Krieg – Vice President
Kayden Fox
BJ Letourneau
Jim Dulaney

	Terms
<u>Fox</u>	<u>4/1/20 – 3/31/23</u>
<u>Krieg</u>	<u>4/1/21 – 3/31/24</u>
<u>Letourneau</u>	<u>4/1/21 – 3/31/24</u>
<u>Mocol</u>	<u>4/1/22 – 3/31/25</u>
<u>Dulaney</u>	<u>1/6/23 – 3/31/26</u>

Effective 3/23 4/21

SHAKOPEE PUBLIC UTILITIES COMMISSION

COMMISSIONER ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the Shakopee Public Utilities Commission Governance Handbook. I understand that the contents of this Handbook are for general information and guidance and it does not constitute a contract between myself and the Shakopee Public Utilities Commission.

I understand it is my responsibility to read and understand the contents of this Governance Handbook. If I do not understand any provision of the Handbook, I shall contact the General Manager for clarification.

Commissioner Signature _____

Print Name _____ Date _____

NOTE: Commissioners will be required to acknowledge receipt of the Governance Handbook by signing this acknowledgement.

This copy is to remain in the Handbook



GOVERNANCE HANDBOOK

**SHAKOPEE PUBLIC UTILITIES COMMISSION 255
SARAZIN STREET
SHAKOPEE, MN 55379**

TABLE OF CONTENTS

GOVERNANCE PRINCIPALS	3
COMMISSION MEETINGS	4
ROLE OF THE COMMISSION	5
ROLE OF AN INDIVIDUAL COMMISSIONER	6
ROLE OF SPU PRESIDENT	7
ROLE OF SPU VICE PRESIDENT	8
ROLE OF SPU SECRETARY	9
ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP	10
SPU ROLES IN MMPA	10
COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICER ELECTIONS	11
LIST OF CURRENT COMMISSIONERS AND THEIR TERMS	12

GOVERNANCE PRINCIPLES

1. The Commission governs SPU with the best interests of all customers as its first priority in the spirit of the SPU mission:

Shakopee Public Utilities delivers on a fundamental promise: to provide our customers with reliable electric and water service at affordable rates, as we have done for over 100 years.
2. The Commission shall govern SPU for long term sustainability, reliability, safety, and regulatory compliance.
3. The Commission conducts its business according to the highest ethical, legal, and fiduciary standards.
4. The Commission treats all customers and staff with courtesy and respect.
5. Although independently governed from the City of Shakopee, SPU is part of our local government and the Commission shall coordinate and collaborate with the City to promote improved value to our community and increase economies of scale.
6. The Commission understands that diversity of opinion is inevitable and shall respect the opinions and privacy of all other Commissioners, staff, and customers.
7. Regular meetings of the Commission shall be open and accessible to the public.
8. The Commission is responsible for the hiring and is ultimately accountable for the performance of the General Manager. The Commission is responsible to ensure that the General Manager implements Commission direction and policy to ensure long term sustainability, reliability, safety, and regulatory compliance.
9. The Commission governs SPU; the Commission does not manage it. Management of SPU is the role of the General Manager and staff that serve in a management or supervisory role.

COMMISSION MEETINGS

1. The Commission shall hold regular meetings pursuant to a schedule adopted by the Commission, typically the first Mondays of the month, unless that day falls on a legal holiday, then the meeting will be held the following day. A schedule of the regular meetings of the Commission shall be kept on file at its primary office. Unless otherwise designated, regular meetings shall begin at 5:00 PM in the Commission meeting room at 255 Sarazin Street, Shakopee, Minnesota 55379.
2. Meetings of the Commission and any formal, standing committee or subcommittee of the Commission are subject to the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. SPU is a government entity for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.
3. Special meetings of the Commission may be called by: (a) the President, or (b) upon written request of any two (2) or more Commissioners. Emergency meetings may be called by the President.
4. The Commission has officially adopted Robert's Rules of Order Revised as its rules of parliamentary procedure.
5. Commission meeting protocols: come prepared; ensure all are heard; state your concern; ensure you understand; no sidebar discussions; no interruptions; don't take things personally.

ROLE OF THE COMMISSION

1. The Commission engages in ongoing planning activities as necessary to determine the mission and strategic direction of SPU, to define specific goals and objectives related to the mission, and to evaluate the success of SPU's efforts toward achieving the mission.
2. The Commission approves the policies for the effective, efficient, and cost-effective operation of SPU.
3. The Commission approves SPU's annual budget and assesses its financial performance in relation to the budget on a regular basis.
4. The Commission hires the General Manager, sets the compensation, and provides for an annual evaluation of the performance of the General Manager.
5. The Commission establishes and evaluates compensation for employees to ensure value to the customers and competitiveness within appropriate markets.
6. The Commission approves written policies governing the work and actions of SPU's employees and committees.
7. The Commission ensures that an internal review of SPU's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Commission.
8. The Commission develops, monitors, and strengthens SPU's services. The Commission assesses its performance.

ROLE OF AN INDIVIDUAL COMMISSIONER

1. The authority of an individual Commissioner resides in the ability to vote. Each Commissioner is entitled to cast one vote for every action item unless prohibited by law, ordinance, or policy (for example, conflicts of interest).
2. Make every effort to attend all Commission meetings. Review the agenda and supporting materials prior to Commission meetings.
3. Stay informed about SPU's mission, services, policies, and programs. Participate in SPU events, programs, and services as often as possible. Inform others about SPU and its programs and services. Be stewards for municipal public power and water.
4. Discharge the duties of the position of Commissioner in good faith, in a manner the Commissioner reasonably believes to be in the best interests of SPU, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.
5. Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Commission discussions and deliberations.
6. Assist the Commission in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
7. Be actively involved in Commission discussions. Express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
8. Endeavor to make decisions based upon the common interests of all customers rather than the interests of a particular organization or individual customer. Serve the organization as a whole rather than any particular interest group or constituency.
9. Serve on informal working groups or committees of not more than two Commissioners, as appropriate, including: wage and benefits, SPU director interview, hiring of General Manager. Offer to take on special assignments when appropriate.
10. Seek feedback from customers regarding SPU's priorities, activities, programs, and services.
11. Avoid conflicts of interest and maintain confidentiality of information when appropriate.
12. Refrain from attempting to direct the activities of staff or making special requests of the staff.
13. Adhere to the SPU Social Media Policy, as adopted.

ROLE OF SPU PRESIDENT

1. Ensure that the Commission and individual Commissioners fulfill their responsibilities for the governance of SPU and adhere to the Commission's Governance Principles.
2. Ensure that Commission actions are effectively communicated.
3. Serve as a lead spokesperson for the Commission and serve as appropriate as the organization's representative to government, media, other industry organizations, and the public.
4. Seek direction from the Commission on matters of policy and procedure.
5. Support the efforts of the General Manager to achieve SPU's mission.
6. Facilitate an annual review of the General Manager's performance and compensation.
7. Facilitate productive and mutually respectful relationships among the Commission, staff, customers, and the City.
8. Chair meetings of the Commission, ensuring that the Commission functions effectively and fulfills all of its duties. Encourage all Commissioners participate in discussion and ensure that all points of view are fully expressed before a vote is taken. Work with the General Manager regarding development of the agenda for Commission meetings.
9. Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy, and performance of the organization.
10. Fulfill such other roles as the President and General Manager agree are appropriate and desirable for the President to perform, consistent with Commission policy or directions.

ROLE OF SPU VICE PRESIDENT

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPU programs, services, and activities in preparation for fulfilling the duties of SPU President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPU and serve as a spokesperson for the organization in the absence of the President.

ROLE OF SPU COMMISSION SECRETARY

1. Keep records Commission actions. Be responsible for documents and records of the Commission on file. Keep an up-to-date list of all Commissioners, past and present.
2. Notify Commissioners of their election to office.
3. Sign all minutes and certified acts of the Commission.
4. Maintain the official documents of the organization.
5. Provide Commissioners with a notice and materials for each upcoming meeting.
6. Provide minutes of each Commission meeting, for review and approval by the Commission.
7. In the event of the absence of the President and Vice President, call a meeting of the Commission to order until the Commission elects, by vote, a temporary President to preside at the meeting.

ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP

The Wage and Benefits informal working group helps the Commission develop and maintain a pay plan structure and benefits package that are market competitive, promotes employee retention, *and* provides value to the customers through fair labor costs. The group may include, unless otherwise determined by the Commission, no more than two Commissioners, the General Manager, and the Director of Finance and Administration.

The duties of the group may include:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. Present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for its consideration and approval.
3. Review health and dental insurance policies and evaluate policy renewals. Present options and make recommendations regarding insurance policies to the Commission for its consideration and approval.
4. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.

SPU ROLES IN MMPA

1. SPU must designate its Representative and Alternate to Minnesota Municipal Power Agency (MMPA). The MMPA Representative is a voting member of the MMPA Board of Directors and attends monthly Board meetings. The MMPA Alternate also may attend MMPA Board meetings, but is not eligible to vote. The term of service for the Representative and Alternate is one year.
2. Unless determined otherwise by the Commission; the General Manager shall serve as the MMPA Representative, and the President shall serve as the MMPA Alternate.

COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICERS

The City of Shakopee City Council is responsible for the appointment of Commissioners. Persons interested in being considered for appointment to the Commission shall complete an *"Application For Council Advisory Board and/or Commissions"* form furnished by the City.

3. Ninety days before the expiration of the term of any Commissioner, the Council shall be advised of the pending vacancies and those individuals eligible for reappointment.
4. Thirty days before the expiration of the term of any Commissioner, an informal working group comprised of two City Council Members and the SPU Vice-President will meet to review all applications and interview applicants.
5. The group shall recommend all qualified candidates per position to the City Council for consideration.
6. Pursuant to City of Shakopee Resolution 2559, appointments to Shakopee Public Utilities Commission shall be made in January and shall become effective April 1st.
7. A Commissioner term of service is for 3 years. A Commissioner is eligible and encouraged to serve three consecutive three-year-terms. If a Commissioner were appointed to serve the remainder of an open term, after April 1st, the appointment period will not affect the maximum service term of three consecutive three-year-terms.
8. At the first Commission meeting in April, the election of officers will take place, if officer terms are expiring. The officers are the Commission President, Vice-President, and the Secretary. Each office has a term of one year.

LIST OF CURRENT COMMISSIONERS

**Kathi Mocol - President
Justin Krieg– Vice President
Kayden Fox
BJ Letourneau
Jim Dulaney**

	Terms
Fox	4/1/20 – 3/31/23
Krieg	4/1/21 – 3/31/24
Letourneau	4/1/21 – 3/31/24
Mocol	4/1/22 – 3/31/25
Dulaney	1/6/23 – 3/31/26

Effective 3/23

SHAKOPEE PUBLIC UTILITIES COMMISSION

COMMISSIONER ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the Shakopee Public Utilities Commission Governance Handbook. I understand that the contents of this Handbook are for general information and guidance and it does not constitute a contract between myself and the Shakopee Public Utilities Commission.

I understand it is my responsibility to read and understand the contents of this Governance Handbook. If I do not understand any provision of the Handbook, I shall contact the General Manager for clarification.

Commissioner Signature _____

Print Name _____ Date _____

NOTE: Commissioners will be required to acknowledge receipt of the Governance Handbook by signing this acknowledgement.

This copy is to remain in the Handbook



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 *GD*
FROM: Lon R. Schemel, Water Superintendent *LRS*
SUBJECT: PFAS Results -- Advisory
DATE: February 27, 2023

Beginning with the August 17th, 2022 results, the Minnesota Department of Health will be conducting quarterly sampling of SPU’s production wells. Sampling results will be presented at the Commission meeting immediately following the receipt of results. Staff expects that PFAS results will take 3 months to receive after sampling.

The 6 PFAS compounds that are used in the Health Risk Index are graphed and the averages are calculated. From the Minnesota Department of Health website:

MDH has developed health-based guidance values to represent levels for several PFAS in drinking water. The guidance values are levels that MDH considers safe for all people to consume, including sensitive populations. The guidance values apply to short time periods as well as a lifetime of exposure. The table below shows the health-based guidance values (in parts per billion, or ppb) and parts per trillion (ppt) for six PFAS that MDH uses to evaluate sample results. Because the guidance values are low, they are often reported in parts per trillion (ppt). One ppb is 1,000 ppt.

PFAS Detected in Minnesota	Drinking Water Guidance Value (ppb)
Perfluorobutane sulfonate (PFBS)	0.1 [same as 100 ppt]
Perfluorohexane sulfonate (PFHxS)	0.047 [same as 47 ppt]
Perfluorooctane sulfonate (PFOS)	0.015 [same as 15 ppt]
Perfluorobutanoic acid (PFBA)	7 [same as 7,000 ppt]
Perfluorohexanoic acid (PFHxA)	0.2 [same as 200 ppt]
Perfluorooctanoic acid (PFOA)	0.035 [same as 35 ppt]

The following calculation is used to determine the Health Risk Index using the sample result and the Water Guidance Value:

$$(PFOS/0.015)+(PFOA/0.035)+(PFBS/0.1)+(PFBA/7)+(PFHxS/0.047)+(PFHxA/0.2)$$

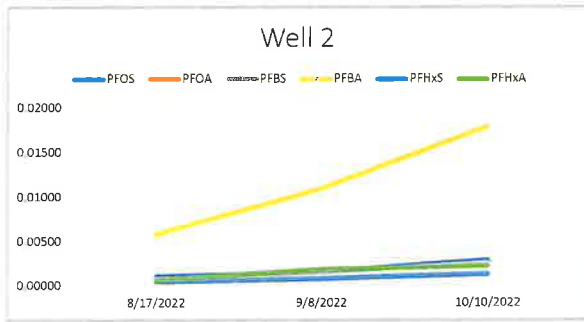
The following factors are why Minnesota Department of Health chose these 6 compounds:

- Frequency of detection in Minnesota
- Available toxicological information on the compounds
- Similar health effects in the body

An HRI value of less than 1 is not expected to cause an adverse health effect.

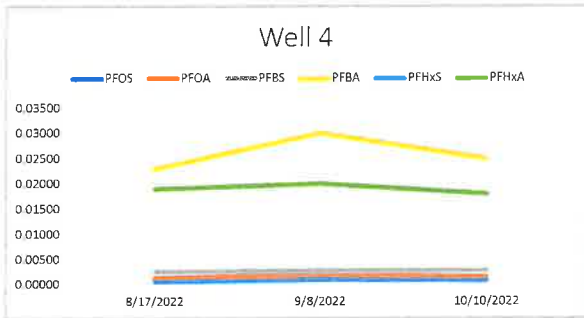
Attached are the graphed testing results and the information sheets for each compound from the Minnesota Department of Health.

Minnesota Department of Health PFAS HRI Testing Results



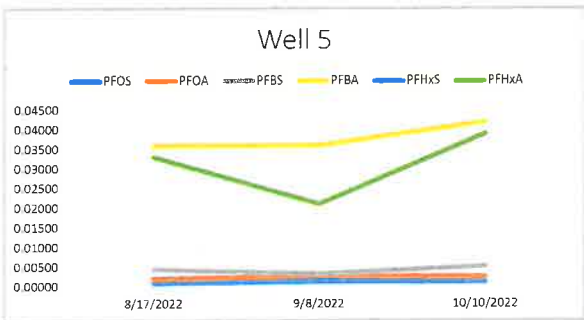
HRI Average
0.20

	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00110	0.00049	0.00083	0.00590	0.00054	0.00075	0.11
9/8/2022	0.00160	0.00079	0.00150	0.01100	0.00088	0.00190	0.17
10/10/2022	0.00290	0.00130	0.00270	0.01800	0.00140	0.00230	0.30



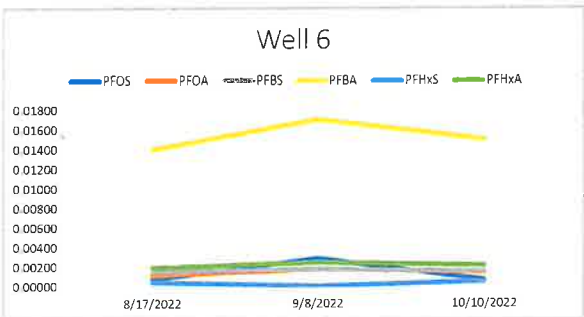
HRI Average
0.25

	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00077	0.00120	0.00250	0.02300	0.00058	0.01900	0.22
9/8/2022	0.00120	0.00200	0.00260	0.03000	0.00090	0.02000	0.29
10/10/2022	0.00095	0.00140	0.00260	0.02500	0.00074	0.01800	0.24



HRI Average
0.39

	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00110	0.00190	0.00430	0.03600	0.00085	0.03300	0.36
9/8/2022	0.00180	0.00270	0.00310	0.03600	0.00120	0.02100	0.36
10/10/2022	0.00140	0.00240	0.00510	0.04200	0.00110	0.03900	0.44



HRI Average
0.17

	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00068	0.00110	0.00150	0.01400	0.00040	0.00190	0.11
9/8/2022	0.00280	0.00170	0.00170	0.01700	0.00000	0.00240	0.27
10/10/2022	0.00061	0.00140	0.00150	0.01500	0.00045	0.00210	0.12

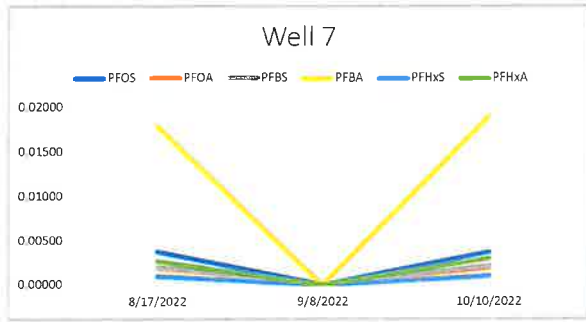
All values are in µg/L
A value of 0.00000 indicates that a compound is below detection.

PFAS Testing of Minnesota Community Water Systems

<https://tinyurl.com/PFAS-MDH>

Minnesota Department of Health PFAS HRI Testing Results

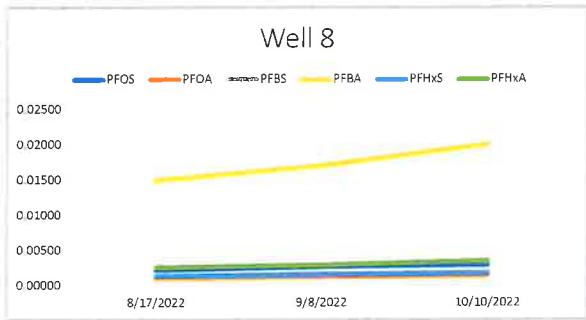
MDH - (651) 201-4562



Sampled w/Well 6

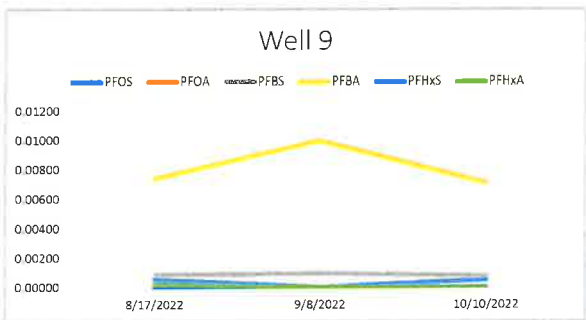
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00380	0.00190	0.00200	0.01800	0.00100	0.00270	0.36
9/8/2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00
10/10/2022	0.00370	0.00190	0.00210	0.01900	0.00100	0.00300	0.36

HRI Average
0.36



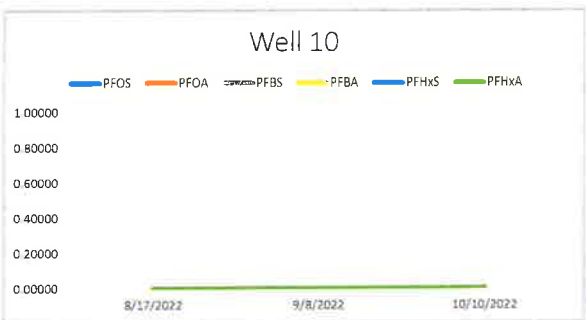
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00220	0.00110	0.00140	0.01500	0.00140	0.00260	0.24
9/8/2022	0.00270	0.00120	0.00150	0.01700	0.00160	0.00290	0.28
10/10/2022	0.00290	0.00140	0.00190	0.02000	0.00180	0.00350	0.31

HRI Average
0.28



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00020	0.00083	0.00740	0.00054	0.00019	0.03
9/8/2022	0.00000	0.00000	0.00092	0.01000	0.00000	0.00000	0.01
10/10/2022	0.00000	0.00000	0.00073	0.00710	0.00051	0.00000	0.02

HRI Average
0.02



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00
9/8/2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00
10/10/2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00

HRI Average
0.00

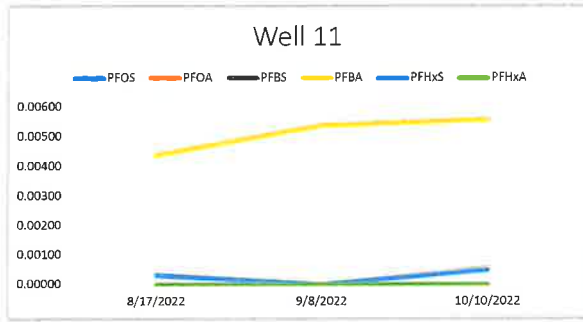
All values are in µg/L
A value of 0.00000 indicates that a compound is below detection.

PFAS Testing of Minnesota Community Water Systems

<https://tinyurl.com/PFAS-MDH>

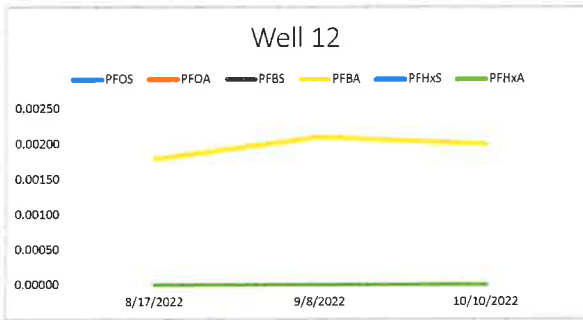
Minnesota Department of Health
PFAS HRI Testing Results

MDH - (651) 201-4562



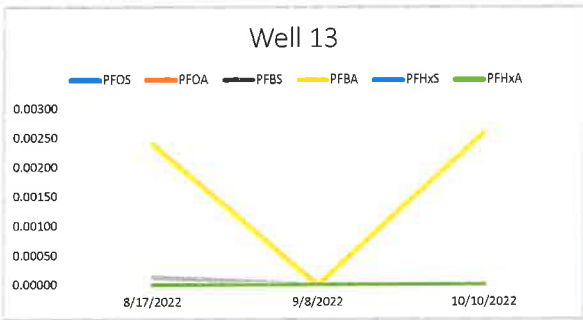
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00000	0.00030	0.00440	0.00033	0.00000	0.01
9/8/2022	0.00000	0.00000	0.00000	0.00540	0.00000	0.00000	0.00
10/10/2022	0.00000	0.00000	0.00056	0.00560	0.00050	0.00000	0.02

HRI Average
0.01



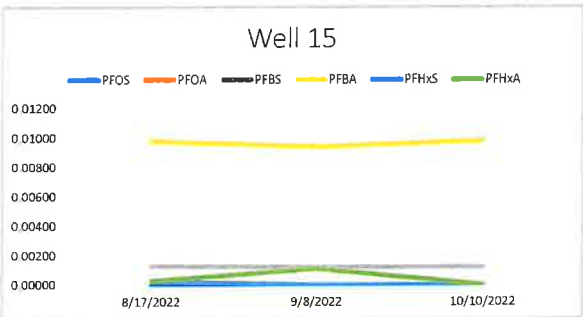
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00000	0.00000	0.00180	0.00000	0.00000	0.00
9/8/2022	0.00000	0.00000	0.00000	0.00210	0.00000	0.00000	0.00
10/10/2022	0.00000	0.00000	0.00000	0.00200	0.00000	0.00000	0.00

HRI Average
0.00



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00000	0.00013	0.00240	0.00000	0.00000	0.00
9/8/2022	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00
10/10/2022	0.00000	0.00000	0.00000	0.00260	0.00000	0.00000	0.00

HRI Average
0.00



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00026	0.00130	0.00980	0.00023	0.00027	0.03
9/8/2022	0.00000	0.00000	0.00120	0.00940	0.00000	0.00110	0.02
10/10/2022	0.00000	0.00000	0.00120	0.00980	0.00000	0.00000	0.01

HRI Average
0.02

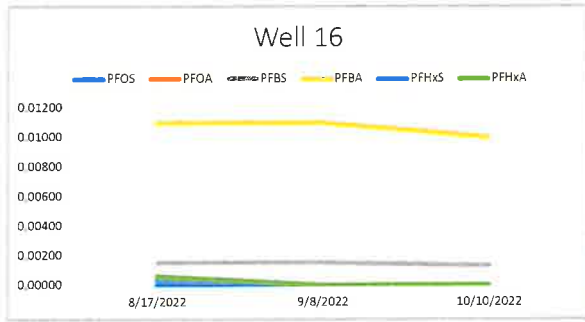
All values are in µg/L
A value of 0.00000 indicates that a compound is below detection.

PFAS Testing of Minnesota Community Water Systems

<https://tinyurl.com/PFAS-MDH>

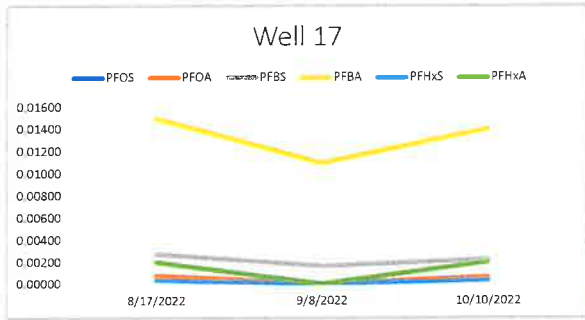
Minnesota Department of Health
PFAS HRI Testing Results

MDH - (651) 201-4562



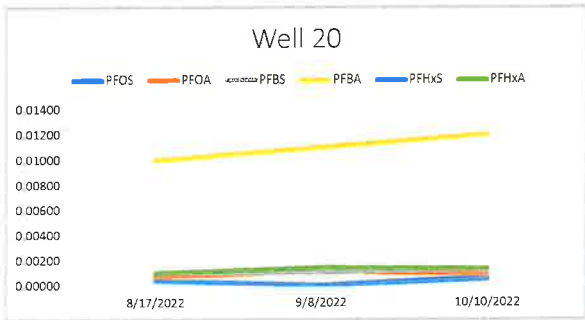
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00000	0.00037	0.00150	0.01100	0.00031	0.00061	0.04
9/8/2022	0.00000	0.00000	0.00150	0.01100	0.00000	0.00000	0.02
10/10/2022	0.00000	0.00000	0.00130	0.01000	0.00000	0.00000	0.01

HRI Average
0.02



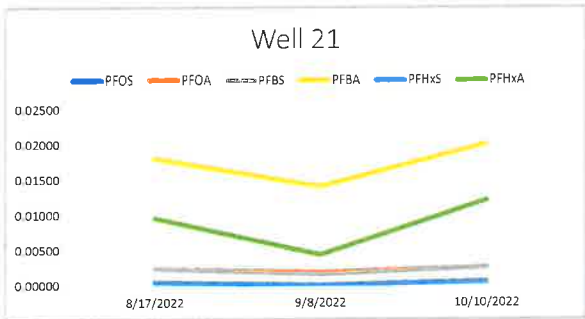
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00038	0.00076	0.00270	0.01500	0.00039	0.00200	0.09
9/8/2022	0.00000	0.00000	0.00160	0.01100	0.00000	0.00000	0.02
10/10/2022	0.00036	0.00059	0.00220	0.01400	0.00037	0.00200	0.08

HRI Average
0.06



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00039	0.00069	0.00100	0.01000	0.00039	0.00100	0.07
9/8/2022	0.00000	0.00110	0.00100	0.01100	0.00000	0.00140	0.05
10/10/2022	0.00058	0.00084	0.00130	0.01200	0.00046	0.00130	0.09

HRI Average
0.07



	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	HRI
8/17/2022	0.00043	0.00230	0.00230	0.01800	0.00041	0.00950	0.18
9/8/2022	0.00000	0.00170	0.00150	0.01400	0.00000	0.00430	0.09
10/10/2022	0.00050	0.00250	0.00250	0.02000	0.00043	0.01200	0.20

HRI Average
0.16

All values are in µg/L
A value of 0.00000 indicates that a compound is below detection.

PFAS Testing of Minnesota Community Water Systems

<https://tinyurl.com/PFAS-MDH>

Well / EP	C	D	E	F	G	H	HRI*
	Enter All Values in µg/L						
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA	
8	0.0027	0.00120	0.0015	0.0170	0.00160		0.27
5	0.0018	0.00270	0.0031	0.0360	0.00120		0.26
6, 7, 10	0.0028	0.00170	0.0017	0.0170	0.00000		0.25
4	0.0012	0.00200	0.0026	0.0300	0.00090		0.19
2	0.0016	0.00079	0.0015	0.0110	0.00088		0.16
21	0.0000	0.00170	0.0015	0.0140	0.00000		0.07
20	0.0000	0.00110	0.0010	0.0110	0.00000		0.04
15			0.0012	0.0094		0.0011	0.02
17			0.0016	0.0110			0.02
16			0.0015	0.0110			0.02
9			0.0009	0.0100			0.01
11				0.0054			0.00
12				0.0021			0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00
							0.00

Calculation from Minnesota Department of Health website:

$$=(C6/0.015)+(D6/0.035)+(E6/0.1)+(F6/7)+(G6/0.047)+(H6/0.2)$$

* A value less than 1 is considered safe

PFAS

Shakopee Public Utilities

Collect Date: 9-8-2021

Sampling Point	All Values in µg/L						HRI*	Comments	
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA			
Well 2	0.00160	0.00079	0.00150	0.01100	0.00088	0.00190	0.17		
Well 4	0.00120	0.00200	0.00260	0.03000	0.00090	0.02000	0.29		
Well 5	0.00180	0.00270	0.00310	0.03600	0.00120	0.02100	0.36		
Well 6	0.00280	0.00170	0.00170	0.01700	0.00000	0.00240	0.27	6 & 7 combined	
Well 7	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00		
Well 8	0.00270	0.00120	0.00150	0.01700	0.00160	0.00290	0.28		
Well 9	0.00000	0.00000	0.00092	0.01000	0.00000	0.00000	0.01		
Well 10	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00		
Well 11	0.00000	0.00000	0.00000	0.00540	0.00000	0.00000	0.00		
Well 12	0.00000	0.00000	0.00000	0.00210	0.00000	0.00000	0.00	12 & 13 combined	
Well 13	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00		
Well 15	0.00000	0.00000	0.00120	0.00940	0.00000	0.00110	0.02		
Well 16	0.00000	0.00000	0.00150	0.01100	0.00000	0.00000	0.02		
Well 17	0.00000	0.00000	0.00160	0.01100	0.00000	0.00000	0.02		
Well 20	0.00000	0.00110	0.00100	0.01100	0.00000	0.00140	0.05		
Well 21	0.00000	0.00170	0.00150	0.01400	0.00000	0.00430	0.09		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
Health Risk Index Calculation							0.121	Average	
$(PFOS/0.015)+(PFOA/0.035)+(PFBS/0.1)+(PFBA/7)+(PFHxS/0.047)+(PFHxA/0.2)$									

* A value less than 1 is not expected to cause an adverse health effect.

PFAS
Shakopee Public Utilities
Collect Date: 10-10-2022

Sampling Point	All Values in µg/L						HRI*	Comments	
	PFOS	PFOA	PFBS	PFBA	PFHxS	PFHxA			
Well 2	0.00290	0.00130	0.00270	0.01800	0.00140	0.00230	0.30		
Well 4	0.00095	0.00140	0.00260	0.02500	0.00074	0.01800	0.24		
Well 5	0.00140	0.00240	0.00510	0.04200	0.00110	0.03900	0.44		
Well 6	0.00061	0.00140	0.00150	0.01500	0.00045	0.00210	0.12		
CD1	0.00180	0.00120	0.00140	0.01300	0.00054	0.00190	0.19	6, 7, 10 combined	
Well 7	0.00370	0.00190	0.00210	0.01900	0.00100	0.00300	0.36		
Well 8	0.00290	0.00140	0.00190	0.02000	0.00180	0.00350	0.31		
Well 9	0.00000	0.00000	0.00073	0.00710	0.00051	0.00000	0.02		
Well 10	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00	All results below detection	
Well 11	0.00000	0.00000	0.00056	0.00560	0.00050	0.00000	0.02		
Well 12	0.00000	0.00000	0.00000	0.00200	0.00000	0.00000	0.00		
Well 13	0.00000	0.00000	0.00000	0.00260	0.00000	0.00000	0.00		
Well 15	0.00000	0.00000	0.00120	0.00980	0.00000	0.00000	0.01		
Well 16	0.00000	0.00000	0.00130	0.01000	0.00000	0.00000	0.01		
Well 17	0.00036	0.00059	0.00220	0.01400	0.00037	0.00200	0.08		
Well 20	0.00058	0.00084	0.00130	0.01200	0.00046	0.00130	0.09		
Well 21	0.00050	0.00250	0.00250	0.02000	0.00043	0.01200	0.20		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
							0.00		
Health Risk Index Calculation							0.150	Average	
$(PFOS/0.015)+(PFOA/0.035)+(PFBS/0.1)+(PFBA/7)+(PFHxS/0.047)+(PFHxA/0.2)$									

* A value less than 1 is not expected to cause an adverse health effect.

Monthly Water Dashboard

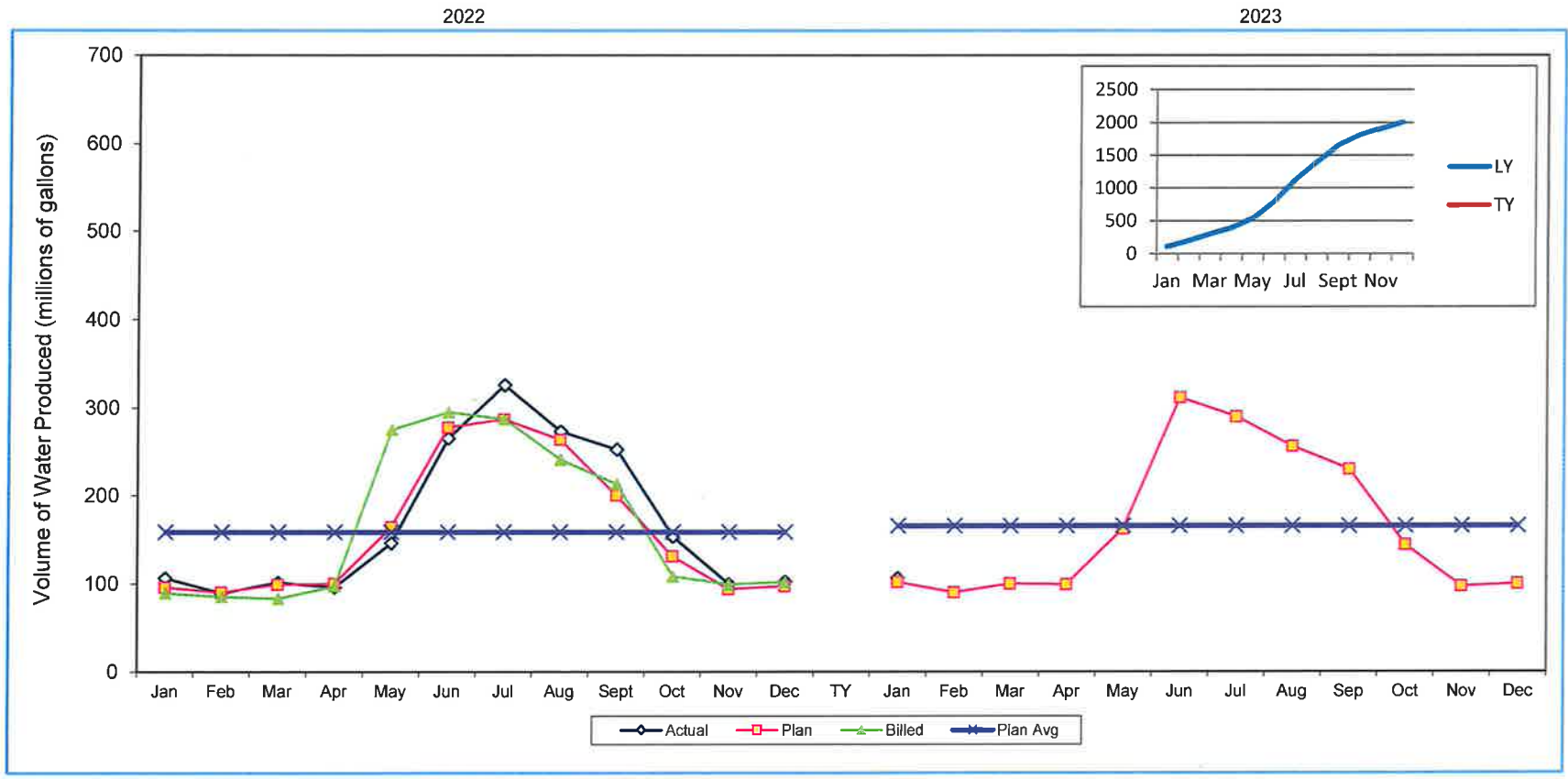
As of: January 2023 Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

Element/Measure Water Pumped/Metered

Monthly Avg	
2020	150
2021	173
2022	167

Last 6 months actuals	273	252	153	99	102	106
-----------------------	-----	-----	-----	----	-----	-----



	LY												TY	TY												
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Actual	106	89	101	96	146	265	326	273	252	153	99	102	106													
Plan	96	90	99	100	164	278	287	264	200	131	94	97	102	90	100	99	162	312	290	256	230	144	97	100		
YTD % *														104%												
Billed	89	85	83	97	275	295	287	241	213	108	99	102														

* Actual gallons pumped vs. Plan

RESOLUTION #2023-05

**RESOLUTION APPROVING SHAKOPEE PUBLIC UTILITIES COMMISSION'S
COGENERATION AND SMALL POWER PRODUCTION TARIFF**

WHEREAS, the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Shakopee Public Utilities Commission and Minnesota Statutes Section 216B.164 require the utility to annually adopt schedule 1, schedule 2, and schedule 3 of its Cogeneration and Small Power Production Tariff.

WHEREAS, the cogeneration and small power production tariff shall include a calculation of Shakopee Public Utilities' average retail utility energy rates, the rates at which Shakopee Public Utilities' purchases energy and capacity, and Shakopee Public Utilities' adopted interconnection process.

WHEREAS, the statute and rules cited above require the information contained in schedules 1, 2, and 3 described within.

WHEREAS, Schedule 1 shall contain the calculation of average retail utility energy rates for each Shakopee Public Utilities' customer class.

WHEREAS, Schedule 2 shall contain the rates at which Shakopee Public Utilities purchases energy and capacity from the wholesale supplier from which purchases may first be avoided.

WHEREAS, Schedule 3 shall indicate by reference Shakopee Public Utilities Commission's adopted interconnection process, or "distributed generation tariff" adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

WHEREAS, these filings shall be maintained at the Shakopee Public Utilities Commission office and shall be made available for public inspection during normal business hours.

NOW THEREFORE BE IT RESOLVED, that the Shakopee Public Utilities Commission approves the following Cogeneration and Small Power Production Tariff effective beginning April 1, 2023 or the nearest regular meter reading date following, and apply to usage/output after that date and to subsequent billing periods.

Passed in the regular session of the Shakopee Public Utilities Commission, this 6th day of March, 2023.

Commission President: Kathi Mocol

ATTEST:

Commission Secretary: Greg Drent



Shakopee Public Utilities Commission
COGENERATION AND SMALL POWER PRODUCTION TARIFF

SCHEDULE 1 – AVERAGE RETAIL ENERGY RATES

Average Retail Utility Energy Rates: Available to any Qualifying Facility of less than 40 kW AC aggregated nameplate capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing, or Time of Day rates.

Shakopee Public Utilities shall bill Qualifying Facilities for any excess of energy supplied by Shakopee Public Utilities above energy supplied by the Qualifying Facility during each billing period according to Shakopee Public Utilities applicable rate schedule. Shakopee Public Utilities shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Shakopee Public Utilities during a billing period at the “average retail utility energy rate.” The term “average retail utility energy rate” means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

“Average retail utility energy rates” are as follows:

RESIDENTIAL	2022
TOTAL REVENUES	\$ 21,548,095.11
LESS UNDERGROUND RELOCATION FEES	\$ 129,080.29
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$ 1,933,621.75
NET REVENUES	\$ 19,485,393.07
TOTAL KWH SALES	\$ 144,191,985
AVERAGE RETAIL ENERGY RATE	\$ 0.1351
COMMERCIAL	
TOTAL REVENUES	\$ 2,042,739.84
LESS WATER DIVISION ELECTRIC FOR PUMPING	\$ 315,360.00
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$ 209,509.00
NET REVENUES	\$ 1,517,870.84
TOTAL KWH SALES	11,375,393
AVERAGE RETAIL ENERGY RATE	\$ 0.1334
INDUSTRIAL	
TOTAL REVENUES	\$ 34,223,598.43
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$ 472,940.00
LESS DEMAND CHARGES	\$ 7,345,568.93
NET REVENUES	\$ 26,405,089.50
TOTAL KWH SALES	286,019,222
AVERAGE RETAIL ENERGY RATE	\$ 0.0923

SCHEDULE 2 – WHOLESALE SUPPLY RATES

Wholesale Supply Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Shakopee Public Utilities purchases energy and capacity from Minnesota Municipal Power Agency (MMPA).

Last year, the average energy rate paid by Shakopee Public Utilities was \$0.06878 per kilowatt-hour.

Last year, the average capacity rate paid by Shakopee Public Utilities was \$0.02380 per kilowatt-hour.

These rates are used to calculate Shakopee Public Utilities “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Shakopee Public Utilities average retail utility energy rate or who elect compensation at another rate.

SCHEDULE 3 – INTERCONNECTION PROCESS

Interconnection Process: In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Shakopee Public Utilities has adopted the “Minnesota Municipal Interconnection Process (M-MIP) 2022” as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the [Minnesota Technical Interconnection and Interoperability Requirements \(TIIR\)](#) as adopted by the Minnesota Public Utilities Commission on January 22, 2020 as part of DOCKET NO. E-999/CI-16-521.

For Shakopee Public Utilities’ specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Shakopee Public Utilities for its Electric Service Rules and Regulations.

RESOLUTION #2023-06

A RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING COSTS ON THE WATERMAIN PROJECT:

SUMMERLAND 2nd ADDITION

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$193,271.25 with Resolution #2022-16 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Pioneer Engineering Inc., and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$157,458.86, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 6th day of March, 2023.

Commission President: Kathi Mocol

ATTEST:

Commission Secretary: Greg Drent



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

DATE: March 2, 2023
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: December 2022 Preliminary Financials

Current Status

As part of the December 31, 2022, financial reports, we continued the practice of providing a component of analytical review. For the Water and Electric Operating Revenue and Expense budget to actual and the Water and Electric Revenue and Expense report ending for each respective period, you will see comments at the bottom of each page. In addition to the analytical review, there are a few important points to note.

- The 2022 audit is kicking off March 6th with auditors working remotely. Auditors will be onsite the week of March 13th.
- Clifton Larson Allen (CLA) will present the 2022 Audited Financials at the May 1st commission meeting

Included in this report are the following statements:

- Combined Statement of Revenues, Expenses and Changes in Fund Net Position
- Electric Operating Revenue and Expense – Budget to Actual (with analytics)
- Water Operating Revenue and Expense– Budget to Actual (with analytics)
- Combined Statement of Revenue and expense and Net Assets
- Electric Operating Revenue and Expense Comparing December 31, 2022, to 2021 Actual numbers (with analytics)
- Water Operating Revenue and Expense Comparing December 31, 2022, to 2021 Actual numbers (with analytics)

Request

The Commission is requested to accept the Preliminary Financial Reports for the period ending 12/31/22.

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Year to Date Actual - December 31, 2022			Year to Date Budget - December 31, 2022			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%
OPERATING REVENUES	\$ 59,189,773	6,629,313	65,819,086	51,897,077	5,526,706	57,423,783	7,292,696	14.1%	1,102,607	20.0%	8,395,303	14.6%
OPERATING EXPENSES												
Operation, Customer and Administrative	50,511,872	3,806,798	54,318,670	44,146,367	4,373,136	48,519,503	(6,365,505)	-14.4%	566,338	13.0%	(5,799,167)	-12.0%
Depreciation	2,597,835	1,860,949	4,458,784	2,660,683	1,754,174	4,414,857	62,848	2.4%	(106,775)	-6.1%	(43,927)	-1.0%
Total Operating Expenses	53,109,707	5,667,747	58,777,454	46,807,050	6,127,310	52,934,360	(6,302,657)	-13.5%	459,563	7.5%	(5,843,094)	-11.0%
Operating Income	6,080,066	961,566	7,041,632	5,090,027	(600,604)	4,489,423	990,039	19.5%	1,562,170	260.1%	2,552,209	56.8%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	918,575	114,729	1,033,304	360,508	189,363	549,871	558,067	154.8%	(74,634)	-39.4%	483,433	87.9%
Interdepartment Rent from Water	90,000	-	90,000	90,000	-	90,000	-	0.0%	-	-	-	0.0%
Investment Income	(934,228)	(86,257)	(1,020,485)	673,387	278,431	951,818	(1,607,615)	-238.7%	(364,688)	-131.0%	(1,972,303)	-207.2%
Interest Expense	(2,548)	(147)	(2,695)	(64,957)	(2,192)	(67,149)	62,409	96.1%	2,045	93.3%	64,454	96.0%
Total Non-Operating Revenue (Expense)	96,798	28,325	125,124	1,058,938	465,602	1,524,540	(962,140)	-90.9%	(437,277)	-93.9%	(1,399,416)	-91.8%
Income Before Contributions and Transfers	6,176,864	989,892	7,166,755	6,148,965	(135,002)	6,013,963	27,899	0.5%	1,124,894	-833.2%	1,152,792	19.2%
CAPITAL CONTRIBUTIONS	405,836	8,012,023	8,417,859	692,922	7,632,547	8,325,469	(287,086)	41.4%	379,476	5.0%	92,390	1.1%
MUNICIPAL CONTRIBUTION	(3,576,023)	(348,233)	(3,924,256)	(2,787,674)	(289,418)	(3,077,092)	(788,349)	-28.3%	(58,815)	-20.3%	(847,164)	-27.5%
CHANGE IN NET POSITION	\$ 3,006,676	8,653,682	11,660,358	4,054,213	7,208,127	11,262,340	(1,047,537)	-25.8%	1,445,555	20.1%	398,018	3.5%

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE**

	YTD Actual 12/31/2022	YTD Budget 12/31/2022	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 21,548,095	20,552,456	995,639	104.8
Commercial and Industrial	36,255,305	30,362,122	5,893,183	119.4
Uncollectible accounts	71,335	-	71,335	-
Total Sales of Electricity	<u>57,874,735</u>	<u>50,914,578</u>	<u>6,960,157</u>	<u>113.7</u>
Forfeited Discounts	314,715	103,535	211,180	304.0
Free service to the City of Shakopee	138,104	124,766	13,338	110.7
Conservation program	862,219	754,198	108,021	114.3
Total Operating Revenues	<u>59,189,773</u>	<u>51,897,077</u>	<u>7,292,696</u>	<u>114.1</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	42,864,366	36,091,648	6,772,718	118.8
Distribution operation expenses	536,845	776,039	(239,194)	69.2 (1)
Distribution system maintenance	805,500	923,160	(117,660)	87.3
Maintenance of general plant	392,233	352,535	39,698	111.3
Total Operation and Maintenance	<u>44,598,944</u>	<u>38,143,382</u>	<u>6,455,562</u>	<u>116.9</u>
Customer Accounts				
Meter Reading	139,090	170,953	(31,863)	81.4
Customer records and collection	823,914	704,446	119,468	117.0
Energy conservation	872,705	746,092	126,613	117.0
Total Customer Accounts	<u>1,835,710</u>	<u>1,621,491</u>	<u>214,219</u>	<u>113.2</u>
Administrative and General				
Administrative and general salaries	710,282	908,005	(197,723)	78.2 (2)
Office supplies and expense	277,440	276,942	498	100.2
Outside services employed	237,010	536,060	(299,050)	44.2 (3)
Insurance	141,787	130,841	10,946	108.4
Employee Benefits	2,264,433	2,112,399	152,034	107.2
Miscellaneous general	446,266	417,247	29,019	107.0
Total Administrative and General	<u>4,077,218</u>	<u>4,381,494</u>	<u>(304,276)</u>	<u>93.1</u>
Total Operation, Customer, & Admin Expenses	<u>50,511,872</u>	<u>44,146,367</u>	<u>6,365,505</u>	<u>114.4</u>
Depreciation	2,597,835	2,660,683	62,848	97.6
Total Operating Expenses	<u>\$ 53,109,707</u>	<u>46,807,050</u>	<u>6,302,657</u>	<u>113.5</u>
Operating Income	<u>\$ 6,080,066</u>	<u>5,090,027</u>	<u>990,039</u>	<u>119.5</u>

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance due to less Distribution operation expenses than projected through Dec 2022.
(2) Variance due to less payroll expenses than budgeted for through Dec 2022. Unfilled position budgeted for the full year.
(3) Variance due to less outside service expenses than budgeted for through Dec 2022.

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
For period ending December 31, 2022

	2022	2021	2021 - 2022	
			Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 21,548,095	19,996,991	1,551,104	107.8
Commercial	36,255,305	31,752,298	4,503,006	114.2
Uncollectible accounts	71,335	(81,089)	152,424	
Total Sales of Electricity	<u>57,874,735</u>	<u>51,668,201</u>	<u>6,206,534</u>	<u>112.0</u>
Forfeited Discounts	314,715	134,686	180,029	233.7 (1)
Free service to the City of Shakopee	138,104	116,313	21,791	118.7
Conservation program	862,219	771,635	90,585	111.7
Total Operating Revenues	<u>59,189,773</u>	<u>52,690,835</u>	<u>6,498,938</u>	<u>112.3</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	42,864,366	37,965,029	4,899,337	112.9
Distribution operation expenses	536,845	437,041	99,805	122.8 (2)
Distribution system maintenance	805,500	779,450	26,050	103.3
Maintenance of general plant	392,233	261,658	130,574	149.9 (3)
Total Operation and Maintenance	<u>44,598,944</u>	<u>39,443,178</u>	<u>5,155,766</u>	<u>113.1</u>
Customer Accounts				
Meter Reading	139,090	133,206	5,884	104.4
Customer records and collection	823,914	635,858	188,056	129.6 (4)
Energy conservation	872,705	771,635	101,070	113.1
Total Customer Accounts	<u>1,835,710</u>	<u>1,540,700</u>	<u>295,010</u>	<u>119.1</u>
Administrative and General				
Administrative and general salaries	710,282	571,494	138,788	124.3
Office supplies and expense	277,440	153,225	124,215	181.1 (5)
Outside services employed	237,010	621,637	(384,627)	38.1 (6)
Insurance	141,787	141,380	407	100.3
Employee Benefits	2,264,433	1,351,869	912,564	167.5
Miscellaneous general	446,266	304,459	141,807	146.6
Total Administrative and General	<u>4,077,218</u>	<u>3,144,063</u>	<u>933,155</u>	<u>129.7</u>
Total Operating Expenses	<u>50,511,872</u>	<u>44,127,941</u>	<u>6,383,931</u>	<u>114.5</u>
Depreciation	2,597,835	2,134,116	463,719	121.7
Total Operating Expenses	<u>\$ 53,109,707</u>	<u>46,262,057</u>	<u>6,847,650</u>	<u>114.8</u>
Operating Income	<u>\$ 6,080,066</u>	<u>6,428,777</u>	<u>(348,712)</u>	<u>94.6</u>

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance due to increased penalty fees collected, penalty fees were put on hold during most of 2020 and beginning of 2021 during the pandemic.
- (2) Variance due to less overhead line, underground line, metering, and misc. distribution expenses from Dec 2021 to Dec 2022.
- (3) Variance due to less maintenance costs of general plant, distribution plant, and the building operations center from Dec 2021 to Dec 2022.
- (4) Variance due to less customer records and collection agency expenses from Dec 2021 to Dec 2022.
- (5) Variance due to the increase of cost for expenses from Dec 2021 to Dec 2022.
- (6) Variance due to AEMFS and HR consulting expenses has decreased from Dec 2021 to Dec 2022.

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE**

1.00

	YTD Actual 12/31/2022	YTD Budget 12/31/2022	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 6,605,809	5,508,017	1,097,792	119.9
Forfeited Discounts	23,504	18,689	4,815	125.8
Total Operating Revenues	6,629,313	5,526,706	1,102,607	120.0
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	663,758	663,217	541	100.1
Pumping and distribution maintenance	482,379	772,438	(290,059)	62.4 (1)
Power for pumping	342,270	406,440	(64,170)	84.2
Maintenance of general plant	80,606	81,264	(658)	99.2
Total Operation and Maintenance	1,569,013	1,923,359	354,346	81.6
Customer Accounts				
Meter Reading	74,913	98,303	(23,390)	76.2
Customer records and collection	255,640	258,327	(2,687)	99.0
Energy conservation	3,391	-	3,391	#DIV/0!
Total Customer Accounts	333,944	356,630	22,686	93.6
Administrative and General				
Administrative and general salaries	433,018	605,389	(172,371)	71.5 (2)
Office supplies and expense	75,445	167,195	(91,750)	45.1 (3)
Outside services employed	136,037	268,585	(132,548)	50.6 (4)
Insurance	47,262	55,712	(8,450)	84.8
Employee Benefits	968,255	779,768	188,487	124.2
Miscellaneous general	243,823	216,498	27,325	112.6
Total Administrative and General	1,903,841	2,093,147	189,306	91.0
Total Operation, Customer, & Admin Expenses	3,806,798	4,373,136	566,338	87.0
Depreciation	1,860,949	1,754,174	106,775	106.1
Total Operating Expenses	\$ 5,667,747	6,127,310	459,563	92.5
Operating Income	\$ 961,566	(600,604)	1,562,170	(160.1)

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance due to less maintenance expenses for pumping equipment, valves, meters, and hydrants than budgeted for through Dec 2022.
- (2) Variance due to less office supplies and expenses purchased than budgeted for through Dec 2022.
- (3) Variance due to less outside service expenses than budgeted for through Dec 2022.
- (4) Variance due to less outside service expenses than budgeted for through Dec 2022.

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
For period ending December 31, 2022

	2022	2021	2021 - 2022	
			Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Water	6,605,809	6,597,853	7,956	100.1
Forfeited Discounts	23,504	12,682	10,822	185.3
Uncollectible accounts	-	-	-	#DIV/0!
Total Operating Revenues	6,629,313	6,610,535	18,778	100.3
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	663,758	608,726	55,032	109.0
Pumping and distribution maintenance	482,379	578,202	(95,823)	83.4
Power for pumping	342,270	328,994	13,276	104.0
Maintenance of general plant	80,606	47,251	33,355	170.6
Total Operation and Maintenance	1,569,013	1,563,173	5,840	100.4
Customer Accounts				
Meter Reading	74,913	73,395	1,518	102.1
Customer records and collection	255,640	196,525	59,115	130.1
Energy conservation	3,391	4,155	(765)	81.6
Total Customer Accounts	333,944	274,075	59,869	121.8
Administrative and General				
Administrative and general salaries	433,018	379,982	53,036	114.0
Office supplies and expense	75,445	46,013	29,432	164.0
Outside services employed	136,037	320,974	(184,937)	42.4 (1)
Insurance	47,262	47,127	136	100.3
Employee Benefits	968,255	735,851	232,404	131.6
Miscellaneous general	243,823	319,241	(75,418)	76.4
Total Administrative and General	1,903,841	1,849,188	54,652	103.0
Total Operating Expenses	3,806,798	3,686,436	120,361	103.3
Depreciation	1,860,949	1,450,971	409,978	128.3
Total Operating Expenses	5,667,747	5,137,407	530,339	110.3
Operating Income	\$ 961,566	\$ 1,473,127	(511,561)	65.3

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

(1) Variance due to less outside service expenses needed in Dec 2022 than Dec 2021.



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 *[Signature]*
 FROM: Joseph D. Adams, Planning & Engineering Director *Joseph D Adams*
 SUBJECT: Lateral Water Main Equivalent Charge Policy and Past Projects
 DATE: March 1, 2023

ISSUE

Recently, on January 3, 2023, the Commission approved Resolution #2023-02 setting the inflation index to be used for all past and future projects under the Lateral Water Main Equivalent Charge (LWMEC) policy. Communications were sent to the affected property owners on two of the past projects and some concerns were raised in response.

BACKGROUND

The attached resolutions adopted the general policy and applied the policy to two specific projects for setting lateral water main equivalent charges for properties identified as eventually benefitting from installation of a trunk water main project within or adjacent to their properties based on the Commission's adopted Water Main Design Criteria. The Commission exercised their authority under state statute Chapter 444 with fees designed to be collected when such properties connect to the municipal water system and fulfill all other requirements related to taking water service.

The original policy provided for indexing fees for inflation but did not define a specific index. The most recent resolution modified the policy to set the index and granted a waiver period to the affected property owners for a one-time opportunity to pay their fee without any interest being added from the date of setting the fee to July 1, 2023. After July 1, 2023, then the interest rate published in the selected index as of the date the fees were originally set would be applied going forward from July 1, 2023. The Commission effectively waived all interest prior to July 1, 2023.

Also attached are staff memos that were presented to the Commission at the time of the CR 79 water main project, a letter from the Hillwood Estates neighborhood affected by that project and minutes of related Commission meetings.



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

DISCUSSION

Staff has been contacted by multiple property owners with questions and concerns on the policy in general and specifically how it is being applied to their property. Staff has attempted to answer those questions, and some property owner concerns remain.

A letter from staff was recently hand delivered to the 16 affected property owners for the two projects, the CR 79 and Jennifer Lane projects informing them of the intent to review the policy and those two past projects at the March 6, 2023, Commission meeting so that if desired they may choose to attend and participate in the discussion and directly address the Commission with their remaining concerns.

REQUESTED ACTION

Staff requests the Commission review the LWMEC policy resolutions and past project resolutions and determine if any adjustments are desired.

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

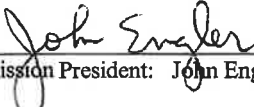
WHEREAS, the Shakopee Public Utilities Commission has concluded that in certain cases, the process established in Minn. Stat. Chapter 444 should be utilized to pay for the equivalent lateral water main construction costs associated with specific water main installations; and

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 1st day of August, 2005.


Commission President: John Engler

ATTEST:

Commission Secretary: Kent Archard

RESOLUTION #816

A RESOLUTION APPROVING A WATER MAIN CONSTRUCTION PROJECT, AND DETERMINING ITS LATERAL WATER MAIN EQUIVALENCY, DESCRIBED AS:

COUNTY ROAD 79 WATER MAIN FROM
WESTCHESTER ESTATES TO HILLWOOD DRIVE
(FRONTING ALONG A PORTION OF THE HILLWOOD ESTATES ADDITION)

WHEREAS, the Shakopee City Council, Scott County and Shakopee School District have agreed to construct certain public improvements in the County Road 79 right of way, and

WHEREAS, the Shakopee Public Utilities Commission desires to install a 12-inch water main concurrent with the other improvements to further coordination of all of the improvements and to avoid the inevitable complications that would result from installing the water main at a future date, and

WHEREAS, there are cost savings to have the water main construction be a part of the improvements, and

WHEREAS, the Shakopee Public Utilities Commission has previously adopted policies to ensure the eventual recovery of lateral water main equivalent costs of trunk water mains and the funding of trunk water main over sizing costs, and

WHEREAS, the estimated cost of the 12-inch water main construction is \$79,680.43, and

WHEREAS, the estimated cost of a lateral water main equivalent to a 10-inch water main, the minimum size required to serve the north to south flow requirement of the adjoining property of the Hillwood Estates Addition per the Shakopee Public Utilities Commission's adopted water main design criteria, is \$64,747.93, and

WHEREAS, the area of the land in the Hillwood Estates Addition that is receiving the benefit of the lateral water main equivalent is 25.12 acres, and

WHEREAS, the estimated cost of the trunk water main over sizing from the 10-inch lateral water main to the 12-inch trunk water main is \$14,932.50.

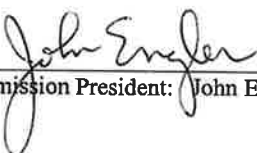
NOW THEREFORE, BE IT RESOLVED, that the CR 79 water main project is hereby approved.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the properties in the Hillwood Estates Addition when those properties request water service, and the fee shall be \$2,577.54 per acre, and

BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

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


Commission President: John Engler

ATTEST:


Commission Secretary: Kent Archerd

City of Shakopee					Cost Opinion		
Watermain From Westchester to Hillwood Dr							
WSB Project No. 1634-00					6/1/2005		
Watermain							
1	Connect to Existing Watermain	EA	1	\$2,100.00	\$2,100.00		
2	12" Gate Valve and Box	EA	1	\$1,643.00	\$1,643.00		
3	6" DIP Class 52	LF	15	\$16.80	\$252.00		
4	12" DIP Class 52	LF	596	\$31.65	\$18,863.40		
5	30" Steel Casing Pipe (Open Cut)	LF	210	\$123.00	\$25,830.00		
6	Hydrant with Valve	EA	1	\$3,420.00	\$3,420.00		
7	Watermain Fittings	LB	3,540	\$1.65	\$5,841.00		
					Subtotal	\$57,949.40	
					+10% Contingency	\$5,794.94	
					Subtotal	\$63,744.34	
					+25% Engineering, Admin. Overhead	\$15,936.09	
					Total	\$79,680.43	

City of Shakopee					Cost Opinion		
Watermain From Westchester to Hillwood Dr (Oversizing from 10" to 12")							
WSB Project No. 1634-00					6/20/2005		
Watermain							
1	Connect to Existing Watermain	EA	1	\$2,100.00	\$2,100.00		
2	10" Gate Valve and Box	EA	1	\$1,525.00	\$1,525.00		
3	6" DIP Class 52	LF	15	\$16.80	\$252.00		
4	10" DIP Class 52	LF	596	\$29.90	\$17,820.40		
5	22" Steel Casing Pipe (Open Cut)	LF	210	\$82.00	\$17,220.00		
6	Hydrant with Valve	EA	1	\$3,420.00	\$3,420.00		
7	Watermain Fittings	LB	2,880	\$1.65	\$4,752.00		
					Subtotal	\$47,089.40	
					+10% Contingency	\$4,708.94	
					Subtotal	\$51,798.34	
					+25% Engineering, Admin. Overhead	\$12,949.59	
					Total	\$64,747.93	

Oversizing Cost Estimate for 10" to 12" from Westchester to Hillwood Dr		
	12" Watermain Cost	\$79,680.43
	- 10" Watermain Cost	\$64,747.93
	Oversizing Total	\$14,932.50

City of Shakopee
Watermain From Westchester to High School
WSB Project No. 1634-00


Cost Opinion
6/1/2005

Watermain

1	Connect to Existing Watermain	EA	1	\$2,100.00	\$2,100.00
2	10" Gate Valve and Box	EA	1	\$1,525.00	\$1,525.00
3	12" Gate Valve and Box	EA	1	\$1,643.00	\$1,643.00
4	10" DIP Class 52	LF	390	\$29.90	\$11,661.00
5	22" Steel Casing Pipe (Open Cut)	LF	100	\$82.00	\$8,200.00
6	Watermain Fittings	LB	1,010	\$1.65	\$1,666.50
Subtotal					\$26,795.50
+10% Contingency					\$2,679.55
Subtotal					\$29,475.05
+25% Engineering, Admn. Overhead					\$7,368.78
Total					\$36,843.81

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Lou Van Hout, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: CR 79 WATER MAIN

DATE: June 2, 2006

ISSUE

The CR 79 water main installation is complete and final construction costs are known. The Lateral Water Main Equivalent Charge (LWMEC) to the Hillwood Estates properties and the amount of over sizing to be funded out of the trunk water fund can now be determined.

The Hillwood Estates property owners have requested consideration of two items:

Item #1 - The casing pipe portion of the present project's cost.

Item #2 - The future project cost to extend water main along CR 79 further south to the southern plat boundary of Hillwood Estates.

BACKGROUND

Previously, the Commission adopted by resolution a policy of creating a project specific LWMEC when a trunk water main is installed past property prior to that property requesting water service. The LWMEC would only be collected in the event the property in question eventually requests water service. The LWMEC is based on the portion of the trunk water main cost that would normally be the lateral water main responsibility of that property per the adopted design criteria.

The first project where this policy is being applied is the 2005 CR 79 water main installed by Tollefson Development under an agreement with the City of Shakopee and Scott County to construct various public infrastructure improvements to the area surrounding the new High School and Tollefson's Countryside addition.

The Commission directed staff to communicate this new policy and how it is being applied to the affected property owners in the Hillwood Estates addition. After they



received the attached notice, I met with the property owners to answer questions they had concerning the project.

The property owners subsequently submitted their letter to the Commission asking for consideration.

We have verified that the final quantities times unit costs total a water main construction cost of \$57,493.35. Under the terms of the change order to add this work to the County/City project, also an 8% administrative and engineering fee is to be added to the construction costs equaling \$4,599.47. Finally, our inspection costs will total approximately \$3,000. Thus, the total cost of the water main is \$65,092.82.

The LWMEC including casing pipe is \$53,778.02 and the trunk water main over sizing cost is \$11,314.80. Of the total cost, the casing pipe cost is \$28,965.69. The lateral water main equivalent portion is \$19,310.46, including the 8% administrative and engineering charge and a prorated share of the inspection costs. The amount of casing pipe over sizing is \$9,655.23.

DISCUSSION

The property owners have two items of concern.

The first item is a request to reduce the amount of the applicable LWMEC. They do not believe it appropriate to include any of the installed casing pipe cost. Thus, they are asking for a reduction of the LWMEC from \$53,778.02 to \$34,467.56.

A portion of the water main was installed in a casing pipe. The casing pipe was a practical requirement made necessary by the steep grade change and presence of a large and lengthy retaining wall. It was staff's opinion that the water main would have been rendered inaccessible and not maintainable without the casing pipe. Installing the water main and casing pipe with the project allowed an open cut installation at a lower cost than if the water main and casing pipe were installed later on via directional drilling, with the retaining wall in place. In any case, a smaller casing pipe would have been required for a smaller diameter lateral water main. The Commission is picking up the additional cost of over sizing both the water main and the casing pipe.

The property owner's second item is a request for the Commission to require CJM Properties, owner of the parcel directly south of and adjacent to Hillwood Estates, to complete the extension of the CR 79 water main from Hillwood Drive south along the balance of Hillwood Estates to CJM Properties' parcel.

The Commission could choose to require CJM Properties to bear the lateral water main equivalent cost to extend water main the remaining distance across the southern portion

of Hillwood Estates. In similar situations in the past the Commission has required other developers requesting water service to install water main (even if it is "off-site") to make the necessary connections to make their project work on their timetable.

On the other hand, the new LWMEC policy adopted by the Commission is designed to give the Commission a means to deal with these situations as they arise with more frequency with the city's urban area stretching out to and past rural residential additions. Staff believes the policy is flexible enough to allow the Commission discretion on when it is applied.

The recent project was in conjunction with a joint Scott County and City of Shakopee road improvement project. The water main construction was added to save everyone additional costs that would have to be incurred to install the water main sometime after the road construction.

Further water main extension along CR 79 will be prior to another road improvement project. The water main extension will be necessary to serve the CJM Properties parcel with a looped system. The timing of this water main extension is dictated by CJM Properties desire to develop their parcel now.

To help facilitate the discussion, staff has prepared the attached illustrations to indicate what water main improvements would be required under present Commission policy for the following scenarios:

prior to the CR 79 project -

- A. Hillwood Estates property owners requesting water service;
- B. CJM Properties requesting water service;

and with the present condition after the 2005 CR 79 project -

- C. The ultimate system to serve both Hillwood Estates and CJM Properties.

CONCLUSIONS

1. Item #1 - The casing pipe is required to enable access to the water main as a result of the local site conditions. The Commission is paying the additional cost to oversize the casing pipe and the water main per the Trunk Water Policy. The lateral water main equivalent cost of the casing pipe is the responsibility of the benefiting property.
2. Item #2 - The Commission will be paying the additional cost to oversize this water main extension also. The lateral water main benefits both parties.

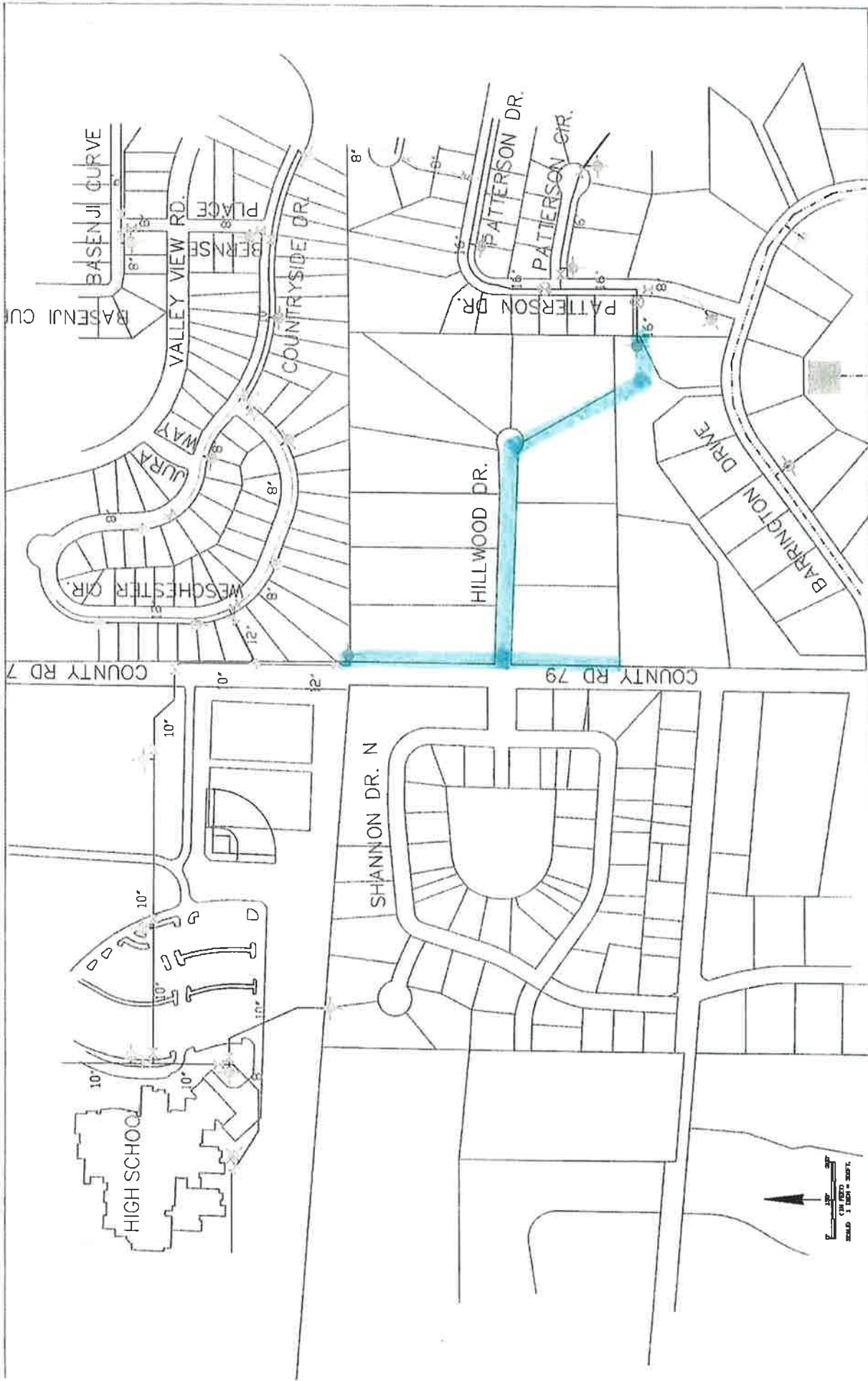
Staff recalls CJM Properties previously appeared before the Commission and offered to negotiate an equitable solution to the inevitable question of who should pay for the lateral water main equivalent cost. Staff has invited their representative to attend the Commission's June 5th meeting to participate in the discussion.

RECOMMENDATIONS

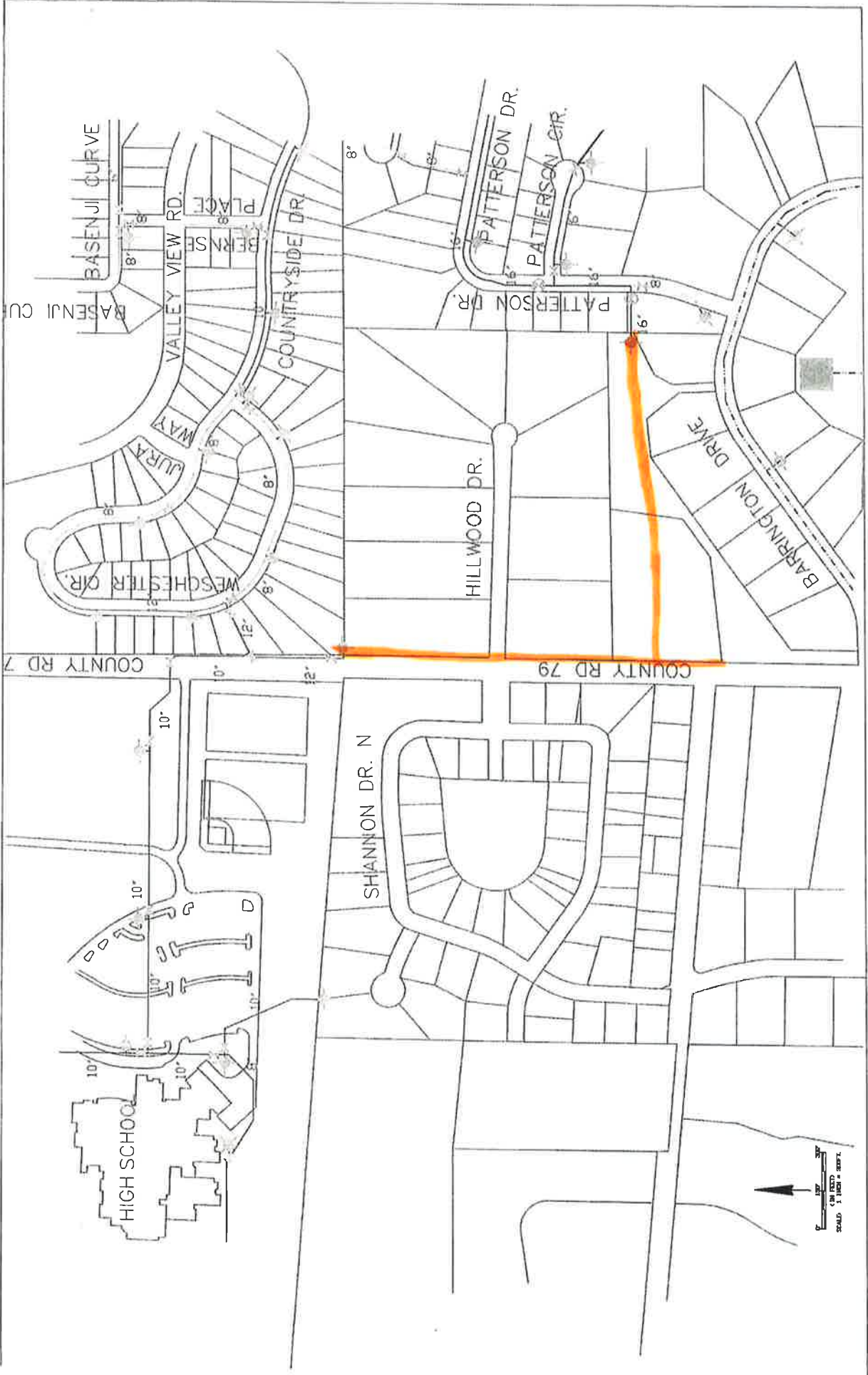
1. Staff recommends the Commission include the cost of the lateral equivalent casing pipe, installed under the retaining wall, in the Hillwood Estates 2005 CR 79 LWMEC.
2. Staff recommends the Commission require the cost for a future water main extension south of Hillwood Drive to the south boundary of Hillwood Estates be split 50/50 between CJM Properties and an additional LWMEC to the Hillwood Estates property owners.

ACTION REQUESTED

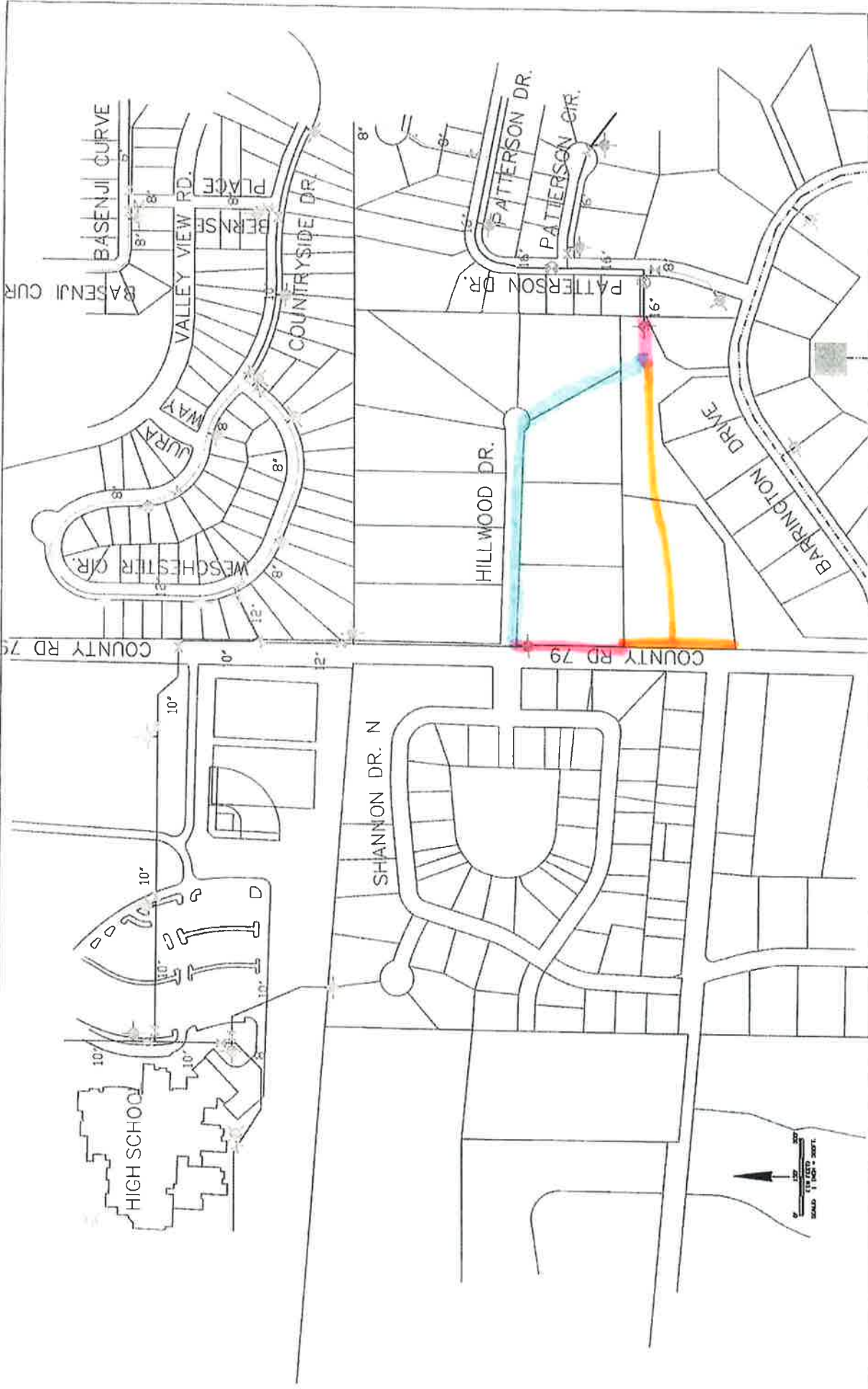
Reply to the two requests for consideration by the Hillwood Estates property owners so staff can take the appropriate steps to enforce the Commission's position.



A



B



C

Hillwood Estate Property Owners

April 14, 2006

Shakopee Public Utilities Commissioners

Regarding: County Road 79 Water Main

Dear Commissioners:

On August 1, 2005, the Shakopee Public Utilities Commission ("SPUC") passed Resolution #815 authorizing and establishing a fee for the equivalent lateral water main portion of a trunk water main project. Moreover, the SPUC passed Resolution #816 approving a water main construction project and determined its lateral water main equivalency. Hillwood Estate property owners were notified of such resolutions 6(+) months later via a letter dated February 13, 2006 by Planning and Engineering Director, Joseph Adams.

After reviewing the aforementioned letter in detail and conducting a meeting with Joseph Adams, the property owners of Hillwood Estate have several concerns, which are outlined below. These concerns are as follows:

1) It is our understanding the Cost Opinion of WSB Project No. 1634-00 is \$64,747.93. Although the cost estimate is based on the use of a 10" pipe size rather than the required 12" pipe size, it is our understanding a significant portion of the cost estimate (\$17,220) is directly related to special 22" steel casing pipe. Furthermore, it is our understanding this special steel casing pipe was required only as a result of the retaining wall constructed along the construction pathway. This retaining wall was required due to the county approved road improvement project directly related to the new Shakopee High School.

As property owners and taxpayers, we do not feel the steel casing pipe fees of \$17,220 for providing such lateral water main are just and equitable. This cost is not directly related to the objectives of the water main project, rather it is a result of several unrelated county and school district projects. Thus, we are asking the SPUC to pass a resolution removing the charges related to the special steel casing pipe of \$17,220 from resolution #816 passed on August 1, 2005.

2) On February 7, 2006, one week prior to the February 13th, 2006 letter notifying Hillwood Estate property owners of Resolution #815 and #816, the Shakopee City Council approved the rezoning of the CJM Property from Rural Residential (RR) to Urban Residential (R1B). The CJM Property referred to adjoins Hillwood Estates to the south. As you know, in order for the CJM Property to be developed, a north-south lateral water main will need to be installed from where the newly installed water main ends just south of Hillwood Drive to the CJM Property.

Although it is our understanding CJM Properties will incur costs in the installation of an east-west water main, we are asking the SPUC to require CJM Properties to pay the costs relating to the additional section of the north-south water main as this water main will directly and immediately benefit CJM Properties. Moreover, it is currently our


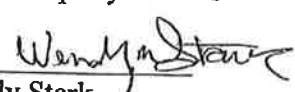
understanding that CJM Properties, in a prior meeting, has agreed to bear a portion of the costs associated with the water main project.

Nonetheless, we are requesting that you review the subject matter noted above. More specifically, we are asking for: 1) a resolution removing the charges for the steel casing pipe of \$17,220 from resolution #816 passed on August 1, 2005 as we feel the costs are unrelated to the objectives of the water main project, and; 2) a resolution requiring CJM Properties, as the immediate and direct beneficiary of said project, to pay for costs relating to the next section of the north-south water main from Hillwood Drive to the CJM Property.

We understand this is a unique and complicated issue for all parties involved. We would greatly appreciate your consideration in this matter as we feel our requests are prudent, just and equitable. Thank you for your time and consideration.

Sincerely,

Hillwood Estate Property Owners





Robert & Wendy Stark



Brian & Cynthia Mandt



Michael & Paulette Rislund

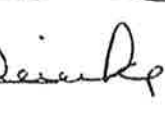


Thomas & Anita Wermerskirchen



Gary & Mary Pauly

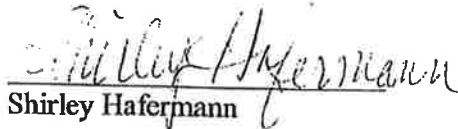




Tracy & Audriane Kubista



Thomas & Sandra Weirke



David & Karen Moonen


Shirley Hafermann



Andrew & Linda Chmiel

February 13, 2006

Hillwood Estates Property Owners

RE: COUNTY ROAD 79 WATER MAIN

Dear Property Owner:

As you are probably aware, there was a public improvement project in 2005 to install a water main alongside a portion of the Hillwood Estates plat. This water main project is being constructed with the County Road 79 road improvement project currently underway from Hillwood Drive north to Highway 169.

The Shakopee Public Utilities Commission concluded that it would be more cost effective to have a 12-inch diameter trunk water main installed at this time.

Standard water main design criteria requires property owners requesting water service to install lateral water main pipes completely across their property in two directions (north to south and east to west). The application of this when water is supplied to Hillwood Estates would require a 10-inch diameter pipe alongside of County Road 79 north of Hillwood Drive to the north end of the plat, an 8-inch water main alongside of County Road 79 south of Hillwood Drive in parallel with an 8-inch water main alongside an interior lot line from the east end of Hillwood Drive to the south end of the plat, an 8-inch water main alongside of Hillwood Drive from County Road 79 to the east end of Hillwood Drive, and an 8-inch water main alongside of the south end of the plat at the east end of the plat.

The current project is fulfilling a portion of the requirements as they apply to the Hillwood Estates properties.

To address the situation, the Utilities Commission adopted the enclosed resolutions approving the policy of collecting in the future a fee for the lateral water main equivalent portion of a trunk water main installed prior to property requesting water service, and specifically how this policy and this project affects properties in the Hillwood Estates plat. It is important to note that the lateral water main equivalent fee will only apply if and when the properties in Hillwood Estates request municipal water service. As explained above, all properties requesting water service must meet certain requirements established by Utilities Commission policy.

It is the Utilities Commission's desire to inform you of this action at this time, although no fees are due now. When the properties in Hillwood Estates request municipal water service the lateral water main equivalent fee (adjusted for inflation) will be due, and

construction of standard lateral water main will be necessary to meet the design criteria. Standard Trunk Water and Connection charges will also have to be paid.

If you have any questions concerning this information, you may call me at 952-233-1501. I am available to meet with property owners individually or in a group setting if desired, to explain how this project affects properties in the Hillwood Estates plat.

Sincerely,

Joseph D. Adams
Planning & Engineering Director

enclosures

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Engler called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities Meeting room at 5:00 P.M., June 5, 2006.

MEMBERS PRESENT: Commissioners Engler, McGowan, Miller and Mars. Also present Liaison Joos, Manager Van Hout, Planning & Engineering Director Adams, Line Superintendent Athmann, and Water Superintendent Crooks. Commissioner Lynch was absent as previously advised.

Motion by McGowan, seconded by Miller to approve the minutes of the May 15, 2006 adjourned regular meeting. Motion carried.

Commissioner Mars thanked the Commission for acknowledging the recent passing of a family member.

Motion by Miller, seconded by McGowan to approve the agenda as presented. Motion carried.

Mr. Engler stated that the Consent Items were: item 8a1: The 13 Month Nitrate Report, and item 8a3: Rescind Special Water Use Restrictions on Eagle Creek Preserve Addition.

Motion by Miller, seconded by McGowan to approve the Consent Business as presented. Motion carried.

Bills read:

Aarrow Mailing Service	\$1,700.00
AIMS First Aid Supplies	224.40
Tom Altman	250.00
Apple Ford of Shakopee	49.75
ARAMARK Refreshment Services Inc.	84.95
Arrow Ace Hardware	622.55
B&B Transformer Inc.	1,970.25
Best Express Delivery Inc.	200.00
Bill's Toggery Inc.	99.96
Border States Electric Supply	4,113.37
Dave Bremer	265.00
Bro-Tex Inc.	145.52
Michael Buboltz	150.00

Burmeister Electric Co.	47.13
Trey Cain	791.89
Carlson Building Services Inc.	3,035.25
Centerpoint Energy	517.18
Cintas Corp.	444.70
Citizens State Bank/Acclaim Benefits	374.08
City of Shakopee	12.43
City of Shakopee	288,960.76
City of Shakopee	116,000.00
City of Shakopee	2,015.56
Coordinated Business Systems Ltd	873.83
CPS Technology Solutions	1,643.41
Deputy Registrar # 135	1,216.13
Dick's/Lakeville Sanitation Inc.	144.30
Dressen Oil Co.	548.09
Dueco Inc.	1,353.65
Jason D. Eimermann	100.00
Elk River Ford Inc.	18,102.00
Fasternal Company	596.80
Fifth Street Ventures	2,319.76
Kaye Fleming	100.00
Steven Forslund	150.00
Assurant Employee Benefits	1,565.48
General Security Services Corp.	95.01
Genuine Parts Co.	4.45
Graybar Electric Company Inc.	301.99
Homer Guimond	50.00
Kevin & Julie Hanson	150.00
Hawkins Inc.	636.12
Hennen's Shell	87.52
Hercules Industries Inc.	1,817.00
Brent Hohmann	173.23
J Berd Mechanical Contractors Inc.	370.00
J J Keller & Assoc. Inc.	57.10
JT Services	2,239.00
Kennedy & Graven, Chartered	28.50
Forrest & Sharon King	50.00
Kosse Studio	90.53
Jerome E. Kuennen	855.51
Lariat Companies Inc.	1,303.85
Lloyd's Construction Services	345.50

Locators & Supplies Inc.	497.15
M E Simpson Co.,Inc.	10,405.00
Magney Construction Inc.	99,078.58
Master Mechanical Inc.	2,004.95
Metro Sales Inc.	102.64
Minn. Dept. of Health	11,729.00
Minn. Valley Testing Labs Inc.	287.50
Minnesota Life	841.33
Minnesota Pipe & Equipment	687.04
MN Child Support Payment Center	1,809.50
Motor Parts Service Co, Inc.	239.08
Linda Nagel	100.00
NCPERS Group Life Insurance	124.00
Bernie Neu	200.00
Nextel Communicaitons	382.26
Chris Nigbur	250.00
Northern Safety Technology	1,874.77
Northern Star Council BSA	221.00
Donald Overbey	23.00
Patchin Messner & Dodd	337.50
Prairie Equipment Co., LLC	926.55
Michael Punt	100.00
R W Beck Inc.	4,030.30
RDO Equipment Co.	95,057.18
Retrofit Recycling	61.08
Rice Lake Contracting Group	105,196.85
S & T Office Products Inc.	1,053.99
Schoell & Madson Inc.	41,276.17
Scott County Treasurer	136.50
Shakopee Post Office	39.00
Short Elliott Hendrickson Inc.	166.12
Mayur N. Shukla	250.00
Chad & Joey Skogrand	150.00
Robert Skorczewski	250.00
Star Tribune	66.69
Techline, Ltd.	340.39
Eugene & Christine Theis	100.00
Thompson Publishing Group Inc.	204.95
Stephen Todd	265.00
Wisc. Support Collections Trust Fund	75.00
Josh Trujillo	150.00

United Services Group	629.81
Valley Rich Co., Inc.	8,677.46
Verizon Wireless	25.62
Stephanie Vigen	200.00
Waldoch Custom Centers	457.00
Ryan Wermerskirchen	131.90
WESCO	2,319.74
Wunderlich-Malec	27,565.82
Xcel Energy	1,267.98
Yarusso's Hardware Co.	370.71
Zack's Inc.	241.46
American Cancer Society, Relay for Life	150.00
Kent Archerd	350.59
Arrow Ace Hardware	79.98
Douglas Eggl	153.97
Jerome E. Kuennen	495.00
Thomas R. Lacina	275.46
Steve Massie	299.94
Shakopee Public Utilities	360.00
Jody Swedberg	191.80
Lou Van Hout	19.97

Motion by Miller, seconded by McGowan to approve the warrant listing dated June 5, 2006 as presented. Motion carried.

Liason Joos reported that the city has seen a decline in residential permits, but that Shakopee remains one of the housing leaders in the metro area..

Item 8a1: 13 Month Nitrate Report (Advisory), was received under Consent Business.

Mr. Adams provided an overview of the 2005 CR79 Water Main project. Several property owners from the Hillside Estates Addition were present and addressed their desire to have the cost of the watermain casing removed from the allocated cost, and regarding future extension costs. The reasons for the need of that casing were reviewed.

The consensus of the Commission was to include the cost of the lateral equivalent casing pipe in the 2005 CR 79 LWMEC.

Item 8a3: Rescind Special Water Use Restrictions on Eagle Creek Preserve Addition, was received under Consent Business.

Mgr. Van Hout noted the May 14, 2006 letter from the City of Savage regarding the supply of water between Shakopee and Savage.

Mr. Crooks provided an update on the neighborhood meeting held on June 1, 2006 regarding the Wells/Pumphouse #16 & 17 project.

Mr. Adams reported that the attorney is in the process to recording a deed for the site of the new substation near the future location of County Road 21.

Motion by Miller, seconded by McGowan, to offer Resolution #844. A Resolution Establishing A Load Curtailment Program. Ayes: Commissioners Miller, Mars, McGowan and Engler. Nay: none. Motion carried. Resolution passed.

The collection of the Prior Lake Franchise Fee was discussed.

Motion by Miller, seconded by McGowan to approve the collection of the Prior Lake Franchise Fee from the accounts that fall within the jurisdiction of this ordinance. Motion carried.

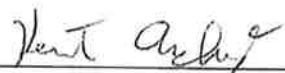
Motion by Mars to send a bill to the City of Prior Lake for the yearly administrative costs of collection for the Prior Lake Franchise Fee. Motion was not seconded.

Mr. Engler noted that the date for the MMPA Annual Dinner has been changed to July 27, 2006.

Mgr. Van Hout provided an update on the Marketing Director position.

Mr. McGowan noted a change needs to be made to a sign on the City Hall bill drop box that references the location of the SPUC offices. Also noted was a comment on the possibility of streamlining the recorded message that directs the incoming calls to the Utilities.

Motion by McGowan, seconded by Engler to adjourn to the June 19, 2006 meeting. Motion carried.



Commission Secretary: Kent Archerd

OK

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Lou Van Hout, Utilities Manager
FROM: Joseph D. Adams, Planning & Engineering Director
SUBJECT: COUNTY ROAD 79 WATERMAIN
DATE: August 4, 2006



ISSUE

The final costs of the project, including the lateral watermain and trunk watermain oversizing are summarized on the attached worksheet. The Commission can now establish the lateral watermain equivalent fee for the Hillwood Estates properties and the amount of trunk watermain oversizing payment for this project.

BACKGROUND

The total cost of the 12-inch watermain was \$65,592.82. An equivalent 10-inch lateral watermain cost would be equal to \$54,511.80. Thus the oversizing cost is equal to \$11,081.02.

These costs are based on measured quantities at the contract prices. The total cost is approximately 18% less than the engineer's estimated cost of \$79,680.43. This is primarily due to lower than estimated engineering, administrative and inspection costs.

Staff previously advised the Hillwood Estates property owners via the attached letter that the Commission would most likely be adopting the final cost split at their August 7th meeting.

DISCUSSION

The total cost of the watermain will be paid out of the trunk watermain fund.

If and when the Hillwood Estates properties request water service, in addition to all other standard requirements, the property owners will have to pay the lateral watermain equivalent fee to reimburse the trunk water fund before receiving service. Staff has developed an administrative procedure to ensure the fees are collected prior to providing water service.



The net area within the Hillwood Estates plat that benefits from the CR 79 watermain is equal to 25.12 acres. Thus, the lateral watermain equivalent fee is equal to \$2,170.10 per acre.

RECOMMENDATION

Staff recommends the Commission adopt Resolution #851 to set the lateral watermain equivalent fee, and Resolution #852 to approve the trunk watermain oversizing payment.

REQUESTED ACTION

Staff requests the Commission adopt Resolutions #851 and #852.

**12" Trunk Watermain Connection along Co.Rd. 79
(South of Westchester Estates)**

Material/Description	Quantity	Unit	Price per Unit	Total Price
30" RCP CL-3 Casing (Open Cut)	208	Lin. Ft.	\$ 123.00	\$ 25,584.00
12" Gate Valve & Box	1	Each	\$ 1,643.00	\$ 1,643.00
Hydrant & 6" Gate Valve & Box	1	Each	\$ 3,420.00	\$ 3,420.00
Connect to Ex. Water main	1	Each	\$ 2,100.00	\$ 2,100.00
Install (Salvaged) Hydrant & Valve	1	Each	\$ 2,500.00	\$ 2,500.00
6" Water main DIP CL 52	15	Lin. Ft.	\$ 16.80	\$ 252.00
12" Water main DIP CL 52	599	Lin. Ft.	\$ 31.65	\$ 18,958.35
Ductile Iron Fittings	1840	Lbs.	\$ 1.65	\$ 3,036.00
TOTAL COST:				\$ 57,493.35
	Quantities Per		Prices per	
	Schoell Madson:Fx4.17.06		Tollefson:Fx5.12.06	
8% Engineering, Admin, Overhead				\$ 4,599.47
Inspection costs				\$ 3,500.00
GRAND TOTAL COST:				\$ 65,592.82

**10" Lateral Watermain Cost Equivalency
(Unit prices per WSB/Tollefson)**

Material/Description	Quantity	Unit	Price per Unit	Total Price
22" RCP CL-3 Casing (Open Cut)	208	Lin. Ft.	\$ 82.00	\$ 17,056.00
10" Gate Valve & Box	1	Each	\$ 1,525.00	\$ 1,525.00
Hydrant & 6" Gate Valve & Box	1	Each	\$ 3,420.00	\$ 3,420.00
Connect to Ex. Water main	1	Each	\$ 2,100.00	\$ 2,100.00
Install (Salvaged) Hydrant & Valve	1	Each	\$ 2,500.00	\$ 2,500.00
6" Water main DIP CL 52	15	Lin. Ft.	\$ 16.80	\$ 252.00
10" Water main DIP CL 52	599	Lin. Ft.	\$ 29.90	\$ 17,910.10
Ductile Iron Fittings	1497	Lbs.	\$ 1.65	\$ 2,470.05
TOTAL COST:				\$ 47,233.15
	Quantities Per		Prices per	
	Schoell Madson:Fx4.17.06		Tollefson:Fx5.12.06	
8% Engineering, Admin, Overhead				\$ 3,778.65
Inspection costs				\$ 3,500.00
GRAND TOTAL COST:				\$ 54,511.80

Oversizing Cost for 10" to 12" from Westchester to Hillwood Drive	
12" Watermain Cost:	\$ 65,592.82
- 10" Watermain Cost:	\$ 54,511.80
Oversizing Total:	\$ 11,081.02

Date: August 4, 2006



SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

July 13, 2006

Hillwood Estates Property Owners

RE: COUNTY ROAD 79 WATER MAIN

Dear Property Owner:

This is to inform you of our intent to bring this matter back to the Utilities Commission at their August 7, 2006 meeting.

At that meeting, staff will be asking the Utilities Commission to consider adopting resolutions adopting the actual lateral water main equivalent fees and trunk water main over sizing costs.

Actual project costs appear to be approximately 25% less than what was estimated last year prior to construction.

If you have any questions concerning this information, you may call me at 952-233-1501.

Sincerely,

Joseph D. Adams
Planning & Engineering Director

RESOLUTION #851

A RESOLUTION APPROVING LATERAL WATERMAIN
EQUIVALENCY FEE FOR COUNTY ROAD 79 WATERMAIN PROJECT
FROM WESTCHESTER ESTATES TO HILLWOOD DRIVE

WHEREAS, the Shakopee Public Utilities Commission previously authorized the installation of a 12-inch trunk watermain project concurrent with other improvements relating to County Road 79; and

WHEREAS, by Resolution #815 the Shakopee Public Utilities Commission established a fee to recover the equivalent lateral watermain portion of a trunk watermain project; and

WHEREAS, Resolution #815 states that the lateral watermain fee shall be calculated based on the actual cost for construction of the watermain with consideration of the equivalent lateral watermain portion of any oversize trunk watermain project; and

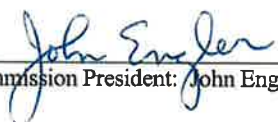
WHEREAS, by Resolution #816 the Shakopee Public Utilities Commission established the lateral watermain equivalent fee to be charged to the Hillwood Estates Addition for the County Road 79 trunk watermain project based on the estimated cost of the project; and

WHEREAS, the Shakopee Public Utilities Commission now knows the actual cost of construction of the project.

NOW, THEREFORE BE IT RESOLVED by the Shakopee Public Utilities Commission that the lateral watermain equivalent fee for Hillwood Estates is established and approved at \$2,170.10 per acre based on the actual cost for the construction of the watermain.

BE IT FURTHER RESOLVED that the portion of Resolution #816 establishing the lateral watermain equivalent fee for Hillwood Estates based on the estimated cost of the project is superseded.

Passed in regular session of the Shakopee Public Utilities Commission, this 7th day of August, 2006.


Commission President: John Engler

ATTEST:


Commission Secretary: Kent Archerd

RESOLUTION #852

A RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING
COSTS ON THE WATERMAIN PROJECT:

COUNTY ROAD 79 WATERMAIN FROM
WESTCHESTER ESTATES TO HILLWOOD DRIVE

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by WSB & Associates, Inc., and

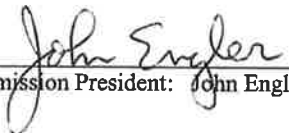
WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.


NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$11,081.02, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 7th day of August, 2006.


Commission President: John Engler

ATTEST:


Commission Secretary: Kent Archard

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Engler called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities Meeting room at 5:00 P.M., August 7, 2006.

MEMBERS PRESENT: Commissioners Engler, McGowan, and Miller. Also present Liaison Joos, Manager Van Hout, Planning & Engineering Director Adams, Water Superintendent Crooks and Marketing/Key Account Director Petrich. Commissioners Lynch and Mars were absent as previously advised.

Motion by Miller, seconded by McGowan to approve the minutes of the July 17, 2006 adjourned regular meeting. Motion carried.

There were no communications.

Motion by McGowan, seconded by Miller to approve the agenda as presented. Motion carried.

Mr. Engler stated that the Consent Item was: item 8a2: The 13 Month Nitrate Report (Advisory).

Motion by McGowan, seconded by Miller to approve the Consent Business as presented. Motion carried.

Bills read:

Ashley Born Tauer & Hennepin Technical	\$500.00
Justin Huth	94.34
Thomas R. Lacina	159.31
Steve Massie	142.40
Jody Swedberg	169.10
Aarrow Mailing Service	1,001.52
ABM Equipment & Supply, Inc.	95.66
Acclaim Benefits	236.90
All Star Wireless	208.11
Sherri Anderson	20.25
ARAMARK Refreshment Services Inc.	164.95
Arrow Ace Hardware	281.24
Avant Group LLC	256.25
B&B Transformer Inc.	1,851.82
Batteries Plus	187.41
Robert Beckrich	15.00
Terri Benick	150.00
Bentz Construction Inc.	8,720.00

Jay T. Berken	490.00
Best Express Delivery Inc.	456.00
Bill's Toggery Inc.	1,369.52
Blue Cross Blue Shield of MN	31,046.00
Border States Electric Supply	403.64
Tim & Kara Bresnahan	100.00
Carlson Building Services Inc.	3,035.25
Centerpoint Energy	196.68
Cintas Corp.	379.60
Citizens State Bank/Acclaim Benefits	1,797.65
City of Shakopee	6,797.82
City of Shakopee	319,817.80
City of Shakopee	116,000.00
City of Shakopee	4,424.33
Continental Safety Equipment	235.05
Coordinated Business Systems Ltd.	94.03
John Crooks	59.50
Customer Contact Services	923.71
D E Cole & Associates	197.50
De Lage Landen Financial Services	184.12
Delta Dental Plan of MN	3,283.46
Dick's/Lakeville Sanitation Inc.	144.64
Dressen Oil Co.	2,006.41
Scott Dunning	100.00
E H Renner & Sons, Inc.	24,538.27
Scott Eickholt	44.06
ESRI	900.00
Fasternal Co.	184.15
Ferrellgas	744.56
Assurant Employee Benefits	1,690.42
Danelle Gantriis	200.00
Laura M. Geis	100.00
Gopher State One-Call Inc.	1,532.14
Graybar Electric Co., Inc.	4,096.49
Great River Energy	340.00
Jean/Larry Hageman	100.00
Hawkins Inc.	10,068.04
Heartland Tire	555.08
Hennen's Shell	316.48
Pete Hertzke	100.00
Hewlett-Packard Co.	9,074.87
Nancy Huth	22.70
Kaeding & Associates Inc.	4,292.00
Leo & Cindy Katzner	250.00

Kennedy & Graven, Chartered	270.00
KLM Engineering Inc.	1,232.00
Kohlrusch, Scott Carver Abstract Co.	2,775.20
Lorie Kortgard	15.00
Melissa Kraft	250.00
Thomas R. Lacina	126.38
Linde's Green Houses	82.00
Lloyd's Const. Services	345.50
Locators & Supplies Inc.	303.69
Mark Luukkonen	50.00
Charline G. Macomber	100.00
Giovanni Massard	100.00
Steve Massie	97.01
Joel R. McDowell	250.00
McGrann Shea Anderson Carnival Straughn & Lamb	2,277.01
Metro Brush & Supply Co.	151.87
Metro Sales Inc.	191.22
Metrotech Corp.	625.42
Jim Meuwissen	250.00
Minn. Valley Testing Labs Inc.	332.25
MN Child Support Payment Center	1,809.50
Motor Parts Service Co., Inc.	81.23
John & Debra Mullen	150.00
NCPERS Group Life Ins.	124.00
Nexus Information Systems	2,378.15
Northern States Power Co.	3,645.78
David & Sally Pasco	265.00
Borrappa Prathum	100.00
Qwest Dex	7.20
R W Beck Inc.	803.37
Sharon Raines	110.00
RESCO	176.85
S&T Office Products Inc.	2,283.79
Sandalwood Suites	89.11
Thomas Scherer	150.00
Schilz Ornamental Iron Inc.	1,272.70
Schoell & Madson Inc.	27,366.22
Mark & Karla Schwertfeger	100.00
SDDI Signsystems	19.17
Shakopee Dodge	100.00
Sherwin Williams	53.48
Brian Spott	100.00
Shakopee Public Utilities	315.00

Jody Swedberg	104.58
Marvin R. Theis	250.00
TKDA & Assoc. Inc.	232.49
Wisc. SCTF	75.00
USA Blue Book	128.53
Utilities Plus Energy Services	4,141.30
Lou Van Hout	175.22
Verizon Wireless	36.96
Viking Electric Supply Inc.	167.99
Virchow Krause & Co. LLP	6,689.00
Voyageur Asset Mgmt Inc.	6,709.91
Wells Fargo Bank MN NA	715.80
WESCO	3,475.46
Jay Willemsen	250.00
Yvette Wills	100.00
Ziegler Inc.	8,424.99
Citizens State Bank/ Stephen F. Kes	1,220,150.00

Motion by Miller, seconded by McGowan to approve the warrant listing dated August 7, 2006 as presented. Motion carried.

Liason Joos reported that the City Council approved the recommendation from the Telecommunications Council to put out an RFP for more information on WI/FI. Also work on Huber Park has begun.

Mr. Crooks reported that the water system performance has been able to meet the demand of the users and there have been no problems.

Item 8a2: 13 Month Nitrate Report (Advisory), was received under Consent Business.

Mr. Crooks presented the bid award for the portable power generation and distribution system to be used at the Valley Creek Crossing Booster Station.

Motion by McGowan, seconded by Miller to accept the proposal from Ziegler Power Systems for the purchase price of \$92,466.50 and authorize the purchase of the portable power generation and distribution system. Motion carried.

Motion by McGowan, seconded by Miller, to offer Resolution #853. A Resolution Setting The Amount Of The Trunk Water Charge, Approving Of Its Collection, Defining The Lateral Watermain Requirements And Authorizing Water Service To Certain Property Described As: Huber Park. Ayes: Commissioners Miller, McGowan and Engler. Nay: none. Motion carried. Resolution passed.

Motion by Miller, seconded by McGowan to offer Resolution #851. A Resolution Approving Lateral Watermain Equivalency Fee For County Road 79 Watermain Project From Westchester Estates To Hillwood Drive. Ayes: Commissioners Miller, McGowan and Engler. Nay: none. Motion carried. Resolution passed

Motion by McGowan, seconded by Miller to offer Resolution #852. A Resolution Approving Payment For Pipe Oversizing Costs On The Watermain Project: County Road 79 Watermain From Westchester Estates To Hillwood Drive. Ayes: Commissioners Miller, McGowan and Engler. Nay: none. Motion carried. Resolution passed

Mgr. Van Hout acknowledged the Southeast Area Water Service Report and noted that it would be discussed at an upcoming Commission meeting.

Mark Erickson from Hiawatha Broadband Communications provided a Wi-Fi/Broadband communications presentation. Bill Anderson of the Shakopee Cable Advisory Commission and Kris Wilson, Assistant City Administrator attended the presentation.

A memo by Mr. Athmann noting that the electric system performance has been able to meet the demands placed on it.

Mr. Adams reviewed his memo regarding the Pike Lake Substation site acquisition and the decision of the Eminent Domain Commission to award \$1,200,150 to Mr. Kes, which was the negotiated settlement amount.

Motion by Miller, seconded by McGowan to authorize the release of funds in the amount of \$1,220,150 to Mr. Stephen F. Kes in exchange for the deed to the property described on Exhibit A to the Award of Commissioners for District Court First Judicial District and to release funds not to exceed \$10,000 for title insurance, recording fees and other miscellaneous costs related to the closing of this transaction. Motion carried.


Options to upgrade the phone system to improve customer satisfaction were discussed. The Commission asked staff to make incremental improvements and to report back at a minimum on a monthly basis.

Motion by McGowan, seconded by Miller to authorize up to \$5,000 to make incremental improvements to the phone system. Motion carried.

The SPUC and Staff Priorities and Schedules form was reviewed by exception. The Commission requested that the Compensation Survey results be presented at the first meeting in October.

Mr. Engler noted that four of the Commissioners would be attending the MMUA annual meeting.

Motion by Miller, seconded by McGowan to adjourn to the August 21, 2006 meeting. Motion carried.



Commission Secretary: Kent Archerd

RESOLUTION #1094

A RESOLUTION APPROVING A WATER MAIN CONSTRUCTION PROJECT, AND
DETERMINING ITS LATERAL WATER MAIN EQUIVALENCY,
DESCRIBED AS:

JENNIFER LANE WATER MAIN FROM
VALLEY CREEK CROSSING 2ND ADDITION TO WOOD DUCK TRAIL

WHEREAS, the Shakopee City Council and Scott County have agreed to construct certain public improvements in the Jennifer Lane right of way, and

WHEREAS, the Shakopee Public Utilities Commission desires to install a 12-inch water main concurrent with the other improvements to further coordination of all of the improvements and to avoid the inevitable complications that would result from installing the water main at a future date, and

WHEREAS, there are cost savings to have the water main construction be a part of the improvements, and

WHEREAS, the Shakopee Public Utilities Commission has previously adopted policies to ensure the eventual recovery of lateral water main equivalent costs of trunk water mains and the funding of trunk water main over sizing costs, and

WHEREAS, the estimated cost of the 12-inch water main construction is \$125,000.00, and

WHEREAS, the estimated cost of a lateral water main equivalent to an 8-inch water main, the minimum size required to serve the north to south flow requirement of the adjoining property per the Shakopee Public Utilities Commission's adopted water main design criteria, is \$83,000.00, and

WHEREAS, the area of the land being traversed by the extension of Jennifer Lane and the 12-inch water main, which is identified on Attachment A to this resolution, and that is determined to be receiving the benefit of the lateral water main equivalent is 45.80 acres, and

WHEREAS, the estimated cost of the trunk water main over sizing from the 8-inch lateral water main to the 12-inch trunk water main is \$42,000.00.

NOW THEREFORE, BE IT RESOLVED, that the Jennifer Lane water main project is hereby approved.

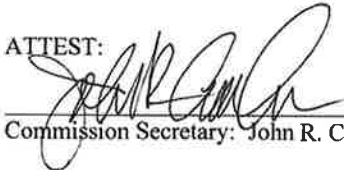
BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the properties fronting the Jennifer Lane extension when those properties request water service and meet all other standard requirements to receive water service, and the fee shall be \$1,812.07 per acre, and

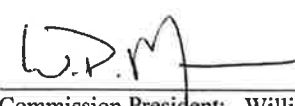
BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 20th day of April, 2015.

ATTEST:


Commission Secretary: John R. Crooks


Commission President: William P. Mars

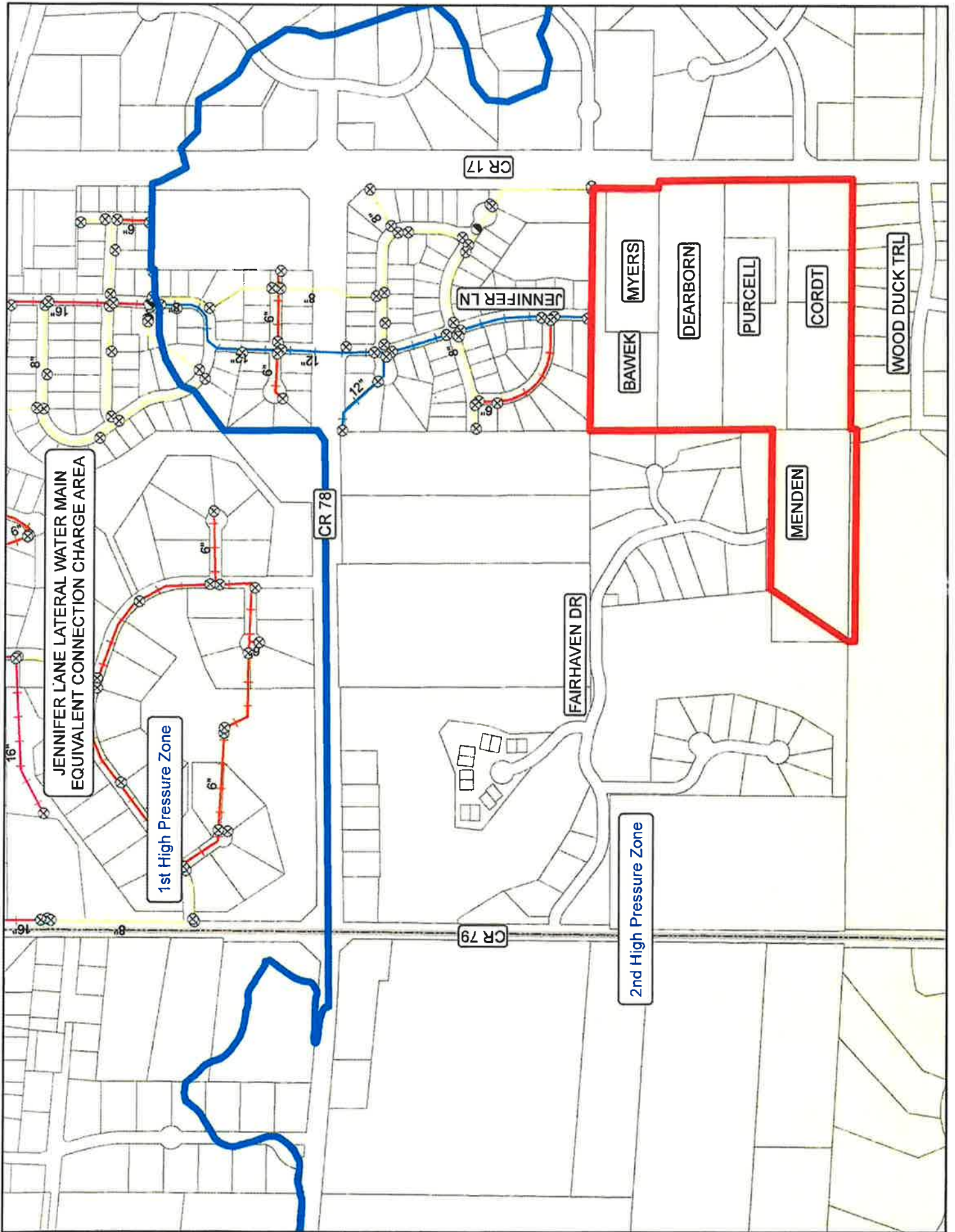
Attachment A to Resolution #1094

Preliminary Lateral Water Main Equivalent Charge for Extension of Jennifer Lane

P.I.D Number	Owner	Acreage	Proposed Lateral Water Main Charge
271350010	Bawek	4.08	\$7,393.25
271350020	Meyers	4.74	\$8,589.21
279190157	Dearborn	9.28	\$16,816.01
279190152, 279190153	Purcell	9.04	\$16,381.11
279190155, 279190156	Cordt	9.00	\$16,308.63
271420450, 271420500, 271420510	Menden	9.66	\$17,504.60
	Total Acres	45.80	\$82,992.81

\$83,000 Total Lateral Water Main Cost

\$1,812.07 per acre



RESOLUTION #1098

A RESOLUTION AMENDING RESOLUTION #1094 AND APPROVING A
WATER MAIN CONSTRUCTION PROJECT, AND DETERMINING ITS
LATERAL WATER MAIN EQUIVALENCY,
DESCRIBED AS:

JENNIFER LANE WATER MAIN FROM
VALLEY CREEK CROSSING 2ND ADDITION TO WOOD DUCK TRAIL

WHEREAS, the Shakopee Public Utilities Commission previously adopted Resolution #1094, A Resolution Approving A Water Main Construction Project, And Determining Its Lateral Water Main Equivalency, and

WHEREAS, new more accurate cost estimates have been developed based on a more detailed design for the Jennifer Lane Water Main extension, and

WHEREAS, the current updated estimated cost of the 12-inch water main construction is \$258,000,000, and

WHEREAS, the estimated cost of a lateral water main equivalent to an 6-inch water main, the minimum size required to serve the north to south flow requirement of the adjoining property per the Shakopee Public Utilities Commission's adopted water main design criteria, is \$175,000.00, and

WHEREAS, the area of the land being traversed by the extension of Jennifer Lane and the 12-inch water main, which is identified on Attachment A to this resolution, and that is determined to be receiving the benefit of the lateral water main equivalent is 16.82 acres, and

WHEREAS, the current updated estimated cost of the trunk water main over sizing from the 6-inch lateral water main to the 12-inch trunk water main is \$83,000.00.

NOW THEREFORE BE IT RESOLVED, that Resolution #1094 is hereby amended.

BE IT FURTHER RESOLVED, that the Jennifer Lane water main project approval is hereby affirmed.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the properties fronting the Jennifer Lane extension when those properties request water service and meet all other standard requirements to receive water service including additional lateral water main construction, and the fee shall be set after final construction costs plus engineering/administrative charges are known with the current estimated costs the fee should be approximately \$10,404.28, and

BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 20th day of July, 2015.

ATTEST:

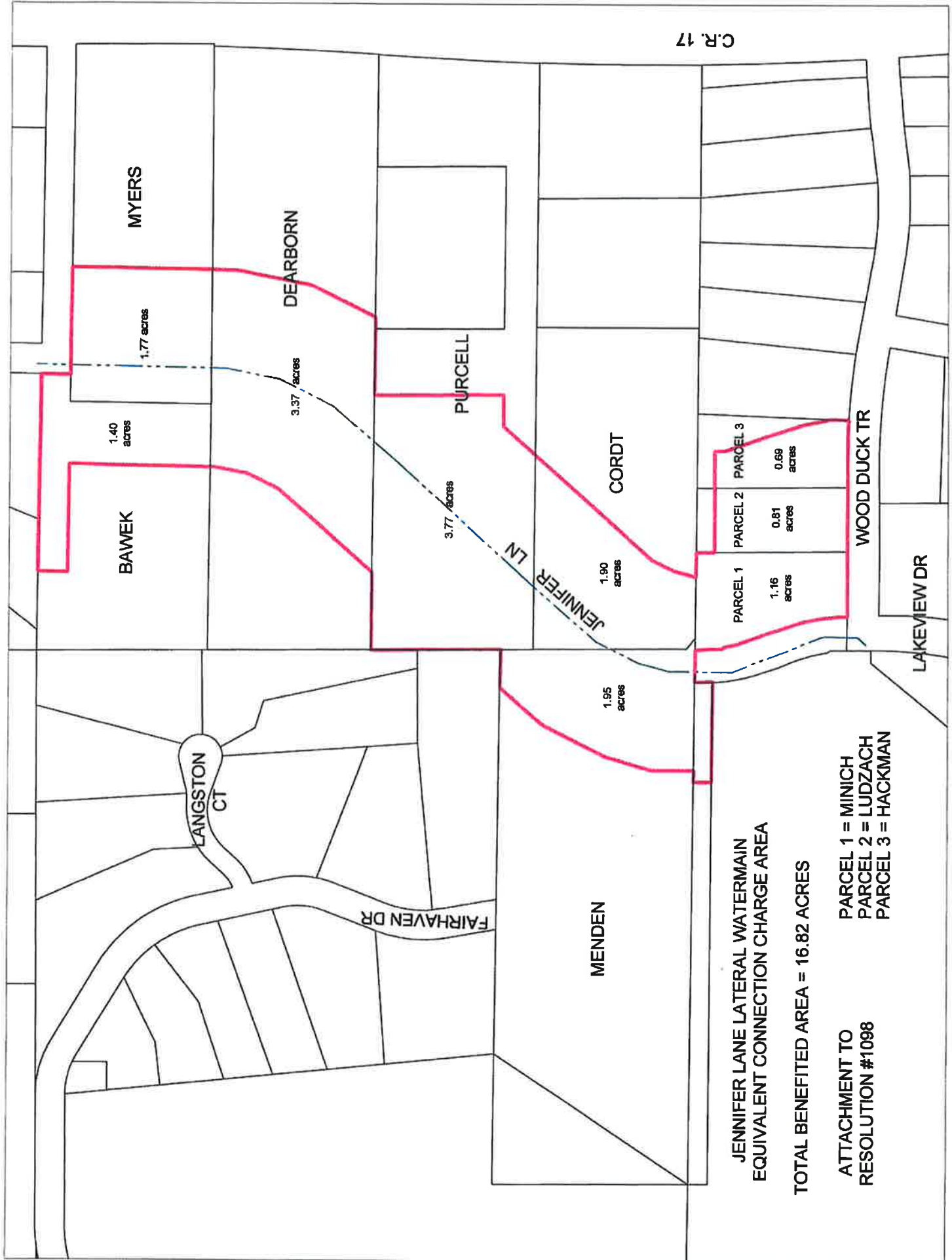

Commission Secretary: John R. Crooks


Commission President: William P. Mars

Attachment A to Resolution #1098

Preliminary Lateral Water Main Equivalent Charge for Extension of Jennifer Lane

P.I.D Number	Owner	Acreage	Proposed Lateral Water Main Charge
271350010	Bawek	1.40	\$14,565.99
271350020	Meyers	1.77	\$18,415.58
279190157	Dearborn	3.37	\$35,062.42
279190153	Purcell	3.77	\$39,224.14
279190155	Cordt	1.90	\$19,768.13
271420450, 271420500	Menden	1.95	\$20,288.35
270610100	Minich	1.16	\$12,068.96
270610090	Ludzach	0.81	\$8,427.47
270610080	Hackman	0.69	\$7,178.95
	Total Acres	16.82	\$174,999.99
	\$175,000 Total Lateral Water Main Cost		
	\$10,404.28 per acre		



C.R. 17

JENNIFER LANE LATERAL WATERMAIN
EQUIVALENT CONNECTION CHARGE AREA

TOTAL BENEFITED AREA = 16.82 ACRES

ATTACHMENT TO
RESOLUTION #1098

PARCEL 1 = MINICH
PARCEL 2 = LUDZACH
PARCEL 3 = HACKMAN

MYERS

DEARBORN

PURCELL

CORDT

BAWEK

JENNIFER LN

WOOD DUCK TR

LAKEVIEW DR

LANGSTON CT

FAIRHAVEN DR

MENDEN

1.40 acres

1.77 acres

3.37 acres

3.77 acres

1.90 acres

1.95 acres

1.16 acres

0.81 acres

0.69 acres

PARCEL 1

PARCEL 2

PARCEL 3

RESOLUTION #1190

A RESOLUTION AMENDING RESOLUTION #1098 AND DETERMINING LATERAL WATER MAIN EQUIVALENCY FOR THE PROJECT, DESCRIBED AS:

JENNIFER LANE WATER MAIN FROM VALLEY CREEK CROSSING 2ND ADDITION TO WOOD DUCK TRAIL (CP17-32J)

WHEREAS, the Shakopee Public Utilities Commission previously adopted Resolution #1098, A Resolution Approving A Water Main Construction Project, And Determining Its Lateral Water Main Equivalency, and

WHEREAS, the final cost of the 12-inch water main construction is \$171,443.86, and

WHEREAS, the cost of a lateral water main equivalent to an 6-inch water main, the minimum size required to serve the north to south flow requirement of the adjoining property per the Shakopee Public Utilities Commission's adopted water main design criteria, is determined to be \$148,279.58, and

WHEREAS, the area of the land being traversed by the extension of Jennifer Lane and the 12-inch water main, which is identified on Attachment A to this resolution, and that is determined to be receiving the benefit of the lateral water main equivalent is 16.82 acres, and

WHEREAS, the final cost of the trunk water main over sizing from the 6-inch lateral water main to the 12-inch trunk water main is \$23,164.32.

NOW THEREFORE BE IT RESOLVED, that Resolution #1098 is hereby amended.

BE IT FURTHER RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of Resolution #815 with the fee described charged to the properties fronting the Jennifer Lane extension when those properties request water service and meet all other standard requirements to receive water service including additional lateral water main construction, and the fee is fixed now with final construction costs plus engineering/administrative charges known the fee shall be \$8,815.67 per acre, and

BE IT FURTHER RESOLVED, that the trunk water main over sizing cost shall be funded per the trunk water policy, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 19th day of March, 2018.

ATTEST:


Commission Secretary: John R. Crooks


Commission President: Deb Amundson

Attachment A to Resolution #1190

Final Lateral Water Main Equivalent Charge for Extension of Jennifer Lane

P.I.D Number	Owner	Acreage	Lateral Water Main Charge
271350010	Bawek	1.40	\$12,341.94
271350020	Meyers	1.77	\$15,603.74
279190157	Dearborn	3.37	\$29,708.81
279190153	Purcell	3.77	\$33,235.08
279190155	Cordt	1.90	\$16,749.77
271420450, 271420500	Menden	1.95	\$17,190.56
270610100	Mimich	1.16	\$10,226.18
270610090	Ludzach	0.81	\$7,140.69
270610080	Hackman	0.69	\$6,082.81
	Total Acres	16.82	\$148,279.58

\$148,279.58 Total Lateral Water Main Cost
\$8,815.67 per acre



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

DATE: July 15, 2022
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *kw*
SUBJECT: Lateral Watermain Equivalent Fees- Interest Options

Background:

A resolution authorizing and establishing a fee for equivalent lateral watermain portion of a trunk water main project was passed in August 2005. The resolution states that fees shall be indexed on an annual basis. The indexing method used needs to be established. Once the indexing method is established, the original resolution can be amended with the established method and the fees can be calculated for each parcel on an annual basis and recorded with the county.

We consulted with Abdo Financial Solutions to review different methods that could be considered. Below is a recap of the two different methods recommended.

- **Indexing method 1:** US Department of Treasury – Long term composite > 10 years, interest rate selected is the date the resolution for the specific project was approved. The interest is compounded annually.
- **Indexing method 2:** MN Department of Commerce (Yield Rates come from the US Department of Treasury) – Utility Deposit Interest Rates, interest rate selected on the year the resolution for the specific project was approved. The interest rate is compounded annually.

The documents attached include a copy of the original resolution #815 establishing a fee for the equivalent water main portion of a trunk water main project and two different interest methods applied to the initial fees approved by resolution.

Requested Action

Commission to approve an interest method to be applied to Lateral Watermain Equivalent Fees



Date/Resolution	PID	LATERAL WATER MAIN Equivalent ACTUAL AMOUNT	US Department of Treasury - Long Term		Total Compound Interest (Compounded Annually)	Total to Record <i>(if recorded by end of August)</i>
			Composite > 10 years			
3/19/2018	271350011	\$ 12,341.94	3.02%		1,733.20	\$ 14,075.14
3/19/2018	271350021	\$ 15,603.74	3.02%		2,191.26	\$ 17,795.00
3/19/2018	279190153	\$ 33,235.08	3.02%		4,667.26	\$ 37,902.34
3/19/2018	270610100	\$ 10,226.18	3.02%		1,436.08	\$ 11,662.26
3/19/2018	270610090	\$ 7,140.69	3.02%		1,002.78	\$ 8,143.47
3/19/2018	270610080	\$ 6,082.81	3.02%		854.22	\$ 6,937.03
4/15/2013	279180114	\$ 27,999.36	2.49%		7,224.62	\$ 35,223.98
4/15/2013	279180112	\$ 10,718.51	2.49%		2,765.68	\$ 13,484.19
4/15/2013	279180130	\$ 4,885.31	2.49%		1,260.55	\$ 6,145.86
4/15/2013	271940020	\$ 11,374.74	2.49%		2,935.00	\$ 14,309.74
4/15/2013	271940011	\$ 1,895.79	2.49%		489.17	\$ 2,384.96
8/7/2006	271520010	\$ 5,490.35	5.07%		6,622.87	\$ 12,113.22
8/7/2006	271520020	\$ 5,555.46	5.07%		6,701.41	\$ 12,256.87
8/7/2006	271520030	\$ 5,295.04	5.07%		6,387.28	\$ 11,682.32
8/7/2006	271520040	\$ 5,360.15	5.07%		6,465.82	\$ 11,825.97
8/7/2006	271520050	\$ 5,642.26	5.07%		6,806.12	\$ 12,448.38
8/7/2006	271520060	\$ 5,316.75	5.07%		6,413.46	\$ 11,730.21
8/7/2006	271520070	\$ 5,425.25	5.07%		6,544.35	\$ 11,969.60
8/7/2006	271520080	\$ 5,446.95	5.07%		6,570.52	\$ 12,017.47
8/7/2006	271520090	\$ 5,468.65	5.07%		6,596.70	\$ 12,065.35
8/7/2006	271520100	\$ 5,490.35	5.07%		6,622.87	\$ 12,113.22
					\$ 92,291.22	\$ 351,935.72
					\$ 259,644.50	

https://home.treasury.gov/resource-center/data-chart-center/interest-rates/TextView?type=daily_treasury_long_term_rate&field_tdr_date_value=201

The "Daily Treasury Long-Term Rates" are simply the arithmetic average of the daily closing bid yields on all outstanding fixed coupon bonds (i.e., inflation-indexed bonds are excluded) that are neither due nor callable for at least 10 years as of the date calculated.

Date/Resolution	PID	LATERAL WATER MAIN Equivalent ACTUAL AMOUNT	MN Department of Commerce (Utility Deposit Interest Rates)	Total Compounded Interest (Compounded Annually)	Total to Record (If recorded by end of July)
3/19/2018	271350011	\$ 12,341.94	1.60%	896.30 \$	13,238.24
3/19/2018	271350021	\$ 15,603.74	1.60%	1,133.18 \$	16,736.92
3/19/2018	279190153	\$ 33,235.08	1.60%	2,413.60 \$	35,648.68
3/19/2018	270610100	\$ 10,226.18	1.60%	742.65 \$	10,968.83
3/19/2018	270610090	\$ 7,140.69	1.60%	518.57 \$	7,659.26
3/19/2018	270610080	\$ 6,082.81	1.60%	441.75 \$	6,524.56
4/15/2013	279180114	\$ 27,999.36	0.20%	527.03 \$	28,526.39
4/15/2013	279180112	\$ 10,718.51	0.20%	201.75 \$	10,920.26
4/15/2013	279180130	\$ 4,885.31	0.20%	91.96 \$	4,977.27
4/15/2013	271940020	\$ 11,374.74	0.20%	214.11 \$	11,588.85
4/15/2013	271940011	\$ 1,895.79	0.20%	1.84 \$	1,897.63
8/7/2006	271520010	\$ 5,490.35	4.40%	5,444.38 \$	10,934.73
8/7/2006	271520020	\$ 5,555.46	4.40%	5,508.94 \$	11,064.40
8/7/2006	271520030	\$ 5,295.04	4.40%	5,250.70 \$	10,545.74
8/7/2006	271520040	\$ 5,360.15	4.40%	5,315.27 \$	10,675.42
8/7/2006	271520050	\$ 5,642.26	4.40%	5,595.02 \$	11,237.28
8/7/2006	271520060	\$ 5,316.75	4.40%	5,272.23 \$	10,588.98
8/7/2006	271520070	\$ 5,425.25	4.40%	5,379.82 \$	10,805.07
8/7/2006	271520080	\$ 5,446.95	4.40%	5,401.34 \$	10,848.29
8/7/2006	271520090	\$ 5,468.65	4.40%	5,422.86 \$	10,891.51
8/7/2006	271520100	\$ 5,490.35	4.40%	5,444.38 \$	10,934.73
				\$ 61,217.68 \$	\$ 320,862.18

\$ 259,644.50

<https://mn.gov/commerce/industries/energy/utilities/>

MN Commerce Department

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

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

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

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

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

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

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

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

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

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



Greg Drent, Commission Secretary

RESOLUTION #2023-02

A RESOLUTION CLARIFYING THE PROVISIONS OF
RESOLUTION #815 A RESOLUTION
AUTHORIZING AND ESTABLISHING A FEE
FOR THE EQUIVALENT LATERAL WATER MAIN PORTION
OF A TRUNK WATER MAIN PROJECT

WHEREAS, the Shakopee Public Utilities Commission adopted Resolution #815 on the 1st of August 2005, and;

WHEREAS, Resolution #815 established a policy to ensure that the fees for providing lateral water main installations are just and equitable, and;

WHEREAS, Resolution #815 resolved amongst other requirements “the (Lateral Water Main) fee shall be indexed on an annual basis” but did not specify what index to use.

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 using the US Department of Treasury Daily Long-Term Rate – LT COMPOSITE (>10yrs.) 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.
4. The lateral water main fees established by all resolutions pre-dating this resolution shall be indexed beginning July 1, 2023 forward, providing a one-time opportunity to property owners for their original established fee to be paid without adjustment provided it is paid in full prior to July 1, 2023. After July 1, 2023 all lateral water main fees shall be adjusted using the index identified above from the time of adoption until the fees are fully paid.

Passed in regular session of the Shakopee Public Utilities Commission, this 3rd day of January, 2023.


Commission President: Kathi Mocol

ATTEST:


Commission Secretary: Greg Drent



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

February 1, 2023

Name
XXX Hillwood Drive
Shakopee, MN 55379

RE: Lateral Water Main Connection Charge (LWMCC) Policy – PID #xxxxxxxxxx

Dear Customer Name:

This letter is to formally notify you of a **Lateral Water Main Connection Charge (LWMCC)** affecting your property. At the time a lateral water main was constructed in your area in 2006, the Utilities Commission determined a portion of the cost of this project would be recovered under a LWMCC from each property benefitting from the water main construction.

Associated resolutions are noted below and enclosed with this letter.

- **Resolution #815**, which was adopted by and gives the Utilities Commission the authority to establish a LWMCC (approved under MN Statute 444.075, subd. 3);
- **Resolutions #851 and 816**, which approved the water main project benefitting your property; and
- **Resolution #2023-02**, which modified Resolution #815 to establish the interest indexing source for the LWMCC from July 1, 2023 forward.

Background: The LWMCC is to be paid as a condition* of connecting to the water distribution system at such time connection to the water distribution system is available to your property and/or at such time the property owner desires connection to the water distribution system.

Affected property owners have the option to 1) prepay the established LWMCC assigned to their property ahead of connection to the water distribution system - or – 2) defer the payment to a future date, with accrued interest, when connection to the water distribution system is available and/or desired.

Interest Policy: When the payment is deferred to a later date the LWMCC will be increased annually by an inflation index, specifically, the US Dept of the Treasury Daily Long-Term Rate in effect at the time the water main was constructed.

Notification: Because the LLWCC affecting your property was not formally communicated to you previously, the Commission has determined no interest will be added to your deferred payment from the point in time the project was constructed through June 30, 2023. However, interest will begin accruing on unpaid balances beginning July 1, 2023 and will continue to accrue until the LWMCC is paid.



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

Please note, prepaying this charge does not require you to connect to the water distribution system, nor does it mean connection to the water distribution system is available to you currently. Rather, it fulfills the LWMCC requirement for this property when the decision to connect is made and prevents any interest accrual. The LWMCC base amount recorded on your property with Scott County is \$XXXX.XX

Feel free to contact any of the SPU staff listed below should you have any questions or concerns regarding the LWMCC and interest accrual policy.

Sincerely,

Joseph Adams
Planning & Engineering Director
jadams@ShakopeeUtilities.com
952.233-1501

Kelley Willemsen
Director of Finance & Administration
kwillemsen@ShakopeeUtilities.com
952.233-1516

Greg Drent
General Manager
gdrent@ShakopeeUtilities.com
952.233-1511

*Payment of the LLWCC is only one condition of connection; other fees are required to be paid prior to connection to the water distribution system. Please refer to SPU's Water Policy at ShakopeeUtilities.com for more information.



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

February 1, 2023

Name

XXX Wood Duck Trail/Jennifer Lane/Meadow Lane South
Shakopee, MN 55379

RE: Lateral Water Main Connection Charge (LWMCC) Policy – PID #xxxxxxxxxx

Dear Customer Name:

This letter is to formally notify you of a **Lateral Water Main Connection Charge (LWMCC)** affecting your property. At the time a lateral water main was constructed in your area in 2018, the Utilities Commission determined a portion of the cost of this project would be recovered under a LWMCC from each property benefitting from the water main construction.

Associated resolutions are noted below and enclosed with this letter.

- **Resolution #815**, which was adopted by and gives the Utilities Commission the authority to establish a LWMCC (approved under MN Statute 444.075, subd. 3);
- **Resolutions #1094, 1098 and 1190**, which approved the water main project benefitting your property; and
- **Resolution #2023-02**, which modified Resolution #815 to establish the interest indexing source for the LWMCC from July 1, 2023 forward.

Background: The LWMCC is to be paid as a condition* of connecting to the water distribution system at such time connection to the water distribution system is available to your property and/or at such time the property owner desires connection to the water distribution system.

Affected property owners have the option to 1) prepay the established LWMCC assigned to their property ahead of connection to the water distribution system - or – 2) defer the payment to a future date, with accrued interest, when connection to the water distribution system is available and/or desired.

Interest Policy: When the payment is deferred to a later date the LWMCC will be increased annually by an inflation index, specifically, the US Dept of the Treasury Daily Long-Term Rate in effect at the time the water main was constructed.

Notification: Because the LWMCC affecting your property was not formally communicated to you previously, the Commission has determined no interest will be added to your deferred payment from the point in time the project was constructed through June 30, 2023. However, interest will begin accruing on unpaid balances beginning July 1, 2023 and will continue to accrue until the LWMCC is paid.



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

Please note, prepaying this charge does not require you to connect to the water distribution system, nor does it mean connection to the water distribution system is available to you currently. Rather, it fulfills the LWMCC requirement for this property when the decision to connect is made and prevents any interest accrual. The LWMCC base amount recorded on your property with Scott County is \$XXXX.XX.

Feel free to contact any of the SPU staff listed below should you have any questions or concerns regarding the LWMCC and interest accrual policy.

Sincerely,

Joseph Adams
Planning & Engineering Director
jadams@ShakopeeUtilities.com
952.233-1501

Kelley Willemsen
Director of Finance & Administration
kwillemsen@ShakopeeUtilities.com
952.233-1516

Greg Drent
General Manager
gdrent@ShakopeeUtilities.com
952.233-1511

*Payment of the LLWCC is only one condition of connection; other fees are required to be paid prior to connection to the water distribution system. Please refer to SPU's Water Policy at ShakopeeUtilities.com for more information.



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

February 27, 2023

«Current_Owner_time_of_Letter»

«ADDRESS»

Shakopee, MN 55379

Dear «Current_Owner_time_of_Letter»:

This letter is to inform you the Lateral Water Main Connection Charge (LWMCC) projects and affected properties will be on the agenda and discussed at the Monday, March 6th Commission Meeting. This meeting begins at 5:00 p.m. and is held in the Commission Meeting Room at the SPU Service Center, 255 Sarazin Street.

You are invited to attend to learn more about these projects firsthand and to gain full understanding of the bearing on your properties.

If you are unable to attend Monday's meeting, it will be available on our website www.ShakopeeUtilities.com (News & Education>Commission Meeting>View Video) beginning Wednesday, March 8.

Sincerely,

Joe Adams
Planning & Engineering Director

Date/Resolution	Year	PID	ADDRESS	Owner at time Resolution	Current Owner (time of Letter)	Acreage	LATERAL WATER MAIN ACTUAL	Interest Rate	LATERAL WATER MAIN	Applicable Resolutions
							RESOLUTION #		Equivalent ACTUAL AMOUNT	
3/19/2018	2018	271350011	2400 Jennifer Ln	Michael Bawek	Michael Bawek	1.40	1190	3.02%	\$12,341.94	1094, 1098 and 1190
3/19/2018	2018	271350021	2405 Jennifer Ln	David Meyers	David Meyers	1.77	1190	3.02%	\$15,603.74	1094, 1098 and 1190
3/19/2018	2018	279190153	1399 Meadow Ln S	Dennis Purcell	Dennis Purcell	3.77	1190	3.02%	\$33,235.08	1094, 1098 and 1190
3/19/2018	2018	270610100	1233 Wood Duck Trl	Minich	Kelly Willi	1.16	1190	3.02%	\$10,226.18	1094, 1098 and 1190
3/19/2018	2018	270610090	1253 Wood Duck Trl	Kenneth Ludzack	Kenneth Ludzack	0.81	1190	3.02%	\$7,140.69	1094, 1098 and 1190
3/19/2018	2018	270610080	1273 Wood Duck Trl	Chad Hackman	Chad Hackman	0.69	1190	3.02%	\$6,082.81	1094, 1098 and 1190
8/7/2006	2006	271520010	401 Hillwood Dr	Andrew Chmiel	Andrew Chmiel	2.53	851	5.07%	\$5,490.35	851 and 816
8/7/2006	2006	271520020	449 Hillwood Dr	Gary Pauly	Gary Pauly	2.56	851	5.07%	\$5,555.46	851 and 816
8/7/2006	2006	271520030	503 Hillwood Dr	Derek Boegeman	Derek Boegeman	2.44	851	5.07%	\$5,295.04	851 and 816
8/7/2006	2006	271520040	547 Hillwood Dr	Aduraine Kubista & Dana Miller	Aduraine Kubista & Dana Miller	2.47	851	5.07%	\$5,360.15	851 and 816
8/7/2006	2006	271520050	601 Hillwood Dr	Robert Jeurissen	Robert Jeurissen	2.60	851	5.07%	\$5,642.26	851 and 816
8/7/2006	2006	271520060	645 Hillwood Dr	Sean Giesen	Sean Giesen	2.45	851	5.07%	\$5,316.75	851 and 816
8/7/2006	2006	271520070	648 Hillwood Dr	Robert Stark	Robert Stark	2.50	851	5.07%	\$5,425.25	851 and 816
8/7/2006	2006	271520080	504 Hillwood Dr	Tom Wermerskirchen	Tom Wermerskirchen	2.51	851	5.07%	\$5,446.95	851 and 816
8/7/2006	2006	271520090	448 Hillwood Dr	Brian Mandt	Brian Mandt	2.52	851	5.07%	\$5,468.65	851 and 816
8/7/2006	2006	271520100	404 Hillwood Dr	Thomas Weierke	Thomas Weierke	2.53	851	5.07%	\$5,490.35	851 and 816

\$ 139,121.65



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 *GD*

FROM: Joseph D. Adams, Planning & Engineering Director *Joseph D Adams*

SUBJECT: Resolution 2023-07 A Resolution Approving Purchase Agreement, All Documents Necessary to Carry Out Purchase Agreement, And Completion of Closing Under Purchase Agreement for a Portion of the NES Zone WTP Site

DATE: March 1, 2023

ISSUE

Staff has completed negotiations with the property owners of 3650 Eagle Creek Boulevard, the Lusignan family, and I am pleased to report we have reached agreement on both price and terms. I am submitting the attached final purchase agreement for Commission review and approval by resolution to secure a portion of the site for a future water treatment plant.

BACKGROUND

The latest Comprehensive Water System Plan identified future water facilities needed to support the capacity to serve the anticipated growth envisioned in the City of Shakopee's 2040 Comprehensive Plan and the Jackson township AUAR. Following adoption of the latest Comprehensive Water Plan the Water Treatment Plant (WTP) Feasibility Study was prepared by SEH, Inc. The WTP Feasibility Study recommended the pursuit of what it identified as the Hybrid Water Treatment plan option, wherein a treatment plant site is to be obtained and developed for each of the three (3) water pressure zones in the municipal water system service area; the Normal Elevation Service (NES) zone, the 1st High Elevation Service (1HES) zone and the 2nd High Elevation Service (2HES) zone.

All drinking water supplied by SPU meets current Safe Drinking Water Act maximum contaminant levels. Because of the potential for new regulations from the EPA and the Safe Drinking Water Act specifically concerning the elements known as PFOS and PFOA containments and a desire to follow the recommended course of action in the Hybrid Water Treatment System Plan the Commission directed staff to find a suitable site for a treatment plant in the NES zone. Existing water facility sites in the 1HES and 2HES zones will accommodate future WTPs.



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

Working with city staff, whose assistance has been invaluable, and after investigating several potential sites, the subject property and a portion of its adjacent property were identified as the best location in the NES zone due to their availability for acquisition, their proximity to existing and planned future water supply wells and the existing and planned land uses in the surrounding area.

DISCUSSION

The Water Connection Fund would be the funding source for the site purchase and eventual water treatment plant design and construction costs along with bonding, as necessary. Water Connection Fund fees are collected via the Water Capacity Charge applied at time of building permit based on Met Council SAC unit determinations and when water capacity needs grow from existing customers based on metered usage.

Funds are budgeted in the current 5-year CIP to acquire water treatment plant sites and easements for transmission raw water and finished water mains. The total purchase price of this water treatment plant site is in the amount of \$900,000.

REQUESTED ACTION

Staff requests the Commission approve Resolution 2023-07 A Resolution Approving Purchase Agreement, All Documents Necessary to Carry Out Purchase Agreement, And Completion of Closing Under Purchase Agreement.

RESOLUTION NO. 2023-07

RESOLUTION APPROVING PURCHASE AGREEMENT, ALL DOCUMENTS NECESSARY TO CARRY OUT PURCHASE AGREEMENT, AND COMPLETION OF CLOSING UNDER PURCHASE AGREEMENT

WHEREAS, the Shakopee Public Utilities Commission, a municipal utility commission organized under Minnesota law (the “Commission”), is proposing to enter into a Purchase Agreement (the “Purchase Agreement”) with Terry J. Lusignan, a married person, Brian E. Lusignan, an unmarried person and Kevin M. Lusignan, an unmarried person (collectively, “Seller”), for the purchase of a parcel of real property legally described in Exhibit A to the Purchase Agreement (the “Property”); and

WHEREAS, the Commission has determined that it is appropriate to execute, accept and deliver the Purchase Agreement; and

WHEREAS, the Commission has determined that it is appropriate to finalize and close the transaction contemplated by the Purchase Agreement and to execute, accept and deliver such documents as are necessary to acquire the Property and carry out the transaction; and

WHEREAS, the Commission has determined that the acquisition of the Property is in the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION AS FOLLOWS:

1. That the Commission hereby ratifies, confirms, authorizes and approves the execution of the Purchase Agreement and authorizes and approves the transaction contemplated by the Purchase Agreement.
2. That the Commission hereby ratifies, confirms, authorizes and approves finalizing and closing the transaction contemplated by the Purchase Agreement.
3. That the Commission hereby ratifies, confirms, authorizes and approves, and directs the President or the General Manager of the Commission to finalize, accept and/or deliver in the name and on behalf of the Commission, the Purchase Agreement and all documents, affidavits and certificates in such form and on such terms and conditions as deemed necessary or appropriate in connection with the Purchase Agreement and the acquisition of the Property, including all closing documents and other documents as may be required to complete the transactions contemplated by the Purchase Agreement.
4. That the President or the General Manager of the Commission is hereby authorized, empowered and directed to make such changes to the Purchase Agreement, affidavits and certificates and any other closing documents necessary to carry out the transaction contemplated by the Purchase Agreement as the President or the General Manager of the Commission deems reasonable and necessary.

5. That the President or General Manager of the Commission are authorized, empowered and directed to do all other acts and things as are deemed necessary or desirable in their discretion to effectuate the transaction.

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purposes of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission this 6th day of March 2023.

Commission President: Kathi Mocol

ATTEST:

Secretary: Greg Drent

PURCHASE AGREEMENT

DATE: MARCH ____, 2023 (“Effective Date”)

BETWEEN: TERRY J. LUSIGNAN, a married person,
BRIAN E. LUSIGNAN, an unmarried person, and
KEVIN M. LUSIGNAN, an unmarried person (collectively, “Seller”)

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

FOR VALUABLE CONSIDERATION, Seller and Buyer agree as follows:

I. SALE AND PURCHASE

- 1.1 Sale of Property. Subject to the terms and conditions of this Purchase Agreement (this “**Agreement**”), Seller will sell and convey to Buyer, and Buyer will purchase and accept from Seller, the parcel of real property located at 3650 Eagle Creek Boulevard, Shakopee, Minnesota 55379 and legally described in Exhibit A, together with all improvements thereon and all rights, privileges, easements, licenses, appurtenances and hereditaments relating thereto (collectively, the “**Property**”).
- 1.2 Closing. The closing of the sale and purchase of the Property (“**Closing**”) will occur thirty (30) days after the expiration of the Due Diligence Period under Article IV of this Agreement at 10:00 a.m. local time in the offices of the Title Company identified in Section 3.1, or at such other time or place as Buyer and Seller may agree. Buyer and Seller shall not be obligated to attend the Closing in person and may submit the documents required of each by courier, mail, Federal Express or other overnight delivery service.

II. PURCHASE PRICE

- 2.1 Payment of Purchase Price. The purchase price for the Property will be Nine Hundred Thousand and No/100 Dollars (\$900,000.00) (the “**Purchase Price**”), paid in the following manner:
- (a) \$9,000.00, by Buyer depositing with the Title Company such amount in cash upon execution of this Agreement as earnest money (the “**Earnest Money**”); and
 - (b) the remainder, by Buyer paying such amount to Seller in cash at Closing.
- 2.2 Method of Payment. All cash payments by Buyer will be in U.S. Dollars and in the form of wire transfers, certified checks or other immediately available funds acceptable to Seller.
- 2.3 Application of Earnest Money. The Earnest Money will be deposited with the Title Company within forty-eight hours of the Effective Date. The Title Company will be instructed to hold the Earnest Money in its trust account, and invest the Earnest Money in

certificates issued by and time deposits in national banking associations or nationally chartered savings and loan associations, in securities issued or guaranteed by the United States Government, in money market funds the underlying assets of which consist of the above-described certificates or securities, or in such other investments as may from time to time be approved in writing by Buyer and Seller. All interest earned on the Earnest Money will be considered as additional Earnest Money, to be held and invested by the Title Company in the same manner as the Earnest Money originally deposited. If Closing does not occur pursuant to the termination of this Agreement by Buyer per the terms hereof or because of a default by Seller under this Agreement, the Earnest Money and any interest earned thereon will be returned to Buyer. If Closing does not occur because of a default by Buyer under this Agreement, the Earnest Money will be paid to Seller as liquidated damages. If Closing occurs, the Earnest Money and any interest earned thereon, will be paid to Seller as a part of the Purchase Price. Buyer will bear any risk of loss with regard to the Earnest Money or any interest earned thereon.

III. TITLE

- 3.1 Title Commitment. Within fifteen (15) days of the Effective Date, Buyer will order a commitment for an owner's policy of title insurance (ALTA Form 06/17/06) covering the Property (the "**Commitment**"), issued by Old Republic National Title Insurance Company through Scott County Abstract and Title, Inc., or such other title insurer as may be acceptable to Buyer (the "**Title Company**"), with standard exceptions for mechanic's liens, survey and parties in possession deleted, with searches for special assessments and with an amount of coverage equal to the Purchase Price. The Commitment will include a copy of each instrument listed as an exception to title or referred to therein. The service charge for the Commitment will be paid by Seller. The premium for any owner's or lender's policy issued pursuant to such Commitment will be paid by Buyer. Buyer will provide a copy of the Commitment to Seller immediately following Buyer's receipt of the Commitment from the Title Company.
- 3.2 Survey. Buyer may, at Buyer's sole cost, arrange for an "as-built" survey of the Property to be made by a registered land surveyor and certified to Buyer, the Title Company and the title insurer, showing the location of all easements, buildings, improvements and encroachments and conforming to the current standard detail requirements established by the American Land Title Association and the National Society for Professional Surveyors (the "**Survey**"). Buyer shall order the Survey within three (3) business days of its receipt of the Commitment. Buyer will provide a copy of the Survey to Seller.
- 3.3 Examination of Title. Buyer shall have thirty (30) days after receipt of the Commitment and Survey, and in no event later than the expiration of the Due Diligence Period (the "**Objection Period**"), to provide Seller with written title objections based on either the Commitment or the Survey (the "**Title Objections**"). Buyer shall be deemed to have waived any Title Objections not made within the Objection Period, except that this shall not operate as a waiver of Seller's covenant to deliver a Warranty Deed. If Buyer obtains title insurance, Buyer is not waiving the right to obtain a good and marketable title of record from Seller.

- 3.4 Corrections to Title. If any Title Objections are made as provided in Section 3.3, Seller will be allowed sixty (60) days in which to make title marketable. Pending correction of title, Closing will be postponed; but upon correction of title or waiver of the specified defects by Buyer, Closing will be held on the date scheduled for Closing under Section 1.2 or, if later, ten (10) days after the Title Objections are cured or waived. If title is not made marketable or the Title Objections are not waived by Buyer within sixty (60) days after the date Buyer delivers its Title Objections, Buyer or Seller may terminate this Agreement and the Earnest Money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.

IV. REVIEW OF THE PROPERTY

- 4.1 Documents. Within fifteen (15) days after the Effective Date, Seller shall provide to Buyer copies of all leases, contracts, records, environmental and engineering studies, reports and tests, and other documents and surveys relating to the condition, suitability, and desirability of the Property that are in the possession of Seller or otherwise reasonably available to Seller (collectively, the “**Documents**”). Seller will not be responsible for the accuracy, completeness or sufficiency of the Documents, may provide the documents in electronic format and will have no obligation to copy or incur any costs for copying the Documents.
- 4.2 Due Diligence. Buyer will be allowed ninety (90) days after the Effective Date (the “**Due Diligence Period**”) to review the Documents, inspect the Property, perform such inventories, observations, tests, and investigations as Buyer may reasonably deem appropriate, and otherwise satisfy itself regarding the condition, suitability, and desirability of the Property. If Buyer in its sole discretion is not satisfied with the Property, Buyer may on or before the expiration of the Due Diligence Period terminate this Agreement by giving written notice to Seller. Upon such termination, the Earnest Money and any interest earned thereon will be returned to Buyer and neither party will have any further obligations under this Agreement.
- 4.3 Environmental Inspection. Buyer may provide its environmental consultant with a copy of any environmental report included in the Documents made available by Seller, and pursuant to Section 9.2 may at its cost conduct additional investigations of the environmental condition of the Property. If Buyer conducts a Phase I environmental investigation and such report contains a recommendation for a Phase II investigation, Buyer will have the option of terminating this Agreement or ordering at Buyer’s cost a Phase II investigation. If a Phase II investigation is ordered, the Due Diligence Period will be extended by an additional sixty (60) days for investigation and submittal of such report. Buyer will provide Seller with a copy of its Phase I and Phase II environmental reports upon completion.
- 4.4 Cooperation. Seller will cooperate with Buyer in making all necessary filings, petitions, and submissions required by Buyer to obtain the necessary governmental approvals for Buyer’s planned use of the Property. Seller will take no action, either personally or in connection with a related entity, which would be inconsistent with or in contravention of its obligations to cooperate hereunder.

V. CONDITIONS TO CLOSING

5.1 Seller Conditions. The obligation of Seller to sell the Property under this Agreement is subject to the reasonable satisfaction of Seller that:

- (a) the representations and warranties of Buyer contained in Section 8.2 are true and correct in all material respects as of Closing;
- (b) Buyer has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by Buyer prior to or on Closing;
- (c) Seller has received a certificate or certificates dated the day of Closing and signed by a responsible officer of Buyer certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) no action or proceeding has been instituted or threatened by any third party unaffiliated with Seller to enjoin or delay purchase or obtain material damages from Seller with respect to the purchase which Seller in good faith believes presents a significant risk of succeeding; and
- (e) Buyer has delivered to Seller all of the items required to be delivered to Seller pursuant to Section 6.1.

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

- (a) the representations and warranties of Seller contained in Section 8.1 are true and correct in all material respects as of Closing;
- (b) Seller has in all material respects performed and observed all covenants, agreements and conditions of this Agreement to be performed or observed by Seller prior to or at Closing;
- (c) Buyer has received a certificate or certificates dated the day of Closing and signed by Seller certifying as to the matters set forth in items (a) and (b) of this Section;
- (d) it is satisfied with the Property in its sole judgment and has determined that it can proceed with its planned use of the Property without significant additional expense and that the same is economically feasible;
- (e) it has obtained the approval of the City of Shakopee and any and all relevant governmental authorities and other bodies and persons for all required rezoning, permits, licenses, variances, site plan reviews, and other approvals necessary for Buyer's planned use of the Property;

- (f) Seller has terminated all existing leases on the Property prior to Closing so that Seller can deliver the Property to Buyer free of all claims for lease termination and tenant relocation expenses;
- (g) no action or proceeding has been instituted or threatened by any third party unaffiliated with Buyer to enjoin or delay purchase or obtain material damages from Buyer with respect to the purchase which Buyer in good faith believes presents a significant risk of succeeding;
- (h) as of two (2) days before and as of Closing, Seller has removed from the Property any and all containers of motor oil, paint, solvents, petroleum products, and all motor vehicle tires and batteries; and
- (i) Seller has delivered to Buyer all of the items required to be delivered to Buyer pursuant to Section 6.2.

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

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

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

VI. CLOSING

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

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

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

- (a) a certificate or certificates dated the day of Closing and signed by Seller certifying as to the matters set forth in Section 5.2(a) and (b) of this Agreement;
- (b) a warranty deed duly executed by Seller conveying the Property to Buyer;
- (c) termination agreements for all existing leases on the Property, if any;
- (d) an affidavit satisfactory to Buyer that Seller is not a foreign person under Section 1445 of the United States Internal Revenue Code;
- (e) a well disclosure statement as required under Minnesota Statutes section 103I.235, if appropriate disclaimer language is not contained in the deed delivered at Closing;
- (f) an affidavit satisfactory to Buyer that at Closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against Seller, no labor, services, materials, or machinery furnished to the Property for which mechanics' liens could be filed, and no unrecorded interests in the Property which have not been fully disclosed to Buyer; and
- (g) any other items required by this Agreement or reasonably required by the Title Company.

6.3 Seller's Right of Removal. The following personal property and fixtures shall be removed from the Property by Seller no later than two (2) business days prior to Closing: deck, fuse box, boiler, wood stove, cabinets, water heater, water softener, shed, washer/dryer, range hood, oven, refrigerator, propane tank, garage door opener.

All items shall be removed by Seller in accordance with applicable laws and in a safe and sanitary manner that provides the least disturbance to the Property as reasonably possible and in a manner that does not create any safety hazards on the Property. Any gas, propane, water or other utility connections on the Property which are affected by Seller's removal of such personal property and fixtures shall be disconnected or properly capped and secured by Seller so as to avoid any resulting leaks or dangerous conditions.

6.4 Delivery of Possession. Seller will deliver possession of the Property to Buyer in the condition required by this Agreement, and specifically Section 6.3, at Closing.

6.5 Further Actions. At Buyer's or the Title Company's request from time to time after Closing, Seller will at no cost to Seller execute and deliver such further documents of conveyance and take such other action as Buyer may reasonably require to convey the Property to Buyer.

VII. CLOSING COSTS AND PRORATIONS

7.1 Closing Costs. Buyer and Seller will each be responsible for its legal, accounting and other expenses associated with the transaction contemplated by this Agreement up to and including the date final adjustments are made pursuant to this Agreement. However, if Buyer or Seller defaults under this Agreement, it will be responsible for all reasonable expenses (including attorneys' fees) incurred by the other in enforcing any rights and remedies under this

Agreement. Seller will be responsible for any document recording fees required for correction of title and any state deed tax required in connection with the transaction. Buyer will pay all other document recording fees, fees associated with the transfer or obtaining of licenses and permits required to operate the Property, mortgage registry taxes, and any sales or use taxes required in connection with the transaction. Seller and Buyer will each pay half of the closing fee and any escrow fees imposed by the Title Company, title insurer or its closing agent in connection with this transaction.

7.2 Taxes and Assessments. Real estate taxes due and payable in the year of Closing shall be prorated as of the Closing Date. Buyer will pay all real estate taxes due and payable in years following the year in which Closing occurs. Real estate taxes and all special assessments due and payable in all years prior to Closing shall be paid by Seller. On or prior to the Closing Date, Seller shall pay all special assessments, whether or not then due, levied or pending against the Property as of Closing. If the actual amount of any pending or other assessments is not known at the Closing Date, the Title Company shall withhold in escrow from Seller's proceeds at closing an amount equal to 150% of the estimated amount thereof. When the amount of said assessments becomes fixed and payable, the Title Company shall apply said escrow in payment of the assessments, returning any surplus to Seller; provided, however, that if the amount withheld in escrow is insufficient to pay the assessments, Seller shall immediately pay, and shall be liable for the immediate payment of, any such deficiency.

7.3 Utilities. Seller shall pay all utility charges and all charges for services of any type furnished to the Property by all governmental agencies, public utilities and/or private utilities through the date of Closing.

VIII. WARRANTIES AND REPRESENTATIONS

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

- (a) except as described in Section 11.2, no brokerage commission or other compensation is or will be due and unpaid from Seller in connection with any lease, tenancy or occupancy of the Property or any renewal thereof;
- (b) Seller has not received any notice and is not aware of a violation of any building codes, fire codes, health codes, zoning codes, environmental laws, or other laws and regulations affecting the Property or the use thereof;
- (c) Seller has not received any notice of a condemnation, environmental, zoning or other regulation or proceeding being instituted or planned which would detrimentally affect the use and operation of the Property for its intended purpose;
- (d) Seller has not received any notice of hearing of a public improvement project from any governmental assessing authority, the costs of which may be assessed against the Property;
- (e) in addition to the items referenced in Section 6.3, Seller has removed, or will remove prior to Closing, all personal property, any and all containers of motor oil, paint,

solvents, petroleum products, and all motor vehicle tires and batteries from the Property;

- (f) Seller has all requisite power to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out his obligations under this Agreement and such documents;
- (g) this Agreement has been duly authorized, executed and delivered on behalf of Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms;
- (h) the execution, delivery and performance of this Agreement by Seller will not result in a breach or violation of Seller or constitute a default by Seller under any agreement, instrument or order to which Seller is a party or by which Seller is bound;
- (i) Seller is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the Property or the ability of Seller to perform its obligations under this Agreement; and
- (j) Seller's disclosures attached hereto as Exhibit B are incorporated in this Agreement as representations and warranties of Seller as if fully set forth in this Section 8.1.

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

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

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

- 8.4 “As-Is”. Seller is selling the Property to Buyer in “as is” condition and, except as set forth in in this Agreement and the attached Exhibit B, makes no representations or warranties regarding the condition of the residential structure or mechanical systems.

IX. OPERATIONS PRIOR TO CLOSING

- 9.1 Operation. During the period from the execution of this Agreement to Closing, Seller will cause the Property to be operated in the manner in which it has been operated prior to the execution of this Agreement. Seller will not without Buyer’s written consent permit any new leases or contracts relating to the Property. Seller will keep and comply with all requirements of encumbrances and will not without Buyer’s written consent permit any new encumbrance or any amendment, modification or termination of any encumbrance or any waiver of Seller’s rights under any encumbrance on the Property.
- 9.2 Inspection. During the period from execution of this Agreement to Closing, Buyer and its representatives may enter the Property to inspect the Property and perform such inventories, observations, tests and investigations, including, but not limited to geotechnical investigations, as Buyer may reasonably deem appropriate. Buyer will at Buyer’s cost repair or provide reasonable compensation to Seller for any resulting damage to the Property and will indemnify and hold harmless Seller from any resulting injury or damage to persons or property. Notwithstanding anything in this Agreement to the contrary, this obligation and indemnity shall survive termination of this Agreement. Buyer’s right to make any such inspection shall be conditioned on provision by Buyer to Seller of at least forty-eight (48) hours advance notice of any planned inspection. Such advance notice shall be given by phone to Terry J. Lusignan at (612) 240-7475.

X. CASUALTY AND CONDEMNATION

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

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

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

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

XI. GENERAL

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

- (a) if to Seller: Terry J. Lusignan
32319 316th Street
Le Sueur, MN 56058
- (b) if to Buyer: Shakopee Public Utilities Commission
255 Sarazin Street
Shakopee, MN 55379
Attention: Joseph D. Adams

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

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

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

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

- 11.3 Entire Agreement. This Agreement embodies the entire agreement and understanding between Buyer and Seller relating to the transactions contemplated by this Agreement and may not be amended, waived or discharged except by an instrument in writing executed by the party against whom enforcement of such amendment, waiver or discharge is sought. No warranties or representations have been given by either party to the other which are not fully embodied in this Agreement. If any term or provision of this Agreement is invalid or unenforceable, the remainder of this Agreement will not be affected and will remain in full force and effect.
- 11.4 Survival. Except as may otherwise be expressly provided in this Agreement, all covenants, agreements, obligations and undertakings made by Seller and Buyer in or pursuant to this Agreement will survive Closing, for a period of three (3) years after Closing, whether or not so expressed in the immediate context of any such covenant, agreement, obligation or undertaking.
- 11.5 Construction. This Agreement will be construed and enforced in accordance with the laws of the State of Minnesota. Time is of the essence of this Agreement. Seller and Buyer and their respective counsel have reviewed and revised this Agreement. Seller and Buyer acknowledge that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
- 11.6 Binding Agreement. This Agreement will be binding upon and inure to the benefit of Buyer and Seller and their respective heirs, representatives, successors and assigns.
- 11.7 Announcements. Prior to and at Closing, Buyer and Seller will coordinate press releases and other public disclosures concerning the transactions contemplated by this Agreement.
- 11.8 Section Headings. The Section headings herein contained are for purposes of identification only and shall not be considered in construing this Agreement.
- 11.9 Exhibits. Any and all exhibits attached or to be attached hereto are hereby incorporated and made a part of this Agreement by reference.
- 11.10 Waiver. Except as herein expressly provided, no waiver by a party of any breach of this Agreement or of any warranty or representation hereunder by another party shall be deemed to be a waiver of any other breach of any kind or nature (whether preceding or succeeding and whether or not of the same or similar nature), and no acceptance of payment or performance by a party after any such breach by another party shall be deemed to be a waiver of any further breach of this Agreement or of any representation or warranty hereunder by such other party whether or not the first party knows of such a breach at the time it accepts such payment or performance. No failure on the part of a party to exercise any right it may have by the terms hereunder or by law upon the default of another party, and no delay in the exercise thereof by the first party at any time when such other party may continue to be so in default, shall operate as a waiver of any other default or as a modification in any respect of any of the other provisions of this Agreement.

- 11.11 Time Computations. In computing a period of days for performance or payment as provided hereunder, the first day shall be excluded and the last day shall be included. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall extend to include the next day which is not a Saturday, Sunday or legal holiday. Any performance or payment which must be taken or made under this Agreement must be taken or made prior to 5:00 p.m. of the last day of the applicable period provided hereunder for such action, unless another time is expressly specified. All references to time shall be Minneapolis, Minnesota time.
- 11.12 Blocked Persons. Neither Seller nor Buyer, nor, to the actual knowledge of Seller and Buyer, any of their affiliates, is in violation of any laws relating to terrorism or money laundering (“**Anti-Terrorism Laws**”), including Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001 (the “**Executive Order**”), and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56. Neither party hereto nor, to the knowledge of the parties, any of their affiliates, or their respective brokers or other agents acting or benefiting in any capacity in connection with the transaction contemplated hereby, is any of the following: (a) a person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (b) a person or entity owned or controlled by, or acting for or on behalf of, any person or entity that is listed in the annex to, or is otherwise subject to the provisions of, the Executive Order; (c) a person or entity with which either party is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law; (d) a person or entity that commits, threatens or conspires to commit or supports “terrorism” as defined in the Executive Order; or (e) a person or entity that is named as a “specially designated national and blocked person” on the most current list published by the U.S. Treasury Department Office of Foreign Asset Control at its official website (www.treas.gov/ofac) or any replacement website or other replacement official publication of such list. Neither party, nor to the knowledge of either party, any of its brokers or other agents acting in any capacity in connection with the transaction contemplated hereby (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any person described in this Section, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in any Anti-Terrorism Law. This Agreement may be terminated by either party if the other party is determined to be a blocked person within the meaning of the Executive Order. Upon such termination, the Earnest Money will be returned to Buyer and neither party will have any further obligations under this Agreement, except for those obligations that expressly survive such termination.
- 11.13 Exchange. Notwithstanding anything to the contrary, either party (the “**Exchanging Party**”) may consummate the sale of the Property as part of a so-called like kind exchange (the “**Exchange**”) pursuant to §1031 of the Internal Revenue Code of 1986, as amended (the “**Code**”), provided that (i) the Exchanging Party shall effect the Exchange through an assignment of its rights under this Agreement to a qualified intermediary, but the Exchanging Party will remain liable notwithstanding such assignment; (ii) the other party (the “**Non-Exchanging Party**”) shall not be required to acquire or hold title to any property for purposes of consummating the Exchange or be required to incur any liability or expend any

additional costs or expenses to effect the Exchange, and the Exchanging Party shall release, indemnify, reimburse, defend and hold harmless the Non-Exchanging Party and its officers, directors, owners, managers, members, employees, agents, affiliated companies, lenders, representatives, successors, and permitted assigns from and against any and all claims resulting from or relating to the Exchange; (iii) the Non-Exchanging Party shall not by this Agreement or acquiescence to the Exchange be responsible for compliance with or be deemed to have warranted to the Exchanging Party that the Exchange in fact complies with §1031 of the Code; and (iv) subject to the other provisions of this Section, the Non-Exchanging Party agrees to reasonably cooperate with the Exchanging Party, at the Exchanging Party's sole cost and expense, to the extent necessary to consummate the Exchange.

- 11.14 Allocation of Liability. It is expressly understood and agreed that Seller shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities and expenses arising out of events, contractual obligations, acts or omissions of Seller that occurred in connection with the ownership or operation of the Property prior to Closing and, subject to the terms of this Agreement and the documents delivered at Closing, Buyer shall be liable to third parties for any and all obligations, claims, losses, damages, liabilities and expenses arising out of events, contractual obligations, acts or omissions of Buyer that occur in connection with the ownership or operation of the Property after Closing.
- 11.15 Attorneys' Fees. Notwithstanding anything contained herein to the contrary, if any lawsuit or arbitration or other legal proceeding arises in connection with the interpretation or enforcement of this Agreement, the prevailing party therein shall be entitled to receive from the other party the prevailing party's costs and expenses, including reasonable attorneys' fees incurred in connection therewith, in preparation therefor and on appeal therefrom, which amounts shall be included in any judgment therein.
- 11.16 Time of Essence. Time shall be of the essence with respect to the performance of each and every covenant and obligation, and the giving of all notices, under this Agreement.
- 11.17 Waiver of Trial by Jury. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HEREBY ABSOLUTELY AND IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BETWEEN THEM RELATED TO THIS AGREEMENT OR THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED HEREUNDER.
- 11.18 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement of the parties. Each such counterpart may be delivered by facsimile or e-mail (in .pdf format) and any signatures which are so delivered by facsimile or e-mail shall be deemed original signatures for all purposes.
- 11.19 Execution and Delivery. This Agreement will be effective only upon execution and delivery by both parties.

[The remainder of this page is intentionally left blank]

IN WITNESS OF this Agreement, Seller and Buyer have duly executed it as of the Effective Date.

SELLER:

TERRY J. LUSIGNAN

BRIAN E. LUSIGNAN

KEVIN M. LUSIGNAN

BUYER:

SHAKOPEE PUBLIC UTILITIES COMMISSION,
a Minnesota municipal utility commission

By: _____
Its: _____

EXHIBIT A

Legal Description

That part of the west 20.00 acres of that part of the East Half of the Southwest Quarter of Section 9, Township 115, Range 22, Scott County, Minnesota, lying southerly of the centerline of County Road No. 16 lying northerly and westerly of the following described line: Commencing at the southwest corner of said East Half of the Southwest Quarter; thence North 00 degrees 01 minutes 23 seconds East (assumed bearing) along the west line of said East Half of the Southwest Quarter a distance of 1062.13 feet to the point of beginning of the line to be described; thence South 89 degrees 58 minutes 37 seconds East a distance of 225.27 feet; thence North 08 degrees 58 minutes 10 seconds East a distance of 224.13 feet; thence North 30 degrees 36 minutes 59 seconds East a distance of 250.00 feet to the centerline of said County Road No. 16, and there terminating; said parcel is approximately 3.75 acres.

EXHIBIT B

Disclosures for Sale of Residential Property

A. CONDITION OF PROPERTY. Pursuant to Minnesota Statutes Sections 513.52 through 513.60, Seller must provide a written disclosure [see (1) below], or Buyer must have received an inspection report [see (2) below], or Buyer and Seller may waive the written disclosure requirement [see (3) below]. *[select only one of these three:]*

- (1) **Seller's Disclosure.** Seller has provided written disclosure to Buyer. *[If this option is selected, attach a copy of Condition of the Property, M.S.B.A. Real Property Form No. 15.]* Seller shall correct in writing any inaccuracies in the disclosure as soon as reasonably possible before closing.
- (2) **Inspection Report.** Buyer certifies that Buyer has received an inspection report by a qualified third-party. If a copy of the inspection report is provided to Seller, Seller shall disclose to Buyer material facts known to Seller that contradict any information in the inspection report.
- (3) **Waiver of Disclosure.** Under Minnesota Statutes Section 513.60, the written disclosure required under Sections 513.52 through 513.60 may be waived if Seller and Buyer agree in writing. *[If this option is selected, the waiver must be completed by signing below.]*

Seller and Buyer hereby waive the written disclosures required in Minnesota Statutes, Sections 513.52 through 513.60.

SELLER: _____ SELLER: _____
SELLER: _____ BUYER: _____

Waiver of the disclosure required under Sections 513.52 through 513.60 does not waive, limit, or abridge any obligation for seller disclosure created by any other law.

Truth-in-Housing Report. In addition to the statutory disclosure under Sections 513.52 through 513.60, some local units of government require that a Truth-in-Housing Disclosure Report or a copy of the governmental inspection report be provided to Buyer. A copy of any required Truth-in-Housing Disclosure Report or governmental inspection report *[select one:]*
 is is not attached.

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

- Seller certifies that Seller does not know of any wells on the real property and will so certify on the Deed or Contract for Deed delivered at closing.

Seller certifies there are one or more wells located on the real property and Seller's disclosure is continued on the attached *Well Disclosure Statement*. [If this option is selected, attach a copy of *Well Disclosure Statement, M.S.B.A. Real Property Form No. 21.*]

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

(1) Seller certifies that sewage generated at the Property goes to a facility permitted by the Minnesota Pollution Control Agency (for example, a city of municipal sewer system).

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

(3) Seller certifies that no sewage is generated at the Property.

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

(4) Seller has no knowledge whether there is an abandoned subsurface sewage treatment system on the Property.

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

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

D. LEAD PAINT DISCLOSURE. Pursuant to United States Code Section 4852d [check one of the following:]

Seller knows that the dwelling was constructed on the real property in 1978 or later.

Seller does not know when the dwelling was constructed.

Seller knows that the dwelling was constructed on the real property before 1978 and Seller's disclosure is continued on the attached *Lead Paint Addendum for Housing Constructed Before 1978*. [If this option is selected, attach a copy of *Lead Paint Addendum for Housing Constructed Before 1978, M.S.B.A. Real Property Form No. 11.*]

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

If the presence of any hazardous substances or petroleum products or any underground or aboveground storage tanks is disclosed, then this paragraph applies:
Seller certifies that all underground and aboveground storage tanks known to Seller on the Property are shown on the attached drawing or map. Seller shall provide Buyer with a copy of the affidavits required by Minnesota Statutes Sections 115B.16 and 116.48 if applicable to the Property and shall record such affidavits at Closing.

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

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

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

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

- H. RADON DISCLOSURE.** Pursuant to Minnesota Statutes Section 144.496, Seller hereby certifies to the matters set forth on the attached M.S.B.A. Real Property Form No. 24 and a copy of the brochure entitled “*Radon in Real Estate Transactions*” published by the Minnesota Department of Health is attached.
- I. VALUATION EXCLUSION DISCLOSURE.** Pursuant to Minnesota Statutes Section 273.11, Subd. 18, Seller certifies that the Property *[select one:]* **does** **does not** have an exclusion from market value for home improvements under Minnesota Statutes Section 273.11, Subd. 16. *Seller hereby informs Buyer that if the Property has an exclusion from market value for home improvements the exclusion will end upon the sale of the Property and the estimated market value of the Property for property tax purposes will increase accordingly.*
- J. NOTICE OF AIRPORT ZONING REGULATIONS.** If airport zoning regulations affect this real property, a copy of those airport zoning regulations as adopted can be viewed or obtained at the office of the county recorder where the zoned area is located.
- K. COMMON INTEREST COMMUNITY DISCLOSURE.** Seller certifies that the Property *[select one:]* **is** **is not** a unit in a condominium or other common interest community. If the Property is a unit in a condominium or other common interest community, the following notice is required by Minnesota Statutes: “The purchaser is entitled to receive a disclosure statement or resale disclosure certificate, as applicable. The disclosure statement or resale disclosure certificate contains important information regarding the common interest community and the purchaser's cancellation rights.” *[If the Property is a unit in a condominium or other common interest community, attach a copy of Addendum to Purchase Agreement: Common Interest Community Property, M.S.B.A. Real Property Form No. 12, and provide the additional disclosure information identified therein.]*
- L. TENANTS AND PARTIES IN POSSESSION DISCLOSURE.** Seller certifies that the Property *[select one:]* **is** **is not** subject to the rights of tenants or other parties in possession. *[If the Property is subject to the rights of tenants or other parties in possession, attach a copy of Addendum to Purchase Agreement: Tenants and Parties in Possession, M.S.B.A. Real Property Form No. 20.]*
- M. CEMETERY DISCLOSURE.** Minnesota Statutes Section 307.08 prohibits any damage or illegal molestation of human remains, burials or cemeteries. Seller certifies that Seller *[select one:]* **is** **is not** aware of any human remains, burials or cemeteries on the Property.

ATTACHMENTS TO EXHIBIT B

DISCLOSURES FOR SALE OF RESIDENTIAL PROPERTY

- Condition of the Property (M.S.B.A. Real Property Form No. 15)
- Truth-in-Housing Disclosure Report or municipal property inspection report
- Well Disclosure Statement (M.S.B.A. Real Property Form No. 21)
- Disclosure of Sewage Treatment System (M.S.B.A. Real Property Form No. 14)
- Independent Sewage Treatment Compliance Report
- Lead Paint Addendum for Housing Constructed Before 1978 (M.S.B.A. Real Property Form No. 11)
- Addendum to Purchase Agreement: Wetlands, Shoreland and Flood Plain Disclosure (M.S.B.A. Real Property Form No. 8)
- Methamphetamine Disclosure Statement (M.S.B.A. Real Property Form No. 22)
- Addendum to Purchase Agreement: Common Interest Community Property (M.S.B.A. Real Property Form No. 12)
- Addendum to Purchase Agreement: Tenants and Parties in Possession (M.S.B.A. Real Property Form No. 20)
- Radon Disclosure (M.S.B.A. Real Property Form No. 24)
- Radon in Real Estate Transactions Brochure

WELL DISCLOSURE STATEMENT

© Copyright 2005, 2017 by Minnesota State Bar Association, Minneapolis, Minnesota. No copyright is claimed for statutory text.

1 This document, dated 1-8-23, concerns the real property located at:
2 [street address] 3650 Eagle Creek Boulevard, Shakopee, MN 55379
3 and legally described as: see attached Exhibit A
4 _____
5 _____
6 Scott County, Minnesota [the "Property"].
7

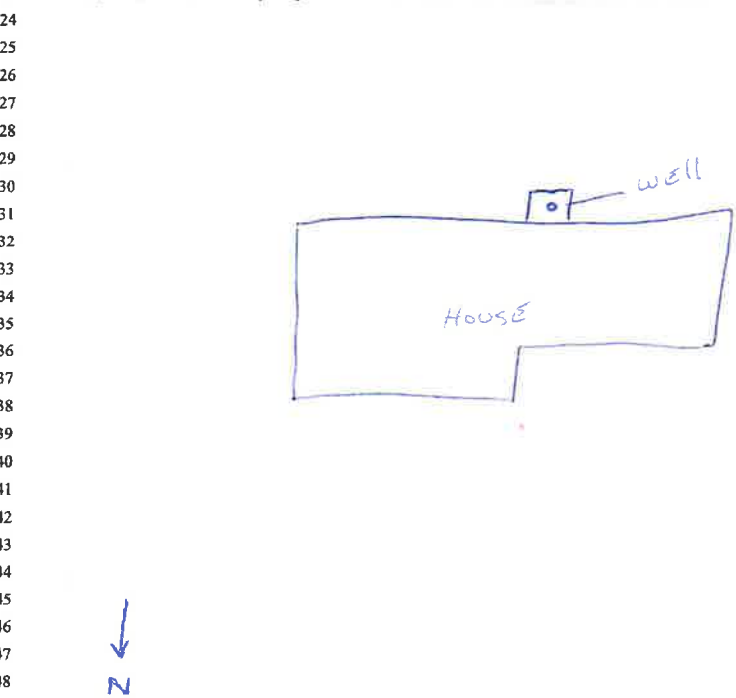
8 **Minnesota Statutes Section 103L235 Real property sale; disclosure of location of wells.** Subdivision 1. Disclosure of wells
9 to buyer. (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer
10 information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the
11 seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and
12 county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure
13 statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

14 The sealing of a well must be done in accordance with the rules adopted by the Minnesota Commissioner of Health.
15 Minn. Stat. Section 1031.301, Subdivision 4.
16

17 Seller discloses that there are 1 Wells on the Property.

For each well on the Property, check the appropriate columns:	In use	Not in use	Sealed
Well No. 1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well No. 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well No. 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Well No. 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

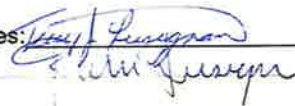

23 All wells on the Property, known to Seller, are depicted on this map:



49
50
51
52
53
54
55
56
57

At closing, Seller shall provide a Well Disclosure Certificate that complies with the requirements of Minnesota Statutes Section 1031.235.

Minnesota Statutes Section 1031.235 Subd. 2. Liability for failure to disclose. Unless the buyer and seller agree to the contrary, in writing, before the closing of the sale, a seller who fails to disclose the existence or known status of a well at the time of sale and knew or had reason to know of the existence or known status of the well, is liable to the buyer for costs relating to sealing of the well and reasonable attorney fees for collection of costs from the seller, if the action is commenced within six years after the date the buyer closed the purchase of the real property where the well is located.

Seller(s) signatures:  

Buyer received this Disclosure on [date]: _____

Buyer(s) signatures: _____

DISCLOSURE OF SEWAGE TREATMENT SYSTEM.

© Copyright 1997, 1998, by Minnesota State Bar Association, Minneapolis, Minnesota.

WARNING TO PREPARER: Make no changes to this form unless such changes are visible.

[Complete this next paragraph if this form is used as an addendum to a Purchase Agreement.]

This addendum is a continuation of the Purchase Agreement dated _____ by and between Terry J. Lusignan, Brian E. Lusignan, and Kevin M. Lusignan as Sellers, and Shakopee Public Utilities Commission as Buyers, for property described below in Section A.

The Disclosure Law. Pursuant to Minnesota Statutes Section 115.55, Subdivision 6, before signing an agreement to sell or to transfer real property, the seller or transferor must disclose in writing to the buyer or transferee information on how sewage generated at the property is managed. Unless the buyer/transferee and seller/transferor agree to the contrary in writing before the closing of the sale, a seller/transferor who fails to disclose the existence or known status of a subsurface sewage treatment system at the time of sale, and who knew or had reason to know of the existence or known status of the system is liable to the buyer/transferee for costs relating to bringing the system into compliance with the subsurface sewage treatment system rules and for reasonable attorney fees for collection of costs from the seller/transferor. An action under this subdivision must be commenced within two years after the date on which the buyer/transferee closed the purchase or transfer of the real property where the system is located.

IF YOU DO NOT UNDERSTAND THIS LAW, CONSULT YOUR LAWYER.

A. PROPERTY DESCRIPTION.	
Property Identification Number (Tax Parcel No.): 279090030	
Quarter: SW Section: 9 Township: 115 Range: 22 County: Scott	
Legal Description: Lot ____, Block ____, (plat name) _____ see attached Exhibit A (If metes-and-bounds description, attach legal description on separate sheet.)	
Street Address: 3650 Eagle Creek Boulevard, Shakopee, MN 55379	
B. STATUTORY DISCLOSURE OF SEWAGE SYSTEM.	
<i>[Seller/Transferor must complete this section.]</i>	
M.P.C.A. PERMITTED FACILITY: <i>[Check only one from 1, 2, and 3:]</i>	
<input type="checkbox"/>	1. Seller/Transferor states that sewage generated at the property goes to a facility permitted by the Minnesota Pollution Control Agency (for example, the sewer lines on the property are connected to a municipal sewer system or public sewage treatment system).
<input checked="" type="checkbox"/>	2. Seller/Transferor states that sewage generated at the property does not go to a facility permitted by the Minnesota Pollution Control Agency, and is therefore subject to applicable requirements.
<input type="checkbox"/>	3. Seller/Transferor states that no sewage is generated at the property.
IN-USE SUBSURFACE ON-SITE SEWAGE TREATMENT SYSTEM: <i>[Check either 4 or 5:]</i>	
<input type="checkbox"/>	4. Seller/Transferor has no knowledge whether there is a subsurface sewage treatment system in use on the property.
<input checked="" type="checkbox"/>	5. Seller/Transferor knows that there are <i>[strike one:]</i> are are subsurface sewage treatment systems <u>in use</u> on the property. If Seller/Transferor discloses the existence of a subsurface sewage treatment system on the property, then Minnesota law requires that the location of the system be disclosed to Buyer/Transferee with a map. <i>[Complete the map below in Section C.]</i>

ABANDONED SUBSURFACE ON-SITE SEWAGE TREATMENT SYSTEM: [Check either 6 or 7:]

6. Seller/Transferor has no knowledge whether there is an abandoned subsurface sewage treatment system on the property.

7. Seller/Transferor knows that there ~~are~~ are no abandoned subsurface sewage treatment systems on the property. If Seller/Transferor discloses the existence of an abandoned subsurface sewage treatment system on the property, then Minnesota law requires that the location of the system be disclosed to Buyer/Transferee with a map. [Complete the map below in Section C.]

C. SUBSURFACE SEWAGE TREATMENT SYSTEMS (IN-USE OR ABANDONED) ON THE PROPERTY. Describe all in-use and abandoned systems on the property.

1 For each sewage treatment system in use, state the type of System:
 Septic Tank with: standard drainfield mound system drainfield
 Sealed System (holding tank or contained cesspool)
 Other (describe) seepage tank cesspool dry well leaching pit

2 **SKETCH MAP:** Sketch the location of the house, garage, accessory buildings, well, septic tank, drainfield, mound, or other components of the sewer system. Also show the location of the components of any abandoned sewage treatment systems (tanks, pipes, drainfields, pits, etc.) Include estimated distances from all roads, streets and buildings. Use additional sheets of paper, if necessary.

3 **SELLER/TRANSFEROR DISCLOSURE:** Pursuant to Minnesota Statutes Section 115.55, Subdivision 6, the Seller/Transferor shall disclose to the Buyer/Transferee what the Seller/Transferor has knowledge of relative to the compliance status of the subsurface treatment system, and whether, to the best of the Seller's/Transferor's knowledge, a straight-pipe system exists. A Seller/Transferor who has in their possession a previous inspection report completed by a licensed inspection business or certified local government inspector in accordance with Section 115.55, Subdivision 5 or 5a, shall attach a copy to the disclosure statement that is provided to the Buyer/Transferee.

STATEMENT BY SELLER/TRANSFEROR: To my knowledge, the property ~~is~~ is not in compliance with all applicable sewage treatment laws and rules. To the best of my knowledge, a straight-pipe system ~~does~~ does not exist. A previous inspection report ~~does~~ does not exist; and if one exists, it is attached to this Disclosure.

Certification: I certify that none of the published text of this form has been deleted or altered except as indicated by strike out or by additional text shown in a typeface different than the published form.

Name of lawyer or other preparer _____
 Signature of lawyer or other preparer _____

Terry J. Lusignan _____ Terry J. Lusignan and Brian E. Lusignan _____ 8-23
 Signature of Seller/Transferor Print Name of Seller/Transferor Date

Kevin M. Lusignan _____ Kevin M. Lusignan _____ 1/8/23
 Signature of Seller/Transferor Print Name of Seller/Transferor Date

4 **ACKNOWLEDGMENT AND RECEIPT BY BUYER/TRANSFEREE:** I have received this disclosure on [date] _____.

 Signature of Buyer/Transferee

 Signature of Buyer/Transferee

SUPPLEMENTAL DISCLOSURE REGARDING SUBSURFACE ON-SITE SYSTEM.

This supplemental disclosure asks for information that is not required as part of the statutory disclosure. Completion of this Supplement is voluntary.

<p>D. INFORMATION REGARDING PERFORMANCE AND USE. Seller's answers to these questions might assist a state-licensed inspector in evaluating the performance of the subsurface on-site sewage treatment system. [See MINN. RULES, chapter 7080.]</p>	
1	<p>a. The property is [check one] <input type="checkbox"/> in full time residential use <input type="checkbox"/> in part-time, seasonal, or recreational use (lake cabin, etc.)</p> <p>b. What is the average number of people who have used the system during the past two years? _____</p>
2	How many toilets flush into the system? _____
3	Does a dishwasher empty into the system? <u>yes / no</u> If "yes," how many times per week? _____
4	Does a garbage disposal empty into the system? <u>yes / no</u> If "yes," how many times per week? _____
5	Does a clothes washer empty into the system? <u>yes / no</u> If "yes," how many loads of wash per week? _____
6	Are there any other sources of water which drain into the system? <u>yes / no</u> If "yes," describe: _____
7	Has the system malfunctioned while you have owned the property? <u>yes / no</u> If "yes," describe: _____
8	Describe the work performed on the system while you have owned the property, including routine maintenance and pumping: _____
<p>E. INFORMATION REGARDING LOCATION. If Seller/Transferor is unable to provide answers to these questions, Buyer should obtain this information from other sources. Minnesota law and local ordinances restrict the ability to build or to rebuild improvements within flood plains, shorelands, and wetlands. You might also be restricted from using the property if the property does not have enough land area to install a new drainfield. These restrictions affect wells and subsurface on-site sewage treatment systems. If the subsurface on-site sewage treatment system fails, you might not be allowed to rebuild in its present location.</p>	
1	Is any part of the system, including all drainfields, located in a Flood Plain? <u>yes / no / unknown</u>
2	Is any part of the system, including all drainfields, located in a Shoreland Zone? <u>yes / no / unknown</u>
3	Is any part of the system, including all drainfields, located in or near a wetland or low lying area? <u>yes / no / unknown</u> If "yes," describe: _____
4	Is the system, including all drainfields, located within the property lines? <u>yes / no / unknown</u> If "no," describe encroachment or easement: _____

5	Is the system, including all drainfields, located within the setback lines ? <u>yes / no / unknown</u> If "no," describe encroachment:
F. INFORMATION REGARDING GOVERNMENTAL NOTICES AND SELLER'S/TRANSFEROR'S KNOWLEDGE.	
1	Have you received any notices regarding your system from any governmental unit? <u>yes / no</u> If "yes," explain:
2	Do you know of any defects in the sewer system? <u>yes / no</u> If "yes," describe:
3	Is there enough useable land area on the property to construct a new drainfield? <u>yes / no / unknown</u>
4	Do you have any other information about repairs or maintenance of the system that has not already been disclosed in this form? <u>yes / no</u> If "yes," describe:
G. SELLER'S/TRANSFEROR'S ADDRESS INFORMATION.	
Seller's/Transferor's name and address before sale or transfer:	
Seller's/Transferor's address after sale or transfer:	

Certification: I certify that none of the published text of this form has been deleted or altered except as indicated by strike out or by additional text shown in a typeface different than the published form.		
Name of lawyer or other preparer _____ Signature of lawyer or other preparer _____		
STATEMENT BY SELLER/TRANSFEROR: To my knowledge, the information on this Supplemental Disclosure is true, accurate, and complete.		
_____ Signature of Seller/Transferor	_____ Print Name of Seller/Transferor	_____ Date
_____ Signature of Seller/Transferor	_____ Print Name of Seller/Transferor	_____ Date
ACKNOWLEDGMENT AND RECEIPT BY BUYER/TRANSFEEE: I have received this Supplemental Disclosure on [date] _____.		
_____ Signature of Buyer/Transferee	_____ Signature of Buyer/Transferee	

SUPPLEMENTAL SHEET

LEAD PAINT ADDENDUM FOR HOUSING CONSTRUCTED BEFORE 1978

© Copyright 2008, 2017 Minnesota State Bar Association, Minneapolis, Minnesota. (Use only with "Minnesota Standard Residential Purchase Agreement," Minnesota State Bar Association.)

This addendum is a continuation of the Purchase Agreement dated _____, by and between
Terry J. Lusignan, Brian E. Lusignan, Kevin M. Lusignan, _____, as Sellers, and
Shakopee Public Utilities Commission _____, as Buyers,
located at or described as 3650 Eagle Creek Boulevard, Shakopee, MN 56379

LEAD WARNING STATEMENT

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD PAINT INSPECTION CONTINGENCY

Buyer shall have 10 days from the signing of this Agreement to conduct a risk assessment or inspection for the presence of lead-based paint and lead-based paint hazards and to give seller the inspection or risk assessment report and a list of repairs required by buyer to correct problems set out in the report. (Intact lead-based paint that is in good condition is not necessarily a hazard. See EPA pamphlet *Protect Your Family From Lead in Your Home* for more information.)

If the report discloses problems seller shall have seven (7) days after receipt of the report and list to elect in writing whether to correct the problems prior to closing.

If seller elects to make the corrections, seller shall provide buyer prior to closing with certification from a risk assessor or inspection demonstrating that the problems have been corrected.

If seller does not elect to make the corrections, buyer shall have three (3) days to elect to take the property in its "as is" condition as to problems set out in the report, or this purchase agreement is void.

Buyer may waive in writing the rights contained in this contingency at any time.

Seller's Disclosure

(a) Presence of lead-based paint or lead-based paint hazards (check (i) or (ii) below):

- (i) lead-based paint or lead-based paint hazards are present in the housing (explain):
- (ii) Seller has no knowledge of lead-based paint or lead-based paint hazards in the housing.

(b) Records and reports available to seller (check (i) or (ii) below):

- (i) Seller has provided buyer with all records and reports in seller's possession or reasonably obtainable by seller pertaining to lead-based paint and lead-based paint hazards in the housing (list documents below).
- (ii) Seller has no reports or records pertaining to lead-based paint or lead-based paint hazards in the housing.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

Buyer's Acknowledgment (initial)

- (c) Buyer has received copies of all information listed at (b)(i) above.
- (d) Buyer has received the pamphlet, Protect Your Family from Lead in Your Home, an EPA publication available at www.leadpaint.hhs.gov.
- (e) Buyer has (check (i) or (ii) below):
 - (i) received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and lead-based paint hazards; or,
 - (ii) waives the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) Agent has informed seller of seller's obligations under 42 U.S.C. 4852d and is aware of agent's responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

<u>[Signature]</u> Seller Terry J. Lusignea and Brian F. Lusignea	_____ date	_____ Purchaser	_____ date
<u>[Signature]</u> Seller Kevin M. Lusignea	_____ date	_____ Purchaser	_____ date
<u>[Signature]</u> Listing broker / agent Ken Stroeter	7-1-13 _____ date	_____ Selling broker / agent	_____ date

RADON DISCLOSURE

Copyright 2013, 2017 by Minnesota State Bar Association, Minneapolis, Minnesota. No copyright is claimed for statutory text. BEFORE YOU USE OR SIGN THIS FORM, YOU SHOULD CONSULT WITH A LAWYER TO DETERMINE THAT THIS FORM ADEQUATELY PROTECTS YOUR LEGAL RIGHTS. Minnesota State Bar Association disclaims any liability arising out of use of this form.

This document, dated _____, concerns the real property located at:
[street address] 3650 Eagle Creek Boulevard, Shakopee, MN 55379
and legally described as:

see attached Exhibit A

MINNESOTA RADON AWARENESS ACT

Minn. Stat. Section 144.496 (2013)

Subdivision 1. Citation. This section may be cited as the "Minnesota Radon Awareness Act."

Subd. 2. Definitions. (a) The following terms used in this section have the meanings given them.

(b) "Buyer" means a person negotiating or offering to acquire for value, legal or equitable title, or the right to acquire legal or equitable title to residential real property.

(c) "Mitigation" means measures designed to permanently reduce indoor radon concentrations.

(d) "Radon test" means a measurement of indoor radon concentrations according to established industry standards for residential real property.

(e) "Residential real property" means property occupied as, or intended to be occupied as, a single-family residence, including a unit in a common interest community as defined in section 515B.1-103, clause (10), regardless of whether the unit is in a common interest community not subject to chapter 515B.

(f) "Seller" means a person who owns legal or equitable title to residential real property.

(g) "Elevated radon concentration" means a radon concentration at or above the United States Environmental Protection Agency's radon action level.

Subd. 3. Radon disclosure. (a) Before signing an agreement to sell or transfer residential real property, the seller shall disclose in writing to the buyer any knowledge the seller has of radon concentrations in the dwelling. The disclosure shall include:

- (1) whether a radon test or tests have occurred on the real property;
- (2) the most current records and reports pertaining to radon concentrations within the dwelling;
- (3) a description of any radon concentrations, mitigation, or remediation;
- (4) information regarding the radon mitigation system, including system description and documentation, if such system has been installed in the dwelling; and
- (5) a radon warning statement meeting the requirements of subdivision 4.

(b) The seller shall provide the buyer with a copy of the Minnesota Department of Health publication entitled "Radon in Real Estate Transactions."

(c) The seller's radon disclosure requirements in this section apply to the transfer of any interest in residential real estate, whether by sale, exchange, deed, contract for deed, lease with an option to purchase, or any other option.

(d) The seller's radon disclosure requirements in this section do not apply to any of the following:

- (1) real property that is not residential real property;
- (2) a gratuitous transfer;
- (3) a transfer made pursuant to a court order;
- (4) a transfer to a government or governmental agency;
- (5) a transfer by foreclosure or deed in lieu of foreclosure;
- (6) a transfer to heirs or devisees of a decedent;

- (7) a transfer from a cotenant to one or more other cotenants;
- (8) a transfer made to a spouse, parent, grandparent, child, or grandchild of the seller;
- (9) a transfer between spouses resulting from a decree of marriage dissolution or from a property settlement agreement incidental to that decree;
- (10) an option to purchase a unit in a common interest community, until exercised;
- (11) a transfer to a person who controls or is controlled by the grantor as those terms are defined with respect to a declarant under section 515B.1-103, clause (2);
- (12) a transfer to a tenant who is in possession of the residential real property; or
- (13) a transfer of special declarant rights under section 515B.3-104.

(e) A seller may provide the written disclosure required under this section to a real estate licensee representing or assisting a prospective buyer. The written disclosure provided to the real estate licensee representing or assisting a prospective buyer is considered to have been provided to the prospective buyer. If the written disclosure is provided to the real estate licensee representing or assisting the prospective buyer, the real estate licensee must provide a copy to the prospective buyer.

Subd. 4. Radon warning statement. The radon warning statement must include the following language: Radon Warning Statement. "The Minnesota Department of Health strongly recommends that ALL homebuyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator."

"Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling."

Subd. 5. Liability; transfer not invalidated. (a) A seller who fails to make a radon disclosure as required by this section, and is aware of material facts pertaining to radon concentrations in the dwelling, is liable to the buyer. (b) A buyer who is injured by a violation of this section may bring a civil action and recover damages and receive other equitable relief as determined by the court. An action under this subdivision must be commenced within two years after the date on which the buyer closed the purchase or transfer of the real property.

(c) This section does not invalidate a transfer solely because of the failure of any person to comply with a provision of this section. This section does not prevent a court from ordering a rescission of the transfer.

Subd. 6. Effective date. This section is effective January 1, 2014, and applies to agreements to sell or transfer residential real property executed on or after that date.

Radon Warning Statement

"The Minnesota Department of Health strongly recommends that ALL home buyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.

Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling."

Seller's Disclosure of Radon

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19

<i>Seller, answer each question with a check for "yes" or "no" where indicated or "unknown."</i>		Yes	No	Unknown
Seller has knowledge of radon concentrations in the dwelling.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
One or more radon tests have been conducted in the dwelling.		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Seller has records or reports pertaining to radon concentrations within the dwelling. <i>If Seller has answered "yes," then the most current records and reports pertaining to radon concentrations within the dwelling are attached.</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Has a mitigation system been installed? <i>If Seller has answered "yes," then information regarding the radon mitigation system, including system description and documentation, is attached.</i>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Radon concentrations at or above the U.S. Environmental Protection Agency Radon Action Level are known to be present within the dwelling.		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Radon concentrations have been mitigated to below the U.S. Environmental Protection Agency Radon Action Level.		<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Seller(s) signatures: *[Signature]* *[Signature]*
[Signature]

[date] _____

Buyer received this Disclosure and the brochure entitled "Radon in Real Estate Transactions" published by the Minnesota Department of Health.

Buyer(s) signatures: _____



Radon in Real Estate Transactions

All Minnesota homes can have dangerous levels of radon gas. Radon is a colorless, odorless and tasteless radioactive gas that can seep into homes from the soil. When inhaled, its radioactive particles can damage the lungs. Long-term exposure to radon can lead to lung cancer. About 21,000 lung cancer deaths each year in the United States are caused by radon.

The only way to know how much radon gas has entered the home is to conduct a radon test. MDH estimates 2 in 5 homes exceed the 4.0 pCi/L (picocuries per liter) action level. Whether a home is old or new, any home can have high levels of radon.

The purpose of this publication is to educate and inform potential home buyers of the risks of radon exposure, and how to test for and reduce radon as part of real estate transactions.

Disclosure Requirements

Effective January 1, 2014, the Minnesota Radon Awareness Act requires specific disclosure and education be provided to potential home buyers during residential real estate transactions in Minnesota. **Before signing a purchase agreement to sell or transfer residential real property, the seller shall provide this publication and shall disclose in writing to the buyer:**

1. whether a radon test or tests have occurred on the property
2. the most current records and reports pertaining to radon concentrations within the dwelling
3. a description of any radon levels, mitigation, or remediation
4. information on the radon mitigation system, if a system was installed
5. a radon warning statement

Radon Facts

How dangerous is radon? Radon is the number one cause of lung cancer in non-smokers, and the second leading cause overall. Your risk for lung cancer increases with higher levels of radon, prolonged exposure, and whether or not you are a current smoker or former smoker.

Where is your greatest exposure to radon? For most Minnesotans, your greatest exposure is at home where radon can concentrate indoors.

What is the recommended action based on my results? If the average radon in the home is at or above 4.0 pCi/L, the home's radon level should be reduced. Also, consider mitigating if radon levels are between 2.0 pCi/L and 3.9 pCi/L. Any amount of radon, even below the recommended action level, carries some risk.

Radon Warning Statement

“The Minnesota Department of Health strongly recommends that ALL homebuyers have an indoor radon test performed prior to purchase or taking occupancy, and recommends having the radon levels mitigated if elevated radon concentrations are found. Elevated radon concentrations can easily be reduced by a qualified, certified, or licensed, if applicable, radon mitigator.

Every buyer of any interest in residential real property is notified that the property may present exposure to dangerous levels of indoor radon gas that may place the occupants at risk of developing radon-induced lung cancer. Radon, a Class A human carcinogen, is the leading cause of lung cancer in nonsmokers and the second leading cause overall. The seller of any interest in residential real property is required to provide the buyer with any information on radon test results of the dwelling”

Radon Testing

Any test lasting less than three months requires **closed-house conditions**. This means keep all windows and doors closed, except for normal entry and exit.

Before testing: Begin closed-house conditions at least 12 hours before the start of the radon test.

During testing: Maintain closed-house conditions during the entire duration of the short-term test. Operate home heating or cooling systems normally during the test.

Where should the test be conducted? Any radon test conducted for a real estate transaction needs to be placed in the lowest livable area of the home suitable for occupancy. This is typically in the basement, whether finished or unfinished.

Place the test kit:

- 20 inches to 6 feet above the floor
- 3 feet from exterior doors and windows
- 1 foot from exterior walls
- 4 inches away from other objects
- in a location where it won't be disturbed
- not in enclosed areas or areas of high heat/humidity

How are radon tests conducted in real estate transactions?

There are special protocols for radon testing in real estate transactions. Here are the two most common.

Continuous Radon Monitor (CRM)

This test is completed by a certified radon measurement professional with a calibrated CRM for a minimum of 48 hours. The data is analyzed to ensure a valid test. A report is generated by the measurement professional.

Simultaneous Short-Term Testing

Two short-term test kits are used at the same time, placed 4 inches apart, for a minimum of 48 hours. Test kits are sent to the lab for analysis. The lab generates a report. The two test results are averaged to get the radon level.

All radon tests should be conducted by a licensed professional. This ensures the test was conducted properly, in the correct location(s), which includes testing the lowest liveable level in each unique foundation type and under appropriate building conditions. A list of these licensed radon measurement professionals can be found at MDH's Radon web site.

Radon Mitigation

When elevated levels of radon are found, they can be easily reduced by a licensed professional. A list of these licensed radon mitigation professionals can be found on MDH's Radon website.

Radon mitigation is the process or system used to reduce radon concentrations in the breathing zones of occupied buildings. The goal of a radon mitigation system is to reduce the indoor radon levels to below the action level. This is done by drawing soil gas from under the house and venting it above the roof. A quality mitigation system is often able to reduce the annual average radon level to below 2.0 pCi/L. The cost of a radon mitigation system averages \$1,200 to \$2,500.

After a radon mitigation system is installed perform an independent short-term test to ensure the reduction system is effective. Operate the radon system during the entire test. This short-term test will confirm low levels in the home. Be sure to retest the house every two years to confirm continued radon reduction.

Radon Information on the Web:

www.health.state.mn.us/radon

Last Updated 3/2021

MDH Indoor Air Unit

PO Box 64975

St Paul, MN 55164-0975


651-201-4601

800-798-9050

health.indoorair@state.mn.us



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

DATE: February 27, 2023
TO: Commissioners
FROM: Greg Drent, General Manager 
Subject: Staffing and Organizational Update

Background:

Part of the budget process each year is to analyze workload and expenses within each department. During the 2022 budget process, electric Superintendent Carlson requested Ms. Willemssen add an apprentice line worker position to the budget. The additional labor expense was added to the 2023 budget, but the organizational chart's head count was not adjusted to reflect this request.

Additionally, we have had several conversations internally about upcoming retirements in the meter reader department in 2023 and 2024. As you know, the AMI project is underway, and we do not feel it would be appropriate to backfill these positions with permanent employees but we do not want to add additional workload and stress to staff to cover these voids until AMI is complete. We considered temporary help to bridge the gap but determined that the best approach may be moving forward with filling the electric apprentice linework position right away and utilizing them to reduce some of the workload and overtime hours in the electric department and to support the meter reader department with the upcoming open positions until AMI is complete. Also, a part-time meter reader on staff will pick up additional hours as needed to ensure the electric department gets support from the newly filled position. These changes will not impact the overall budget.

Attached is a revised organization chart reflecting the recommended change and Superintendent Carlson's request.

Recommendation:

Approve Organization chart change to add apprentice line worker position.



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

DATE: February 23, 2023
TO: Greg Drent, General Manager *GD*
FROM: Brad Carlson, Electric Superintendent *BJC*
Subject: Electric Department Org Chart Change

Background:

This memo is being written because a need for an additional staff member in the Electric Department has been identified, and I would like to request approval to add an apprentice line worker position to the SPU organizational chart for 2023. The community has grown exponentially in the past year, bringing several projects to SPU. In 2022, the electric crew worked 1,951 hours of overtime to ensure projects were completed and the reliability requirements on the system were covered. The added position will not diminish the need for overtime in all areas, but it should minimize the amount of overtime on projects.

In addition to reducing some areas of overtime, this additional position could assist with an upcoming retirement this spring in the meter reading department. The newly added staff member would split working hours the first year between meter reading and working with the line crew in the field where needed. This would enable SPU to fill the immediate need within the meter reading department until AMI is fully deployed without filling the position.

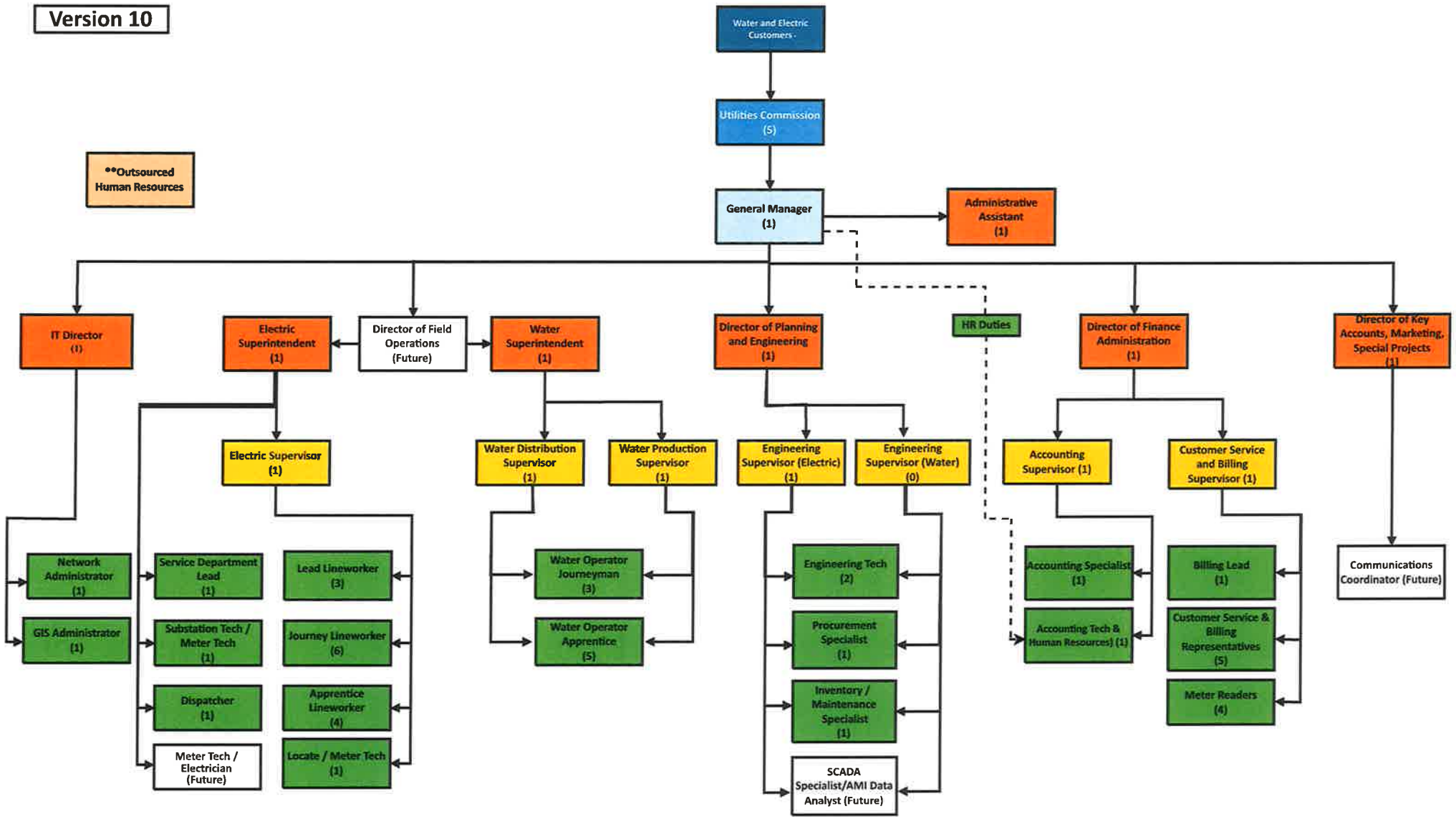
I met with finance to discuss the additional position's impact on the 2023 budget. The impact will be minimal due to not filling the meter reader position in 2023 and a reduction in overtime hours.

Action:

Approve Organizational chart change addition of Apprentice Line worker position to the Electric Department

Version 10

****Outsourced
Human Resources**





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

DATE: February 28, 2023
TO: Greg Drent, General Manager *GD*
FROM: Brad Carlson, Electric Superintendent *BC*
Subject: Bid Award 2024 Digger Derrick

Background:

The life cycle replacement of large utility trucks runs in the range of 10 - 12yrs, depending on the conditions of the unit. Smaller equipment is on a life cycle replacement plan for 8 – 10 yrs. The 2012 International Digger Derrick is a large utility truck and will meet the life cycle replacement per SPU policy at 12 years of age and is scheduled to be replaced in 2024.

The bid notice for the replacement of the Digger Derrick was posted with a close date of February 27th. Only one bid for the unit was received from Altec Industries on February 27, 2023. Most of SPU's large utility vehicles are from Altec Industries, and we continue to have great longevity with vehicles purchased from them.

The bid package was released as one unit, including the Unit/Body and the Cab Chassis. The bid for the Unit/Body received was \$376,323.00, and the Cab/Chassis was received as \$121,883.00. The total unit purchase price, including tax, of \$512,910.00. There is a total of \$450,000.00 in the Capital Improvement Plan budget for 2024. The price increases in materials and long lead times play a role in the early bidding on the new Digger Derrick unit. Any additional funds needed would be worked into the 2024 budget year to complete the build-out.

Action:

Staff requests the Commission award the build out of the Digger Derrick to Altec Industries for \$512,910.00 with delivery in 2024.



February 24, 2023
Our 94th Year

Ship To:
SHAKOPEE PUBLIC UTILITIES
255 SARAZIN ST
SHAKOPEE, MN 55379
US

Bill To:
SHAKOPEE PUBLIC UTILITIES
255 SARAZIN ST
SHAKOPEE, MN 55379
United States

Attn:
Phone:
Email:

Altec Quotation Number: 1012215 - 8
Account Manager: Clint Bitting
Technical Sales Rep: Zachery Johnson

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	<u>Unit</u>		
1.	DT65E, Hydraulic Derrick with electronic controls, designed for mounting over the rear axle, in accordance with the standard specifications and to include the following features	1	
	A. Pole Setting Sheave Height: 65 feet		
	B. Maximum Horizontal Reach from centerline of rotation: 56 feet, 2 inches		
	C. Digging Radius from centerline of rotation. Minimum: 21 feet 8 inches, Maximum: 35 feet, 10 inches		
	D. Side Load Protection: helps prevent overload conditions on rotation system due to excessive side load		
	E. Hydraulic Overload Protection System (HOP): activates when unit is exposed to overload conditions. System prevents actuation of all functions that could add to the overload condition, including: Boom lower, intermediate boom extend, 3rd stage extend, winch raise and auger dig. System automatically resets when overload condition is relieved		
	F. Lift Capacity at 10 Ft. Radius: 21,051 lbs. (Without optional equipment installed). See complete load chart for capacities with installed options		
	G. Boom Articulation: -15 to 80 degrees		
	H. Continuous Rotation: with planetary drive gearbox and RotaFloat		
	I. Standard/Low Speed Selector allows an operator to select standard or low functional speeds without respect to engine throttle. When in standard mode, each function operates at normal speeds. When in low mode, the maximum operational speed of each function is approximately half that of the standard speed, providing a more meterable feel. The function is separate from engine throttle control, giving the operator additional fine tuning speed control		
	J. Hydraulic System: closed-center, pressure-compensating, load-sensing design to provide the required hydraulic flow and pressure on demand		
	K. Transferable Hydraulic Pole Guides and Steel Boom Flares at the boom tip. Pole guides are hydraulically powered for open, close, and tilt and can provision up to a 24" pole		
	L. Hydraulically powered, fiberglass 3rd stage rated to 46KV and below		
	M. Auger Stow Protection: Limits the upward travel of the auger as it reaches the top of the auger stow latch to prevent an overstay condition		
	N. Designed and tested to meet safety factors in accordance with ANSI 10.31		

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	O. Manuals: Two (2) operator and Maintenance/Parts manuals		
2.	Rear Mount	1	
3.	Subbase For DT65E With Radial Outriggers On Standard Chassis	1	
4.	Outriggers	1	
	A. Outrigger Motion Alarm: Provides audible alarm when any of the outriggers are in motion.		
	B. Outrigger Controls: Hydraulic controls located at each rear corner of tailshelf providing a line-of-sight from the controls to the outrigger contact zone.		
5.	Turntable Winch	1	
6.	15k Single Speed Planetary Winch	1	
7.	176 - Platform Use Or Combined Digger/Platform Use	1	
8.	Right Hand Digger Storage DT65E	1	
9.	15K Two Speed HydraSync Digger Drive System	1	
10.	Boom Tip Sheaves for Synthetic Load Line	1	
11.	No Tool Circuit at Boom Tip	1	
12.	Three position throttle integrated into keypad at operator control station.	1	
13.	Pole Guides And Transferable Flares	1	
14.	134 - Altec Rotafloat System	1	
15.	Pole Guide Tongs For 24 In Dia Pole Maximum	1	
16.	Radio Remote Control Layout: CLOCKWISE, push lever to Right rotates boom Clockwise	1	
17.	Jib, Personnel Handling, 8 Ft	1	
	** NOT REQUIRED **		
18.	Pedestal-Mounted Ring Steps For Riding Seat Access	1	
	** NOT REQUIRED **		
19.	2.63 in Hex Output Shaft With 2.63 in Hex Extension Shaft	1	
20.	Dedicated digger shake command that provides rapid dig/clean reversing function for quick and convenient auger cleaning.	1	
21.	Hydraulic Side Load Protection: relieves overload conditions by allowing rotation system to back drive.	1	
22.	No hard wired control station, only available with radio remote lower controls and includes emergency lowering handles at the main control valve	1	

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
23.	Radio Remote, Hetriconic	1	
24.	Electric Over Hydraulic Outrigger Controls	1	
25.	Capacity Chart DT65 THD (With Digger)	1	
26.	Altec Powder Paint Process	1	
27.	Base Boom and Turntable Painted White (Standard)	1	
28.	Subbase Painted Black (Standard)	1	
29.	Upper Booms Painted White (Standard)	1	
30.	Outrigger Legs Painted White (Standard)	1	
31.	Custom Platform 24" x 30" with toe space.	1	
<u>Unit & Hydraulic Acc.</u>			
32.	Platform Cover, 24 X 30, Soft Vinyl	1	
33.	Carbide Teeth Auger, 20 Inch DIA, With 2-5/8 Inch Hex X 104 Inch Long (Painted Black)	1	
34.	Synthetic Rope, 150 FT Of 1" Diameter	1	
35.	DT65 Subbase Installation Components	1	
36.	Load Line Swivel Hook, 8-1/2 Ton (Crosby)	1	
37.	Platform Docking Station For Radio Remote Controls Ship Loose	1	
38.	Kendall Glacial Blu Hydraulic Oil (Meets MilSpec 5606).	120	
39.	100 Gallon Reservoir With Sight Gauge	1	
40.	Standard Pump For PTO	1	
41.	Hot shift PTO for automatic transmission	1	
42.	Altec PTO/Transmission Functionality with Winch Recovery for Allison Automatic Transmissions: -Once the PTO switch is on and transmission is in first, neutral, or reverse the PTO will engage. -Once the Parking Brake is engaged and the transmission is in a near stationary condition (i.e., below 5 mph) the transmission will be forced into neutral. -PTO will disengage when RPM limits are exceeded (chassis speed of approximately 5 mph).	1	
43.	Standard Parking Brake Machine Interlock	1	
44.	Braden PD18 Hydraulic Front Winch And Bumper Package. 20,000 LB Planetary,	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	Single-Speed Winch With Tool Box And RH Extended Shaft. Includes emergency stop switch mounted near winch, with indicator light in cab.		
45.	200' Of 5/8" Winch Cable	1	
46.	Quick Hook (5 TON)	1	
47.	Winch Control for Front Bumper on E-Series Derricks, Base Selection, Includes Keypad at Bumper with Front Bumper Winch Pay-In/Payout, Engine Start/Stop, Engine Throttle and Station-Select, Non-Meterable	1	
48.	Winch Control for Front Bumper on E-Series Derricks, Adds Joystick at Bumper, Meterable	1	
49.	Winch Control on E-Series Derricks, Additional Control with Joystick in Cab, Meterable	1	
50.	Altec recommends any connection made to the tool circuit be done with Non-Conductive hose. If ordering a Hose reel, Altec recommends ordering a hose reel with Non-Conductive hose. The lower tool circuit hoses may be, or become, conductive. Death or serious injury could occur if the unit becomes energized while lower tool circuit is in use.	1	
51.	Spring Loaded Hose Reel, 50 FT Hose Capacity Installed on tailshelf offset to the street side. -Payout towards the rear	1	
52.	Install Tool Circuit with Quick Disconnects, Below Rotation (Male Pressure, Female Return) To be installed at the rear of the light channel, curb side beside lights.	1	
53.	50' Non-Conductive Hose Kit, Orange, Includes Quick Disconnects and Dust Caps (Male Pressure, Female Return)	1	
54.	Additional Unit/Hydraulic Accessory 3" Kelly bar adapter -Screw anchor driver -Locking Dog Assembly - PN 900030940	1	
<u>Body</u>			
55.	Altec Body	1	
56.	Steel Body	1	
57.	Platform/Flatbed	1	
58.	Finish Paint Flatbed Altec White	1	
59.	Undercoat Body	1	
60.	Approximate Flatbed Length (Engineering to Determine Final Length)	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	161"		
61.	9/64" (10 Gauge) Smooth Galvanneal Floor	1	
62.	96" Body Width	1	
63.	5 Inch High Structural Flatbed Crossmembers	1	
64.	24" Wide Cross Storage at Rear With Drop Down Door On Each Side (Stainless Steel Slam Paddle Latch With Keyed Lock)	1	
65.	5.5 Inch Drop-In Wood Cargo Retaining Board At Top Of Side Access Step	1	
66.	2 x 6 Drop-In Composite Retaining Board At Top Of Side Access	1	
67.	3" High Steel Flatbar Retaining Rails, Corners Notched For Clean-Out	1	
68.	Gripstrut Recessed Flatbed Curbside Access Steps With Two (2) U-Shaped Grab Handles	1	
69.	Outrigger Cutout Required	1	
70.	Unit Cutout Required	1	
71.	Light Channels Installed At Rear Of Flatbed	1	
72.	Flatbed shipping channel	1	
73.	Fold Down Outrigger Cover/Floor Filler For The DT65	1	
74.	Body plant to provide holes for mounting flatbed to subbase.	1	
75.	Altec T-Box/Saddle Box	1	
76.	Aluminum T-Box/Saddle Box	1	
77.	T-Box/S-Box Is To Be Built In Accordance With The Following Altec Standard Specifications:	1	
	A. Basic Body Fabricated From 3003 Grade Mill finish Aluminum.		
	B. All Doors Are Full, Double Paneled, Self-Sealed With Built-In Drainage For Maximum Weather-Tightness. Aluminum Hinge Rods Extend Full Length Of Door.		
	C. Welded Aluminum Frame Construction With Structural Channel Crossmembers.		
	D. Integrated Door Header Drip Rail At Top For Maximum Weather Protection.		
	E. Aluminum Treated For Improved Primer Bond And Corrosion Resistance.		
	F. Automotive Type Non-Porous Door Seals Fastened To The Door Facing.		
78.	Smooth aluminum floor	1	
79.	T-42 Thru Box	1	
80.	Finish Paint T-Box/Saddle Box Altec White	1	
81.	Undercoat T-Box/Saddle Box	1	
82.	42" Overall Body Length	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
83.	96" Body Width	1	
84.	46" Body Compartment Height	1	
85.	18" Body Compartment Depth	1	
86.	Non-Skid T-Box/S-Box Compartment Top For Working (Non-Walking) Surface (To Be Completed At Final Assembly)	1	
87.	Adhesive Strip Lighting (LED) Around Top And Sides Of Compartment Door Facings	4	
88.	Stainless Steel Rotary Paddle Latches With Keyed Locks	4	
89.	All Locks Keyed Alike Including Accessories (Preferred Option)	1	
90.	Standard Master Body Locking System (Located At Front)	4	
91.	Gas Prop Rigid Door Holders On All Vertical Doors	1	
92.	Standard Doors With Door Post(s). NO Partitions	1	
93.	1st Vertical (SS) - Adjustable Shelf With Removable Dividers On 4" Centers	3	
94.	1st Vertical (SS) - Inverter Storage Inside Of Body Compartment With Guard And Provisions For Remote GFCI Receptacle (Mounted On Top Shelf Unless Otherwise Specified)	1	
	Bottom of compartment		
95.	2nd Vertical (SS) - Locking Swivel Hooks On An Adjustable Rail - Left Wall	2	
96.	2nd Vertical (SS) - Locking Swivel Hooks On An Adjustable Rail - Rear Wall	2	
97.	2nd Vertical (SS) - Locking Swivel Hooks On An Adjustable Rail - Right Wall	2	
98.	1st Vertical (CS) - Adjustable Shelf With Removable Dividers On 4" Centers	2	
	Installed underneath shelves in the bottom half of compartment		
99.	1st Vertical (CS) - Partial Transverse Compartment Extending To The Rear Wall Of the Streetside	1	
100.	1st Vertical (CS) - 4 Inch High Transverse Drawer Kit On Slides, As Wide As Possible And Full Length, No Dividers (Slides To CS Only)	2	
	Installed in the top half of the compartment above adjustable shelves		
101.	2nd Vertical (CS) - Locking Swivel Hooks On An Adjustable Rail - Left Wall	2	
102.	2nd Vertical (CS) - Locking Swivel Hooks On An Adjustable Rail - Rear Wall	2	
103.	2nd Vertical (CS) - Locking Swivel Hooks On An Adjustable Rail - Right Wall	2	
104.	Body plant to provide holes for mounting body to subbase.	1	
105.	Small Steel Grab Handle Installed At Rear	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	Installed at the curb side rear		
106.	Aluminum Open Top Storage Bin, Punched Metal Mounted atop transverse compartment. -Bin to be full width -Storage bin to be 12"H	1	
107.	Aluminum Horizontal Storage Box One (1) aluminum treadplate top mounted horizontal box with drop down door -40"L x 24"H x 18"D -Box to be provided with two (2) adjustable shelves with dividers -Mounted flush against street side compartment.	1	
108.	Aluminum Horizontal Storage Box One (1) aluminum treadplate top mounted horizontal box with drop down door -40"L x 24"H x 18"D -To have 18 equipto drawers within compartment -Mounted flush against street side horizontal box	1	
109.	PL Designator	1	
110.	Aluminum Designator	1	
<u>Body and Chassis Accessories</u>			
111.	ICC (Underride Protection) Bumper Installed At Rear	1	
112.	Chassis Frame Rail Storage, located Between Frame Rails Extending From Rear Of Frame To Rear Chassis Crossmember. Sheet Metal Bottom, Drain Holes, Rear Wash-out, Drop Down Door With Keyed Latch	1	
113.	Swivel Style Pintle Hitch (30 000 LB MGTW with 6 000 LB MVL), 11-Bolt T-Mount, Altec Preferred (T-125 Style)	1	
114.	Set Of D-Rings for Trailer Safety Chain, installed one each side of towing device mount.	1	
115.	Glad Hands At Rear, Straight Type	1	
116.	Boom Rest With Pole Rack And Offset Stow	1	
117.	Mounting Brackets for Lights, Located on Lower Boom Rest	1	
118.	Aluminum Outrigger Pad, 24" x 24" x 3" (Altec Brand)	4	
119.	Custom Outrigger Pad Holder Outrigger Pad Holder, 25" x 25" x 4", Aluminum, For Single 24" x 24" x 3" Outrigger Pad And Smaller, Pendulum Retainer -Two (2) stacked pad holders installed under 1st vertical street side -Two (2) stacked pad holders installed under 1st vertical curb side	4	
120.	Mud Flaps With Altec Logo (Pair)	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
121.	Wheel Chocks, Rubber, 9.75" L x 7.75" W x 5.00" H, with 4" L Metal Hairpin Style Handle (Pair)	1	
122.	Wheel Chock Holders (Pair), Single Capacity, With Mudflap Mounting, For Installation Under Flatbed Or Dump Body	1	
123.	Slope Indicator Assembly (Pair) For Machine With Outriggers	2	
124.	Custom Cone Holder Post style cone holder to be mounted on the front bumper.	1	
125.	Pole Rack, Two Pole Capacity With Semi-Ratchet Tie Binders, Ratchet Cap and Cheater Bar (Removable At Rear) located on the curb side	1	
126.	Triangular Reflector Kit (Contains 3 Reflectors), Shipped Per DEPS-0042	1	
127.	5 LB Fire Extinguisher With Light Duty Bracket, Installed (In Cab or Inside Compartment Only)	1	
128.	Vise, Utility, 6.5 IN Jaw with 5.5 IN Opening, Pipe Jaws, with Replaceable Jaws and Swivel base Installed at the rear corner of the curb side tail shelf.	1	
129.	Vinyl manual pouch for storage of all operator and parts manuals	1	
130.	Outrigger Flap Retaining Lanyards Installed (Pair)	1	
131.	Additional Body/Chassis Accessory Extended Cab Shelf - PN 970508805	1	
<u>Electrical Accessories</u>			
132.	Compartment Lights Wired To Dash Mounted Master Switch	1	
133.	Lights and reflectors in accordance with FMVSS #108 lighting package. (Complete LED, including LED reverse lights)	1	
134.	Altec Standard Amber LED Strobe Light with Brush Guard Install one (1) each side of boom rest	2	
135.	4-Corner Strobes, Amber, LED, Two (2) Surface Mounted Lights In Grille, Two (2) Round Lights At Rear	1	
136.	Strobe Lights Wired Ignition Hot	1	
137.	Flood Light, LED, With Aluminum Housing, 4.25" W x 4.25" H, No Switch on the Light Two (2) installed of boom rest facing cargo area -Two (2) installed at the rear of the pedestal	6	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	-Two (2) installed under the flatbed in the rear		
138.	Flood Light, LED, Telescopic Installed on curb side between cab and body.	1	
139.	Auxiliary Lighting Wired Ignition Hot	1	
140.	Dual Tone Back-Up With Outrigger Motion Alarm	1	
141.	Altec Standard Multi-Point Grounding System	8	
142.	Grounding Reel, Automatic Retracting, Hannay - Holds #2 GA, #1/0 GA (Max 75'), Or #2/0 GA Cable (Max 65') Installed at rear street side corner	1	
143.	Grounding Cable, 1/0 GA Yellow Jacketed Cable	50	
144.	Copper U Shaped Grounding Lug (Threaded) Install one (1) curb side front and one (1) curb side rear.	2	
145.	Grounding Clamp, Aluminum C-Clamp Style With Serrated Jaws (Includes Ferrule and Heat Shrink Tubing)	1	
146.	Altec Backup Camera System, 7" Color LCD Monitor, Heated Infrared Camera with Day/Night Sensor and Audio A. 7" Color LCD Monitor With LED Backlighting And Proximity Indicators B. 2 Inputs With Independent Triggers C. Heated Infrared Camera With Day/Night Sensor And Audio D. Mirror/Normal View E. IP68 Rated F. Wide Viewing Angle (104 Degrees Horizontal x 78 Degrees Vertical) G. 20 Meter Cable Assembly	1	
147.	PTO Hour Meter, Digital, with 10,000 Hour Display	1	
148.	7-Way Trailer Receptacle (Blade Type) Installed At Rear	1	
149.	Electric Trailer Brake Controller (Draw-Tite Activator II #5504)	1	
150.	Altec Modular Panel System (AMPS) - Includes Mounting Panel and Accessory Switches	1	
151.	Inverter, 3600 Watt, Pure Sine Wave, 120 VAC (Sensata #12/3600N) Mounted on the bottom of street side 1st vertical	1	
152.	Mounting bracket for inverter mounted at bottom of body compartment or storage box	1	
153.	Inverter Wired Ignition Hot To Switch Mounted In Chassis Cab	1	
154.	120 Volt GFCI Receptacle Includes Weather-resistant Enclosure One (1) installed inside 1st vertical street side, next to enclosure	2	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	-One (1) installed in cab next to extended cab shelf		
155.	Electrical Cord Reel, Retractable, Includes 50' Of 12-3 Cord, Ball Stop, and Receptacle Mounted on the rear of tail shelf, on the street side. -Payout towards the rear	1	
156.	Pre-Wired Power Distribution Module - Installed	1	
157.	Install Remote Start/Stop system in Final Assembly.	1	
158.	Install Altec Telematics Control Unit (TCU) (Verizon) - Only Available in the US	1	
<u>Finishing Details</u>			
159.	Powder Coat Unit Altec White	1	
160.	Altec Standard; Components mounted below frame rail shall be coated black by Altec. i.e. step bumpers, steps, frame extension, pintle hook mount, dock bumper mounts, D-rings, receiver tubes, accessory mounts, light brackets, under-ride protection, etc. Components mounted to under side of body shall be coated black by Altec. i.e. Wheel chock holders, mud flap brackets, pad carriers, boxes, lighting brackets, steps, and ladders.	1	
161.	Apply Non-Skid Coating to all walking surfaces	1	
162.	Apply Non-Skid Coating to Curbside Compartment Top for use as a Non-Walking Surface	1	
163.	Apply Non-Skid Coating to Streetside Compartment Top for use as a Non-Walking Surface	1	
164.	Apply Non-Skid Coating To Top of T-Box For Use As Non-Walking Surface	1	
165.	Apply Non-Skid Coating To Front Bumper Winch For Use As Non-Walking Surface	1	
166.	English Safety And Instructional Decals	1	
167.	Vehicle Height Placard - Installed In Cab	1	
168.	Placard, Kendall Glacial Blue Hydraulic Oil	1	
169.	Stability test unit according to ANSI requirements.	1	
170.	Completed Test Forms To Be Included In The Manual Pouch	1	
	A. Stability Test Form		
	B. Dielectric Test Form (For Insulating Units)		
171.	DOT Certification Required	1	
172.	Focus Factory Build	1	
173.	Delivery Of Completed Unit	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
174.	Inbound Freight	1	
175.	As Built Electrical And Hydraulic Schematics To Be Included In The Manual Pouch	1	
<u>Chassis</u>			
176.	Altec Supplied Chassis	1	
177.	Chassis	1	
178.	2024 Model Year	1	
179.	International HV507	1	
180.	Dual Rear Wheel	1	
181.	Set Forward Axle	1	
182.	6x6 Tandem Axle	1	
183.	Chassis Cab	1	
184.	Extended Cab (Larger Cab With Half-Length Rear Doors Or No Rear Doors)	1	
185.	Front Frame Extensions	1	
186.	Air Horn Under Cab	1	
187.	Classic Hood	1	
188.	AM/FM Radio	1	
189.	Bluetooth	1	
190.	Block Heater	1	
191.	Driver Controlled Locking Differential	1	
192.	Glad Hands, Hoses And Connections (Supplied By Chassis OEM)	1	
193.	Trailer Air Brake Package	1	
194.	Air Conditioning	1	
195.	Cruise Control	1	
196.	Keyless Entry	1	
197.	Power Door Locks	1	
198.	Tachometer	1	
199.	Tilt Steering Wheel	1	
200.	Other Clear Cab To Axle Length	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
	155		
201.	Chassis Wheelbase Length - 230	1	
202.	GVWR 56,000 LBS	1	
203.	16,000 LBS Front GAWR	1	
204.	40,000 LBS Rear GAWR	1	
205.	17.01 - 18.00 Section Modulus	1	
206.	Spring Suspension	1	
207.	Cummins L9	1	
208.	Diesel	1	
209.	350 HP Engine Rating	1	
210.	Allison 3000 RDS Automatic Transmission (Left and Right Side PTO Openings Only)	1	
211.	15SXJ - International 50 Gallon Fuel Tank Non-Polished (Under Cab Left Hand)	1	
212.	15WCN - International 5 Gallon DEF Tank (Under Cab Left Hand)	1	
213.	07BMA - International Exhaust (Right-Horizontal-Undercab-Vertical) (Cummins Engine Only) - All Wheel Drive Applications	1	
214.	No Clean Idle Certification Required	1	
215.	EPA Emissions	1	
216.	315/80R22.5 Front Tire	1	
217.	11R22.5 Rear Tire	1	
218.	Air Brakes	1	
219.	Park Brake In Rear Wheels	1	
220.	Battery Under Cab Left Hand	1	
221.	16XJV - International Dash Cutout for Switch Panel	1	
222.	International - Disallow Regen while in PTO mode (13WEV)	1	
223.	International Heavy Duty Tail Light Wiring (08HAB)	1	
224.	International Transmission Dipstick Tube Enters Curbside of Transmission (13WGH)	1	
225.	International - Pre-Wire Chassis with Cab Pass-Thru (8HBE)	1	
226.	Air Ride Drivers Seat	1	
227.	Air Ride Passenger Seat	1	

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

<u>Item</u>	<u>Description</u>	<u>Qty</u>	<u>Price</u>
<u>Additional Pricing</u>			
228.	Standard Altec Warranty: One (1) year parts warranty, one (1) year labor warranty, ninety (90) days warranty for travel charges, limited lifetime structural warranty	1	
229.	Federal Excise Tax Item: If provided, Quote subtotal is an Estimate only. Final determined at invoicing.	1	
<u>Miscellaneous</u>			
230.	Altec Insights for E-Series Derricks: 12-months of access, from date of in-service, to Altec Insights, which provides safety and performance insights for E-Series Derrick models. This content is managed and delivered through your Altec Connect account and includes configurable email and text message notifications. Access is for the first owner, non-transferrable, and non-refundable. Terms and exclusions apply (e.g., Terms and Conditions, and Warranty).	1	

Unit / Body	\$376,323.00
Chassis Total	\$121,883.00
FET Total	\$14,704.00
Total	\$512,910.00

Altec Industries, Inc.

BY _____

Zachery Johnson

Notes:

- 1 Altec will make every effort to honor this quotation, subject to the following provisions. Prices for equipment with production start dates 12 months and beyond are budgetary only due to irregular cost inflation and market volatility. These prices will be reviewed based on market conditions and confirmed closer to the production date.

For a quoted chassis model year beyond the current open order bank, chassis model year, specifications and price should be considered estimates only and subject to change. Chassis model year, specifications and price will be reviewed and confirmed when specific model year information becomes available from the OEM.
- 2 Altec takes pride in offering solutions that provide a safer work environment for our customers. In an effort to focus on safety, we would encourage you to consider the following items:

 - Outrigger pads (When Applicable)
 - Fall Protection System
 - Fire extinguisher/DOT kit
 - Platform Liner (When Applicable)
 - Altec Sentry Training

We Wish To Thank You For Giving Us The Pleasure
And Opportunity of Serving You

UTILITY EQUIPMENT AND BODIES SINCE 1929

Wheel Chocks

The aforementioned equipment can be offered in our new equipment quotations. If you find that any of these items have not been listed as priced options with an item number in the body of your quotation and are required by your company, we would encourage you to contact your Altec Account Manager and have an updated quote version sent to you. These options must be listed with an item number in the quotation for them to be supplied by Altec.

3 The final fully loaded weight of the truck and structural ratings of the hitch assembly may reduce the towing capacity and the vertical load capacity of the finished truck. These capacities may not match the ratings of the chassis or hitch.

4 Altec Extended Warranty Option:

An Altec Extended Warranty is an extension of Altec's Limited Warranty and protects you from the repair cost associated with defects of materials and workmanship after the standard Limited Warranty expires.

Altec offers many types of coverages and coverage packages. Ask your Altec account manager for details. Quotes are available upon request.

5 Unless otherwise noted, all measurements used in this quote are based on a 40 inch (1016mm) chassis frame height and standard cab height for standard configurations.

6 Altec Standard Warranty:

One (1) year parts warranty.

One (1) year labor warranty.

Ninety (90) days warranty for travel charges.

Warranty on structural integrity of the following major components is to be warranted for so long as the initial purchaser owns the product: Booms, boom articulation links, hydraulic cylinder structures, outrigger weldments, pedestals, subbases and turntables.

Altec is to supply a self-directed, computer based training (CBT) program. This program will provide basic instruction in the safe operation of this aerial device. This program will also include and explain ANSI and OSHA requirements related to the proper use and operation of this unit.

Altec offers its standard limited warranty with the Altec supplied components which make up the Altec Unit and its installation, but expressly disclaims any and all warranties, liabilities, and responsibilities, including any implied warranties of fitness for a particular purpose and merchantability, for any customer supplied parts

Altec designs and manufactures to applicable Federal Motor Vehicle Safety and DOT standards

7 Price does not reflect any local, state or Federal Excise Taxes (F.E.T). The quote also does not reflect any local title or licensing fees. All appropriate taxes will be added to the final price in accordance with regulations in effect at time of invoicing.

8 F.O.B. - Customer Site

9 Altec values your data privacy. The Altec Family of Companies (including Altec, Inc., and it's subsidiaries) may collect telematics data from the equipment you own. Please review Altec's Equipment Data Privacy Notice on www.altec.com for more information. By purchasing equipment from Altec, you consent to Altec's right to collect and use such data.

- 10 Interest charge of 1/2% per month to be added for late payment.
- 11 Changes made to this order may affect whether or not this vehicle is subject to F.E.T. A review will be made at the time of invoicing and any applicable F.E.T. will be added to the invoice amount.
- 12 Trade-in offer is conditional upon equipment being maintained to DOT (Department of Transportation) operating and safety standards and remaining in compliance of DOT until arrival at an Altec Facility. This will include, but is not limited to engine, tires, lights, brakes, glass, etc. All equipment, i.e., jibs, winches, pintle hooks, trailer connectors, etc., are to remain with unit unless otherwise agreed upon in writing by both parties. ALTEC Industries reserves the right to re-negotiate its trade-in offer if these conditions are not met.
- All reasonable and necessary expenses required of ALTEC Industries to execute transportation of the trade-in will be invoiced to the customer for payment if these conditions are not met to maintain DOT standards.
- Customer may exercise the option to rescind this agreement in writing within sixty (60) days after receipt of purchase order. After that time ALTEC Industries will expect receipt of trade-in vehicle upon delivery of new equipment as part of the terms of the purchase order unless other arrangements have been made.
- 13 Any payment made by a credit card may be subject to a surcharge fee.
- 14 Estimated Delivery: 14-17 months after receipt of order PROVIDING:
A. Customer supplied chassis is received a minimum of sixty (60) days before scheduled delivery.
B. Customer approval drawings are returned by requested date.
C. Customer supplied accessories are received by date necessary for compliance with scheduled delivery.
D. Customer expectations are accurately captured prior to major components being ordered (body, chassis) and line set date. Unexpected additions or changes made after this time or at a customer inspection will delay the delivery of the vehicle.
- Estimated Delivery is based on information at time of quote and is subject to change.
- Altec reserves the right to change suppliers in order to meet customer delivery requirements, unless specifically identified, by the customer, during the quote and or ordering process.
- 15 After the initial warranty period, Altec Industries, Inc. offers mobile service units, in-shop service and same day parts shipments on most parts from service locations nationwide at an additional competitive labor and parts rate. Call 877-GO-ALTEC for all of your Parts and Service needs.
- 16 This quotation is valid until MAY 05,2023. After this date, please contact Altec Industries, Inc. for a possible extension.
- 17 FINANCING AVAILABLE: Please contact Altec Capital at (888) 408-8148 or email finance@altec.com for more information.
- 18 Please direct all questions to Clint Bitting at (540) 992-5300



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

TO: Greg Drent, General Manager *gd*

FROM: Joseph D. Adams, Planning & Engineering Director *JDA*

SUBJECT: NES WTP Site Search Update

DATE: March 1, 2023

ISSUE

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

BACKGROUND

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

Per Commission direction staff submitted a draft purchase agreement and the appraisal report on the 14.90-acre parcel located at 3690 Eagle Creek Boulevard to the property owner's representative.

DISCUSSION

Staff has been in discussions with the property owner's representative on the parcel.

REQUESTED ACTION

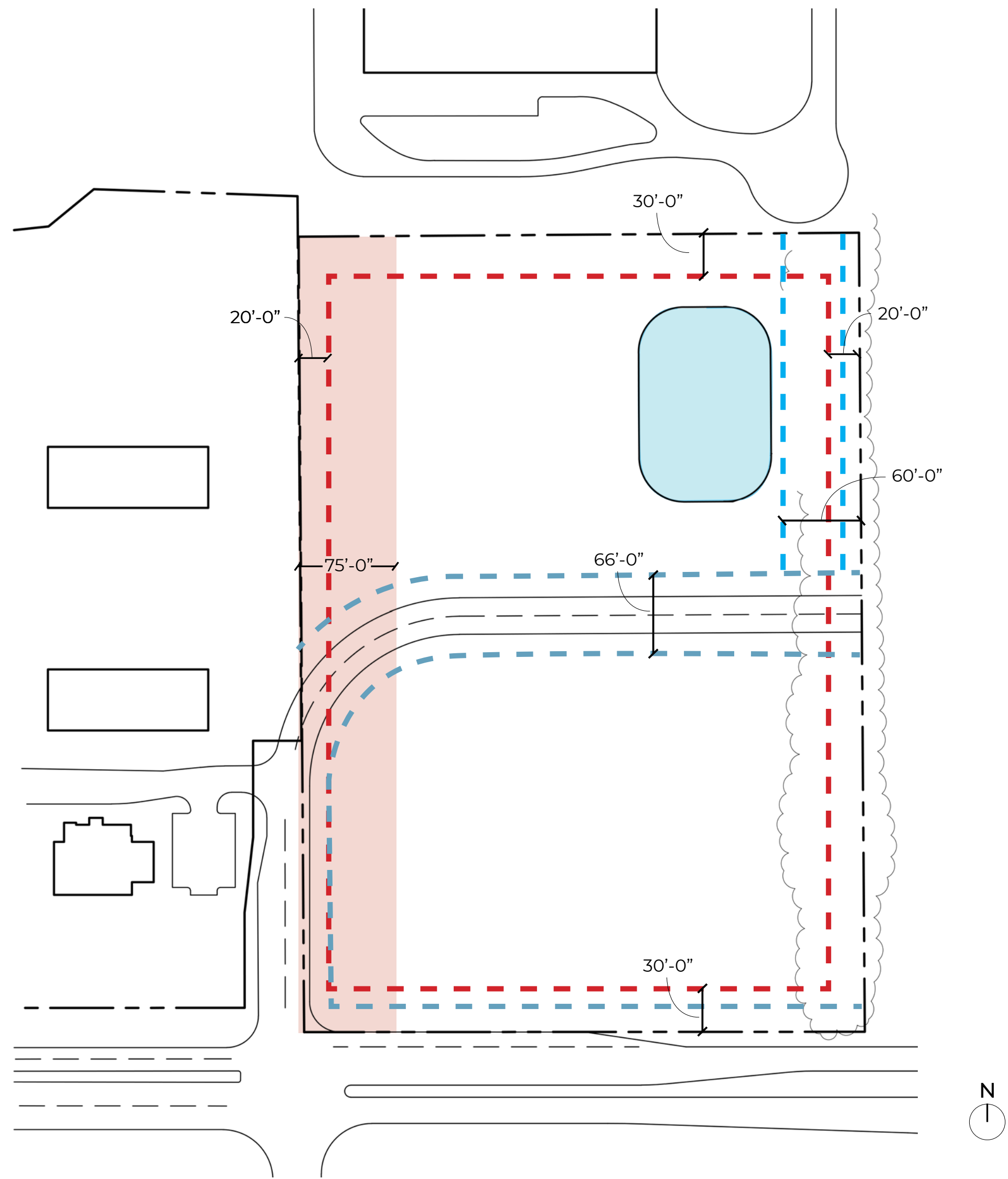
It may be appropriate for the Commission to adjourn to closed session to discuss negotiations on this potential land acquisition. If so, then the motion would be as follows:

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

SHAKOPEE MASTER PLAN

OPTION 1A (B-1 HIGHWAY BUSINESS, MAX HEIGHT 45'-0")

- SITE AREA** 10.1 ACRES
- ZONING**
Current: AG, Agriculture Preservation
Change to: B-1 (HIGHWAY BUSINESS)
- SETBACKS (B-1)**
north 30'-0"
south 30'-0"
east 20'-0"
west 20'-0"
- CENTER ROADWAY**
width 36'-0"
r.o.w. 66'-0"
- EASEMENT**
connection to north parcel width 40'-0"
- STORMWATER RETENTION**
area +/- 28,000 sf



SHAKOPEE MASTER PLAN

OPTION 1A (B-1 HIGHWAY BUSINESS, MAX HEIGHT 45'-0")

TOTAL ACRES: 10.1

UNITS PER ACRE: 17.52

BUILDING A

height 40'-0"
 GSF 89,941 sf
 units +/- 68
 parking +/- 148 spaces

BUILDING B

height 40'-0"
 GSF 57,513sf
 units +/- 46
 parking +/- 92 spaces

BUILDING C

height 40'-0"
 GSF 78,780 sf
 units +/- 63
 resi parking +/- 126 spaces
 commercial 20,760 gsf
 parking +/- 83 spaces

BUILDING D

height 20'-0"
 Drive thru
 GSF 4,200 sf
 parking +/- 17 spaces



UNIT YIELD:

BUILDING A: 68 UNITS
 BUILDING B: 46 UNITS
 BUILDING C: 63 UNITS

TOTAL: 177 UNITS (1,000 SF EACH)

	Net SF (0.8)	Units (1000 sf)	Parking Units Ramp (400 sf)
BUILDING A	33033		
	33033		
	13963		
	4912		
RESIDENTIAL (2 spaces per unit)	84941	67952.8	67.9528 135.9056
PARKING RAMP			
	33920		
	25530		
	59450		148 Stalls
PARKING SURFACE (1/2)			
			RAMP 148
			SURFACE LOT 0
			PROVIDED 148
			NEEDED 136
BUILDING B			
	19171		
	19171		
	19171		
RESIDENTIAL (2 spaces per unit)	57513	46010.4	46.0104 92.0208
PARKING RAMP			
	26672		
	26672		66.68 Stalls
PARKING SURFACE (1/2)			0
			RAMP 66
			SURFACE LOT 22
			PROVIDED 88
			NEEDED 92
BUILDING C & D			
	26260		
	26260		
	26260		
RESIDENTIAL (2 spaces per unit)	78780	63024	63.024 126.048 Needed
RETAIL (1 parking stall per 250 sf)	20760		83.04 Needed
BUILDING D (RETAIL)	4184		17 Needed
PARKING RAMP			
	28084		
	28084		70.21
			RAMP 70
			SURFACE LOT 156
			PROVIDED 226
			NEEDED 226.088

Note methodology of unit count estimates:
 GSF x .8 / 900sf

AXON

© 2023 RSP ARCHITECTS, LTD

SHAKOPEE MASTER PLAN | FEBRUARY 2023

SHAKOPEE MASTER PLAN

OPTION 1A (B-1 HIGHWAY BUSINESS, MAX HEIGHT 45'-0")

TOTAL ACRES: 10.1

UNITS PER ACRE: 17.52

BUILDING A

height 40'-0"
 GSF 89,941 sf
 units +/- 68
 parking +/- 148 spaces

BUILDING B

height 40'-0"
 GSF 57,513sf
 units +/- 46
 parking +/- 92 spaces

BUILDING C

height 40'-0"
 GSF 78,780 sf
 units +/- 63
 resi parking +/- 126 spaces
 commercial 20,760 gsf
 parking +/- 83 spaces

BUILDING D

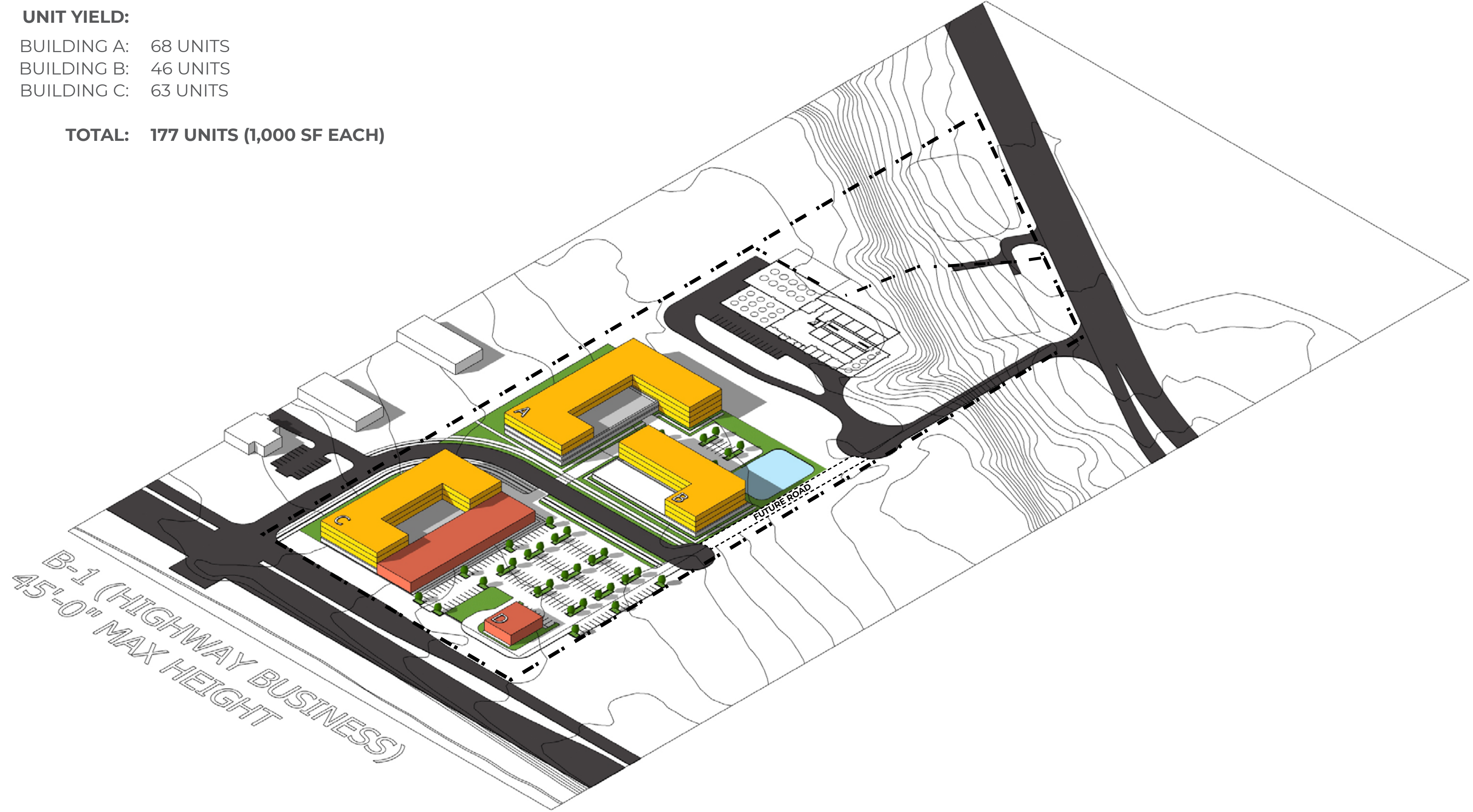
height 20'-0"
 Drive thru
 GSF 4,200 sf
 parking +/- 17 spaces

Note methodology of unit count estimates:
 GSF x .8 / 900sf

UNIT YIELD:

BUILDING A: 68 UNITS
 BUILDING B: 46 UNITS
 BUILDING C: 63 UNITS

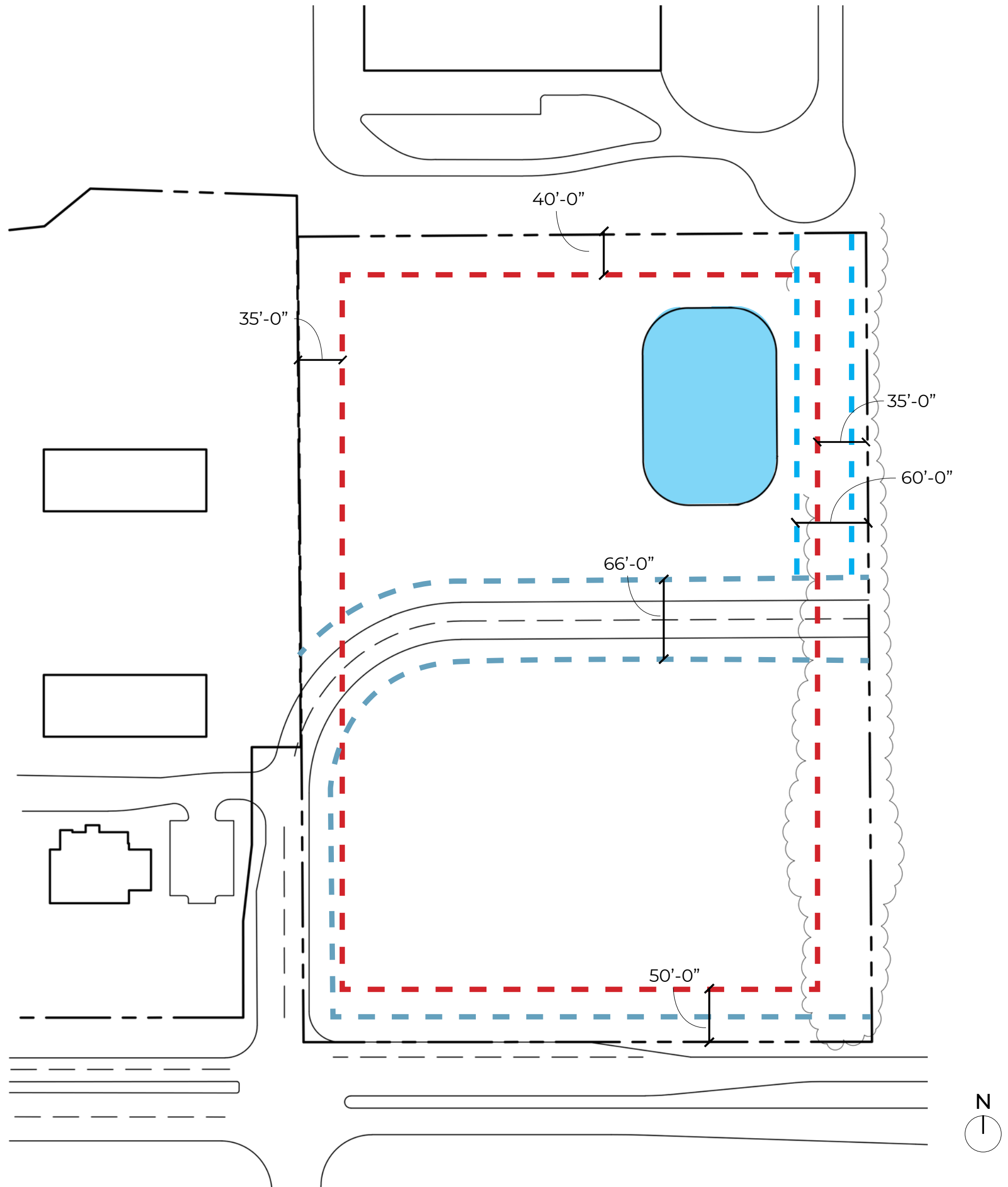
TOTAL: 177 UNITS (1,000 SF EACH)



SHAKOPEE MASTER PLAN

OPTION 1B (P.U.D) - MAX HEIGHT 70'-0"

- SITE AREA** 10.1 ACRES
- ZONING**
Current: AG, Agriculture Preservation
Change to: P.U.D.
- SETBACKS (R-3/PUD)**
 - north 40'-0"
 - south 50'-0"
 - east 15' or 1/2 Height of building
 - west 15' or 1/2 Height of building
- - - CENTER ROADWAY**
 - width 36'-0"
 - r.o.w. 66'-0"
- - - EASEMENT**
 - connection to north parcel
 - width 40'-0"
- STORMWATER RETENTION**
 - area +/- 28,000 sf



SHAKOPEE MASTER PLAN

OPTION 1B (P.U.D) - MAX HEIGHT 70'-0"

TOTAL ACRES: 10.1

UNITS PER ACRE: 25.84

20.8% OPEN GREEN SPACE (WITHIN SETBACK)

BUILDING A

height 50'-0"
 GSF 115,634 SF
 units +/- 92
 parking +/- 186 spaces

BUILDING B

height 70'-0"
 GSF 96,640 sf
 units +/- 77
 parking +/- 156 spaces

BUILDING C

height 60'-0"
 GSF 114,547 sf
 units +/- 92
 resi parking +/- 183 spaces
 commercial 25,137 gsf
 parking +/- 100 spaces

BUILDING D

Drive thru
 height 20'-0"
 GSF 4,153 sf
 parking +/- 17 spaces

Note methodology of unit count estimates:
 GSF x .8 / 900sf



UNIT YIELD:
 BUILDING A: 92 UNITS
 BUILDING B: 77 UNITS
 BUILDING C: 92 UNITS

TOTAL: 261 UNITS (1,000 SF EACH)

		Units (1000 sf)	Parking Units Ramp (400 sf)
BUILDING A			
	7170		
	32880		
	32880		
	32880		
	9824		
RESIDENTIAL (2 spaces per unit)	115634	92507.2	92.5072
PARKING RAMP	33920		
	33920		
	67840		
PARKING SURFACE (1/2)			169.6 Stalls 16 Stalls
			RAMP 169.6
			SURFACE LOT 17
			PROVIDED 186.6
			NEEDED 185.0144
BUILDING B			
	19328		
	19328		
	19328		
	19328		
	19328		
	96640	77312	77.312
RESIDENTIAL (2 spaces per unit)			154.624
PARKING RAMP	30232		
	30232		
	60464		
PARKING SURFACE (1/2)			151.16 Stalls 15
			RAMP 152
			SURFACE LOT 4
			PROVIDED 156
			NEEDED 155
BUILDING C & D			
	6000		
	14026		
	31507		
	31507		
	31507		
	114547	91637.6	91.6376
RESIDENTIAL (2 spaces per unit)			183.2752 Needed
RETAIL (1 parking stall per 250 sf)	25137		
			100.548 Needed
BUILDING D (RETAIL)	4153		
			17 Needed
PARKING RAMP	28084		
	28084		
	56168		
			141
			RAMP 141
			SURFACE LOT 156
			PROVIDED 304
			NEEDED 300.8232

SHAKOPEE MASTER PLAN

OPTION 1B (P.U.D) - MAX HEIGHT 70'-0"

TOTAL ACRES: 10.1

UNITS PER ACRE: 25.84

**20.8% OPEN GREEN SPACE
(WITHIN SETBACK)**

BUILDING A

height 50'-0"
GSF 115,634 SF
units +/- 92
parking +/- 186 spaces

BUILDING B

height 70'-0"
GSF 96,640 sf
units +/- 77
parking +/- 156 spaces

BUILDING C

height 60'-0"
GSF 114,547 sf
units +/- 92
resi parking +/- 183 spaces
commercial 25,137 gsf
parking +/- 100 spaces

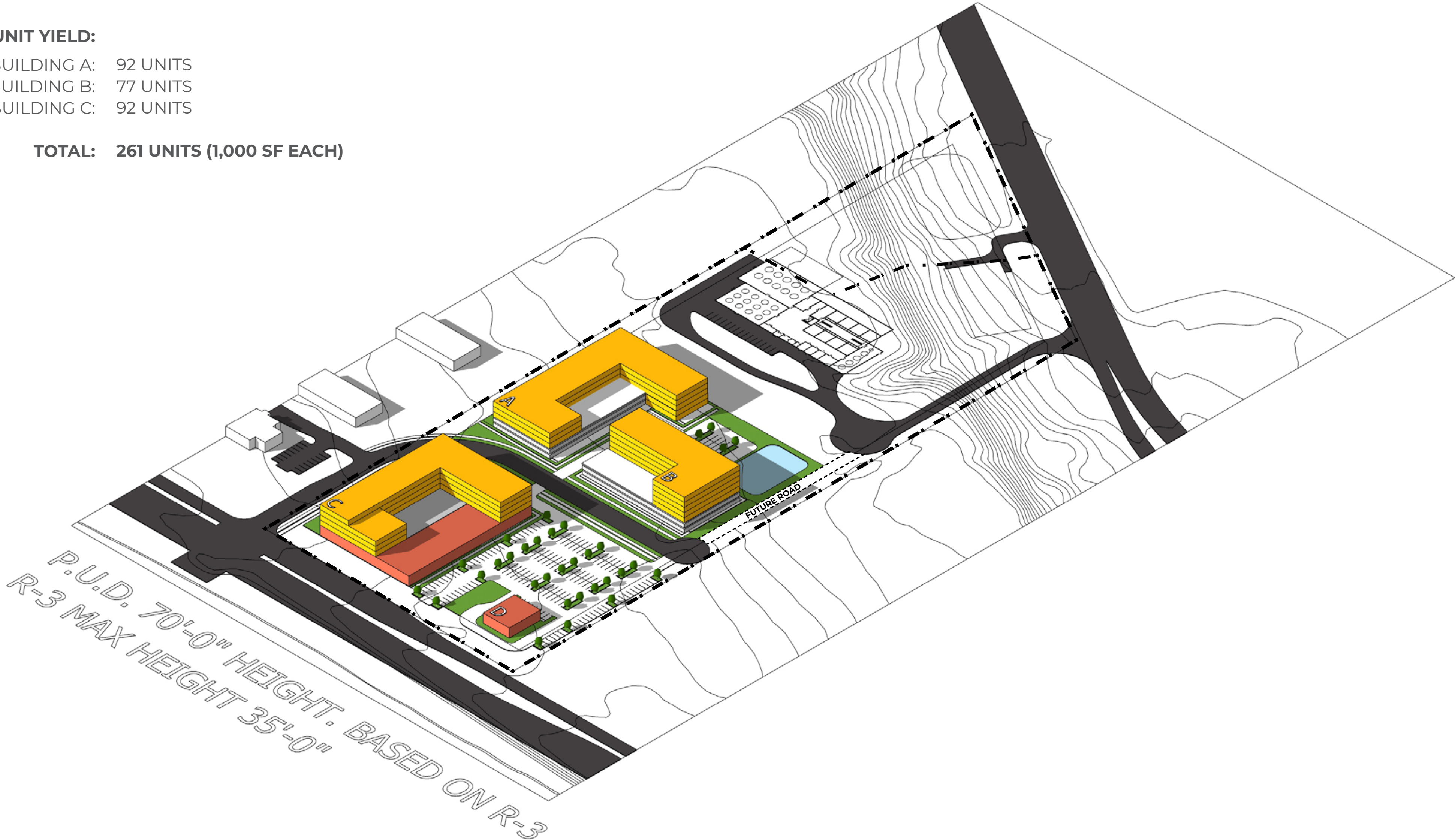
BUILDING D

Drive thru
height 20'-0"
GSF 4,153 sf
parking +/- 17 spaces

UNIT YIELD:

BUILDING A: 92 UNITS
BUILDING B: 77 UNITS
BUILDING C: 92 UNITS

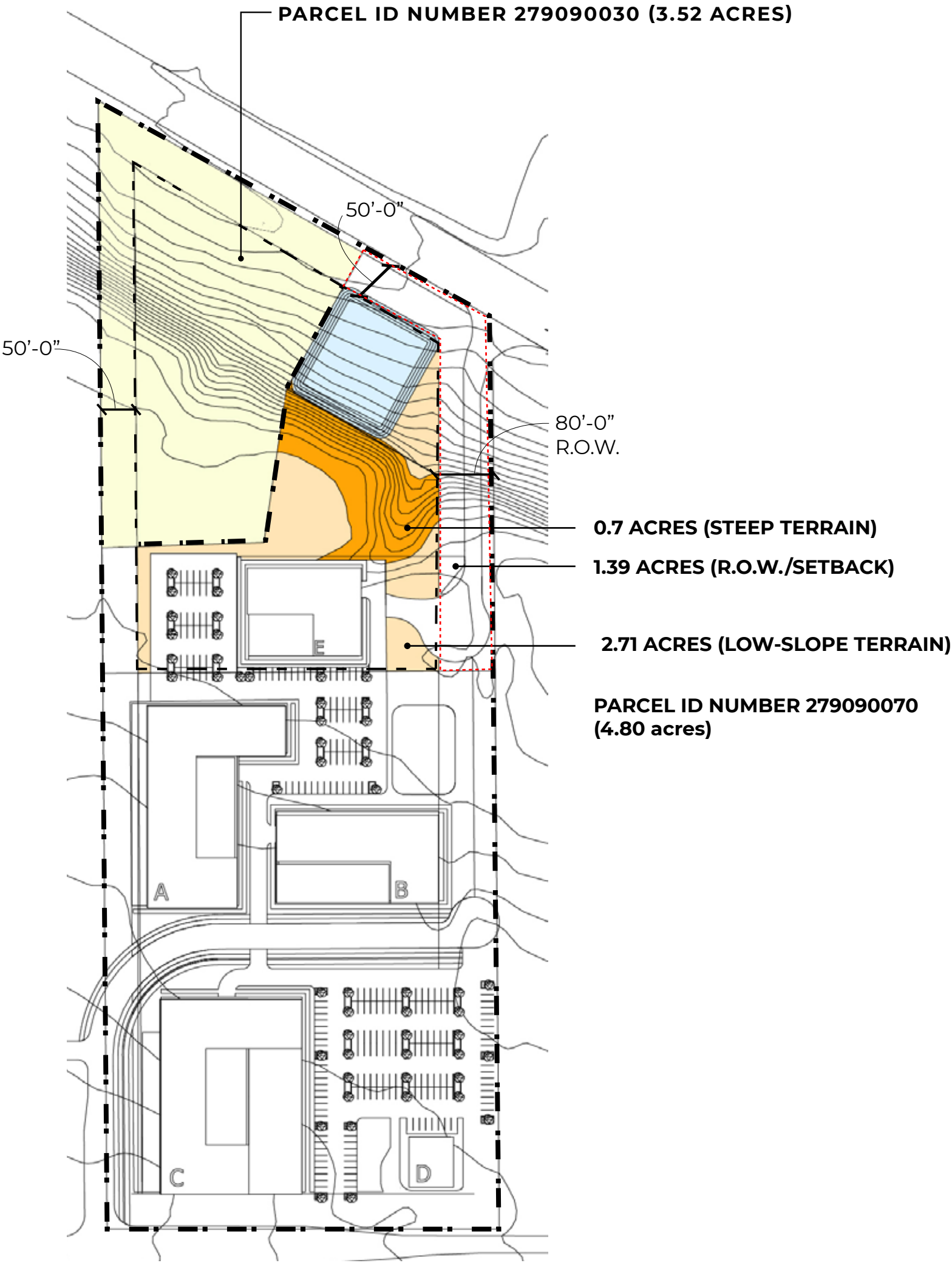
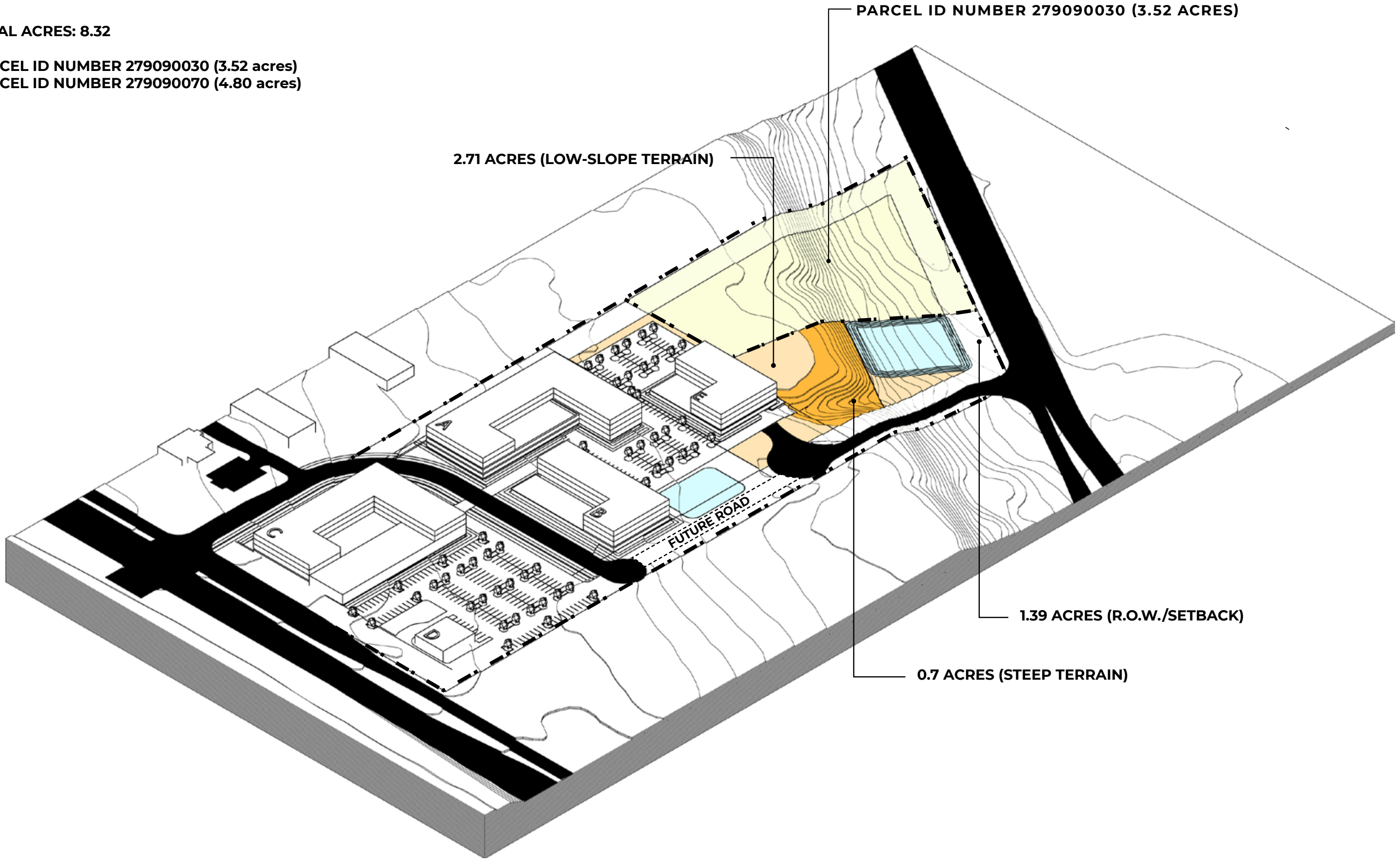
TOTAL: 261 UNITS (1,000 SF EACH)



SHAKOPEE MASTER PLAN

NORTH PARCEL (BUILDABLE)

TOTAL ACRES: 8.32
 PARCEL ID NUMBER 279090030 (3.52 acres)
 PARCEL ID NUMBER 279090070 (4.80 acres)



SHAKOPEE MASTER PLAN

NORTH PARCEL (DEVELOPMENT)

TOTAL ACRES: 8.32

PARCEL ID NUMBER 279090030
(3.52 acres)

PARCEL ID NUMBER 279090070
(4.80 acres)

UNITS PER ACRE: 7.29

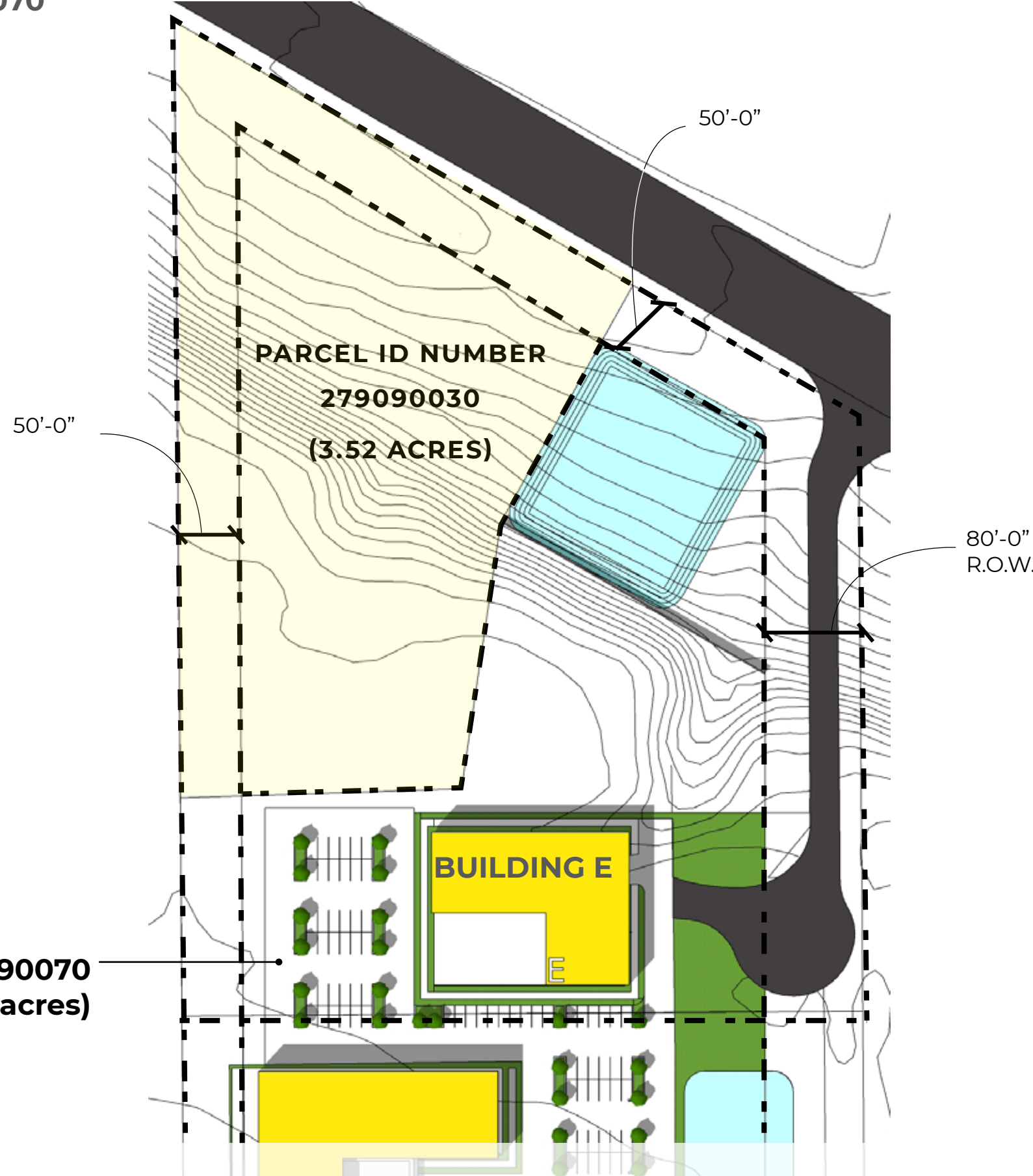
BUILDING E

- height 40'-0"
- GSF 44,049 SF
- units +/- 56
- parking +/- 101 spaces

UNIT YIELD:

BUILDING E: 35 UNITS

TOTAL: 35 UNITS (1,000 SF EACH)



PARCEL ID NUMBER 279090070
(4.80 acres)

PARCEL ID NUMBER 279090070
(4.80 acres)



SHAKOPEE MASTER PLAN

NORTH PARCEL (DEVELOPMENT)

TOTAL ACRES: 4.8

UNITS PER ACRE: 7.29

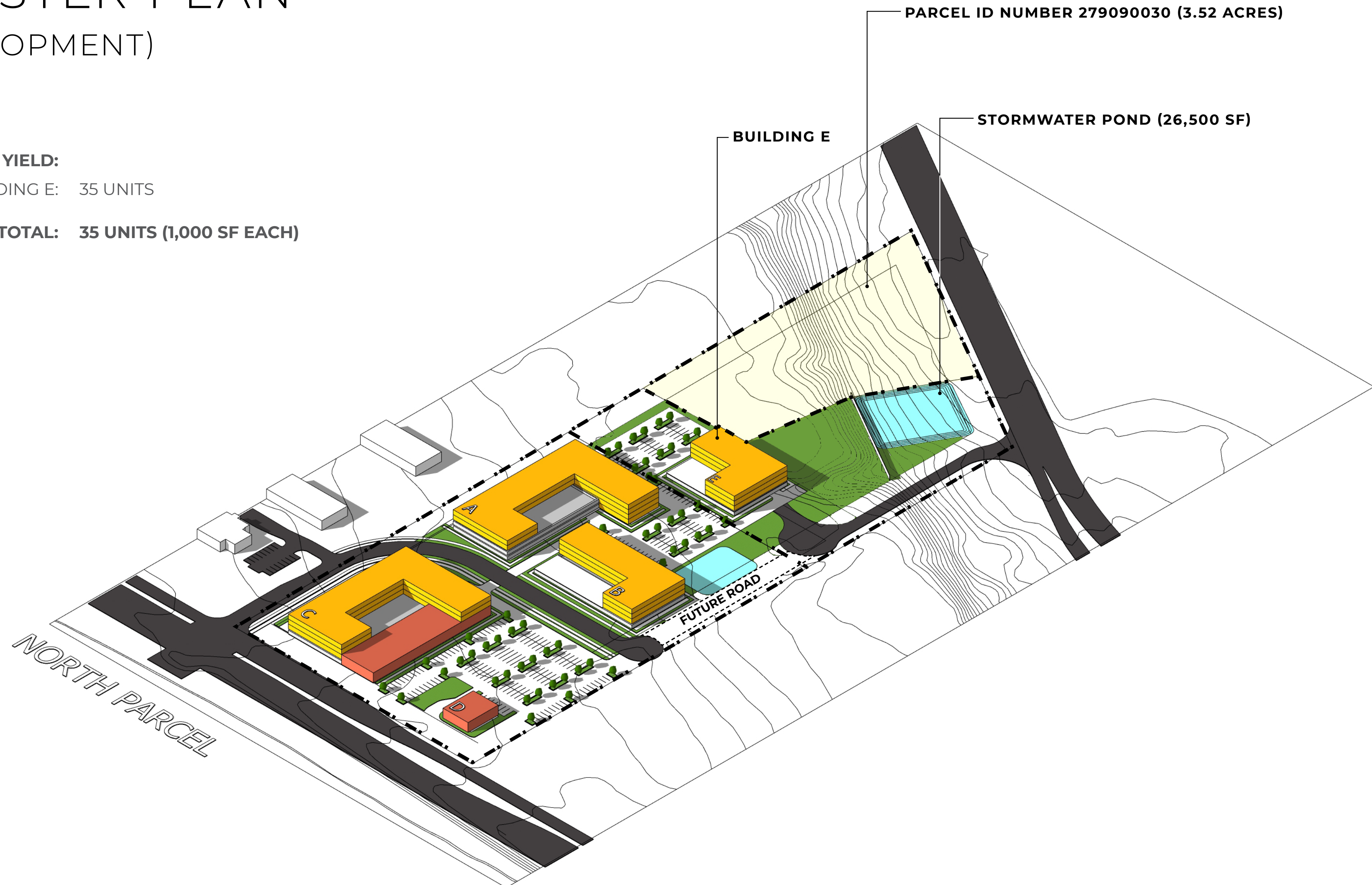
BUILDING E

height 40'-0"
GSF 44,049 SF
units +/- 56
parking +/- 101 spaces
(71 Needed)

UNIT YIELD:

BUILDING E: 35 UNITS

TOTAL: 35 UNITS (1,000 SF EACH)



SHAKOPEE MASTER PLAN

AERIAL



SHAKOPEE MASTER PLAN

PERSPECTIVE

