

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

1. Call to Order. President Mocol called the March 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 asked that item (3f) Governance Handbook Updates be pulled for discussion. Commissioner Fox moved approval of the consent agenda and, as to item 3(c), to rescind approval of the January 3, 2023 minutes and approve the corrected minutes as presented: (3a) February 6, 2023; (3b) March 6, 2023 agenda; (3c) January 3, 2023 corrected minutes; (3d) March 6, 2023 warrant list; (3e) MMPA February member meeting update; (3g) PFAS results; (3h) Monthly Water Dashboard for January 2023; (3i) Res#2023-05 Resolution Approving Shakopee Public Utilities Commission's Cogeneration and Small Power Production Tariff; (3j) Res #2023-06 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project: Summerland 2nd Addition; (3k) December 2022 preliminary financials. Vice President Krieg seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None. Motion carried. On item (3f), Commissioner Fox asked about the listed Commissioner terms. Greg Drent, General Manager, noted that the document will be updated after the election of officers at the next meeting. Commissioner Fox moved approval of item (3f); Commissioner Letourneau seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau.
3. Liaison Report. Commissioner DuLaney reported on two City Council resolutions: (1) Bluff View Addition; and (2) Jackson Township Annexation and electric service questions. Mr. Drent explained that under the electric service territory agreement with MVEC, Jackson Township is now in SPU's assigned service territory and SPU will serve any future growth.
4. Public Comment Period. Mike Lavoie asked about SPU's plan for meeting renewable energy requirements by 2040. Mr. Drent explained that MMPA provides all of SPU's power and MMPA must meet the renewable energy mandates on behalf of its members.
5. Water Report. Lon Schemel, Water Superintendent, reported that Pump 15 is back in and sampling will be done this week, that fluoride tube changes are done for the year, and that fire detector meters have been read at all businesses. He noted that an update was sent to customers regarding backflow pressure valves. He explained that the SPU website lists some contractors who may perform this testing.

6. Lateral Water Main Equivalent Charge Policy and Past Projects. Joseph Adams, Planning and Engineering Director, provided a summary of past actions, noting that on January 3, 2023, the Commission approved Resolution #2023-02, which set the inflation index to be used for all past and future projects under the Lateral Water Main Equivalent Charge (LWMEC) policy. Mr. Adams explained that SPU sent letters to all affected properties owners and several of them have raised concerns. SPU delivered letters noting that this item would be on the agenda for this meeting. President Mocol opened the floor for public comment on this issue.

Bob Stark, 648 Hillwood Drive, Hillwood Estate resident, explained that the County Road 79 water main project was initially driven by three separate parties: City of Shakopee, CJM developer, and Beckrich Park Estates, resulting in SPU Resolution 815 in August of 2005. Mr. Stark explained three areas of concern: (1) why the delay of 17 years from an April 14, 2006 letter from residents; (2) Resolutions 815 and 2023-02 reference connection charges in a just and equitable manner, and other customers have connected who received benefits and they should share in the costs; and (3) fees should be collected from those ultimately served by the water main, not us, and the index rate is inappropriate.

Ken Ludzack, 1253 Wood Duck Trail, Jennifer Lane resident, stated that there is no ability to access the water main, no plan to bring water down Wood Duck, and no benefit from the water main.

Michael Bawek, one of the original property owners, stated that the residents allowed this project. We fought for seven years because the State, the County and the City wanted this project; we did not. If this fight is dead, let it be; if not, you will have a fight on your hands.

Brian Mandt, 448 Hillwood Dr, noted that SPU's letter dated February 13, 2006 does not refer to indexing or interest; it stated that fees applied only if and when water service was requested.

Dennis Purcell, 1299 Meadow Lane South, noted that the water main goes through ten acres on his property. All of this land is going to become a park and he doesn't understand why he should pay the water connection fee as it is no use to him.

Mr. Adams described the earlier correspondence and Commission actions, including the August 7, 2006 Commission meeting when the resolutions regarding the County Road 79 project were adopted. Mr. Adams also noted that the lateral water main policy requires water flow equal to a 6-inch diameter pipe every 400 feet in a grid pattern, even if a particular property was not then served. Mr. Drent stated that this is a policy decision has been in place for a long time, and that further information should be gathered and brought back to the Commission for decision. President Mocol stated that staff should investigate further information, including from the City and County, and that SPU will notify all residents of future discussions.

7. Resolution #2023-07 Resolution Approving Purchase Agreement, All Documents Necessary to Carry Out Purchase Agreement, And Completion of Closing Under Purchase Agreement. Mr. Adams reported that for the property located at 3650 Eagle Creek Boulevard, negotiations are complete and the proposed resolution includes approval of the final purchase agreement. Commissioner Fox moved approval of Resolution #2023-07 Resolution Approving Purchase Agreement, All Documents Necessary to Carry Out Purchase Agreement, and Completion of Closing Under Purchase Agreement. Commissioner DuLaney seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

8. Electric Report. Brad Carlson, Electric Superintendent, reported two outages since the last Commission meeting; one on February 24th with an electrical failure with the transformer and one yesterday with the snow that affected one customer. He also discussed electric projects, including the delivery of the transformer on February 17 for the West Shakopee Substation, that crews continue to tree trim and perform inspections of facilities, building the riser for the Mezenbrink building, and annual inspection of all trucks. Mr. Carlson noted an issue with collector streetlights in which some lights are turning purple. He explained that this issue is covered under the warranty and approximately 70 lights are being replaced.

9. Staffing and Organizational Update. Mr. Drent explained that due to some retirements of meter readers, the proposed change is to add an apprentice line worker position to help with meter reading until automatic meter infrastructure (AMI) is in place. Commissioner Letourneau moved to approve the Organizational Chart as presented and the addition of an apprentice line worker. Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

10. Bid Award 2024 Digger Derrick. Mr. Carlson explained that these trucks are typically replaced every 10-12 years, and this bid will replace a truck coming up on 12 years. Bids were opened on February 27 with only one response from Altec Industries. Mr. Carlson noted that the replacement truck is in the capital improvement plan for 2024, and because the response is higher than budgeted, adjustments will be made to the 2024 budget. Commissioner Letourneau moved to award the contract for the digger derrick truck to Altec Industries in the amount of \$512,910. Commissioner Fox seconded the motion. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.

11. General Manager Report. Mr. Drent reported that SPU has hired new staff: Ryan Halverson in Planning and Engineering, Mike Menden as Water Operator, and Emmett Luetmer as Inventory/Maintenance Specialist. Mr. Drent provided an update on pending projects, including PFM investment update; solar at KEB; interviews for the IT Director position; and EV chargers at City Hall. He noted that the City Council has appointed Commissioner Fox for an additional term and that the next Commission meeting will include an election for the offices of President, Vice President, and Secretary.

12. NES WTP Site Search Update. Commissioner Fox moved, seconded by Commissioner DuLaney, 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. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None. In open session, President Mocol noted that the Commission gave direction to staff to provide the updated appraisal and Master Plan to the owner and approved Vice President Krieg participating in the negotiations.

13. Future Items. Discussion of information gathering and review of lateral water main fees, targeting the May Commission meeting.

14. Adjourn. Motion by Commissioner Fox, seconded by Commissioner Letourneau, to adjourn to the April 3, 2023 meeting. Ayes: Mocol, Krieg, DuLaney, Fox, and Letourneau. Nays: None.


Greg Drent, Commission Secretary