

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
September 5, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (JK)
2. **Communications**
3. **Consent Agenda**
 - C=> 3a) Approval of August 7, 2023 Minutes (GD)
 - C=> 3b) Approval of September 5, 2023 Agenda (JK)
 - C=> 3c) September 5, 2023 Warrant List (KW)
 - C=> 3d) July 2023 Financials Reports (KW)
 - C=> 3e) 2024 Budget Timeline (KW)
 - C=> 3f) Monthly Water Dashboard for July 2023 (LS)
 - C=> 3g) 2023 Flushing Program Progress (LS)
 - C=> 3h) MMPA August 2023 Meeting Update (GD)
 - C=> 3i) Res# 2023-21 Resolution Setting The Amount of the Trunk Water Charge, Approving of Its Collection and Authorizing Water Service to Certain Property Described as Patch 1st Addition (JA)
 - C=> 3j) Res# 2023-22 Resolution Setting The Amount of the Trunk Water Charge, Approving of Its Collection and Authorizing Water Service to Certain Property Described as Reliakor 1st Addition (JA)
 - C=> 3k) City Project No. 2021.01 Maras St, Hansen Ave, 13th Ave and Stagecoach Road
Res# 2023-23 A Resolution Determining The Final Lateral Water Main Equivalency, Described as Maras Street, 13th Avenue, Stagecoach Road and Hansen Avenue Water Main Extension
 - C=> 3l) Res# 2023-24 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Highview Park 1st Addition (JA)
 - C=> 3m) Res# 2023-25 Resolution of Appreciation to Thomas Hangaard (GD)
4. **Public Comment Period.** Please step up to the table and state your name and address for the record.
5. **Liaison Report** (JD)
6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)
 - 6b) Water Capacity Payment Agreement (JA & KW)

Reports: Electric Items

 - 7a) Electric System Operations Report – Verbal (BC)
 - 7b) East Shakopee Substation Neighborhood Mtg. (JA)
 - 7c) EV Public Charging Station (JA)
7. **Reports: General**
 - 8a) Marketing/Key Accounts Report – Verbal (SW)
 - 8b) AMI Customer Opt-Out Policy Options (SW)
 - 8c) General Manager Report – Verbal (GD)
 - 8d) Succession Plan (GD)
8. **Items for Future Agendas**
9. **Tentative Dates for Upcoming Meetings**
 - September 18, 2003 Working Session
 - October 2, 2023
 - November 6, 2023
10. **Adjournment**

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
August 7, 2023
Regular Meeting

1. Call to Order. President Krieg called the August 7, 2023 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Krieg, Vice President Letourneau, Commissioner DuLaney, Commissioner Fox, and Commissioner Mocol were present.
2. Communications. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, noted correspondence from Bob Stark on behalf of Hillwood Estates residents.
3. Consent Agenda. Commissioner Mocol moved approval of the consent agenda: (3a) July 10, 2023 special meeting minutes; (3b) August 7, 2023 agenda; (3c) August 7, 2023 warrant list; (3d) Monthly Water Dashboard for June 2023; (3e) 2023 Flushing Program progress; (3f) MMPA June 2023 meeting update; (3g) MMPA July 2023 meeting update (3h) Kennedy and Graven Agreement; (3i) June 2023 Financials Reports. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
4. Public Comment Period. No public comments were offered.
5. Liaison Report. Commissioner DuLaney reported that the City is starting its budget process. He noted a new building will replace the Central School site with 62 senior housing units.
6. Water System Operations Report. Lon Schemel, Water Superintendent, reported that Brandon Schwartz has tested up to his class “B” certificate from the Minnesota Department of Health. Mr. Schemel gave an update on backflow testing; 6,500 devices have been tested and 3,400 are now in compliance. He reported that pumpage remains high, with an average in June of 11.1 million gallons/day, July of 11.6 million gallons/day, and in August to date, 11.4 million gallon/day. This has affected Wells 20 and 21.
7. Pumphouse #23 Bid Award Recommendations. Mr. Schemel reported that project engineer WSB opened bids on July 20, 2023 for the Pumphouse 23 project located at Tank #8 on Zumbro Avenue. Rice Lake Construction Group was the lowest bidder in the amount of \$3,543,200. Mr. Schemel explained that some costs would come from the 2023 Trunk Fund, with \$965,000 proposed for the 2024 CIP. Commissioner Mocol moved to award the contract for construction of Pumphouse 23 to Rice Lake Construction in the amount of \$3,543,200. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
8. Water Capacity Charges (WCC) Payment Agreement. Joseph Adams, Planning and Engineering Director, explained that in response to concerns from developers of the timing of water capacity charges, SPU has developed a practice in which the first payment is due right away, with three payments then due annually with no interest charges. He noted that SPU has entered

13 agreements totaling \$4 million. He noted that for some agreements, there have been late payments, approximately under \$200,000. The Commission discussed options and directed staff to bring back options for WCC agreements, including financial security.

9. Equivalent Lateral Water Main Charges. Mr. Adams discussed the items directed by the Commission on July 10: the proposed Notice Regarding Equivalent Lateral Watermain Connection Charge for recording and two resolutions. Commissioner Mocol moved to approve the Notice Regarding Equivalent Lateral Watermain Connection Charge to be recorded on the affected properties from the two past projects. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

10. Resolution 2023-19 A Resolution Modifying the Interest Provisions of Resolution 2023-02 Establishing a Connection Charge for the Equivalent Lateral Water Main Portion of a Trunk Water Main Project. Commissioner Mocol moved approval of Resolution 2023-19. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. Resolution 2023-20 A Resolution Modifying The Equivalent Lateral Water Main Connection Charges for Certain Projects. Commissioner DuLaney moved to approve Resolution 2023-20. Vice President Letourneau seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

12. Electric Report. Brad Carlson, Electric Superintendent, reported that with the warm weather, SPU neared, but did not exceed, record usage, with levels on July 27 at 105 megawatts. He noted four outages since the last Commission meeting. One was significant with a storm causing a tree to fall on a line, affecting 580 customers for 37 minutes. He also discussed electric projects, including Riverside Drive and street lighting, completing the install at the switch house at the West Shakopee Substation and waiting for Xcel to complete steel structures, installing a new primary service at Jackson Heights, and new traffic signals at 17th Ave and Fuller. Mr. Drent discussed communications as to power outages, with crews dispatched to assess the situation, and if the outage is expected to be longer than one hour, then SPU posts/communicates about the outage.

13. Marketing/Key Accounts Report. Ms. Walsh reported that the Year in Review was mailed. She provided an update on the AMI project, including IT coordination, discussions with Verizon on cellular points, and that the first meters will come in September. She noted that Rhythm on the Rails was a big hit, with the third-largest attendance.

14. General Manager Report. Mr. Drent discussed the RP3 application, which includes a continuity/succession plan. He requested that one or two commissioners assist as an informal working group with this project; Commissioners Mocol and DuLaney volunteered. He also noted the AMI budget and timeline, proceeding with Phase 2 environmental testing for the East

Shakopee Substation site, the completion of Phase 2 environmental testing for 3650 Eagle Creek Boulevard, and completing the final road design and appraisal for the second proposed water treatment property. Mr. Drent noted that he has participated in the Audit and Finance Committee of MMUA and will be joining the Board of Directors. He also noted that as part of the budget process, two Commissioners have historically participated to discuss wages, benefits, and budget recommendations; President Krieg and Vice President Letourneau volunteered. Mr. Drent noted interest by a very large user in the West End; Shakopee is one of five locations under consideration in Minnesota.

15. IT Update. Philip Dubbe, IT Director, explained the issues with SPU’s gmail account and that he expects the issue to be resolved this week. He noted an update on fiber projects to this building and Canterbury water tower, as well as discussions with the County as to fiber to SPU lift stations. Mr. Dubbe also noted that SPU will undertake an IT Risk Assessment with FR Secure.

16. General Manager Amended and Restated Employment Agreement. Mr. Drent referred to the memo in the packet that summarized some of the proposed changes, including statutory changes. Vice President Letourneau moved to approve the Amended and Restated Employment Agreement. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

17. Future Agenda Items. President Krieg asked staff to consider whether SPU’s system could provide notice when an account changes.

18. Adjourn. Motion by Commissioner Fox, seconded by Commissioner Mocol, to adjourn. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Greg Drent, Commission Secretary

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SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

September 5, 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 08/04/2023

| | | |
|---|-------------|---|
| 66027 AAR BUILDING SERVICE CO. | 4,173.19 | AUGUST CLEANING |
| 66028 ALTEC INDUSTRIES INC | \$504.00 | REPAIR OF BOOM LOWERING |
| 66029 AMARIL UNIFORM COMPANY | \$72.69 | SPU CLOTHING ALEX |
| 66030 ARAMARK REFRESHMENT SERVICES INC | \$214.34 | COFFEE |
| 66031 JAWAD BEHSUDI | \$80.00 | REFUND BACKFLOW TESTING |
| 66032 BORDER STATES ELECTRIC SUPPLY | \$8,142.40 | ALUM O.H. |
| 66033 LOKESWAR BOYAPATI | \$350.00 | E.F. COOLING/HEATING REBATE |
| 66034 ANTHONY BREZINA | \$324.68 | REIMB FOR BACK FLOW PREVENTION CLASS |
| 66035 CHOICE ELECTRIC INC | \$517.50 | SAVER SWITCH |
| 66036 YOKE CHUN LEE | \$80.00 | REFUND BACKFLOW TESTING |
| 66037 CITY OF SHAKOPEE | \$7,739.13 | JUNE FUEL BILL |
| 66038 CORE & MAIN LP | \$9,939.01 | METERS |
| 66039 CUSTOMER CONTACT SERVICES | \$562.87 | ANSWERING SVC 7/25-8/21 2023 |
| 66040 DSL/LSI | \$370.86 | AUGUST GARBAGE SERVICE |
| 66041 MIKE ENRIGHT | \$23.79 | REIMB MEALS MARSCHALL OH SCHOOL |
| 66042 FERGUSON US HOLDINGS, INC. | \$514.20 | WO#2613 |
| 66043 FORMSTACK, LLC | \$1,306.80 | GOLD ANNUAL CHARGE |
| 66044 GENERAL SECURITY SERVICES CORP | \$442.92 | MAINT. VIDEO SYSTEM |
| 66045 GRAINGER INC | \$328.23 | EMERG EYE WASH TEST |
| 66046 LARRY HANSE | \$350.00 | E.F. COOLING/HEATING REBATE |
| 66047 TYLER HANSON | \$293.21 | 2022 APPA RODEO REIMB |
| 66048 HREXPRTISEBP LLC | \$1,531.25 | JULY 2023 HR CONSULTING |
| 66049 INNOVATIVE OFFICE SOLUTIONS LLC | \$421.53 | OFFICE SUPPLIES TONER CLEANER |
| 66050 IRBY - STUART C IRBY CO | \$113.73 | EYEBOLT |
| 66051 IRBY TOOLS - STUART C IRBY CO | \$795.00 | TOOL KIT |
| 66052 JT SERVICES | \$1,411.99 | POWERPATCHLEAK REPAIR KIT |
| 66053 MINN VALLEY TESTING LABS INC | \$276.90 | SHIPPING MISSED ON ORIGINAL PYMT |
| 66054 MMUA | \$13,104.25 | 3RD QTR 2023 SAFETY MGMT PROGRAM |
| 66055 MPOWER TECHNOLOGIES, INC. | \$15,000.00 | MMS SOFTWARE/ANNUAL MAINT. |
| 66056 MRA-THE MANAGEMENT ASSOCIATION | \$122.00 | BACKGROUND CHECK REPORT |
| 66057 NAPA AUTO PARTS | \$177.79 | BATTERY |
| 66058 NCPERS GROUP LIFE INS. | \$192.00 | AUGUST PREMIUMS |
| 66059 GERRY NEVILLE | \$105.45 | REIMB 161 MILES |
| 66060 JAKE NICHOLS | \$80.00 | REFUND BACKFLOW TESTING |
| 66061 CINDY NICKOLAY | \$204.75 | 124 MILES REIMB. |
| 66062 PARDHA PALLABOTHU | \$125.00 | E.F. DISHWASHER REBATE |
| 66063 POWER TESTING AND ENERGIZATION INC. | \$5,948.00 | RTAC FIRWARE UPDATES |
| 66064 POWERPLAN BF | \$2,306.31 | BACKHOE REPAIR |
| 66065 RW BECK GROUP, INC, LEIDOS ENG. LL | \$6,640.63 | WO#2376 E SUB SITE ANALYSIS |
| 66066 JACK SCHINTZ | \$790.64 | REISSUED STALE AP CHECKS NEVER CASHED |
| 66067 COLIN SHEEHAN | \$350.00 | E.F. COOLING/HEATING REBATE |
| 66068 SHORT ELLIOTT HENDRICKSON INC | \$22,014.50 | WO#2634 EAGLE CRK BLVD WTP |
| 66069 STEVEN R SINELL | \$105.00 | E.F. REFRIGERATOR REBATE |
| 66070 THE IMAGINE GROUP, LLC | \$70,556.00 | LIGHTING REBATE |
| 66071 GREG TRIPLETT | \$66.81 | REIMB 102 MILES |
| 66072 UPS STORE # 4009 | \$46.76 | REPAIR SCADA SWITCH ELECTRIC SHIPMENT |
| 66073 WESCO RECEIVABLES CORP. | \$1,388.25 | 1 SPRING LOK SEAL |
| 66074 KELLEY WILLEMSEN | \$250.00 | REIMBURSE 2023 MNGFOA ANNUAL CONFERENCE |

Total Week of 8/04/2023**\$180,454.36**

WEEK OF 08/11/2023

| | | |
|---------------|-------------------------------------|--|
| 66075-66150 | CREDIT REFUNDS | \$4,420.05 |
| 66151 | ALTEC INDUSTRIES INC | 509.70 SECONDARY BAR COVERS |
| 66152 | BADGER STATE INSPECT, LLC | 7,594.00 WO#2604 DISH NETWRK EQUIP INSTAL TANK1 |
| 66153 | BORDER STATES ELECTRIC SUPPLY | 69.84 CODING TAPE |
| 66154 | TIMOTHY BREWER | 175.00 E.F. CLOTHES WASHER RABATE |
| 66155 | CENTURY PROMOTIONAL ADVERTISING LLC | 3,462.00 SPU EE JACKETS |
| 66156 | DAILY PRINTING, INC. | 10,250.00 17,500 ANNUAL RPT/YR IN REV 12 PG SELF C |
| 66157 | DAKOTA SUPPLY GROUP | 210.34 25 AUTO SPICE#4 |
| 66158 | DITCHWITCH OF MINNESOTA | 609.51 NOZZLE/BALL VALVE |
| 66159 | SINISA & DEBBIE DJUKIC | 50.00 WATER SENSE TOILET REBATE |
| 66160 | JOSH FLOM | 500.00 E.F. COOLING/HEATING REBATE |
| 66161 | FLYTE HCM LLC | 10.00 JULY 2023 COBRA |
| 66162 | FRSECURE LLC | 7,230.00 2023 RISK MGMT ASSESSMENT L2 |
| 66163 | GOPHER STATE ONE-CALL | 992.25 JULY TICKETS |
| 66164 | ADAM HANSON | 500.00 E.F. HEATING/COOLING REBATE |
| 66165 | HAWKINS INC | 13,213.39 CHLORINE HYDROFLUOSILIC ACID |
| 66166 | INNOVATIVE OFFICE SOLUTIONS LLC | 412.31 TISSUE,TONER,LABELS,LINERS |
| 66167 | IRBY - STUART C IRBY CO | 1,872.62 CONNECTORS |
| 66168 | MATTHEW KAHLE | 3.14 REIMB O-RINGS |
| 66169 | REID LARSON | 239.99 REIMB FOR SAFETY BOOTS |
| 66170 | KELSEY LARUE | 125.10 IRRIGATION CONTROLLERS REBATE |
| 66171 | SCOTT LEIS | 98.19 IRRIGATION CONTROLLERS REBATE |
| 66172 | LOCATORS & SUPPLIES INC | 1,458.48 BLUE MARKING PAINT 12 CANS/CASE |
| 66173 | BIEN LU | 75.00 E.F. REFRIGERATOR REBATE |
| 66174 | DALE MANSTROM | 105.00 E.F. REFRIGERATOR |
| 66175 | MATTHEW MARTINEAU | 75.00 E.F. REFRIGERATOR REBATE |
| 66176 | ARPAN MEHTA | 161.99 IRRIGATION CONTROLLERS REBATE |
| 66177 | MINN VALLEY TESTING LABS INC | 388.30 COLIFORM |
| 66178 | MN AWWA | 330.00 FULL CONF L SCHEMEL |
| 66179 | MVTA | 2,182.98 WO#2570 MVTA UG ELECTRIC FINAL CLOSE REF |
| 66180 | GERRY NEVILLE | 146.06 REIMB 223 MILES |
| 66181 | NORTHERN STATES POWER CO | 5,108.84 JULY POWER BILL |
| 66182 | O'REILLY AUTOMOTIVE, INC. | 7.16 MINI BULB |
| 66183 | PARDHA PALLABOUTHU | 234.99 IRRIGATION CONTROLLERS REBATE |
| 66184 | PLUNKETT'S PEST CONT, INC. | 52.18 GENERAL PEST CONTROL WELL/P.H.#4 |
| 66185 | RESCO | 286.70 GROUND ROD CLAMP |
| 66186 | SCHNEIDER ELECTRIC | 16,122.00 LIGHTING REBATE FOR PROJ #1147 |
| 66187 | SHORT ELLIOTT HENDRICKSON INC | 521.60 WO#2634 PHASE II ESA |
| 66188 | SOUTHWEST NEWS MEDIA | 1,009.73 JULY P.H. BIDS / LEGALS |
| 66189 | BROOKE STATELY | 179.99 IRRIGATION CONTROLLERS REBATE |
| 66190 | SAMANTHA TAN | 175.00 E.F. CLOTHES WASHER REBATE |
| 66191 | GREG TRIPLETT | 92.35 REIMB 141 MILES |
| 66192 | USABLUEBOOK | 2,165.57 HYDRANT FLUSHING ELBOW |
| 66193 | BRENT VANNIER | 200.00 IRRIGATION CONTROLLERS REBATE |
| 66194 | VERIZON WIRELESS | 3,036.10 JULY CELL PHONE BILL |
| 66195 | VIVID IMAGE, INC. | 1,200.00 ANNUAL SAFE/SOUND MGED WEBSITE HOSTING |
| 66196 | LINDA VOS | 481.04 WO#2736 9269 BOILING SPRGS XFMR CHGOUT |
| 66197 | SHARLENE WHITED | 175.00 E.F. CLOTHES WASHER REBATE |
| 66198 | WSB & ASSOCIATES INC. | 9,500.19 WATER WO#2581 P.H. #23 |
| 119692 | DELTA DENTAL PLAN OF MN | 6,047.40 JULY DENTAL PREMIUMS |
| 119693 | HEALTHPARTNERS | 72,059.40 JULY 2023 PREMIUMS |
| 119694 | FURTHER - ACH | 1,918.41 DAYCARE/MEDICAL CLAIM REIMB |
| 119695 | MINNESOTA LIFE | 1,232.61 JULY LIFE INS PREMIUMS |
| 119696 | MMPA C/O AVANT ENERGY | 4,891,970.71 JULY POWER BILL |
| 119697 | MN DEPT OF REVENUE ACH PAYMENTS | 365,991.00 JULY 2023 SALES TAX PAYABLE |
| 119698 | CENTERPOINT ENERGY - ACH | 27.63 5/5/23-6/1/23 GAS USAGE 10TH AVE |
| | PAYROLL DIRECT DEPOSIT 8.11.23 | \$128,173.49 |
| 119699-119705 | BENEFITS & TAXES FOR 8.11.23 | \$121,214.93 |

Total Week of 8/11/2023

\$5,686,654.26

WEEK OF 08/18/2023

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|---|---|
| 66199 ALTEC INDUSTRIES INC | 89.00 SECONDARY BAR COVERS |
| 66200 AMARIL UNIFORM COMPANY | 383.07 SPU CLOTHING ELLE S |
| 66201 B & B TRANSFORMER INC | 68,718.00 15 37.5 PAD RMS |
| 66202 BORDER STATES ELECTRIC SUPPLY | 106,576.07 TERMINATION COVER |
| 66203 CITY OF SHAKOPEE | 524,569.63 JULY SW \$410,154.51 SD \$114,415.12 |
| 66204 GREGORY CLARK | 300.00 WATER SENSE TOILET REBATE |
| 66205 MATTHEW CONRAD | 134.99 IRRIGATION CONTROLLERS REBATE |
| 66206 CORE & MAIN LP | 2,155.53 PULSE CABLE |
| 66207 CORVAL CONSTRUCTORS, INC. | 1,161.44 AHU #1 REPAIR |
| 66208 DAKOTA SUPPLY GROUP | 816.59 CONNECTORS/GROUND LUG |
| 66209 AMY DELOYSKI | 25.00 LED LIGHT REBATE |
| 66210 DIGITAL IMPACT SOLUTIONS, LLC | 150.33 2PT SPIRAL BOUND BOOKS CRS'S |
| 66211 STEPHEN FAUNILLAN | 350.00 ENERGY EFFICIENT HEATING/COOLING REBATE |
| 66212 FRONTIER ENERGY, INC. | 14,923.51 P3 SUBSCRIPTION FOR MAY 2023 |
| 66213 GRAINGER INC | 1,658.03 15FT DUCT |
| 66214 GRAYBAR ELECTRIC COMPANY INC | 127.49 ELBOW/PVCA COUPLING |
| 66215 HAWKINS INC | 11,312.80 CHLORINE CYLINDERS |
| 66216 ALEX HEGSETH | 514.74 REISSUED 8/11/23 PAYROLL CHECK |
| 66217 HENNEN'S AUTO SERVICE INC. | 770.05 NEW TIRES WATER TRK #622 |
| 66218 PETER HIGHUM | 50.00 WATER SENSE TOILET REBATE |
| 66219 INNOVATIVE OFFICE SOLUTIONS LLC | 464.62 TISSUE/CUPS/PAPER TOWELS TRASH BAGS |
| 66220 IRBY - STUART C IRBY CO | 1,897.14 COVER TESTING |
| 66221 KEE WHYE KUAH | 350.00 ENERGY EFFICIENT HEATING/COOLING REBATE |
| 66222 LEAGUE OF MINN CITIES INS TRUST | 160,710.00 7/31/2023-7/31/2024 PROP/CAS COV PREMIUM |
| 66223 MCGRANN SHEA CARNIVAL | 12,758.75 MUNI & REG MATTERS/ WO#2472 AMI |
| 66224 MINN VALLEY TESTING LABS INC | 411.40 NITRATES |
| 66225 MN OCCUPATIONAL HEALTH - LOCKBOX 135054 | 160.00 DRUG TESTING |
| 66226 GERRY NEVILLE | 82.53 REIMBURSE 126 MILES |
| 66227 PLUNKETT'S PEST CONT, INC. | 100.36 GEN PEST CONTROL P.H. 15 & 16 |
| 66228 BENJAMIN REAGAN | 30.00 RECYCLING REBATE |
| 66229 SHAKOPEE CHAMBER OF COMMERCE | 500.00 LEADERSHIP REGISTRATION KW & RH |
| 66230 MICHAEL TAPPE | 500.00 ENERGY EFFICIENT HEATING/COOLING REBATE |
| 66231 JONNAI THOMPSON | 350.00 ENERGY EFFICIENT HEATING/COOLING REBATE |
| 66232 GREG TRIPLETT | 112.66 REIMBURSE 172 MILES |
| 66233 ULINE, INC. | 4,775.48 PALLET RACK BEAMS |
| 66234 UPS STORE # 4009 | 15.19 WATER SHIPMENT |
| 66235 VERIZON WIRELESS | 106.87 7/6-8/5 2023 |
| 66236 MICHAEL VOURLOS | 28.75 REIMB WATER METER REPAIR OVERNIGHT USPS |
| 66237 AMBER WEEKS | 350.00 ENERGY EFFICIENT HEATING/COOLING REBATE |
| 66238 JENNIFER WILLIAMS | 112.49 IRRIGATION CONTROLLERS REBATE |
| 66239 XCEL ENERGY | 6,891.47 6/25-7/27 VALLEY PARK DR |
| 66240 ZAHL-PETROLEUM MAINT COMPANY | 515.00 REMOVE LIQUIDS IN SHOP |
| 119706 AMERICAN NATL BANK_MASTERCARD_ACH | 9,300.92 JULY CREDIT CARD STMT ACH 8/24/23 |
| 119707 CENTERPOINT ENERGY - ACH | 479.54 6/7-7/10 2023 GAS USAGE 10TH AVE |

Total Week of 8/18/2023

\$935,789.44

WEEK OF 08/25/2023

| | | | |
|--------|-------------------------------------|--------------|--|
| 66241 | ABDO LLP | 18,986.50 | JULY FS ACCOUNTING 22-23 FIRM TAX REPORT |
| 66242 | ALTEC INDUSTRIES INC | 2,358.89 | SCREWDRIVER |
| 66243 | ANNETTE STANEK | 1,942.50 | SPU 2023 JANUARY RATE BILL STUFFER |
| 66244 | APPLE FORD OF SHAKOPEE | 16,342.54 | ELECTRIC TRK #610 REPAIRS |
| 66245 | ELYSS BEESON | 175.00 | E/F CLOTHES WASHER REBATE |
| 66246 | BORDER STATES ELECTRIC SUPPLY | 209,698.35 | ARRESTER |
| 66247 | THOMAS BOYS | 125.10 | IRRIGATION CONTROLLERS REBATE |
| 66248 | MERVYN CARRABON | 175.00 | E/F CLOTHES WASHER REBATE |
| 66249 | CITY OF SHAKOPEE | 318,000.00 | AUGUST 2023 PILOT TRANSFER FEE |
| 66250 | CITY OF SHAKOPEE | 1,422.80 | AUGUST 2023 STORM DRAIN/SPU PROPERTIES |
| 66251 | COMCAST CABLE COMM INC. | 2.25 | BREAKROOMCABLES - AUGUST |
| 66252 | CORE & MAIN LP | 3,960.00 | PULSE BABLE |
| 66253 | CORVAL CONSTRUCTORS, INC. | 1,153.06 | OFFICE AC REPAIR |
| 66254 | DAKOTA SUPPLY GROUP | 132.61 | OVAL EYE BOLT |
| 66255 | TIM DELOYSKI | 75.00 | E.F. REFIGERATOR REBATE |
| 66256 | DITCHWITCH OF MINNESOTA | 599.33 | ROUTINE PMI SVC/REPOAIR EXCAVATOR |
| 66257 | EMERGENCY AUTOMOTIVE TECHNOLOGIES I | 665.40 | WHELEN TIR3 |
| 66258 | FIRE SAFETY USA | 488.95 | STREAMLIGHT LED W/ CHARGERS |
| 66259 | JON GRAF | 350.00 | E/F COOLING/HEATING REBATE |
| 66260 | GRAINGER INC | 230.64 | WASP/HORNET SPRAY |
| 66261 | GRAYBAR ELECTRIC COMPANY INC | 220.94 | PVCPA FEMALE ADAPTERS |
| 66262 | HENNEN'S AUTO SERVICE INC. | 98.26 | OIL CHANGE ELECTRIC TRK |
| 66263 | RYAN EILER HENRICKSON | 9,926.63 | WO#2725 |
| 66264 | HIGH POINT NETWORKS, LLC | 36,265.85 | GREENCLOUD DRAAS W/ ZERO |
| 66265 | INNOVATIVE OFFICE SOLUTIONS LLC | 437.67 | OFFICE SUPPLIES |
| 66266 | INTEGRATED PROCESS SOLUTIONS, INC | 1,403.74 | WELL 4 FLOW METER |
| 66267 | IRBY - STUART C IRBY CO | 2,278.50 | HOT LINE CLAMP |
| 66268 | KATAMA TECHNOLOGIES, INC. | 1,312.50 | AMI WO2472 CONSULTING |
| 66269 | FRANK KOCINA | 500.00 | E/F COOLING/HEATING REBATE |
| 66270 | INC M E SIMPSON CO. | 21,335.00 | METER TESTS |
| 66271 | MASTER ELECTRIC | 15,200.00 | TEST INSPECTION 4 LOCATIONS-WATER DEPT |
| 66272 | MID AMERICA METER INC | 939.00 | REPAIR - WATER |
| 66273 | MIDWAY FORD - ROSEVILLE | 51,023.33 | 2023 FORD F250 |
| 66274 | MINN VALLEY TESTING LABS INC | 229.90 | COLIFORM |
| 66275 | GERRY NEVILLE | 174.88 | REIMBURSE 267 MILES |
| 66276 | NISC | 30,940.63 | JULY 2023 MISC |
| 66277 | BRIAN NORRIS | 500.00 | E/F COOLING/HEATING REBATE |
| 66278 | BERNADETTE OHNSORG | 350.00 | E/F HEATING/COOLING REBATE |
| 66279 | PLUNKETT'S PEST CONT, INC. | 1,464.22 | GENERAL PEST CONTROL 8/1/23-7/1/24 |
| 66280 | RESCO | 88,900.62 | 2 750KVA 3P TRANSFORMERS |
| 66281 | RJ RYAN CONSTRUCTION | 1,225.73 | REFUND DUE FOR HYDRANT METER RETURN |
| 66282 | SCOTT COUNTY TREASURER | 2,100.00 | MONTHLY FIBER CHG AUGUST |
| 66283 | TRISHA SMITH | 500.00 | E/F HEATING/COOLING REBATE |
| 66284 | TE MILLER DEVELOPMENT | 3,870.43 | WO#2598 OMRV CANTERBURY INDEP LIV_UG EL |
| 66285 | CHUCK THORN | 105.00 | E.F. REFIGERATOR REBATE |
| 66286 | GREG TRIPLETT | 146.06 | REIMBURSE 223 MILES |
| 66287 | VERIZON | 613.46 | JULY TRUCK TRACKING |
| 66288 | SHARON WALSH | 327.80 | REIMB AIRFARE CHRGD ON PERSONAL CC APP |
| 66289 | RYAN WERMERSKIRCHEN | 450.43 | PER DIEM DULUTH UMMMA/GAS MILEAGE |
| 66290 | WESCO RECEIVABLES CORP. | 12,451.21 | VOLTAGE TRANSFORMER |
| 66291 | WPT INDUSTRIAL REIT | 200.40 | WO#2484 SW LOGISTICS WM PLAN REV REFUND |
| 119709 | FURTHER - ACH | 3,268.31 | DAYCARE CLAIM REIMBURSEMENT |
| | PAYROLL DIRECT DEPOSIT 8.25.23 | \$131,884.28 | |
| | BENEFITS & TAXES FOR 8.25.23 | \$119,799.97 | |

Total Week of 08/25/2023

\$1,117,328.67

Grand Total

\$7,920,226.73


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

DATE: August 30, 2023
TO: Greg Drent, General Manager *gd9*
FROM: Kelley Willemssen, Director of Finance & Administration *KW*
SUBJECT: July 2023 Financials Reports

July 2023 electric financial reports equate to 56% of the annual budget.

- YTD electric revenues are up 4% from the prior year. YTD electric revenues are down from budget by 1%.
- For July 2023, the Electric Department Overall up from the prior YTD and down from budget YTD by \$186K. Additional variance analysis can be found on the Revenue and Expense financial reports included.

July 2023 water financial reports equate to 58% of the annual budget.

- YTD water revenues are up 19% from the prior year. YTD water revenues are up from budget by 2%.
- For July 2023, the Water Department Overall is ahead of prior YTD and up from budget YTD by \$279K. Additional variance analysis can be found on the Revenue and Expense financial reports included.

Included are the following statements:

- Combined Statement of Revenues, Expense and Changes in Fund Net Position with and without unrealized loss/gain totals
- Electric Operating Revenue and Expense – Budget to Actual (with analytics)
- Water Operating Revenue and Expense– Budget to Actual (with analytics)
- Electric Operating Revenue and Expense – 2022 to 2023 (with analytics)
- Water Operating Revenue to Expense – 2022 to 2023 (with analytics)

Request

The Commission is requested to accept the Unaudited Financial Reports for the period ending 07/31/23.

**SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INVESTMENT INCOME - INCLUDED**

| | Year to Date Actual - June 30, 2023 | | | Year to Date Budget - June 30, 2023 | | | 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 | \$ 33,753,649 | 3,901,473 | 37,655,122 | 33,940,461 | 3,825,262 | 37,765,723 | (186,813) | -0.6% | 76,211 | 2.0% | (110,602) | -0.3% |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Operation, Customer and Administrative | 29,219,111 | 2,391,143 | 31,610,254 | 29,079,543 | 2,590,647 | 31,670,190 | (139,567) | -0.5% | 199,504 | 7.7% | 59,936 | 0.2% |
| Depreciation | 1,629,790 | 1,121,690 | 2,751,480 | 1,769,587 | 1,125,595 | 2,895,183 | 139,797 | 7.9% | 3,905 | 0.3% | 143,702 | 5.0% |
| Total Operating Expenses | 30,848,901 | 3,512,833 | 34,361,734 | 30,849,130 | 3,716,242 | 34,565,373 | 230 | 0.0% | 203,409 | 5.5% | 203,639 | 0.6% |
| Operating Income | 2,904,748 | 388,640 | 3,293,388 | 3,091,331 | 109,020 | 3,200,351 | (186,583) | -6.0% | 279,620 | -256.5% | 93,037 | 2.9% |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | | | | | |
| Rental and Miscellaneous | 46,927 | 172,588 | 219,514 | 176,918 | 133,951 | 310,869 | (129,991) | -73.5% | 38,636 | 28.8% | (91,355) | -29.4% |
| Interdepartment Rent from Water | 52,500 | - | 52,500 | 50,625 | - | 50,625 | 1,875 | 3.7% | - | - | 1,875 | 3.7% |
| Investment Income | 938,085 | 614,787 | 1,552,872 | (468,999) | (170,984) | (639,983) | 1,407,084 | -300.0% | 785,771 | -459.6% | 2,192,855 | -342.6% |
| Interest Expense | (7,394) | (384) | (7,777) | (3,597) | (69) | (3,665) | (3,797) | -105.6% | (315) | -457.4% | (4,112) | -112.2% |
| Amortization of Debt Issuance Costs and Loss on Refunding | - | - | - | - | - | - | - | #DIV/0! | - | 0.0% | - | #DIV/0! |
| Gain/(Loss) on the Disposition of Property | 10,100 | - | 10,100 | - | - | - | 10,100 | 0.0% | - | - | 10,100 | - |
| Total Non-Operating Revenue (Expense) | 1,040,218 | 786,991 | 1,827,209 | (245,053) | (37,101) | (282,154) | 1,285,270 | -524.5% | 824,093 | -2221.2% | 2,109,363 | -747.6% |
| Income Before Contributions and Transfers | 3,944,966 | 1,175,631 | 5,120,597 | 2,846,278 | 71,918 | 2,918,197 | 1,098,688 | 38.6% | 1,103,713 | 1534.7% | 2,202,400 | 75.5% |
| CAPITAL CONTRIBUTIONS | 690,615 | 2,385,464 | 3,076,080 | 247,407 | 1,364,795 | 1,612,202 | 443,208 | -179.1% | 1,020,670 | 74.8% | 1,463,878 | 90.8% |
| MUNICIPAL CONTRIBUTION | (2,075,561) | (231,000) | (2,306,561) | (1,921,037) | (229,515) | (2,150,552) | (154,524) | -8.0% | (1,485) | -0.6% | (156,009) | -7.3% |
| CHANGE IN NET POSITION | \$ 2,560,021 | 3,330,095 | 5,890,116 | 1,172,649 | 1,207,198 | 2,379,847 | 1,387,372 | 118.3% | 2,122,698 | 175.9% | 3,510,269 | 147.5% |

**SHAKOPEE PUBLIC UTILITIES
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INVESTMENT INCOME - EXCLUDED**

| | Year to Date Actual - June 30, 2023 | | | Year to Date Budget - June 30, 2023 | | | 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 | \$ 33,753,649 | 3,901,473 | 37,655,122 | 33,940,461 | 3,825,262 | 37,765,723 | (186,813) | -0.6% | 76,211 | 2.0% | (110,602) | -0.3% |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Operation, Customer and Administrative | 29,219,111 | 2,391,143 | 31,610,254 | 29,079,543 | 2,590,647 | 31,670,190 | (139,567) | -0.5% | 199,504 | 7.7% | 59,936 | 0.2% |
| Depreciation | 1,629,790 | 1,121,690 | 2,751,480 | 1,769,587 | 1,125,595 | 2,895,183 | 139,797 | 7.9% | 3,905 | 0.3% | 143,702 | 5.0% |
| Total Operating Expenses | 30,848,901 | 3,512,833 | 34,361,734 | 30,849,130 | 3,716,242 | 34,565,373 | 230 | 0.0% | 203,409 | 5.5% | 203,639 | 0.6% |
| Operating Income | 2,904,748 | 388,640 | 3,293,388 | 3,091,331 | 109,020 | 3,200,351 | (186,583) | -6.0% | 279,620 | -256.5% | 93,037 | 2.9% |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | | | | | |
| Rental and Miscellaneous | 46,927 | 172,588 | 219,514 | 176,918 | 133,951 | 310,869 | (129,991) | -73.5% | 38,636 | 28.8% | (91,355) | -29.4% |
| Interdepartment Rent from Water | 52,500 | - | 52,500 | 50,625 | - | 50,625 | 1,875 | 3.7% | - | - | 1,875 | 3.7% |
| Interest Expense | (7,394) | (384) | (7,777) | (3,597) | (69) | (3,665) | (3,797) | -105.6% | (315) | -457.4% | (4,112) | -112.2% |
| Amortization of Debt Issuance Costs and Loss on Refunding | - | - | - | - | - | - | - | #DIV/0! | - | 0.0% | - | #DIV/0! |
| Gain/(Loss) on the Disposition of Property | 10,100 | - | 10,100 | - | - | - | 10,100 | 0.0% | - | - | 10,100 | - |
| Total Non-Operating Revenue (Expense) | 102,133 | 172,204 | 274,337 | 223,946 | 133,883 | 357,829 | (121,814) | -54.4% | 38,322 | 28.6% | (83,492) | -23.3% |
| Income Before Contributions and Transfers | 3,006,881 | 560,844 | 3,567,725 | 3,315,277 | 242,902 | 3,558,180 | (308,396) | -9.3% | 317,942 | 130.9% | 9,545 | 0.3% |
| CAPITAL CONTRIBUTIONS | 690,615 | 2,385,464 | 3,076,080 | 247,407 | 1,364,795 | 1,612,202 | 443,208 | -179.1% | 1,020,670 | 74.8% | 1,463,878 | 90.8% |
| MUNICIPAL CONTRIBUTION | (2,075,561) | (231,000) | (2,306,561) | (1,921,037) | (229,515) | (2,150,552) | (154,524) | -8.0% | (1,485) | -0.6% | (156,009) | -7.3% |
| CHANGE IN NET POSITION | \$ 1,621,936 | 2,715,308 | 4,337,244 | 1,641,648 | 1,378,182 | 3,019,830 | (19,712) | -1.2% | 1,337,127 | 97.0% | 1,317,414 | 43.6% |

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END JULY 31, 2023**

| | YTD Actual 7/31/2023 | YTD Budget 7/31/2023 | YTD Actual v. Budget Increase (decrease) | |
|---|-------------------------|-------------------------|---|--------------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Electricity | | | | |
| Residential | 12,118,382 | 12,409,026 | (290,644) | 97.7 |
| Commercial and Industrial | 20,877,709 | 20,830,559 | 47,151 | 100.2 |
| Uncollectible accounts | - | - | - | - |
| Total Sales of Electricity | <u>32,996,091</u> | <u>33,239,585</u> | <u>(243,493)</u> | <u>99.3</u> |
| Forfeited Discounts | 185,171 | 154,791 | 30,380 | 119.6 |
| Free service to the City of Shakopee | 80,561 | 80,561 | - | 100.0 |
| Conservation program | 491,826 | 465,525 | 26,301 | 105.6 |
| Total Operating Revenues | <u>33,753,649</u> | <u>33,940,461</u> | <u>(186,813)</u> | <u>99.4</u> |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Purchased power | 24,710,189 | 24,144,069 | 566,120 | 102.3 |
| Distribution operation expenses | 389,408 | 365,581 | 23,827 | 106.5 |
| Distribution system maintenance | 656,509 | 487,330 | 169,180 | 134.7 (1) |
| Maintenance of general plant | 221,094 | 252,161 | (31,067) | 87.7 |
| Total Operation and Maintenance | <u>25,977,200</u> | <u>25,249,140</u> | <u>728,060</u> | <u>102.9</u> |
| Customer Accounts | | | | |
| Meter Reading | 79,950 | 96,080 | (16,130) | 83.2 |
| Customer records and collection | 374,782 | 367,210 | 7,572 | 102.1 |
| Energy conservation | 195,606 | 502,630 | (307,024) | 38.9 (2) |
| Total Customer Accounts | <u>650,338</u> | <u>965,920</u> | <u>(315,582)</u> | <u>67.3</u> |
| Administrative and General | | | | |
| Administrative and general salaries | 445,680 | 588,503 | (142,823) | 75.7 (3) |
| Office supplies and expense | 349,428 | 299,532 | 49,896 | 116.7 |
| Outside services employed | 235,977 | 172,846 | 63,132 | 136.5 (4) |
| Insurance | 87,747 | 76,128 | 11,619 | 115.3 |
| Employee Benefits | 1,186,409 | 1,434,371 | (247,962) | 82.7 (5) |
| Miscellaneous general | 286,332 | 293,105 | (6,773) | 97.7 |
| Total Administrative and General | <u>2,591,572</u> | <u>2,864,483</u> | <u>(272,911)</u> | <u>90.5</u> |
| Total Operation, Customer, & Admin Expenses | <u>29,219,111</u> | <u>29,079,543</u> | <u>139,567</u> | <u>100.5</u> |
| Depreciation | 1,629,790 | 1,769,587 | 139,797 | 92.1 |
| Total Operating Expenses | <u>\$ 30,848,901</u> | <u>30,849,130</u> | <u>(230)</u> | <u>100.0</u> |
| Operating Income | <u>\$ 2,904,748</u> | <u>3,091,331</u> | <u>(186,583)</u> | <u>94.0</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 staff working on maintenance of a main feeder that failed, overhead lines/tree trimming, upgrades and street lighting
- (2) Variance due to less conservation expenses than budgeted for through July 2023. Variance should stabilize throughout the year.
- (3) Variance due to provisions to 2023 budget including two full-time positions currently unfilled.
- (4) Variance due to higher outside service expenses than budgeted through June - Abdo Financial Services providing support while open positions are filled.
- (5) Variance due to provisions to 2023 budget including two full-time positions currently unfilled and less vacation actuals dollars than projected through July.

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
FOR PERIOD END JULY 31, 2023**

| | YTD Actual | YTD Budget | YTD Actual v. Budget | |
|---|---------------------|------------------|----------------------|---------------|
| | 7/31/2023 | 7/31/2023 | Increase (decrease) | |
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Water | 3,889,395 | 3,804,548 | 84,846 | 102.2 |
| Forfeited Discounts | 12,078 | 20,714 | (8,635) | 58.3 (1) |
| Total Operating Revenues | <u>3,901,473</u> | <u>3,825,262</u> | <u>76,211</u> | <u>102.0</u> |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Pumping and distribution operation | 460,618 | 379,333 | 81,285 | 121.4 (2) |
| Pumping and distribution maintenance | 334,830 | 376,523 | (41,693) | 88.9 |
| Power for pumping | 210,407 | 210,000 | 407 | 100.2 |
| Maintenance of general plant | 40,837 | 58,021 | (17,184) | 70.4 |
| Total Operation and Maintenance | <u>1,046,692</u> | <u>1,023,877</u> | <u>22,815</u> | <u>102.2</u> |
| Customer Accounts | | | | |
| Meter Reading | 54,824 | 41,213 | 13,611 | 133.0 (3) |
| Customer records and collection | 110,822 | 126,286 | (15,464) | 87.8 |
| Energy conservation | 380 | - | 380 | #DIV/0! |
| Total Customer Accounts | <u>166,025</u> | <u>167,499</u> | <u>(1,473)</u> | <u>99.1</u> |
| Administrative and General | | | | |
| Administrative and general salaries | 270,877 | 369,229 | (98,352) | 73.4 (4) |
| Office supplies and expense | 116,939 | 126,900 | (9,961) | 92.2 |
| Outside services employed | 122,690 | 148,080 | (25,390) | 82.9 |
| Insurance | 27,856 | 26,316 | 1,540 | 105.9 |
| Employee Benefits | 534,354 | 616,816 | (82,462) | 86.6 |
| Miscellaneous general | 105,710 | 111,931 | (6,221) | 94.4 |
| Total Administrative and General | <u>1,178,425</u> | <u>1,399,271</u> | <u>(220,845)</u> | <u>84.2</u> |
| Total Operation, Customer, & Admin Expenses | <u>2,391,143</u> | <u>2,590,647</u> | <u>(199,504)</u> | <u>92.3</u> |
| Depreciation | 1,121,690 | 1,125,595 | (3,905) | 99.7 |
| Amortization of plant acquisition | - | - | - | - |
| Total Operating Expenses | <u>\$ 3,512,833</u> | <u>3,716,242</u> | <u>(203,409)</u> | <u>94.5</u> |
| Operating Income | <u>\$ 388,640</u> | <u>109,020</u> | <u>279,620</u> | <u>356.49</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 lower than projected penalty revenue through July.
- (2) Variance is due to higher than projected chemical expenses because of higher costs and increased pumpage through July.
- (3) Variance is due to water staff supporting customer service/metering staff with unplanned absences and retirement in the department.
- (4) Variance due to provisions to 2023 budget including two full-time positions currently unfilled.

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END JULY 31, 2023**

| | 2023 | 2022 | 2022-2023 | |
|--------------------------------------|---------------|------------|---------------------|-----------|
| | | | Increase (decrease) | |
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Electricity | | | | |
| Residential | 12,118,382 | 12,027,033 | 91,349 | 100.8 |
| Commercial and Industrial | 20,877,709 | 19,593,027 | 1,284,682 | 106.6 |
| Total Sales of Electricity | 32,996,091 | 31,620,060 | 1,376,031 | 104.4 |
| Forfeited Discounts | 185,171 | 133,736 | 51,435 | 138.5 (1) |
| Free service to the City of Shakopee | 80,561 | 67,849 | 12,712 | 118.7 |
| Conservation program | 491,826 | 472,642 | 19,184 | 104.1 |
| Total Operating Revenues | 33,753,649 | 32,294,287 | 1,459,362 | 104.5 |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Purchased power | 24,710,189 | 24,795,498 | (85,309) | 99.7 |
| Distribution operation expenses | 389,408 | 307,325 | 82,083 | 126.7 (2) |
| Distribution system maintenance | 656,509 | 496,950 | 159,559 | 132.1 (3) |
| Maintenance of general plant | 221,094 | 227,080 | (5,986) | 97.4 |
| Total Operation and Maintenance | 25,977,200 | 25,826,851 | 150,349 | 100.6 |
| Customer Accounts | | | | |
| Meter Reading | 79,950 | 79,470 | 480 | 100.6 |
| Customer records and collection | 374,782 | 451,931 | (77,149) | 82.9 |
| Energy conservation | 195,606 | 242,538 | (46,932) | 80.6 |
| Total Customer Accounts | 650,338 | 773,939 | (123,601) | 84.0 |
| Administrative and General | | | | |
| Administrative and general salaries | 445,680 | 396,781 | 48,899 | 112.3 |
| Office supplies and expense | 349,428 | 136,790 | 212,638 | 255.4 (4) |
| Outside services employed | 235,977 | 182,412 | 53,565 | 129.4 (5) |
| Insurance | 87,747 | 136,577 | (48,830) | 64.2 (6) |
| Employee Benefits | 1,186,409 | 1,118,821 | 67,588 | 106.0 |
| Miscellaneous general | 286,332 | 249,742 | 36,590 | 114.7 |
| Total Administrative and General | 2,591,572 | 2,221,122 | 370,450 | 116.7 |
| Total Operating Expenses | 29,219,111 | 28,821,912 | 397,199 | 101.4 |
| Depreciation | 1,629,790 | 1,552,065 | 77,725 | 105.0 |
| Total Operating Expenses | \$ 30,848,901 | 30,373,977 | 474,924 | 101.6 |
| Operating Income | \$ 2,904,748 | 1,920,308 | 984,440 | 151.3 |

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

- (1) Variance due to higher penalty revenue collected in 2023 versus 2022
- (2) Variance due to higher labor and material expenses for distribution system operations through July 2023 than July 2022.
- (3) Variance due to staff working on maintenance of a main feeder that failed, overhead lines/tree trimming, upgrades and street lighting
- (4) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (5) Variance due to higher outside service expenses than through July - Abdo Financial Services providing support while open positions are filled.
- (6) Variance due to allocating more per month for prepaid insurance premiums through July 2023 than 2022.

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
FOR PERIOD END JULY 31, 2023**

| | 2023 | 2022 | 2022-2023 Increase (decrease) | |
|--------------------------------------|------------|-----------|----------------------------------|-----------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Water | 3,889,395 | 3,256,953 | 632,442 | 119.4 |
| Forfeited Discounts | 12,078 | 9,295 | 2,783 | 129.9 (1) |
| Total Operating Revenues | 3,901,473 | 3,266,247 | 635,226 | 119.4 |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Pumping and distribution operation | 460,618 | 390,356 | 70,262 | 118.0 |
| Pumping and distribution maintenance | 334,830 | 224,544 | 110,286 | 149.1 (2) |
| Power for pumping | 210,407 | 216,109 | (5,702) | 97.4 |
| Maintenance of general plant | 40,837 | 37,208 | 3,629 | 109.8 |
| Total Operation and Maintenance | 1,046,692 | 868,217 | 178,475 | 120.6 |
| Customer Accounts | | | | |
| Meter Reading | 54,824 | 42,410 | 12,414 | 129.3 (3) |
| Customer records and collection | 110,822 | 140,213 | (29,391) | 79.0 (4) |
| Energy conservation | 380 | 2,064 | (1,684) | 18.4 (5) |
| Total Customer Accounts | 166,025 | 184,687 | (18,662) | 89.9 |
| Administrative and General | | | | |
| Administrative and general salaries | 270,877 | 245,390 | 25,487 | 110.4 |
| Office supplies and expense | 116,939 | 46,262 | 70,677 | 252.8 (6) |
| Outside services employed | 122,690 | 53,113 | 69,577 | 231.0 (7) |
| Insurance | 27,856 | 41,115 | (13,259) | 67.8 (8) |
| Employee Benefits | 534,354 | 479,970 | 54,384 | 111.3 |
| Miscellaneous general | 105,710 | 135,916 | (30,206) | 77.8 (9) |
| Total Administrative and General | 1,178,425 | 1,001,766 | 176,659 | 117.6 |
| Total Operating Expenses | 2,391,143 | 2,054,670 | 336,473 | 116.4 |
| Depreciation | 1,121,690 | 1,023,268 | 98,422 | 109.6 |
| Total Operating Expenses | 3,512,833 | 3,077,938 | 434,895 | 114.1 |
| Operating Income | \$ 388,640 | 188,310 | 200,330 | 206.4 |

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

- (1) Variance due to higher than projected penalty revenue through July.
- (2) Variance is due to higher chemical expenses because of higher costs and increased pumpage through July.
- (3) Variance is due to water staff supporting customer service/metering staff with unplanned absences and retirement in the department.
- (4) Variance is due to less customer account expenses being booked through July 2023 to July 2022.
- (5) Variance due to less conservation expenses through July 2023 than 2022.
- (6) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (7) Variance due to higher outside service costs related to future water treatment and support from Abdo Financial Services while open positions are filled.
- (8) Variance due to allocating more per month for prepaid insurance premiums through July 2023 than 2022.
- (9) Variance is due to less miscellaneous general expenses being booked through July 2023 to July 2022.



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DATE: August 28, 2023
TO: Greg Drent, General Manager *gld*
FROM: Kelley Willemssen, Director of Finance & Administration *kw*
SUBJECT: 2024 Budget Timeline

SPU's annual budget process is underway. Attached is the preliminary 2024 budget timeline and the key dates and details for preparing and completing the budget process.

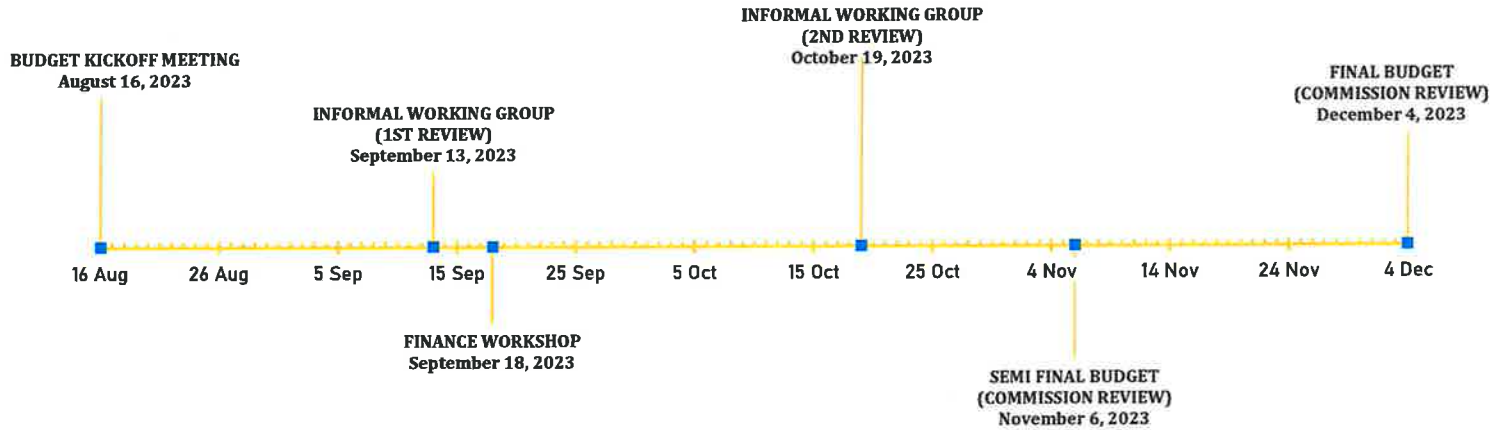
No requested action





COMMISSION MEETING
September 5, 2023

2024 BUDGET TIMELINE



Detailed Timeline for Budget Process:

| |
|---|
| <p>August 7, 2023, Commission Meeting</p> <ul style="list-style-type: none"> - Commission designated informal working group for Compensation & Benefits |
| <p>August 16, 2023, Budget Kickoff Meeting</p> <ul style="list-style-type: none"> - GM and department heads met to discuss preliminary budget schedule and preparations |
| <p>August 17 - August 28th, 2023, Finance to create operating budget templates and analysis</p> <ul style="list-style-type: none"> - YTD historical data and 2023 actuals are reviewed and templates are prepared for each department |
| <p>August 28, 2023, Internal Budget Preparation Work Begins</p> <ul style="list-style-type: none"> - CIP templates are distributed to the department heads for review and 5-year plan preparation - YTD budget data is distributed to the department heads for review & recommendations - Review of current rates is completed with DBC (Dave Berg) - Performance reviews are distributed to department heads to complete and deliver to employees - Wage trends and market factors are reviewed |
| <p>September 13, 2023, Informal Working Group (1st Review)</p> <ul style="list-style-type: none"> - Review wage trends and market factors for a 2024 wage range increase with group |
| <p>September 14 - September 30th, 2023</p> <ul style="list-style-type: none"> - Distribute Labor spreadsheets to department heads for review and recommendations - Department heads complete performance reviews - Department heads complete 2024 salary recommendation worksheet and return to finance - Department heads return budget templates to finance and engineering for semi final preparation - CIP cash flows and fund balance projections are prepared - Misc. Fee lists are reviewed & recommendations are prepared - Projected growth and revenue assumptions are prepared - Relocation Underground, water reconstruction, TWC & WCC balances are reviewed against CIP - Department meetings to review CIP & operation numbers are ongoing - complete semi final budgets - Continued meetings with Christensen Group on 2024 benefits & enrollment schedule |
| <p>September 18, 2023, Finance workshop</p> <ul style="list-style-type: none"> - Present/Discuss Preliminary CIP & Cash Flow balances - Present/Discuss new legislative changes and the impacts financially |
| <p>October 19, 2023, Informal Working Group (2nd Review)</p> <ul style="list-style-type: none"> - Review 2024 Wage and Compensation assumptions and impacts on budget |
| <p>November 6, 2023, SEMI FINAL Budget Review</p> <ul style="list-style-type: none"> - Semi Final Budget presented at the November commission meeting - Commission decision on general wage and compensation - adopt 2024 wage resolution |
| <p>November 7- December 4th, 2023, Internal Budget work to finalize budget</p> <ul style="list-style-type: none"> - Make any recommended changes from November 6, 2023 semi final presentation - Prepare final rate resolutions - Meet with the city to confirm sewer and storm drainage rates for 2024 |
| <p>December 4, FINAL Budget Review</p> <ul style="list-style-type: none"> - Final budget presented at the December commission meeting - Rate resolutions are presented at the December commission meeting |
| <p>December 4 - January 1, 2024, Finalize new wages, benefits & financials</p> <ul style="list-style-type: none"> - Wage letters are prepared and reviewed with employees - New wages and benefits are updated in the system - New 2024 budget is entered into the system |

Monthly Water Dashboard

As of: July 2023

Shakopee Public Utilities Commission

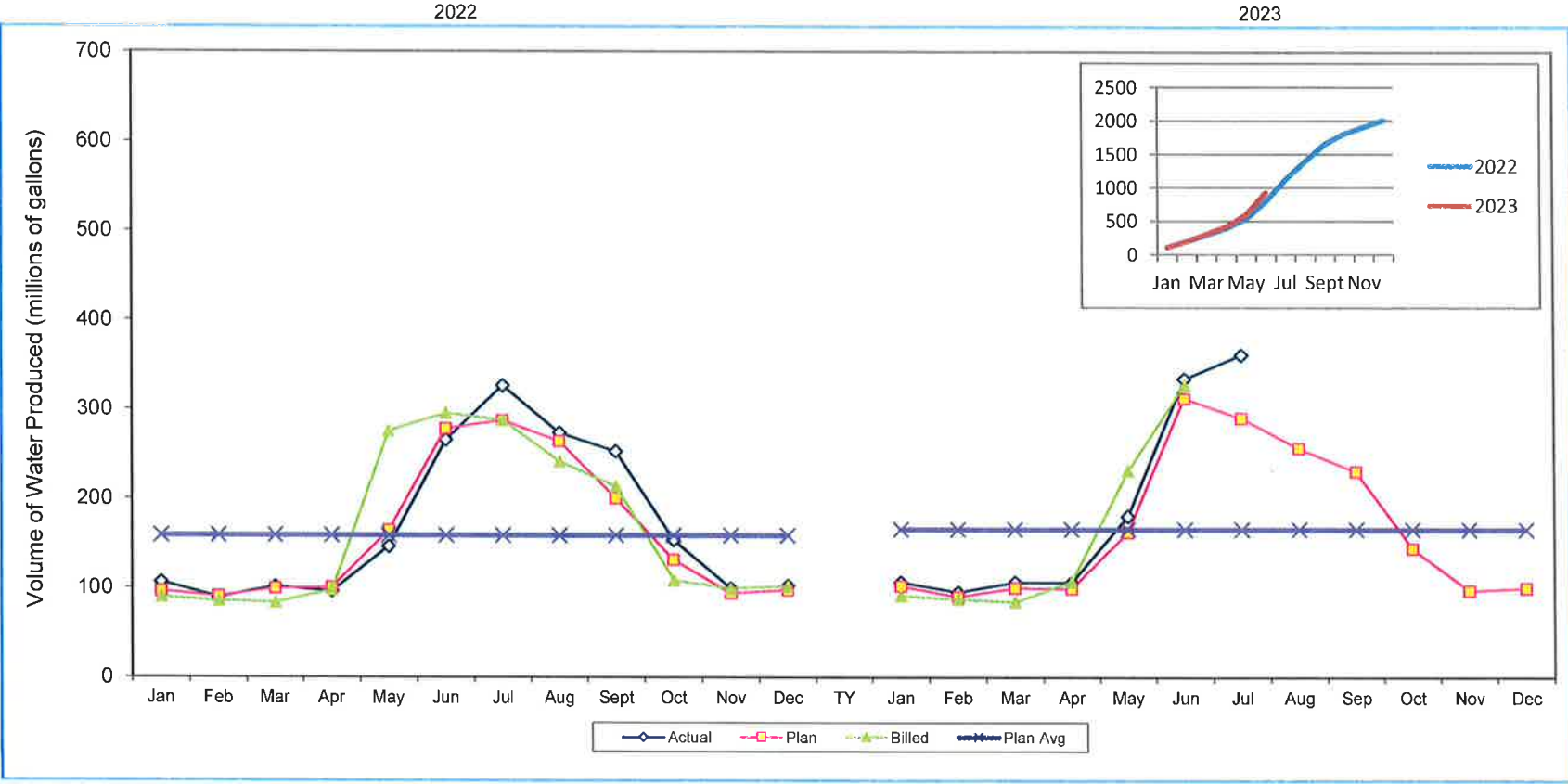
ALL VALUES IN MILLIONS OF GALLONS

Element/Measure Water Pumped/Metered

Monthly Avg

| | |
|------|-----|
| 2020 | 150 |
| 2021 | 173 |
| 2022 | 167 |

| | | | | | | |
|-----------------------|----|-----|-----|-----|-----|-----|
| Last 6 months actuals | 95 | 106 | 106 | 180 | 334 | 361 |
|-----------------------|----|-----|-----|-----|-----|-----|



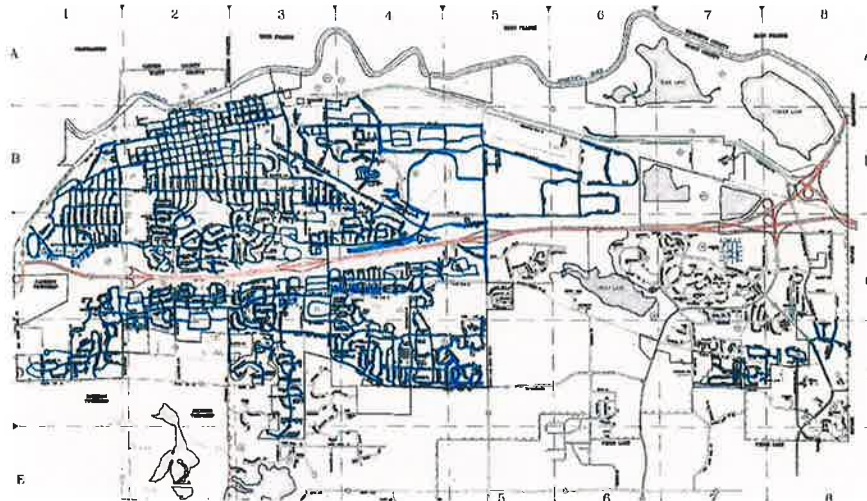
| | LY | | | | | | | | | | | | TY | TY | | | | | | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|------|------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|
| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | 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 | 95 | 106 | 106 | 180 | 334 | 361 | | | | | | |
| 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% | 105% | 105% | 106% | 107% | 107% | 112% | | | | | | |
| Billed | 89 | 85 | 83 | 97 | 275 | 295 | 287 | 241 | 213 | 108 | 99 | 102 | 91 | 87 | 84 | 107 | 231 | 327 | | | | | | | |

* Actual gallons pumped vs. Plan

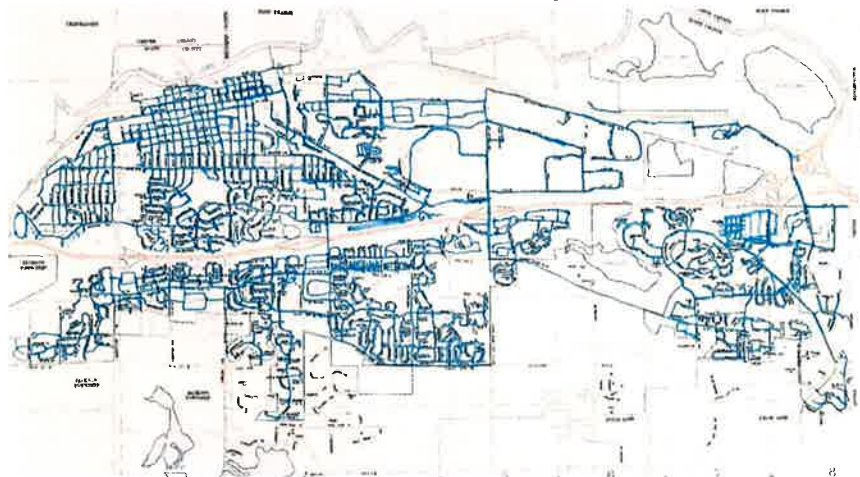
TO: Greg Drent, General Manager *GD*
FROM: Lon R. Schemel, Water Superintendent *LRS*
SUBJECT: 2023 Flushing Program Progress
DATE: August 29, 2023

Completed flushing areas are highlighted in blue as of the dates indicated.

August 1, 2023



August 17, 2023 – Complete!





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To: SPU Commissioners
From: Greg Drent, General Manager *GD*
Date: August 31, 2023
Subject: MMPA August 2023 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on August 29, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.

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

Customer penetration for the residential Clean Energy Choice program increased to 4.9%. There was an increase of 49 customers participating in the residential Clean Energy Choice program from June to July.

The Board discussed the current business environment.

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

The Minnesota Municipal Power Agency is developing a Renewable Natural Gas (RNG) project at the Elk River Landfill in Elk River, Minnesota. The project would take gas produced by decomposition of materials in the landfill and convert it to pipeline-quality natural gas.

MMPA has requested to interconnect with the Northern Natural Gas (NNG) pipeline near the project site. Thus far, NNG has not offered an interconnection agreement to MMPA. As a result, MMPA filed a complaint with the Federal Energy Regulatory Commission (FERC).

The timing and outcome of the FERC complaint process is uncertain. We do, however, expect resolution of this issue in 2024.

RESOLUTION #2023-21

A RESOLUTION SETTING THE AMOUNT
OF THE TRUNK WATER CHARGE, APPROVING OF ITS COLLECTION
AND AUTHORIZING WATER SERVICE TO CERTAIN PROPERTY
DESCRIBED AS:

PATCH 1ST ADDITION
LOT 2, BLOCK 1

WHEREAS, a request has been received for City water service to be made available to certain property, and

WHEREAS, the collection of the Trunk Water Charge is one of the standard requirements before City water service is newly made available to an area, and

WHEREAS, the standard rate to be applied for the Trunk Water Charge has been set by separate Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$35,607.36 based on 6.96 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

PATCH 1ST ADDITION
LOT 2, BLOCK 1

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 5th day of September, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION #2023-22

A RESOLUTION SETTING THE AMOUNT
OF THE TRUNK WATER CHARGE, APPROVING OF ITS COLLECTION
AND AUTHORIZING WATER SERVICE TO CERTAIN PROPERTY
DESCRIBED AS:

RELIAKOR 1ST ADDITION
LOT 1, BLOCK 2

WHEREAS, a request has been received for City water service to be made available to certain property, and

WHEREAS, the collection of the Trunk Water Charge is one of the standard requirements before City water service is newly made available to an area, and

WHEREAS, the standard rate to be applied for the Trunk Water Charge has been set by separate Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$44,048.76 based on 8.61 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

RELIAKOR 1ST ADDITION
LOT 1, BLOCK 2

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 5th day of September, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent



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TO: Greg Drent, General Manager *GD*

FROM: Ryan Halverson, Water Engineering Supervisor *RH*

SUBJECT: City Project No. 2021-001 Maras Street, Hansen Avenue, 13th Avenue, and Stagecoach Road

DATE: August 30, 2023

ISSUE

Staff is seeking Commission action related to establishing an Equivalent Lateral Watermain Fee, to be paid by the benefitting properties, for the watermain extension portion of the subject project.

BACKGROUND

The Shakopee City Council awarded a contract, including water main extension, for the subject project at their March 15, 2022 meeting to Northwest Asphalt Inc. The project included the installation of a 12-inch diameter water main loop that will serve the industrial zoned area east of Stagecoach Road and south of 13th Avenue, and an interconnection with the City of Savage's water system. Construction of the subject project has been completed and final project costs have been determined.

DISCUSSION

Attached is a map of the project area, and a summary of the final costs breakdown by funding source and the Equivalent Lateral Watermain Connection Fees for the project.

Final construction costs for the watermain were \$1,330,115.88, and an additional \$242,120.33 in city engineering and contract administration costs for a total final project cost of \$1,572,236.21. All internal SPU costs related to plan review and inspection have been included in the total project cost. The cost of the interconnection with Savage's water system was \$104,574.15 and is included in the total project cost.

The 2022 Capital Projects budget for this project is \$1,700,000 plus \$25,000 for the interconnection with Savage.



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Given the city's zoning for the project area is primarily industrial combined with the dimensions of the entire benefitted area, the lateral water main pipe diameter required is 12-inch per the water main design criteria established in the SPU Water Policy Manual. Thus, there is no trunk water main oversizing in this project. 100% of the 12-inch water main cost is recoverable from the Lateral Water Main Equivalent Connection Charge.

The Equivalent Lateral Water Main Connection fee based on the actual final project costs is proposed at \$14,199.52 per acre.

Attached is Resolution #815 A Resolution Authorizing and Establishing a Fee for the Equivalent Lateral Water Main Portion of a Trunk Water Main Project.

Based on the policy resolution, staff has prepared Resolution #2023-23 A Resolution Determining its Equivalent Lateral Water Main Equivalency Described as: Maras Street, 13th Avenue, Stagecoach Road and Hansen Avenue Water Main Extension.

Attached is Resolution #2023-19 A Resolution Modifying the Interest Provisions of Resolution 2023-02 Establishing a Connection Charge for the Equivalent Lateral Watermain Portion of a Trunk Water main Project.

The Maras Street, Hansen Avenue, 13th Avenue and Stagecoach Road Water Main Extension Equivalent Lateral Watermain Fee will be listed in the SPU Fee Schedule and adjusted annually for inflation.

Service connection timing and financing options were previously approved by City Council with Resolution R2023-001 and Utilities Commission Resolution #2023-13.

Attached is Resolution R2023-001, a Resolution of the City of Shakopee, Minnesota to Approve Funding and Connection Options for the Maras Street, 13th Avenue and Hansen Avenue Extension Project Sewer-21-001.

Attached is Resolution #2023-13, a Resolution Approving a Water Main Construction Project and Determining its Lateral Water Main Equivalency Described as: Maras Street, 13th Avenue, Stagecoach Road and Hansen Avenue Water Main Extension.

REQUESTED ACTION

Staff requests the Commission adopt Resolution #2023-23 as presented.

RESOLUTION #2023-23

A RESOLUTION DETERMINING THE FINAL LATERAL WATER MAIN
EQUIVALENCY, DESCRIBED AS:

MARAS STREET, 13TH AVENUE, STAGECOACH ROAD, AND HANSEN AVENUE
WATER MAIN EXTENSION

WHEREAS, the Shakopee City Council and the Shakopee Public Utilities Commission have previously agreed to construct certain public improvements to Maras Street, 13th Avenue, Stagecoach Road and Hansen Avenue rights of way, and

WHEREAS, the minimum size required to serve the east to west and north to south flow requirement of the adjoining properties per the Shakopee Public Utilities Commission's adopted water main design criteria, is a 12-inch water main.

WHEREAS, the Shakopee Public Utilities Commission has installed 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, final construction cost of the 12-inch lateral water main construction is \$1,467,662.06, and

NOW THEREFORE, BE IT RESOLVED, that the lateral water main equivalent cost shall be recovered under the provisions of SPU Resolution #815 and Resolution #2023-19 and special connection timing and funding options adopted by City of Shakopee Resolution R2023-001 for their improvements with the fee described charged to the properties fronting the 12-inch water main extension when those properties request water service and meet all other standard requirements to receive water service, and the fee estimated to be \$14,199.52 per acre shall be set after project completion when final costs are known.

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 5th day of September, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

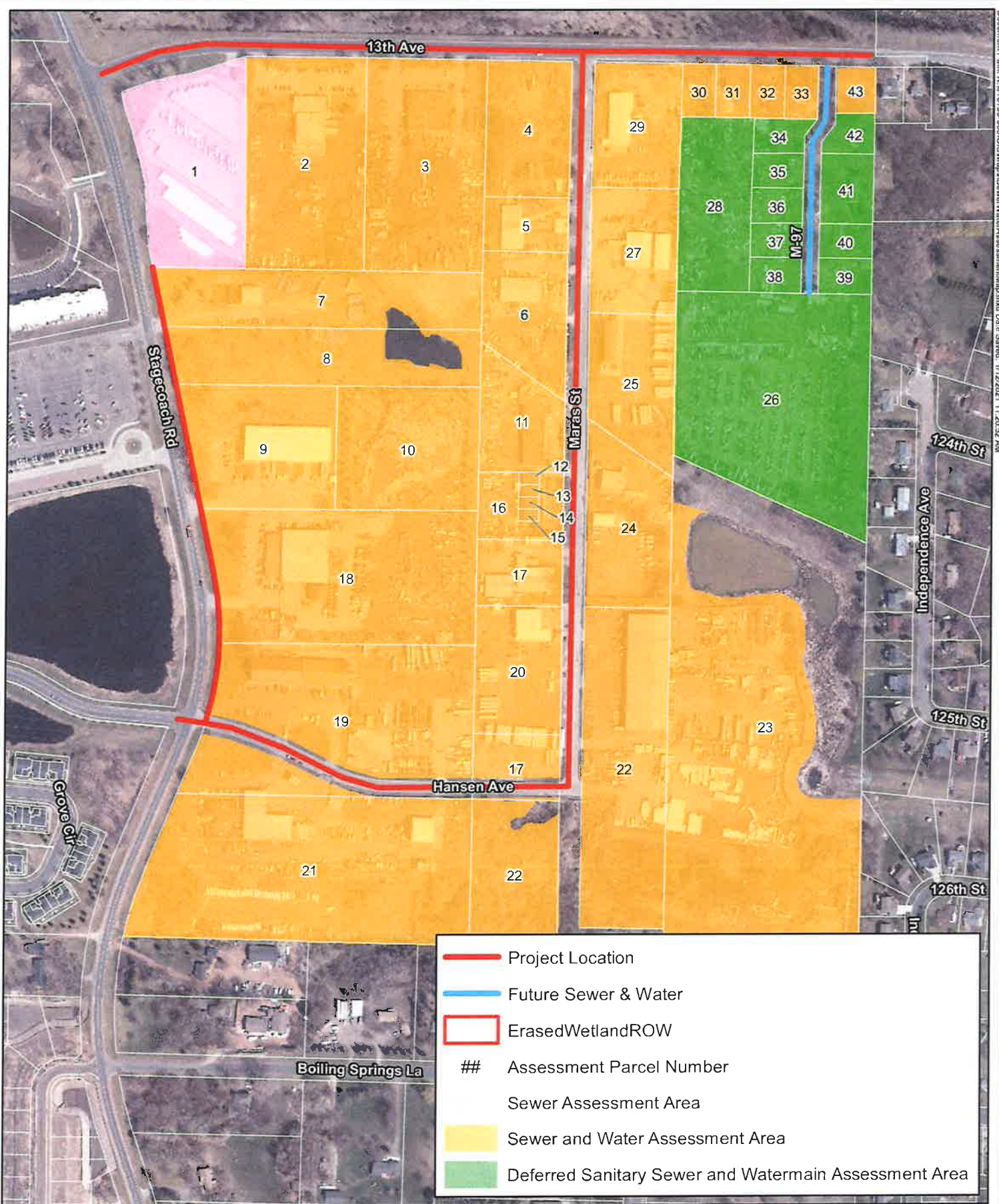


Table 1 - Project Cost & Funding Source
Utility Extension - Maras, Hansen, 13th Ave

| | Maras & Hansen Streets (inc. street lighting) | 13th Ave Streets (inc. street lighting) | Storm Sewer | Sanitary Sewer (Gravity) | Sanitary Sewer (Force Main) | Sanitary Sewer (Oversizing) | Sanitary Sewer (LS & Valve Vault) | Water Main (Lateral) | Water Main (Savage Interconnect) | Total |
|---|--|--|---------------------|-----------------------------|--------------------------------|--------------------------------|--------------------------------------|-------------------------|--|-----------------------|
| Estimated Expenditures | | | | | | | | | | |
| Estimated Construction Cost Street & Utility | \$1,395,738.32 | \$685,291.75 | \$ 166,373.00 | \$509,253.76 | \$22,130.10 | \$216,010.48 | \$234,510.01 | \$1,241,645.88 | \$88,470.00 | \$4,559,423.31 |
| Contingencies | | | | | | | | | | |
| Administration, Engineering, Legal | \$254,065.55 | \$124,743.32 | \$30,284.79 | \$92,699.21 | \$4,028.33 | \$39,320.28 | \$52,127.74 | \$226,016.18 | \$16,104.15 | \$839,389.56 |
| Total Project Costs (Substantial Completion) | \$1,649,803.88 | \$810,035.07 | \$196,657.79 | \$601,952.97 | \$26,158.43 | \$255,330.76 | \$286,637.75 | \$1,467,662.06 | \$104,574.15 | \$5,398,812.87 |
| Estimated Revenue | | | | | | | | | | |
| Special Assessments | \$494,941.16 | \$243,010.52 | | | | | | | | \$737,951.68 |
| Capital Improvements Fund | \$1,154,862.72 | \$567,024.55 | | | | | | | | \$1,721,887.26 |
| Storm Sewer Fund | | | \$196,657.79 | | | | | | | \$196,657.79 |
| Sanitary Sewer Fund | | | | \$601,952.97 | \$26,158.43 | \$255,330.76 | \$286,637.75 | | | \$1,170,079.91 |
| Shakopee Public Utilities | | | | | | | | \$1,467,662.06 | \$104,574.15 | \$1,572,236.21 |
| | | | | | | | | | | |
| | | | | | | | | | | |
| Total Revenue (Substantial Completion) | \$1,649,803.88 | \$810,035.07 | \$196,657.79 | \$601,952.97 | \$26,158.43 | \$255,330.76 | \$286,637.75 | \$1,467,662.06 | \$104,574.15 | \$5,398,812.87 |

| | Estimated Project Cost (see bid award tab) | Developable Area | \$/Developable Area |
|--|--|---------------------|------------------------|
| Lateral Sanitary Sewer Connection Charge | \$601,952.97 | 107.45 | \$5,602.17 |
| Lateral Sanitary Sewer Connection Charge (Served by LS) | \$26,158.43 | 108.61 | \$240.85 |
| Lateral Watermain Connection Charge | \$1,467,662.06 | 103.36 | \$14,199.52 |
| Lateral Sanitary Sewer Connection Charge (Boiling Springs) | \$5,193,000.00 | 21.90 | \$237,123.29 |

RESOLUTION #2023-19

A RESOLUTION MODIFYING THE INTEREST PROVISIONS OF
RESOLUTION 2023-02 ESTABLISHING A CONNECTION CHARGE FOR THE
EQUIVALENT LATERAL WATER MAIN PORTION OF
A TRUNK WATER MAIN PROJECT

WHEREAS, on the 3rd of January 2023, the Shakopee Public Utilities Commission adopted Resolution #2023-02, which clarified the provisions of Resolution #815, which was adopted on the 1st of August 2005, and which established a policy to ensure that the charges for providing lateral water main installations are just and equitable.


WHEREAS, Resolution 2023-02 established a connection charge for the equivalent lateral water main portion of a trunk water main project (the "Charge") under Minnesota Statutes, Chapter 444. Resolution 2023-02 also specified that the Charge shall be indexed using the US Department of Treasury Daily Long-Term Rate – LT COMPOSITE (>10yrs.).


WHEREAS, the Shakopee Public Utilities Commission, after hearing from property owners affected by the Charge and carefully considering their input and balancing the interests of all past, present, and future water customers, has determined to change the index applied to the Charge.

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

1. The Charge established under Resolution 2023-02 shall be indexed on an annual basis using the Construction Cost Index published by the Engineering News Record. Interest shall commence on August 1, 2023, except as may be expressly determined otherwise by Commission action.
2. The Charge, including any applicable interest, shall be set forth on the SPU Fee Schedule, as amended from time to time, posted on the SPU website.

Passed in regular session of the Shakopee Public Utilities Commission, this 7th day of August, 2023.


Commission President: Justin Kfrieg

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION R2023-001

A RESOLUTION OF THE CITY OF SHAKOPEE, MINNESOTA APPROVE FUNDING AND CONNECTION OPTIONS FOR THE MARAS STREET, 13TH AVENUE AND HANSEN AVENUE UTILITY EXTENSION PROJECT SEWER-21-001

WHEREAS, pursuant to a written contract signed with the City of Shakopee on March 15, 2022, Northwest Asphalt, Inc., has satisfactorily completed the sanitary sewer and watermain work for the Maras Street, 13th Avenue and Hansen Avenue Utility Extension Project in accordance with such contract.

WHEREAS, all final project costs have been determined for the Maras Street, 13th Avenue and Hansen Avenue Utility Extension Project, and the final costs related to gravity sanitary sewer, forcemain, lift station and watermain costs have been determined.

WHEREAS, pursuant to proper notice duly given as required by law, the City Council of the City of Shakopee met and heard and passed upon all objections to the proposed sanitary sewer funding and connection options of:

Properties adjacent to Maras Street between Hansen Avenue and 13th Avenue, Hansen Avenue between Stagecoach Road and Maras Street, 13th Avenue between Stagecoach Road and the City of Shakopee East boundary, and Stagecoach Road between Hansen Avenue and 13th Avenue.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHAKOPEE, MINNESOTA AS FOLLOWS:

The City Council of the City of Shakopee hereby establishes the following funding options and connection options for the Maras Street, 13th Avenue and Hansen Avenue Utility Extension Project:

1a. Funding Option – Pay in Full: Property owners may pay the full fees at the time of connection. Typically, an annual cost escalation is included in the connection fees; however, a three-year grace period would apply to the fees for this project to aid and promote volunteer connections. The annual cost escalation will be applied after three years from the date of this resolution being adopted.

1b. Funding Option – Special Assessment: Property owner may request to have the connection charges specially assessed to their property by signing a waiver of special assessment appeal. These assessments shall be payable over a period of ten years with the first installment to be payable on or before the first Monday in January after the date on the special assessment waiver of appeal and shall bear interest at the rate of 4.50 percent annum. If the special assessment waiver of appeal is dated after the first Monday in January, the Interest for the remaining year shall be paid through December 31st of that year. One year of interest on the unpaid balance shall be added to each subsequent installment when due.

2. Connection Options: Property owners will be required to connect to the utilities if one of the following occur:

- a. Property is redeveloped (lateral fee's must be paid when final plat is recorded)
- b. Sale of property
- c. Failure of system
- d. Voluntary connection

Property owners may connect to the sewer and water systems concurrently or non-concurrently. If a property owner experiences failure of one of their systems, they may decide to connect to both utilities concurrently due to economy of scale. If they chose this option, the connection fee for the system that didn't fail could be deferred for a period of three years. No annual cost escalation would be applied to the system that didn't fail for that three-year period.

Property owners may also decide to connect non-concurrently. This option allows for property owners with newer systems to obtain the maximum return on their investment. If property owners choose this option, the non-failing system would be required to be connected within 15-years. If sanitary sewer is connected without water, a flat rate will be developed based on the City's fees schedule and Metropolitan Council Environmental Services Sewer Availability Charge unit determination and used to charge for ongoing sanitary sewer service.

Adopted in regular session of the City Council of the City of Shakopee, Minnesota, held this 3rd day of January 2023.



Mayor of the City of Shakopee

ATTEST:



City Clerk

Prepared by:
City of Shakopee
485 Gorman Street
Shakopee, MN 55379

RESOLUTION #2022-13

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

MARAS STREET, 13TH AVENUE, STAGECOACH ROAD, AND HANSEN AVENUE
WATER MAIN EXTENSION

WHEREAS, the Shakopee City Council and the Shakopee Public Utilities Commission have agreed to construct certain public improvements to Maras Street, 13th Avenue, Stagecoach Road and Hansen Avenue rights 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 \$1,710,812.71, and


WHEREAS, the minimum size required to serve the east to west and north to south flow requirement of the adjoining properties per the Shakopee Public Utilities Commission's adopted water main design criteria, is a 12-inch water main.

NOW THEREFORE, BE IT RESOLVED, that the Maras Street, 13th Avenue, Stagecoach Road, and Hansen Avenue 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 and special conditions adopted by the City of Shakopee for their improvements with the fee described charged to the properties fronting the 12-inch water main extension when those properties request water service and meet all other standard requirements to receive water service, and the fee estimated to be \$16,551.98 per acre shall be set after project completion when final costs are known.

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 2nd day of May, 2022.



Commission President: **Kathi Mocol**

ATTEST: 

Commission Secretary: **Greg Drent**

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

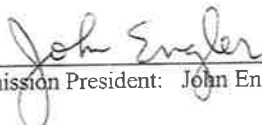
WHEREAS, the Shakopee Public Utilities Commission has concluded that in certain cases, the process established in Minn. Stat. Chapter 444 should be utilized to pay for the equivalent lateral water main construction costs associated with specific water main installations; and

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 Archerd

RESOLUTION #2023-24

RESOLUTION APPROVING OF THE ESTIMATED COST OF
PIPE OVERSIZING ON THE WATERMAIN PROJECT:HIGHVIEW PARK 1ST ADDITION

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by Pioneer Engineering, 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 those costs to install oversize pipe above the standard size, and

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$265,378.95, and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

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

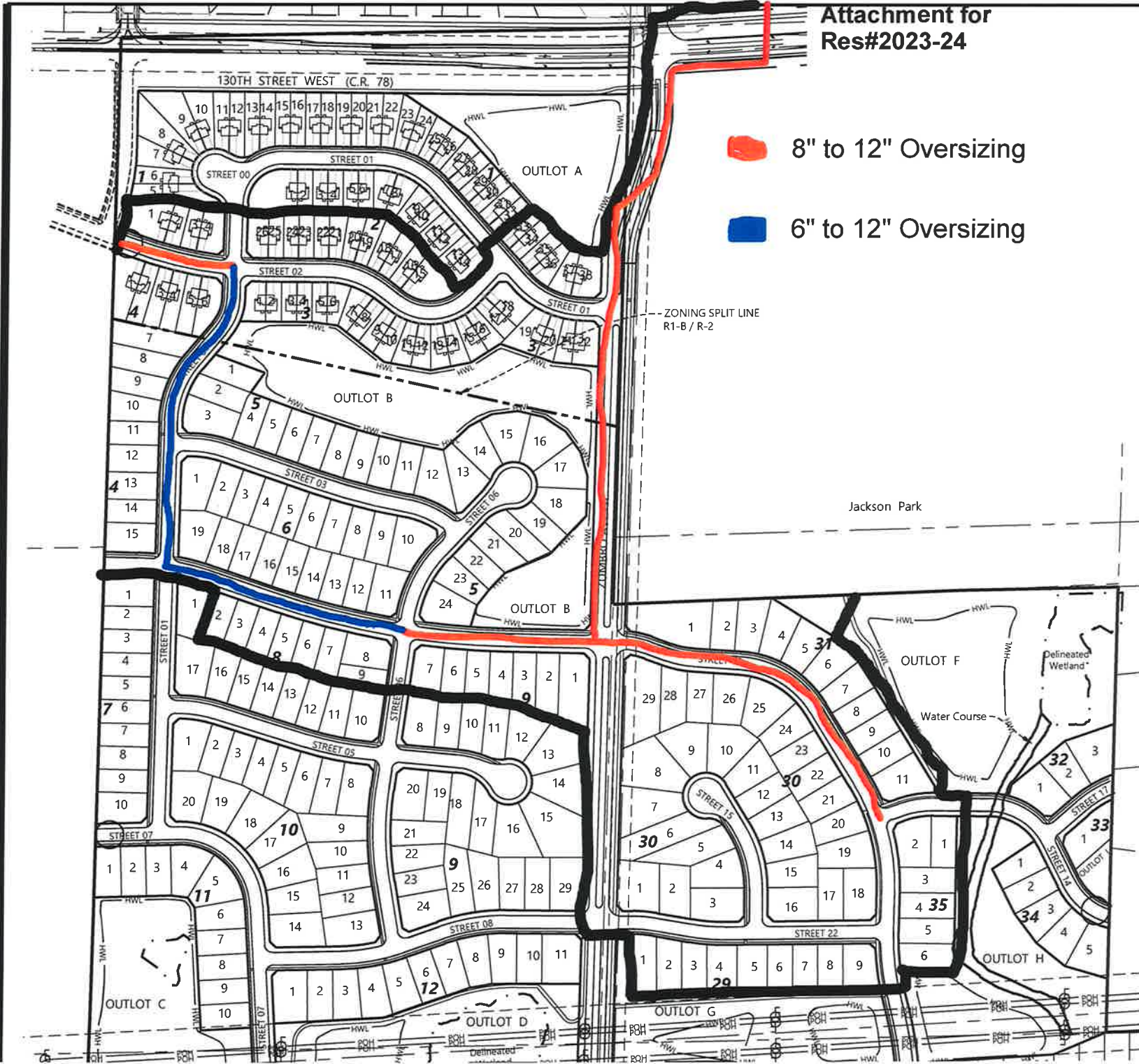
Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of September 2023.



Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

Attachment for Res#2023-24



-  8" to 12" Oversizing
-  6" to 12" Oversizing

RESOLUTION #2023-25

RESOLUTION OF APPRECIATION
TO THOMAS HANGAARD

WHEREAS, Mr. Thomas Hangaard joined Shakopee Public Utilities on September 1, 2000, and during his extensive tenure of more than twenty-three years has worked as the Locator/Meter Specialist in the Electric Department; and

WHEREAS, Mr. Hangaard always strived for excellence in contributing to the efficient operation of Shakopee Public Utilities and has been extremely dependable and responsible in performing his duties; and

WHEREAS, Mr. Hangaard will retire from his position as Locate/Meter Specialist with Shakopee Public Utilities on September 29, 2023; and

NOW THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, that it does hereby express its sincere and deep appreciation to Mr. Hangaard for his twenty-three years of dedicated service to Shakopee Public Utilities.

BE IT FURTHER RESOLVED that the Shakopee Public Utilities Commission extends its best wishes and congratulations to Mr. Thomas Hangaard.

Passed in regular session of the Shakopee Public Utilities Commission this Fifth day of September 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

DATE: August 30, 2023
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: WATER CAPACITY PAYMENT AGREEMENTS

Background:

Staff reviewed the current practice for water capacity agreements considering the most recent situations where timely payments against the agreements are not being made. The agreements were initially created as an alternative to simply paying for the full amount of the water capacity charges at once when a new or expanded water use was identified and was intended to lighten the developer's cash flow burden on new projects. The challenge with the current process and agreement is that the collection or security for timely payments was not clearly structured at the time the agreement was put in place and does not lay out how unpaid past due balances would be secured when the property is leased, and the property owner is not necessarily the utility customer or occupant. Staff recommends continuing to offer the flexibility of an interest free water capacity payment agreement in partnership with developers on their cash flow needs but would like to simplify the process and put securities in place to mitigate the risk to SPU for unpaid balances that would ultimately impact all other rate payers in the community.

Staff met with legal counsel, Kathleen Brennan, to discuss the current water capacity template agreement and the financial security options available to SPU for this type of agreement. As we worked through the different scenarios where a water capacity agreement may be necessary, owner, lessee, and occupant, we kept the goal in mind that we want to streamline the process and template agreement to ensure that it is clear and consistent and mitigates the risk to SPU for unpaid agreements. Instead of structuring the template agreement and process on a per case scenario and causing confusion on when a financial security instrument is required, we discussed having one agreement in place that would be entered into between SPU and any and all parties involved for paying the water capacity charges. The parties entering into the agreement would be responsible for producing a financial security instrument for the agreement and remedies for failure to comply with the agreement would be against all parties who entered into the agreement. In addition to the additional security requirement, staff recommends that there be a minimum requirement of 4 – SAC Units to enter into a water capacity agreement. Below items would be covered in the uniform agreement and used in all scenarios.



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1. Parties. Statute allows water charges “against the owner, lessee, occupant or all of them.” Minn. Stat. § 444.075, subd. 3e. Template agreement may be with all parties (owner, lessee, and occupant) as applicable.
2. Security. Require financial security acceptable to SPU, including letter of credit or surety bond. Security should reflect an amount equal to all outstanding payments. Decrease amount of security over time with good payment history but retain some security throughout agreement.
3. Late Fees/ Acceleration. Late payment automatically triggers an interest fee. With the failure to make payment, SPU may accelerate all amounts owing. This provision incentivizes timely payment.
4. Remedies. Note that SPU reserves all remedies for failure to comply with agreement, including, but not limited to drawing upon security, certifying unpaid charges to county auditor, and terminating service.

Request Action:

Approve a new water capacity template agreement that requires any and all parties involved to enter into the agreement and additionally provide a financial security instrument to secure payment. SPU staff will bring back a formal policy document at the next commission meeting scheduled, October 2nd, 2023.



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TO: Greg Drent, Interim Utilities Manager 
FROM: Joseph D. Adams, Planning & Engineering Director 
SUBJECT: East Shakopee Substation Update
DATE: August 31, 2023

ISSUE

Staff would like to update the Utilities Commission on the latest developments for the substation project.

BACKGROUND

The Commission is planning to construct a new electrical substation to serve the growing load on the east side of the existing SPU electric service territory and position itself eventually to also serve the existing load now energized directly from the Xcel Energy owned Blue Lake Substation's two SPU owned feeder circuits.

DISCUSSION

Staff recently submitted a Conditional Use Permit application to the City of Shakopee to begin the city review of the project. The CUP application and city staff comments will be on the September 7th Board of Adjustment and Appeals/Planning Commission meeting agenda along with the property owner's application for a plat to create the separate parcel that is the subject of a purchase agreement between SPU and the property owner.

Substation project engineer Leidos' Kevin Favero prepared a presentation for the mandatory neighborhood meeting held last night Wednesday August 30th per the city's requirements in advance of the public hearing to gather comments/concerns from surrounding properties. Engineering Supervisors Martin Drouillard and Ryan Halverson also were present for the meeting. Notices were sent to all properties within the designated radius of the substation parcel and a sign on site advertising the time and place of the neighborhood meeting was erected by the city a week in advance of the meeting date.

No members of the public attended during the designated meeting period.



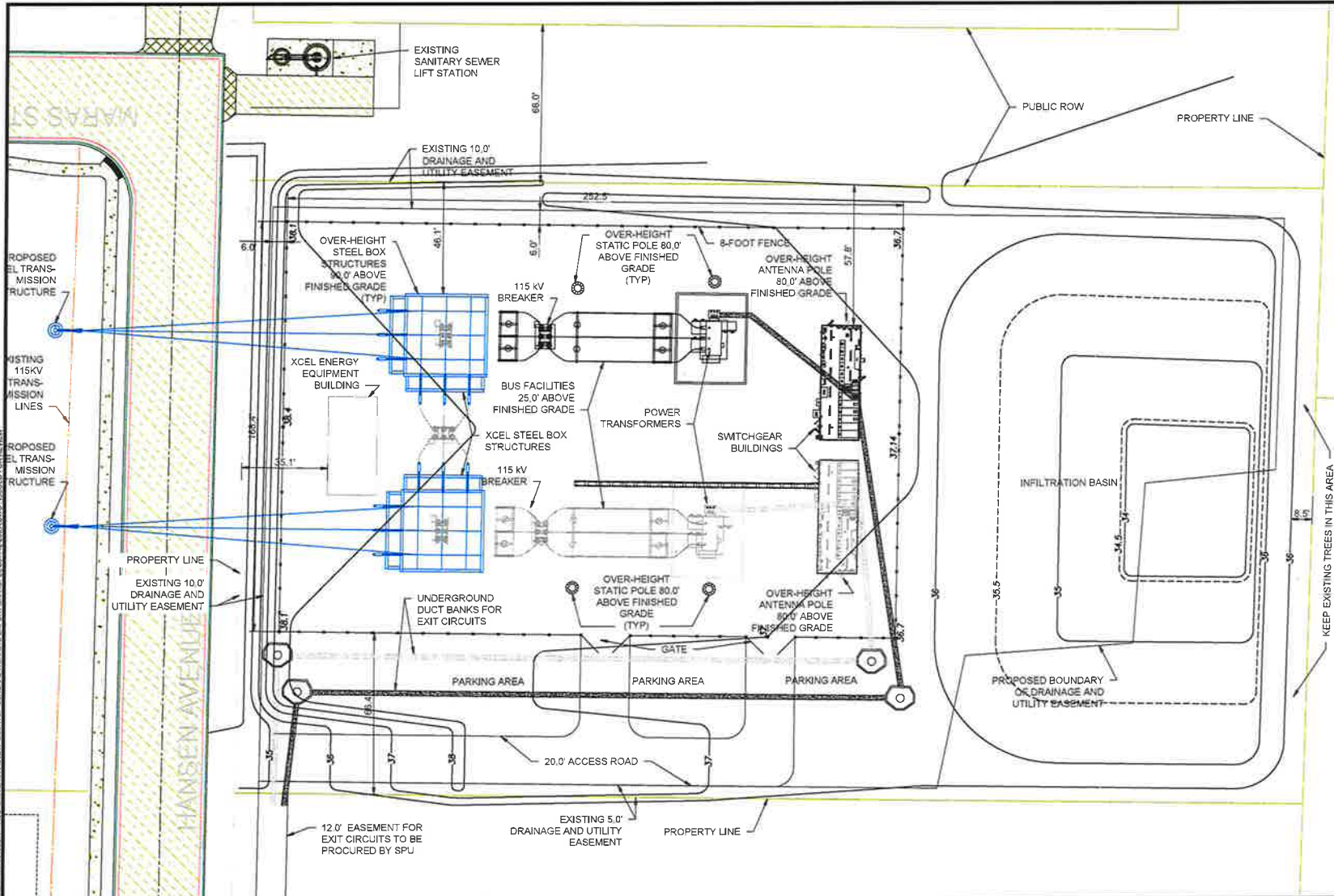
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The next step in the process of securing approvals from the the Midcontinent Independent System Operator (MISO) of the transmission system and Xcel Energy the transmission system owner is the completion of a 115 kV Interconnection System study by Xcel Energy. SPU's wholesale power supplier MMPA and Xcel Energy have entered a study agreement to verify the adjacent 115 kV transmission line has available capacity to serve SPU's planned substation load. MMPA has determined that its their responsibility for these studies than its member utilities.

The study is nearing completion and once that confirms transmission capacity and all approvals have been granted by the city a closing on the property purchase will be scheduled sometime this fall.

REQUESTED ACTION

This is an information item and no action is necessary at this time.



- LEGEND:**
- PROPOSED 8.0' FENCE
 - PROPOSED XCEL INSTALL
 - PROPOSED SPU INSTALL
 - PROPOSED FUTURE SPU INSTALL

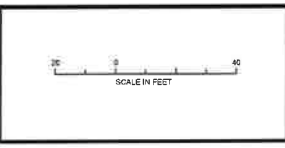
- NOTES:**
1. SOURCE OF BACKGROUND INFORMATION IS ALTAGS'S LAND TITLE SURVEY FOR RELIAXOR SECOND ADDITION MARAS STREET, LLC 1485 MARAS STREET, SHAKOPEE MN.
 2. THE SIZE OF THE INFILTRATION BASIN SHOWN ON THIS DRAWING IS BASED ON THE SIZE OF THE WEST SHAKOPEE SUBSTATION INFILTRATION BASIN. THE REQUIRED SIZE OF THE INFILTRATION BASIN FOR THE EAST SHAKOPEE SUBSTATION WILL BE DETERMINED BY A STORMWATER MANAGEMENT PLAN APPROVED BY THE CITY OF SHAKOPEE.



10/11/2023 2:47 PM KAS:ETP - FILE: C:\USERS\KAS\APPDATA\LOCAL\TEMPORARY\WORKING\EXPORTS\SHAKOPEE\142300A.DWG: ISSUED FOR REVIEW

| | | | | |
|----------|------------|-------|-------|----------------------|
| DESIGNED | KTF | | | |
| DRAWN | CVT/PPZ | | | |
| REV | DATE | CHG'D | APPRO | REVISION DESCRIPTION |
| A | 06-05-2022 | TGP | KTF | FOR REVIEW |

ISSUED FOR REVIEW



Leidos Engineering
 131 Saundersville Rd., Suite 300
 Hendersonville, TN 37075
 (615) 431-3200

SHAKOPEE PUBLIC UTILITIES
 PROPOSED EAST SHAKOPEE SUBSTATION
 GENERAL ARRANGEMENT

2023 07 28

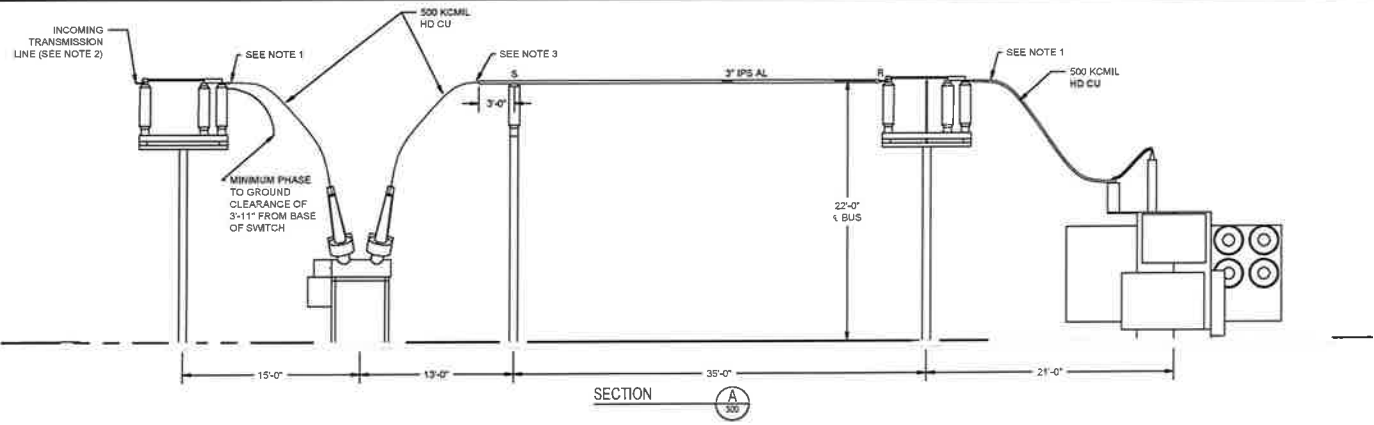
| | |
|-----------------|--------------|
| PROJECT NUMBER: | 334142 |
| SHEET 1 OF 1 | |
| DRAWING NUMBER: | 334142-200.A |

Fence Plan for SPU East Substation on Reliakor Second Addition Site

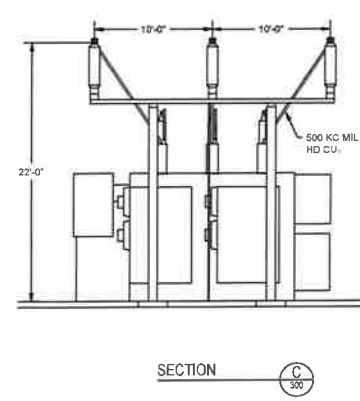
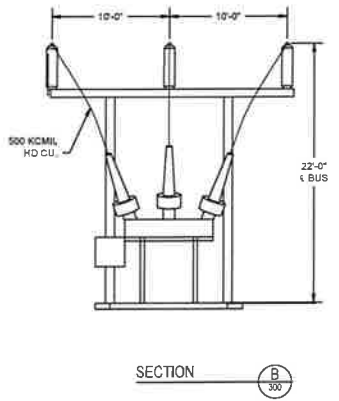
There will be an 8-foot-tall, chain link perimeter fence around the substation facilities as shown on drawing 334142-200.A.

The fence material will be galvanized steel.

The fence will not have barbed wire at the top.



- NOTES:**
1. 1100 ALUMINUM ALLOY EXTENSION, 5/8" THICK, 4" WIDE, 3' LONG WITH NEMA 4 HOLE CONNECTIONS EACH END, ONE PER PHASE ON BOTH LINE AND LOAD SIDE OF BREAKER.
 2. INCOMING TRANSMISSION LINE CONDUCTOR PROVIDED BY XCEL.
 3. EXTEND END OF BUS THREE FEET PAST BUS SUPPORT INSULATOR.
- LEGEND:**
- ⊕ - SLIP FIT BUS CONNECTION
 - ⊖ - RIGID BUS FITTING



The engineering material and data contained in this report were prepared under the supervision and direction of the undersigned, who is a licensed professional engineer in the state of Minnesota.

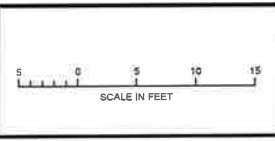
Kevin Favero
 Kevin T. Favero, P.E.
 Senior Project Manager
 License No. 13957

PLOT_Z:\BIDDING\14100\14100_01.dwg (14100_01.dwg) - B.E. CLASPER\14100_01.dwg - B.E. CLASPER\14100_01.dwg - B.E. CLASPER\14100_01.dwg - B.E. CLASPER\14100_01.dwg

| REV | DATE | CHKD | APPD | REVISION DESCRIPTION |
|-----|------------|------|------|-------------------------|
| 1 | 06-30-2022 | TOP | KTF | ISSUED FOR CONSTRUCTION |
| 0 | 04-28-2022 | TGP | KTF | ISSUED FOR BIDDING ONLY |

| | |
|----------|----|
| DESIGNED | RW |
| DRAWN | AW |

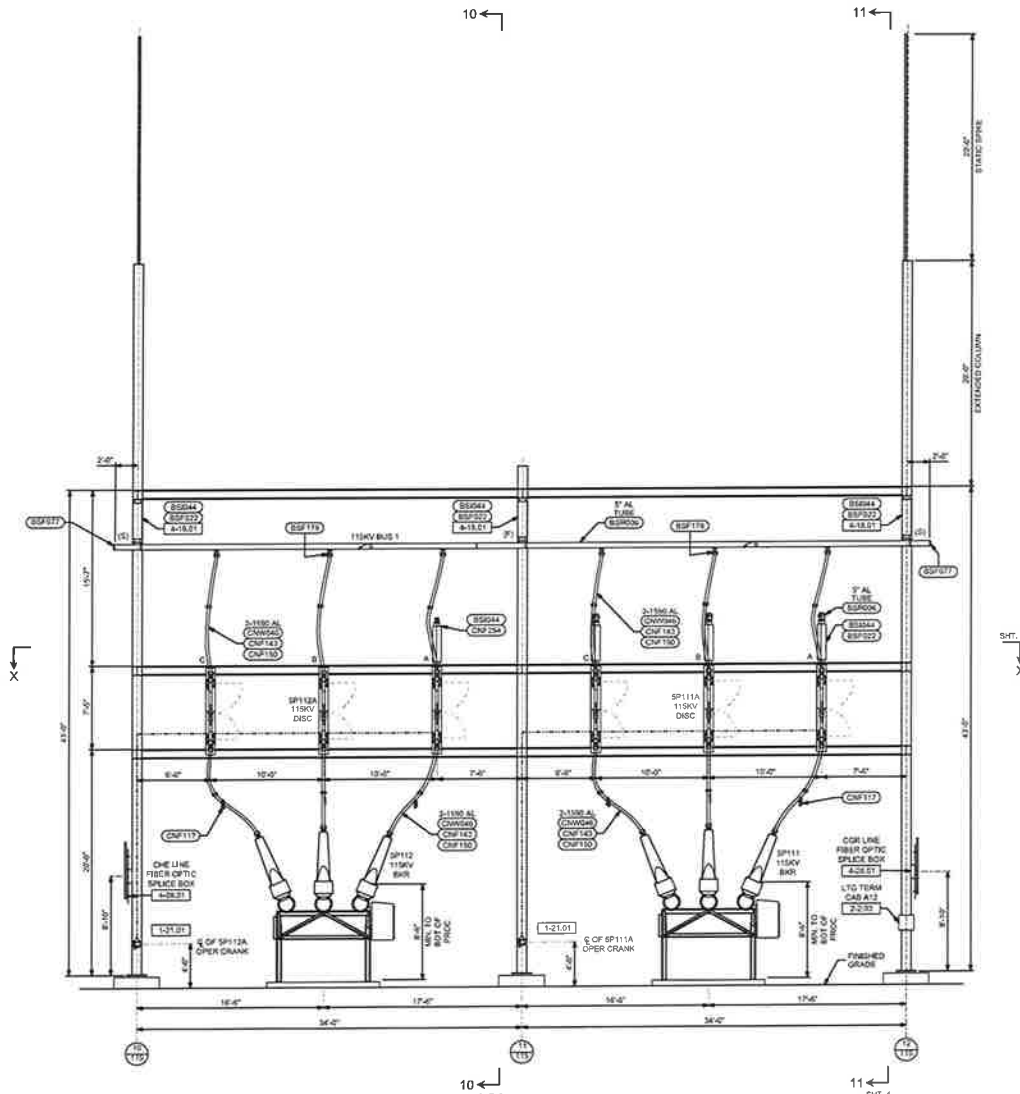
ISSUED FOR CONSTRUCTION



leidos
 Leidos Engineering
 131 Saundersville Rd., Suite 300
 Hendersoville, TN 37075
 (615) 431-3200

SHAKOPEE PUBLIC UTILITIES
 WEST SHAKOPEE SUBSTATION
 ELECTRICAL EQUIPMENT ELEVATIONS

| | |
|----------------|----------------|
| PROJECT NUMBER | 338919.TM.1000 |
| SHEET OF | 1 1 |
| DRAWING NUMBER | 338919-301.1 |



SECTION A1-A1
3/16"=1'-0"



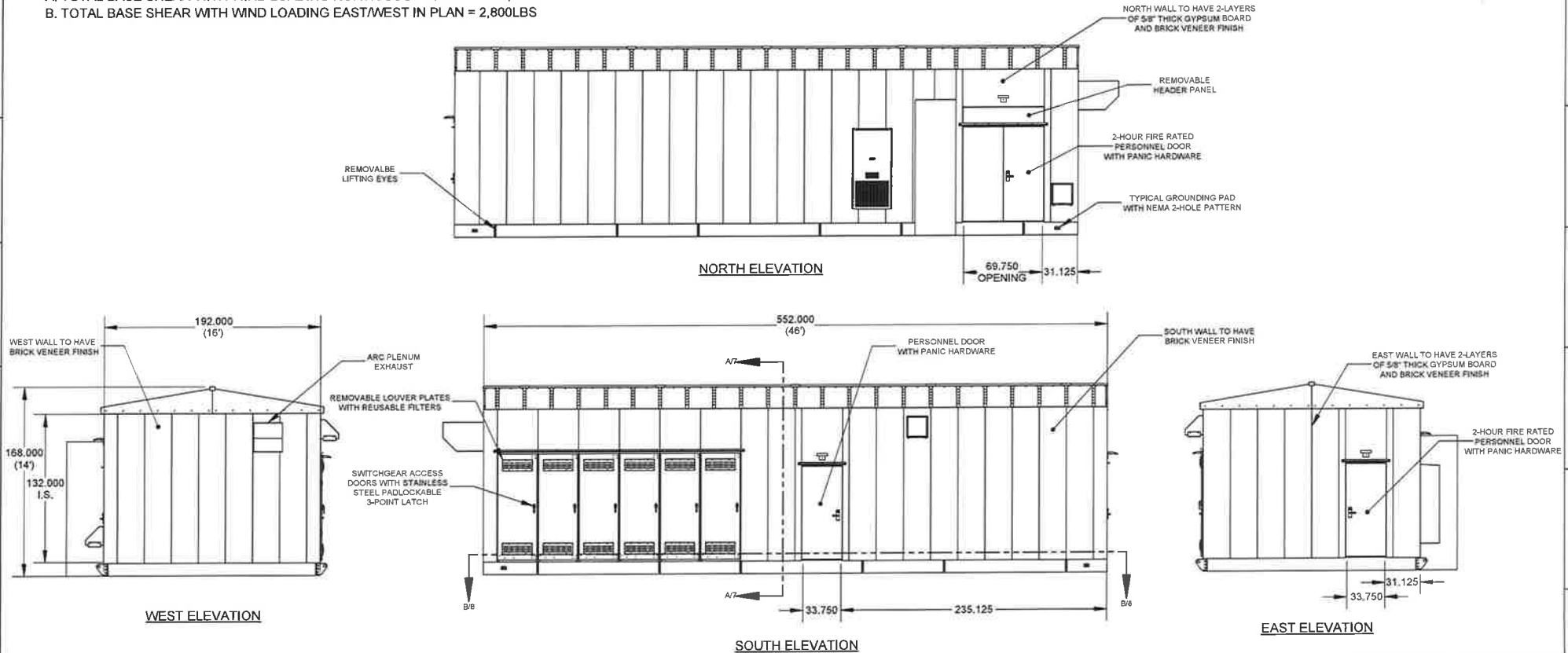
EVERYTHING ON THIS DRAWING IS REVISION 0B

| | |
|--|---------------------------|
| FOR GENERAL NOTES AND LEGEND SEE SHEET 1. FOR DRAWING REFERENCE AND REVISION INFORMATION SEE PHYSICAL INDEX SHEET. | |
| ISSUED BY ENGINEERING DEPT FOR: | CONSTRUCTION |
| <small> THE ENGINEER HAS REVIEWED THE DRAWING FOR CONFORMANCE WITH THE MINNESOTA ELECTRICAL SAFETY ACT AND RULES. THE ENGINEER'S REVIEW IS LIMITED TO THE TECHNICAL ASPECTS OF THE DRAWING AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION PROVIDED. THE ENGINEER'S REVIEW IS LIMITED TO THE TECHNICAL ASPECTS OF THE DRAWING AND DOES NOT CONSTITUTE A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION PROVIDED. </small> | |
| JAMAICA SUBSTATION ELECTRICAL LAYOUT 115KV SECTIONS | |
| | JAM NH-281446-7 |

| | | | | |
|-----|------|----|----------|-------------|
| NO. | DATE | BY | REVISION | DESCRIPTION |
| | | | | |

CONSTRUCTION AND DESIGN NOTES

1. STRUCTURAL DESIGN/DETAILING OF FOUNDATIONS TO BE PROVIDED BY OTHERS.
2. MC 12X35 BASE MEMBERS TO BE CONTINUOUSLY SUPPORTED ON FOUNDATION.
3. STRUCTURAL DESIGN/DETAILING OF BASE FRAME CONNECTIONS TO FOUNDATIONS TO BE PROVIDED BY OTHERS.
4. TOTAL BASE SHEAR ASSOCIATED WITH THE MAIN WIND-FORCE RESISTING SYSTEM (UNFACTORED SERVICE LOADS):
 - A. TOTAL BASE SHEAR WITH WIND LOADING NORTH/SOUTH IN PLAN = 7,200LBS
 - B. TOTAL BASE SHEAR WITH WIND LOADING EAST/WEST IN PLAN = 2,800LBS



I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.
 NAME: RICHARD W. JOHNSON
 SIGNATURE: _____
 DATE: 10/11/2022 / REG. NUMBER: 23406
 (FOR STRUCTURAL INFORMATION ONLY)

| MISCELLANEOUS NOTES | | INSULATION: | | REV. # DATE BY REVISION DESCRIPTION | | VOLTAGE | | CERTIFICATION | | I.B.C. | | DRAWN DATE | | DRAWN BY | | CHECK BY | | JOB NAME | | |
|--|--|------------------------|--|-------------------------------------|-----------|--------------|--------------------------|--------------------|------------|----------|--|------------|-----|----------|--------------------------|-----------------------------|--|----------|--|--|
| BASE: | | -WALL-R-19 | | 1 | 5/01/2022 | ETR | UPDATED STRUCTURAL NOTES | PHASE | ENCL. TYPE | BUILDING | | 7/29/2022 | ETR | JRS | WEST SHAKOPEE SUBSTATION | | | | | |
| -MC 12 X 35 CHANNEL EDGE MEMBERS | | -ROOF-R-30 | | | | PHASE | ENCL. MATERIAL | ENGINEER | | | | | | | | CONTROL BUILDING | | | | |
| -W 10 X 22 JOISTS | | -BASE: R-11 | | | | WIRE | ENCL. PAINT | LEIDOS ENGINEERING | | | | | | | | SHAKOPEE, MN | | | | |
| -1/4" STEEL FLOOR PLATE | | PAINT: | | | | FREQUENCY | CONTROL WIRE TYPE | CONTRACTOR | | | | | | | | SHEET TITLE | | | | |
| BUILDING FRAME: | | -EXTERIOR-ANSI 70 GRAY | | | | S.C. RATING | CONTROL WIRE SIZE | DISTRIBUTOR | | | | | | | | WALK-IN SWITCHGEAR BUILDING | | | | |
| -3 X 3 X 125 TUBING | | -INTERIOR-GALVANIZED | | | | PHASE BUS | CONTROL WIRE SIZE | | | | | | | | | WIE-3R-240-250-CU-0-0 | | | | |
| SHEETMETAL: | | -FLOOR-GREY SKID | | | | NEUTRAL BUS | WIRE LABELS | | | | | | | | | ELEVATION DRAWING | | | | |
| -11 GA. GALVANEAL ROOF PANELS | | RESISTANT EPOXY | | | | BUS MATERIAL | EXT. LABS | | | | | | | | | | | | | |
| -11 GA. GALVANEAL WALL PANELS | | APPROXIMATE WEIGHT: | | | | GRD. BUS | | | | | | | | | | | | | | |
| -18 GA. GALVANIZED INTERIOR WALL SKINS | | + BUILDING: 54,000LBS | | | | | | | | | | | | | | | | | | |
| | | + EQUIPMENT: 39,000LBS | | | | | | | | | | | | | | | | | | |
| | | - TOTAL: 93,000LBS | | | | | | | | | | | | | | | | | | |

STATES MANUFACTURING

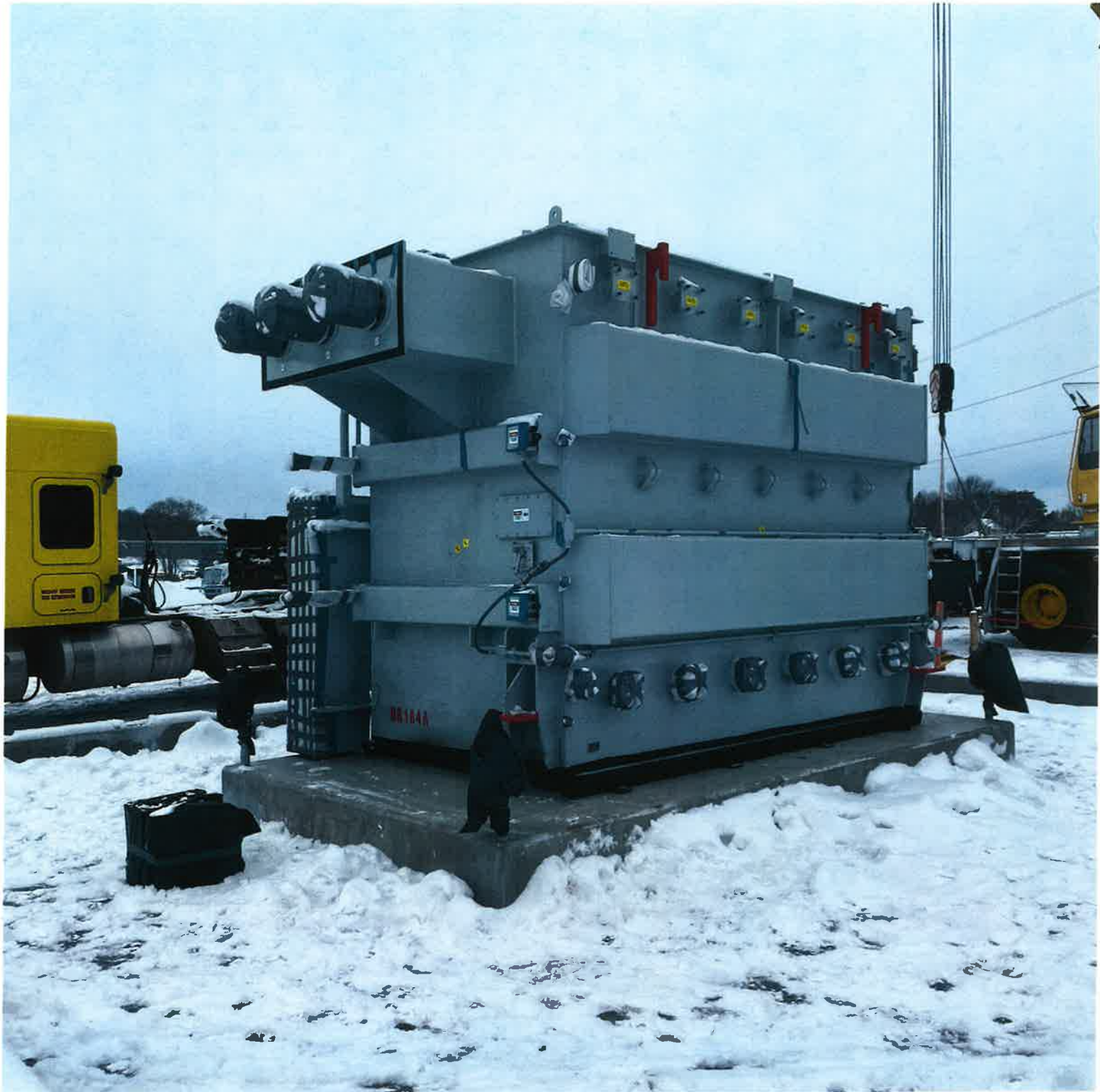
SERIAL NUMBER: SE22-75850
 DRAWING TYPE: ELB
 SHEET: 1
 SCALE: NA

ORDER NUMBER: 075850-1-1

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**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Public Electric Vehicle Charging Stations

DATE: August 30, 2023

ISSUE

Staff requests direction from the Commission on whether to proceed with installing a Battery Electric Vehicle (BEV) level 3 DC fast charging station at the West Shakopee Substation.

BACKGROUND

Original plans included installing a level 3 DC fast charging station for public use. The belief was as a public service the location of the West Shakopee substation was convenient for access for the travelers on Highway 169. Considering federal funding currently is focused on funding to facilitate adding stations along the interstate highway system outside the Shakopee community.

The substation is nearing completion and staff have been gathering more information on the estimated costs to install the equipment and the expected utilization of such charging stations.

It is important to note that SPU in partnership with the City of Shakopee and our wholesale power provider MMPA, already have installed multiple level 2 charging stations. Locations around the city include public parks, downtown parking lots, and one each at the Community Center and at the SPU Service Center.

DISCUSSION

SPU's rate analyst suggested that evidence exists that public level 3 DC fast charging stations have a very low load factor of around 1-2% currently. As more BEVs come into the public fleet





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of cars and light trucks load factor is expected to rise, of course. However, project utilization is unlikely to recover much of the infrastructure cost in a reasonable amount of time, and the expense should be viewed more as a public service than a profit center.

In the interim staff has been working with two local car dealerships who are mandated by their associated auto manufacturer provider to install both level 3 and level 2 chargers for the right to sell BEVs. This will result in any utility owned chargers “competing” with private enterprises which begs the question, “is that what the Commission sees as its role, or is it to sell the energy to power the private sectors charging infrastructure?”

The estimated cost to install a level 3 DC fast charging station is around \$100,000 including the charging equipment and the utility infrastructure needed to provide service.

RECOMMENDATION


Staff is recommending that we not pursue the installation at this time due to its high cost, expected low utilization and potential conflict with private sector units.


Alternatively, we could lease land to Tesla to operate/maintain a level 3 DC fast charger at the substation. That removes public vs private conflicts.

REQUESTED ACTION

Staff requests the Commission indicate its direction by motion for the record.

August 28, 2023

TO: Greg Drent, General Manager 

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects 

SUBJECT: AMI Customer Opt-Out Policy Options

Overview

The following information is intended to provide the Commission with a high-level overview of residential customer perspectives on smart meters, as well as general opt-out policies based on online research of other local and non-local utilities with AMI metering systems.

As the window for SPU's First Article Testing (FAT) of AMI meters is fast approaching, SPU will need to establish a policy to address customer opt-out inquiries prior to the start of this installation.

In general, the percent of customers who oppose the installation of smart meters is low with less than 1% customers objecting. Smart meter concerns include data privacy fears but are primarily focused on health issues related to radio frequency (RF) exposures.

There is a perception that smart meters are transmitting more RF output with greater intensity and/or greater frequency than other RF devices such as cell phones, microwaves, laptop computers, Wi-Fi routers, or baby monitors. Because of the meters' communications with the mesh system there is belief the meters are emitting RF constantly as they search for a signal or send data. However, the average time the smart meter is "on" is less than one minute per day as each interval data transmission is just milliseconds in duration. Also interesting, is that the RF output generated by a smart meter is lower than that of a baby monitor or a walkie-talkie held up to your head.

SPU will be using a 4G platform, not 5G. (5G uses different frequencies.)

Across the nation, seven states have enacted opt-out policies and 22 states rule on opt-out programs on a case-by-case basis. Across all states opt-out programs apply only to residential customers; business/commercial customers are not allowed to opt-out and must allow utilities access to meters.

Opt-out programs are typically structured in one of two ways –

1. No Option to Opt-Out: Acceptance of installation and utilization of equipment for system integrity or optimization, and benefit of all customers is required as a condition of service.
2. Option to Opt-Out: Customer has the option to decline the installation of a smart meter installation but must pay a higher monthly fee. The higher monthly fee is assessed to cover the

costs of disrupting the automated, streamlined operations process and the additional costs to manually read the individual meter in the field, including lost time from other projects.

Because the position of Meter Reader will no longer be staffed after AMI implementation, an Apprentice Lineworker will be the most likely individual to obtain the manual readings in the field. Using thirty minutes roundtrip as an estimate for a manual read that is thirty minutes of lost skilled labor on a field project. Thirty minutes of truck time should also be included.

Once readings are obtained, they are now manually brought back into the service center to be handled by the CS Supervisor, as manual reads are no longer part of standard operating procedure. These are manually keyed into the system and added to the appropriate cycle billing for processing. Each month this cycle needs to be monitored, executed and cross-trained outside of the automated process to ensure billing occurs on schedule.

The following are examples of neighboring utilities and their opt-out policies.

Opt-Out Options by Municipal Utilities

Austin Utilities, Owatonna Public Utilities, Chaska Utilities – No Opt-Out Option

All customer homes and businesses need to be upgraded to the new equipment. The efficiency of our billing, technology and operations systems depends upon the instantaneous exchange of information. Leaving any existing meters in place would create “holes” in our system which would hurt efficiencies and drive-up costs. Customers who would like to discuss opting out should call our office.

Rochester Public Utilities – Opt-Out Option

\$200 -Electric and \$80-Water one-time fees, plus \$55/month on top of standard monthly fees.

SPU recommends an Opt-Out Option (Residential only), with a \$100/month fee.

Action Requested

Formal motion to approve Option #1 - ‘No Opt-Out’ Policy or Option #2 - ‘Opt-Out with Monthly Fee Policy’



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DATE: August 30, 2023
TO: Commissioners
FROM: Greg Drent, General Manager *GD*
Subject: Succession Plan

Background:

SPU is currently finalizing its RP3 application with APPA. One of the items on the application is succession planning, recruitment, and workforce development. SPU has a draft continuity of service plan on file, but some of the content needed to be updated and adopted by SPU Commission. This exercise allowed SPU to start thinking about a smooth transition plan for when key employees left the utility, and their positions became open. To the best of my knowledge, we have unwritten protocols for posting openings but do not have a formal document that has been brought to the SPU Commission for approval.

Action: Approve SPU Succession Plan



Shakopee Public Utilities Commission

Succession Plan 2023

SPU Succession Plan Table of Contents

Section I — Background

1. Introduction
2. SPU Organizational Chart
3. Staff Turnover Analysis

Section II — Developing the Next Generation of Leadership

4. Program Overview
5. Potential Succession Plan Activities

Section III — Managing General Manager and Key Staff Turnover

6. Emergency General Manager Succession Plan
7. Emergency General Manager Succession Timeline
8. Departure — Defined General Manager Succession Plan
9. “Planned” Departure — Defined General Manager Succession Timeline
10. Emergency Management Team Member Succession Plan
11. Departure — Defined Management Team Member Succession Plan
12. Emergency Staff Member Succession Plan
13. Departure — Defined Staff Member Succession Plan
14. Executive Search Firms

Section I

Background Materials

1. Introduction

SPU's Succession Plan is intended to assist the organization in anticipating and planning for staff turnover, as well as analyzing historic turnover to see whether the organization is experiencing an unhealthy level of turnover in any areas.

The program also outlines SPU's program for "building the bench" at the staff level to ensure that existing staff members are well-prepared to move into key positions when vacancies occur. The plan contemplates preparing candidates for succession at three levels: General Manager, management team positions, and key field staff positions. Field staff positions are included in the plan because they provide valuable services to our ratepayers. Extended vacancies can cause hardship both to the ratepayers and to SPU.

Finally, the plan contains the playbook for filling vacancies when they occur. The most detailed plans address General Manager succession. The other plans are simpler and more in the nature of checklists, since they assume that General Manager will be in place to oversee the candidate selection process.

The components of the plan and timeline are as follows:

- Section I includes the current Organizational Chart, an analysis of past and potential future SPU staff turnover and a list of key positions that are covered by the Plan.
- Section II outlines SPU's program for developing the next generation of leadership.
- Section III provides a step-by-step guide for replacing key staff members. Included are plans and timelines for:
 - o Emergency General Manager Succession
 - o Emergency General Manager Succession Timeline
 - o Departure-Defined General Manager Succession
 - o "Planned" Departure-Defined General Manager Succession Timeline
 - o Emergency Management Team Member Succession
 - o Departure-Defined Management Team Member Succession
 - o Emergency Staff Member Succession
 - o Departure-Defined Staff Member Succession
 - o Executive Search Firms

3. Staff Turnover Analysis

Staffing Levels

As of August 1, 2023:

| | Authorized FT Staffing Levels | Staff Employed Today | 2023 Open Additions/ Unfilled | Authorized Summer Pos. Left | Total |
|------------------------------------|-------------------------------------|----------------------------|--|-----------------------------------|-----------|
| General Manager & Admin. Assistant | 2 | 2 | 0 | 0 | 2 |
| Department Heads | 7 | 6 | 1 | 0 | 7 |
| Customer Service | 12 | 10 | 2 | 0 | 12 |
| Finance & Administration | 3 | 3 | 0 | 0 | 3 |
| Water Department | 11 | 10 | 0 | 1 | 11 |
| Electric Department | 18 | 18 | 0 | 0 | 18 |
| Planning & Engineering | 7 | 6 | 1 | 0 | 7 |
| IT Department | 2 | 2 | 0 | 0 | 2 |
| Total | 62 | 57 | 4 | 1 | 62 |

Current Outlook:

- Number of current employees today is 57 (excluding commissioners & summer help).
- Average age is 45.56.
- Average years of service is 11.18 years.

Over the next five years:

- Number of potential retirements is 14.
- Average age of those employees is 63.14 years.
- Average years of service is 14.43 years.
- This information is based on full social security retirement age (65) and/or Rule of 90.

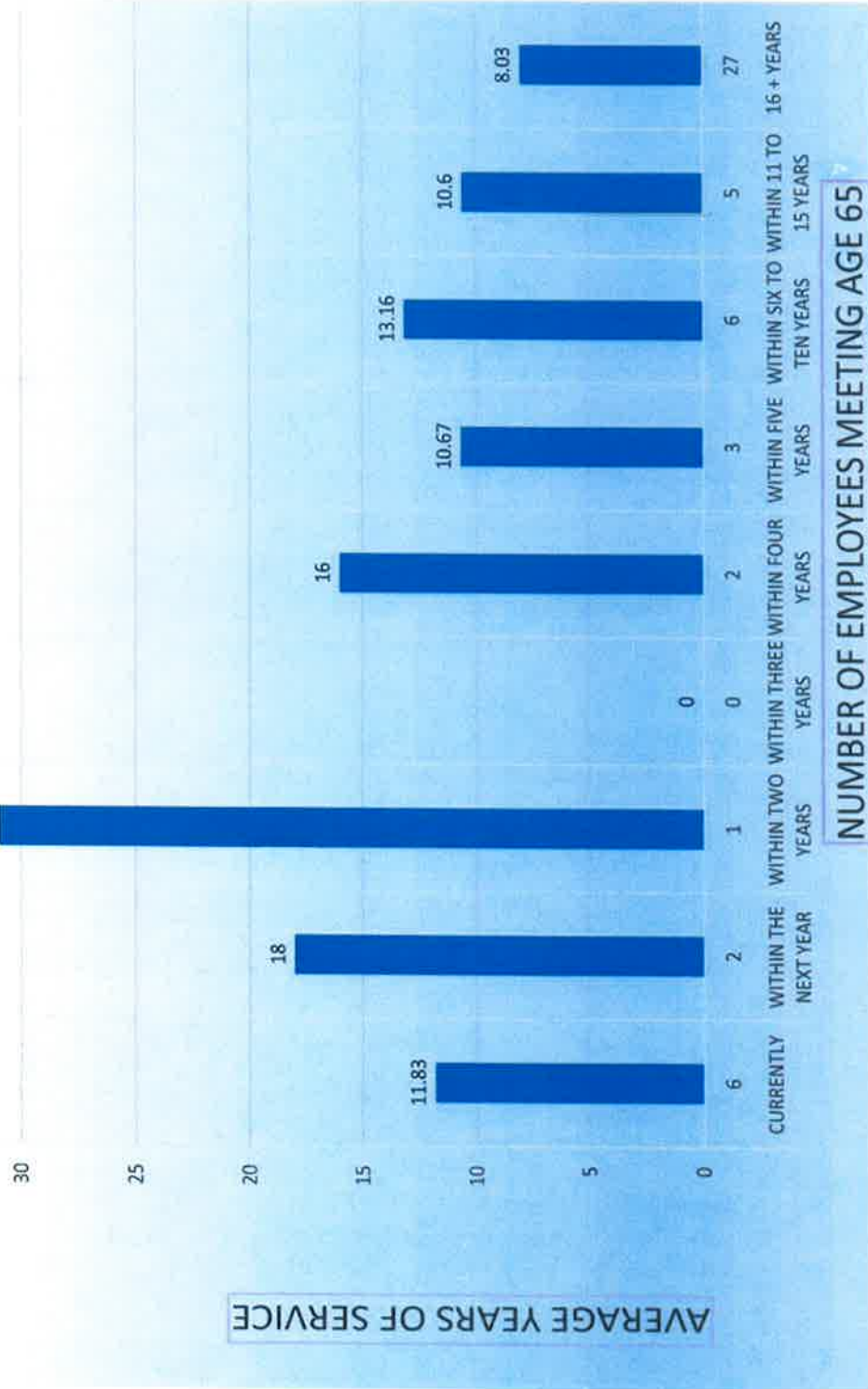
Over the next ten years:

- Number of potential retirements is 5.
- Average employee age is 52.8 years.
- Average years of service is 10.60 years.
- Estimated number of employees eligible to retire in the next 10 years based on full social security retirement age and/or Rule of 90 include:

Current focus and areas of concern:

- Department Heads – Two Department Heads are at retirement age. Need to hire Director of Field Operations.
- Customer Service – 8 potential retirements within the next 5 years

STAFF TURNOVER ANALYSIS AS OF 8/1/2023



AVERAGE YEARS OF SERVICE

NUMBER OF EMPLOYEES MEETING AGE 65

Section II

Developing the Next Generation of Leadership

4. Program Overview

1. **Positions.** The General Manager may decide to open a staff position to the succession planning program at any time.
2. **Eligibility.** SPU has an established process for identifying and developing potential candidates for leadership positions. This process may include training and performance review evaluation & goals, development opportunities, as well as structured opportunities for individuals to be selected.
3. **Candidates.** More than one individual may participate in the succession planning program for a position.
4. **Supervision.** The General Manager will serve as the succession planning program director for candidates for the General Manager position, as well as candidates for management team positions.
5. **Plan.** The Department Manager/Director will work with the employee to create the development Plan. Field staff plans will be approved by the General Manager. Plans will be tailored to the specific needs of the candidate and should include specific goals and objectives.
6. **Meetings.** The General Manager and the candidate should plan to meet if possible to discuss the candidate's progress and future activities. The General Manager may also schedule meetings with multiple succession planning candidates to discuss subjects of common interest. The General Manager participate in meetings with field staff succession candidates on a quarterly basis. Meetings may include a presentation or briefing provided by a third party.
7. **Withdrawal.** A candidate may choose to withdraw from the program at any time for any reason. Withdrawal will have no adverse consequences regarding candidates' continued employment in their current position.

5. Potential Succession Plan Activities

Examples for Management Team Member

- Developing action plan for employee pertinent for position
- Regular meetings with General Manager or Department Director establishing progress, achievements and objectives
- Further education
- Certification programs
- Job shadowing
- AWWA, APPA, MMUA training courses

Examples for Field Staff

- Developing action plan for employee for pertinent requirements of position
- Regular Meetings with Department Director establishing progress, achievements and objectives
- Further Education
- Certification programs
- Job shadowing
- AWWA, APPA, MMUA training courses

Section III

Managing General Manager and Key Staff Turnover

6. Emergency General Manager Succession Plan

Purpose

The purpose of the emergency succession plan is to ensure continuous coverage of executive duties, critical to the ongoing operations and organization's sustainability, in the event of an emergency departure of the General Manager.

This plan addresses issues related to both permanent (General Manager will not return) and temporary (General Manager will return after unplanned such as illness, etc.) replacement. Issue specific to temporary absence are denoted in the plan.

1. General Manager Core Responsibilities

- a. Manages all aspects of the utilities operations
- b. Sustains sound fiscal management
- c. Plans for long-term service needs
- d. Maintains and enhances human resources
- e. Provides leadership to department personnel
- f. Facilitates utility commission decision-making
- g. Promotes positive customer and community relations which will drive customer satisfaction

2. Key Competencies

- a. *Strategic Thinking*. Maintains a visionary approach while maintaining attractive rates compared to surrounding utilities.
- b. *Communication Skills*. Demonstrates exceptional communication skills, both written and orally.
- c. *Business / Industry Knowledge*. Ability to manage complex utilities operations.
- d. *Interpersonal Skills*. Works effectively with local, state and federal regulatory officials, consultants, developers, contractors and customers.
- e. *Relationship/Team Building*. Demonstrates excellent communication and public relations skills, and the ability to maintain positive working relationships with employees, customers, the utility commission, the community, the City of Shakopee, and other groups, agencies and boards; the ability to persuade and negotiate agreements; and establish the overall tone and content for mass communications.
- f. *Delegation*. Demonstrates proven ability (experience) in successfully influencing and leading multi-faceted, diverse teams/perspectives to a common goal.
- g. *Integrity/Values*. Conducts utility business with the highest ethical standards at all times.

- h. *Legislative/Public Policy*. Evaluates new legislation related to operations and recommends and implements policies and procedures for compliance with new legislation into utilities programs.
- i. *Human Resources Development Culture*. Leads utilities management in creating and maintaining a positive work environment, fostering effective performance of staff, and maintaining effective communications with staff.
- j. *Priority Management*. Develops, recommends and implements operating policies, procedures and programs within the Utility in order to accomplish goals and objectives.

3. Expertise and Experience

- a. Organizational management.
- b. Legislation and public policy development.
- c. Financial management.
- d. Utility industry.

4. Required Leadership Style

- a. In organization like Shakopee Public Utilities, we have a Visionary Management Style. General Manager is focused on motivating the team by setting goals and outlining a clear vision for the future.

5. Interim General Manager

The commission shall appoint an individual to serve as the interim General Manager to fulfill the General Manager's duties until the position is filled or the General Manager returns, if the vacancy is temporary. The interim General Manager may be a key staff member or an experienced utilities leader on a contract basis.

6. Key Interim General Manager Responsibilities:

- a. Serve, with integrity and strength, as the organization's primary leader, representative and spokesperson to SPU customers and the greater community.
- b. Support the commission, including preparing executive reports and attending meetings.
- c. Lead the management team.
- d. Responsible in the recruitment and selection for directly supervised staff.
- e. Manage initiatives related to organizational capacity, annual goals and strategic plan.
- f. Maintain accountability for current year operating budget and financial performance.
- g. Establish, maintain and cultivate relations with customers, the City of Shakopee and other stakeholders.
- h. Promote resource development goals.

7. Interim General Manager Authority

The person appointed as interim General Manager shall have the full authority for decision making and independent action outlined above, except for the following which must be approved by the board:

- a. Expenditures that exceed the SPU operating or capital budget.
- b. Any decision that would normally be subject to commission approval.

8. Interim General Manager Compensation

The Interim General Manager, if a staff member, shall receive a temporary salary increase while serving in that capacity and as determined by the SPU Commission.

9. Communication Plan

Communication is a key function of a healthy organization and is integral to the success of a transition. Effective communications, both internal and external, will be crucial to a successful transition.

Internal communications. Immediately upon departure, the commission should communicate the following information to SPU staff:

- a. Effective departure date (or pending departure date).
- b. Implementation of the approved succession plan and process to address transition and replacement issues.
- c. The identity of the Interim General Manager.

External communications. The General Manager with input from the commission will maintain an updated list of key contacts to be notified in the event of a General Manager transition. In coordination with the Interim General Manager, the transition spokesperson will provide notice of the transition to the key contacts.

10. Commission Oversight

The Commission will have responsibility for monitoring and supporting the work of the Interim General Manager. The President or full Commission should hold regular conference calls with the Interim General Manager to discuss key issues and upcoming SPU projects, ongoing construction and operations.

11. Selection of New General Manager

An outside search will be conducted by an executive consulting firm like Baker Tilly or Versique unless there is a designated internal successor approved by the commission within the six months prior to the executive's departure. The commission president shall appoint an executive search committee, to identify and recommend candidates to the board for approval. The interim General Manager should not be included on the search committee if they are a potential candidate.

12. Process to Transition and Assimilate New General Manager

Within the first two weeks of the new General Manager's employment, the board president and/or designated consultant will work with the new General Manager to develop and implement an initial 6-month plan to ensure the new General Manager has the resources and information for a successful transition. The plan should include:

- a. The commission's written goals and expectations for the successor for the first 6 to 12 months.
- b. Participation in meetings with commission members, staff, SPU committees and the City of Shakopee.
- c. A structured feedback mechanism to assess progress and potential barriers to a successful transition.
- d. Access to development resources for the new executive, such as reading materials and/or leadership training programs.
- e. Depending on the complexity of the challenges, a transition consultant may be considered.

7. Emergency General Manager Succession Timeline

Week 1-2:

1. SPU Commission meets to begin implementation of the succession plan.
2. Commission appoints Interim General Manager.
3. Commission determines whether an outside search is appropriate.
4. Interim General Manager provides notification of the transition to appropriate parties.
5. Review and refine the interim executive's responsibilities, authority, and decision-making limitations.
6. SPU Commission members appoint search committee.

Week 2-3

1. If appropriate, the President contacts search firms and asks for proposals.
2. The search committee and the Interim General Manager review the General Manager job description and list of core responsibilities.
3. Define internal and external communication plan.
4. Identify the required Commission support and supervision process of the interim executive.

End of Week 3:

1. Outline process to recruit and select new executive.
2. Appoint executive search task force committee.
3. Develop transition plan for new executive.

8. Departure-Defined General Manager Succession Plan

Purpose

The purpose of this departure-defined succession plan is to ensure continuous coverage of the General Manager duties, critical to the ongoing operation and utilities' sustainability, when a long-term General Manager plans a future retirement or departure date. The objective for this process is to share the expertise of the departing General Manager with the successor while simultaneously preparing the organization and departing General Manager to fully support the successor.

Ideally the departing General Manager's input, along with involvement from the commission and successor will make this an effective plan to ensure continuity in external relationships and with staff, while promoting an environment of operational effectiveness under new leadership.

- 1. Address personal and professional barriers for the departing General Manager.**
 - a. Understand and address "founder syndrome," if applicable. Consider the challenges associated with the departure of a long-term General Manager who has overseen the development of the organization in its current form.
 - b. Agree on the parameters of the General Manager's emeritus role. In collaboration with the long-term executive, the board should identify strategies and boundaries to facilitate a successful transition. If there is a need for the outgoing General Manager to remain directly involved in the organization, then clearly define his/her role in supporting the successor's decisions and direction even if different than the outgoing General Manager's. The outgoing General Manager's prior mentor role should change to a resource role for incoming General Manager. The support would be offsite and the outgoing General Manager would not continue to be onsite at the same time as the incoming General Manager/Interim General Manager.
- 2. Update job description to ensure executive responsibilities and hiring requirements promote SPU's sustainability and continuity.**
 - a. Identify the top five to seven strategic objectives and/or challenges that fall under the General Manager's core responsibilities.
 - b. Based on these objectives and/or challenges, is there an impact of the General Manager's job description?
 - i. Key competencies (e.g., skills — core leadership and management, strategic thinking, board oversight, staff management, agility skills, etc.).
 - ii. Expertise and experience (e.g., financial, political, utility industry).
 - iii. Required leadership style (e.g., high control or collaborative).
- 3. Form a succession-planning committee with clear roles and accountability.**
 - a. Determine the executive search strategy.
 - b. Update the job description.

4. Define internal and external communication plan.

- a. The plan should address communication with stakeholders, including staff, the City of Shakopee, national affiliates, state affiliates, past board members, key accounts and the community at large.
- b. The plan should include rationale for change, steps to achieve success and commitment to the successor, and a plan for SPU's continued future success.
- c. The plan should also provide for stakeholders, particularly staff, to help identify transition issues as well as recognize successes.

5. Position SPU for future success by conducting a sustainability audit.

- a. Gather input from stakeholders such as the departing General Manager, commission members, key staff and the City of Shakopee.
 - i. Assess SPU's greatest strengths and areas for improvement.
 - ii. Identify major upcoming issues that may impact SPU's ability to successfully provide services.
 - iii. Identify potential changes that might be needed to address those issues.
- b. Additional items to explore to gather data about effectiveness, financial position.
 - i. Operational effectiveness of administrative functions: How effective are the human resources and financial functions?
 - ii. Resource relationships: Are key resource relationships held by more than one staff member?
 - iii. Financial resources: Does the organization have sufficient financial reserves?
 - iv. Leadership and staff resources: Are leadership responsibilities shared appropriately within SPU? Have future leaders been identified for development?
 - v. Commission-effectiveness: Should the commission meet more frequently during the transition?

6. Promote a successful transition of the new General Manager. The transition plan for the first 6 months should include:

- a. The board's written goals and expectations for the successor for the first 6 to 12 months.
- b. Participation in meetings with commission members, staff, MMUA, MMPA and the City of Shakopee.
- c. A structured feedback mechanism to assess progress and potential barriers to a successful transition.
- d. Access to development resources for the new General Manager, such as reading materials and/or leadership development programs.
- e. Depending on the complexity of the challenges, a transition coach may be considered.

9. “Planned” Departure-Defined General Manager Succession Timeline

Week 1:

1. Current General Manager meets with Commission President to discuss intent for a future departure.

Week 2-3:

1. Current SPU Commission members discuss “planned” departure-defined succession planning process and assign roles and responsibilities.

Week 4-5:

1. Identify the top three to five strategic objectives that fall under the General Manager's core responsibilities.
2. Review leadership skills desired and leadership traits not desired for new executive.
3. Review job description for General Manager.

Week 6-7:

1. Define internal and external communication plan.

Week 8-9:

1. Form a succession planning committee and define roles and responsibilities, including the support role of the departing General Manager.
2. Develop a timetable for the executive search strategy.

Week 10-16:

1. Define internal and external communication plan to be used during the recruiting, hiring and transition process.
2. Conduct a sustainability audit of the organization and develop strategies to address organizational and leadership vulnerabilities.

Week 17-TBD:

1. Conduct executive search for successor.
2. Provide regular updates to the Commission and SPU staff about the selection and hiring process.
3. Identify successor and officially hire them.

10. Emergency Management Team Member Succession Plan

1. Management Team Member Core Responsibilities

- a. Review the core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.
- c. Consider engaging temporary or consulting help if necessary to ensure that core responsibilities are met.

2. Key Competencies

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

3. Communication Plan

- a. Develop a plan for communicating information about the vacancy to staff, members, and other stakeholders as appropriate.
- b. Provide updates during the selection and transition process.

4. Candidates

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Determine whether it is appropriate to advertise for the position.
- c. Advertise if necessary.
 - i. MMUA website.
 - ii. APPA and AWWA if appropriate.
 - iii. LMC, Indeed, Southwest Suburban Publishing & SPU Website.
 - iv. Other outlets appropriate to the nature of the position.

5. Selection

- a. Initial interviews will be conducted by the General Manager.
- b. Final interviews may include additional participants, including other senior staff, commission members, or outside consultants as appropriate to the nature of the position. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.
- c. Final selection is made by the General Manager.

11. Departure-Defined Management Team Member Succession Plan

- 1. Coordination between General Manager and Management Team Member**
 - a. Hopefully, the management team member and the General Manager are able to discuss the timing of the management team member's departure in advance
 - b. Steps 2, 3 and 4 below should be carried out jointly by the General Manager and the departing management team member.

- 2. Management Team Member Core Responsibilities**
 - a. Review core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
 - b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.
 - c. The General Manager should consider engaging temporary or consulting help if necessary to ensure that core responsibilities are met.

- a. Key Competencies**
 - a. Review the key competencies for the position and make changes as necessary.
 - b. Update the job description as appropriate.

- b. Communication Plan**
 - a. Develop a plan for communicating information about the vacancy to staff, members, and other stakeholders as appropriate.
 - b. Provide updates during the selection and transition process.

- 5. Candidates**
 - a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
 - b. Determine whether it is appropriate to advertise for the position.
 - c. Advertise if necessary.
 - i. MMUA website.
 - ii. APPA and AWWA if appropriate.
 - iii. LMC, Indeed, Southwest Suburban Publishing & SPU Website.
 - iv. Other outlets appropriate to the nature of the position.

- 6. Selection**
 - a. Interviews will be conducted by Human Resource or the outside search firm and the General Manager.

12. Emergency Staff Member Succession Plan

1. Staff Member Core Responsibilities

- a. Review the core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
- b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.

2. Key Competencies

- a. Review the key competencies for the position and make changes as necessary.
- b. Update the job description as appropriate.

3. Communication Plan

- a. Develop a plan for communicating information about the vacancy to staff.
- b. Provide updates during the selection and transition process.

4. Candidates

- a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
- b. Post position internally & externally for 2 weeks.
- c. Advertise if necessary.
 - i. MMUA website.
 - ii. APPA and AWWA if appropriate.
 - iii. LMC, Indeed, Southwest Suburban Publishing & SPU Website.
 - iv. Other outlets appropriate to the nature of the position.

5. Selection

- a. Initial screening interviews are done by Human Resources or outside search firm. Final interviews are done by the Department Manager/Director. A meet and greet can be done with the staff but they would not have a voice in final selection.

13. Departure — Defined Staff Member Succession Plan

- 1. Coordination between Department Director and Field Staff Member**
 - a. Department Director and the Field Staff should discuss the timing of the management team member's departure in advance
 - b. Steps 2, 3 and 4 below should be carried out jointly by the Department Director and the departing Field Staff member.
- 2. Staff Member Core Responsibilities**
 - a. Review core responsibilities of the position and develop a plan to ensure that the responsibilities will be carried out during the time before a replacement is on board.
 - b. Consider appointing a temporary replacement from among the staff to assume some of the core responsibilities if a qualified individual is available.
- 3. Key Competencies**
 - a. Review the key competencies for the position and make changes as necessary.
 - b. Update the job description as appropriate.
- 4. Communication Plan**
 - a. Develop a plan for communicating information about the vacancy to staff,
 - b. Provide updates during the selection and transition process.
- 5. Candidates**
 - a. Determine whether one or more potential successors have been prepared to assume the vacant position through the succession planning process.
 - b. Post position internally & externally for 2 weeks.
 - c. Advertise if necessary.
 - i. MMUA website.
 - ii. APPA and AWWA if appropriate.
 - iii. LMC, Indeed, Southwest Suburban Publishing & SPU Website.
 - iv. Other outlets appropriate to the nature of the position.
- 6. Selection**
 - a. Initial interviews will be conducted by Human Resources and the Department Director.
 - b. Initial screening interviews are done by Human Resources. Final interviews will be done by Department Manager/Director and Human Resources. A meet and greet can be done with the staff but they would not have a voice in final selection. If the position involves public speaking in any capacity, it is advisable to ask candidates to make a short presentation as part of the interview process.

- c. Final selection is made by the Department Manager/Director in consultation with the General Manager. Final selection is approved by the General Manager (in essence a veto power exists to ensure that a strong candidate is selected.)

14. Executive Search Firms

1. Baker Tilly – Minneapolis, MN – or – St. Paul, MN
2. Versique – Minneapolis, MN