

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
Regular Meeting
August 7, 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**
2a) Customer Communications Received – ELWM (SW)
3. **Consent Agenda**
C=> 3a) Approval of July 10, 2023 Special Meeting Minutes (GD)
C=> 3b) Approval of August 7, 2023 Agenda (JK)
C=> 3c) August 7, 2023 Warrant List (KW)
C=> 3d) Monthly Water Dashboard for June 2023 (LS)
C=> 3e) 2023 Flushing Program Progress (LS)
C=> 3f) MMPA June 2023 Meeting Update (GD)
C=> 3g) MMPA July 2023 Meeting Update (GD)
C=> 3h) Kennedy and Graven Agreement (GD)
C=> 3i) June 2023 Financials Reports (KW)
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) Pumphouse #23 Bid Award Recommendations (LS)
6c) Water Capacity Charges (WCC) Payment Agreements (JA)
6d) Equivalent Lateral Water Main Fee Charges (JA)
6e) Res #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 (JA)
6f) Res# 2023-20 A Resolution Modifying the Equivalent Lateral Water Main Connection Charges for Certain Projects (JA)

Reports: Electric Items
7a) Electric System Operations Report – Verbal (BC)
7. **Reports: General**
8a) Marketing/Key Accounts Report – Verbal (SW)
8b) General Manager Report – Verbal (GD)
8c) General Manager Amended and Restated Employment Agreement (GD)
8. **Items for Future Agendas**
9. **Tentative Dates for Upcoming Meetings**
- September 5, 2023
10. **Adjournment**



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

August 1, 2023

TO: Greg Drent, General Manager *GD*
FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects *SW*
SUBJECT: Customer Communications Received – ELWM

Overview

Attached is an email sent by Mr. Robert Stark, on behalf of the Hillwood Estate property owners, in response to my summary of the decisions made at the July 10th Commission meeting.

I have acknowledged receipt of their response and indicated it will be addressed under Communications at our next Commission Meeting.

Action Requested

Staff has no recommended changes to decisions made on July 10th.

Walsh, Sharon

From: Walsh, Sharon
Sent: Tuesday, August 1, 2023 9:56 AM
To: bwstark1@comcast.net; Adams, Joe; Halverson, Ryan; 'andrew chmiel'; garyapaully@gmail.com; mazie.pauly@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
Cc: Jim DuLaney; Kathi Mocol; Justin Krieg; Kayden Fox; Benedict Letourneau
Subject: RE: Follow Up ELWM Discussion

Thank you for your response. This will be shared under Communications at our next Commission Meeting.

Thank you,
Sharon

From: bwstark1@comcast.net <bwstark1@comcast.net>
Sent: Friday, July 28, 2023 11:32 AM
To: Walsh, Sharon <swalsh@shakopeeutilities.com>; Adams, Joe <jadams@shakopeeutilities.com>; Halverson, Ryan <rhelverson@shakopeeutilities.com>; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com; mazie.pauly@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
Cc: Jim DuLaney <jdulaney@shakopeeutilities.com>; Kathi Mocol <kmocol@shakopeeutilities.com>; Justin Krieg <jkrieg@shakopeeutilities.com>; Kayden Fox <kfox@shakopeeutilities.com>; Benedict Letourneau <bletourneau@shakopeeutilities.com>
Subject: RE: Follow Up ELWM Discussion

Sharon,

Based on communications with the Hillwood Estate property owners and a review of your summary below, we have the following response and concerns.

It was our understanding during the discussions at our June 26th meeting, and after watching the replay video, and as summarized in your June 27th email response below (highlighted in yellow), there would be two separate scenarios regarding the accrual and waiver of interest. First, there would be a delay of 2-3 years prior to any interest accruing, and second, there would be a payment plan allowing interest to be waived if the fee is paid prior to a predetermined date in the future. It appears only the latter was considered. We would like to better understand of the deviation from those discussions during our meeting which were also summarized in your email the day after the meeting. In other words, what is the thought process of eliminating the delay of the interest accrual from the previously discussed solution?

Furthermore, since it was not SPU historical practice nor going to be a forward practice, we still do not understand why the filing against our deeds can't be address in a more meaningful manner. In other words, can't the SPU, as the initial filing entity of the recording against our deeds, subsequently file for the removal of such, especially since no one before us has had this added to their deed, and you are not planning to do it moving forward. This still seems unjust to us. Is there a scenario where you record another document stating the previous document is expunged or null and void, especially since you are not doing it to any other SPU customer?

We look forward to your response and concluding this matter as well as greatly appreciate your efforts to work through it.

Hillwood Estate Property Owners

From: Walsh, Sharon <swalsh@shakopeeutilities.com>

Sent: Wednesday, July 12, 2023 1:53 PM

To: Adams, Joe <jadams@shakopeeutilities.com>; Halverson, Ryan <rhalverson@shakopeeutilities.com>; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterson76@yahoo.com; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaul@gmail.com; mazie.paul@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmdt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com; Michael Bawek <docmichaelb@gmail.com>

Cc: Jim DuLaney <jdulaney@shakopeeutilities.com>; Kathi Mocol <kmocol@shakopeeutilities.com>; Justin Krieg <jkrieg@shakopeeutilities.com>; Kayden Fox <kfox@shakopeeutilities.com>; Benedict Letourneau <bletourneau@shakopeeutilities.com>

Subject: RE: Follow Up ELWM Discussion

Hello!

This email is a follow up from our commission meeting held on Monday evening, July 10, 2023.

In summary, the following recommendations were approved by our commission and/or will be approved with future resolutions:

1. SPU stands by these ELWM policies/fees on past and existing projects, and will continue to use them going forward.
2. SPU will use the same interest indexing source for our ELWM fees as the City of Shakopee uses for their projects, effective with your projects. This provides consistency between sewer and water.
3. Interest will not start accruing until August 1st, but for anyone who pays the fee in full by 12/31/25 all interest will be waived. If there is a balance remaining as of 12/31/25, interest will be applied to the balance only. Further communications will be shared regarding the payment plan details (i.e., # of installments, due dates, etc.). Again, payment is not required until hook up. The decision to pay prior to hook up is to avoid interest.
4. A new recording will be made on the affected deeds stating this fee is not due until connection to water is made (exact language to be drafted by legal), including direction to refer to the most recent SPU fee schedule for the fee amount.
5. Going forward SPU will not record on deeds, but will utilize the fee schedule with annual updates. NOTE: In the spirit of transparency and keeping communications current, Commissioner Mocol recommended we put something in our billing system that triggers us to communicate when utilities change to new property owners. We will see if that's possible within NISC.

As always, you are welcome to view the recorded meeting discussion on our website, ShakopeeUtilities.com under News & Education>Commission Meeting>Packets.

Thank you once again for your input on this topic.

Regards,
Sharon Walsh

From: Walsh, Sharon

Sent: Tuesday, June 27, 2023 3:00 PM

To: Kayden Fox <kfox@shakopeeutilities.com>; Benedict Letourneau <bletourneau@shakopeeutilities.com>; Drent, Greg <gdrent@shakopeeutilities.com>; Adams, Joe <jadams@shakopeeutilities.com>; Halverson, Ryan

<rhalverson@shakopeeutilities.com>; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterston76@yahoo.com; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com; mazie.paully@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com

Subject: RE: Follow Up ELWM Discussion

Good afternoon,

Thank you for your attendance at last night's meeting. We appreciated your input and the discussion that brought us to recommendations for presentation to our commission. (To reiterate, these are policy changes that staff is not authorized to make. These are made at the commission level.) The following will be presented and discussed at the **July 10th** commission meeting:

SPU staff recommends –

1. Utilizing the ENR CCI as the inflation indexing basis for all (current and future) 444 Projects;
2. All ELWM fees for future projects be listed in the SPU Fee Schedule and annually adjusted for inflation;
3. Further discussion regarding language to be added as a second recording to deeds, clarifying the original recording (i.e., make reference to fee schedule and no payment due until water connection, etc.);
4. Granting a longer extension (beyond July 1, 2023) before interest would begin accruing; and
5. Allowing a payment plan option that could waive interest accrual if fee is paid in full by determined date (i.e., 1-2 years as discussed).

Lastly, under separate cover you will receive a link to the recorded discussion from last night. You can feel comfortable opening this link as it will be a legitimate email from SPU. All materials presented or made available last night are available upon request if you are interested.

Best Regards,
Sharon

From: Walsh, Sharon

Sent: Monday, June 26, 2023 7:20 AM

To: Kayden Fox <kfox@shakopeeutilities.com>; Benedict Letourneau <bletourneau@shakopeeutilities.com>; Drent, Greg <garent@shakopeeutilities.com>; Adams, Joe <jadams@shakopeeutilities.com>; Halverson, Ryan <rhalverson@shakopeeutilities.com>; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterston76@yahoo.com; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com; mazie.paully@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; bobkak1@gmail.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com

Subject: RE: Follow Up ELWM Discussion

Good morning! Just a friendly reminder of our discussion this evening. We'll see you at 5:00 at the SPU Service Center in the Training Room. Park in the main entrance and head toward the glass wall - we'll greet you at the entrance.

See you then -

-----Original Appointment-----

From: Walsh, Sharon

Sent: Monday, June 12, 2023 3:57 PM

To: Kayden Fox; Benedict Letourneau; Drent, Greg; Adams, Joe; Halverson, Ryan; docmikeb@hotmail.com;

dpurcell20@hotmail.com; kludzack@comcast.net; jpetererson76@yahoo.com; 'andrew chmiel'; garyapaully@gmail.com; mazie.paully@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; bobkak1@gmail.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com

Subject: Follow Up ELWM Discussion

When: Monday, June 26, 2023 5:00 PM-7:00 PM (UTC-06:00) Central Time (US & Canada).

Where: SPU Training Room - Park in Main Lot and Enter Glass Doors to the East

Hello,

Please join us in person for a follow up ELWM discussion. We will be meeting in the SPU Training Room (not the Commission Room) where we can sit round table and address questions in a comfortable setting. NOTE: We will informally record this meeting (using TEAMS) so we can share the presentation and audio with anyone that cannot attend this meeting on this date. See you on the 26th!

Best Regards,
Sharon

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 260 252 133 282

Passcode: ieEnzL

[Download Teams](#) | [Join on the web](#)



[Learn More](#) | [Meeting options](#) | [Legal](#)

Sharon Walsh
Director of Marketing/Key Accounts



Dir 952-233-1531 • Main 952-445-1988

swalsh@shakopeeutilities.com • www.shakopeeutilities.com

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
July 10, 2023
Special Meeting

1. Call to Order. President Krieg called the July 10, 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. Consent Agenda. President Krieg asked that item (6a) be moved up on the agenda after the Public Comment Period. Commissioner Fox moved approval of the consent agenda as amended: (3a) May 15, 2023 special meeting minutes; (3b) June 5, 2023 minutes; (3c) July 10, 2023 agenda; (3d) July 10, 2023 warrant list; (3e) Monthly Water Dashboard for May 2023; (3f) Nitrate Report; (3g) 2023 Flushing Program Progress; (3h) APPA Safety Manual – 17th Edition; (3i) Annual Elections for the 2023-2024 Insurance Policy; (3j) License Agreement with ISD 720; (3k) Res #2023-18 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection, and Authorizing Water Service to Certain Property Described as Highview Park 1st Addition Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
3. Public Comment Period. No public comments were offered.
4. SPU Investment Performance Review. Brian Johnson and Danny Nelson, from PFM Asset Management, provided a market update and an update on SPU's portfolio performance.
5. Water System Operations Report. Lon Schemel, Water Superintendent, reported that two additional SPU staff members, Jackie Hansen and Mike Menden, have received their backflow prevention certification. He noted that water pumpage remains strong, with an average in June of 11.1 million gallons/day, with a high of 13 million, and in July, an average of 11.8 million gallons/day, with a high of 14 million gallons/day.
6. Equivalent Lateral Water Main (ELWM) Fees. Joseph Adams, Planning and Engineering Director, noted that this item was on the June 5, 2023 agenda but was tabled to allow staff to meet with the property owners affected by two past projects: the County Road 79 watermain extension and the Jennifer Lane watermain extension from Valley Creek Crossing Second Addition to Wood Duck Trail. Vice President Letourneau and Commissioner Fox attended the meeting. Mr. Adams noted that it was a good discussion, with staff answering questions. He also noted that the discussion included the process for connecting to the water or sewer system, including a petition by property owners (typically in response to the failure of septic systems or private wells) or a project initiated by the City.

Mr. Adams provided an overview of staff recommendations. The Commission made a series of motions relating to these recommendations.

Commissioner Fox moved, seconded by Commissioner Mocol, to ratify and confirm the Commission's past actions and resolutions related to the ELWM fees and level of core fees for these two projects. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Vice President Letourneau moved, seconded by Commissioner Mocol, that the Commission continue to waive any interest on ELWM fees from the date of these two projects through August 1, 2023. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Commissioner Fox moved, seconded by Commissioner DuLaney, that staff prepare a resolution changing the inflation index for all ELWM fees to the Construction Cost Index and include these fees on SPU's annual fee schedule. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Commissioner Mocol moved, seconded by Commissioner Fox, that staff prepare a document that may be recorded on the properties for these two projects, clarifying that the fees are not due until water service begins and directing interested parties to the appropriate fee schedule. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Commissioner Mocol moved, seconded by Commissioner Fox, to direct staff to prepare a resolution waiving any accrued interest for these two projects if payment of ELWM fees is made in full by December 31, 2025. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. May 2023 Financials. Kelley Willemssen, Director of Finance and Administration, presented the May 2023 electric and water financials. Vice President Letourneau moved to approve the May 2023 financials. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol.

8. Liaison Report. Commissioner DuLaney reported approval of a car wash and convenient store along 169. He also noted that the City Council approved a project involving 496 single family homes and 92 twin homes over the next five years. Commissioner DuLaney also reported that the City adopted the NFPA 70 electric code.

9. Electric Report. Brad Carlson, Electric Superintendent, reported sixteen outages since the last Commission meeting, including six related to a windstorm, four related to animals, and one resulting from a contractor digging into a main feeder. He also discussed electric projects, including MnDOT cameras along 169, working with Minnesota Valley to raise lines, River Valley Business Park, and station power for the West Shakopee Substation. Mr. Carlson also reported that Tyler O'Brien has completed his apprenticeship program and will become a journeyman line worker.

10. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, noted that for the AMI project, the Itron project manager has been assigned, MPower will assist with installation process, that handheld software has been

updated, and that aspects involving NISC will wait until September when inventory arrives. Ms. Walsh reported that she has assisted with ELWM communications and the backflow prevention policy. She noted that the Rhythm on the Rails event is August 2, 2023. Ms. Walsh presented the Year In Review, which will be mailed on July 13th.

11. General Manager Report. Mr. Drent provided an update, including Phase 2 environmental testing and surveying on potential water treatment sites, RP3 program, interviews for Procurement Specialist position, MMUA regional meeting in Austin, and a potential service line issue of water from the curb to the house. He noted that some projects in the City have been put on hold, as well as some questions as to Water Capacity Charge Agreements when developers have not fulfilled their obligations; this issue will be brought back at a future meeting.

12. Future Agenda Items. Commissioner DuLaney asked about updates from the Legislative session. President Krieg noted that he and Vice President Letourneau, as members of the informal working group assisting with the annual budget process, met to discuss potential revisions to the General Manager contract, which will be brought back for Commission review and approval at an upcoming meeting. Mr. Drent noted that the backflow prevention policy will be part of a future meeting.

13. 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

August 7, 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 07/07/2023

KATIE J ADAMS	\$119.46 REIMB MILEAGE APR MAY JUNE 2023
ALTEC INDUSTRIES INC	\$1,289.14 POLE FALL RESTRAINT
AMARIL UNIFORM COMPANY	\$282.62 TONY/DON CLOTHING
APPA	\$4,216.88 DEED MEMBERSHIP 4/1/2023 - 3/31/2024
APPLE FORD OF SHAKOPEE	\$11.78 BULB - ELECTRIC
PUNEETA ARORA	\$75.00 E.F. REFRIGERATOR REBATE
LISA BARNETT	\$500.00 E.F. COOLING/HEATING REBATE
CUSTOMER CONTACT SERVICES	\$940.78 ANSWERING SVC 6/27/2023- 7/24 2023
DAILY PRINTING, INC.	\$9,425.94 BUSINESS CARDS
DSI/LSI	\$745.11 JUNE GARBAGE
EMERGENCY AUTOMOTIVE TECHNOLOGIES I	\$325.67 WO#2656 TIGER TOUGHSEAT COVER F450 WATER
HAROLD FOGLESONG	\$500.00 E.F. COOLING/HEATING REBATE
RANDY FORAR	\$75.00 E.F. REFRIGERATOR
GOVERNMENT FINANCE OFFICERS ASSOC	\$150.00 RENEWAL MEMEBRSHIP 8/1/23-7/31/24
GRAINGER INC	\$903.04 SOLENOID VALVE
HAWKINS INC	\$910.50 CHLORINE CYLINDERS
HENNEN'S AUTO SERVICE INC.	\$61.42 PROPANE
HIGH POINT NETWORKS, LLC	\$6,366.27 3Y TOTAL SECURITY SUITEPERP
JAMES HUSMANN	\$350.00 E.F. A/C
INNOVATIVE OFFICE SOLUTIONS LLC	\$901.41 OFFICE SUPPLIES
IRBY - STUART C IRBY CO	\$840.68 HELIX ANCHOR
IRBY TOOLS - STUART C IRBY CO	\$257.38 TIEDOWN W/ RATCHET
INC. JOHNSON/ANDERSON & A	\$1,171.47 ENVELOPES
JT SERVICES	\$1,382.79 SHORTING CAP
MALYADRI MAMIDALA	\$50.00 E.F. CLOTHES WASHER REBATE
MINN VALLEY TESTING LABS INC	\$251.90 COLIFORM
MPOWER TECHNOLOGIES, INC.	\$6,400.00 MPOWER MAPPING & DATA CLEAN UP
DION MUCHOW	\$12.25 LED LIGHT REBATE
NCPERS GROUP LIFE INS.	\$192.00 JULY PREMIUMS
GERRY NEVILLE	\$75.98 REIMB 116 MILES
NORTHERN BALANCE AND, INC.	\$252.00 1 POINT CALIB TEMP DEVICE
O'REILLY AUTOMOTIVE, INC.	\$7.16 MINI BULB - ELECTRIC
VINH PHAN	\$50.00 E.F. CLOTHESWASHER REBATE
POWER TESTING AND ENERGIZATION INC.	\$2,970.00 ADDL WRK ADDED TO RTAC UPGRADES
QUALITY FORKLIFT SALES & SERVICE	\$25.45 SALES TAX DUE FROM BEING MISSED
SHORT ELLIOTT HENDRICKSON INC	\$5,025.00 WO#2634 PHASE 1 ESA
SOUTHWEST NEWS MEDIA	\$726.80 JUNE LEGALS
TEST GAUGE & BACKFLOW SUPPLY INC	\$505.08 CALIBRATION & RECERTIFICATION
BRIAN THOMPSON	\$350.00 E.F. HEATING/COOLING REBATE
GREG TRIPLETT	\$102.83 REIMB 157 MILES
ULINE, INC.	\$234.37 STACKING BINS/TOTES
DENNIS VIX	\$350.00 E.F. COOLING/HEATING REBATE
JAMIE VON BANK	\$53.13 REIMB FOR EXT CORD GREGS OFFICE
MICHAEL VOURLOS	\$14.92 REIMB MILEAGE APR MAY JUNE 2023
WESCO RECEIVABLES CORP.	\$667.87 CONNECTOR
CLIFTONLARSONALLEN LLP	\$19,950.00 2023 AUDIT
FURTHER - ACH	\$226.00 JUNE ADMIN FEES
HEALTHPARTNERS	\$72,059.40 JULY PREMIUMS - JUNE CHARGE MONTH

Total Week of 7/07/2023

\$142,354.48

WEEK OF 07/14/2023

CREDIT REFUNDS	\$4,446.94
JENNIFER ABRAHAMSON	179.10
ALL ELEMENTS INC.	3,050.00
AMARIL UNIFORM COMPANY	514.90
AMERICAN PUBLIC WORKS ASSOCIATION	286.25
ANCOM COMMUNICATIONS INC	898.31
APPLE FORD OF SHAKOPEE	1,818.93
SHERI BERGELAND	2.09
BOB'S LAWN & LANDSCAPING INC	195.00
BOLTON & MENK INC.	9,530.00
BORDER STATES ELECTRIC SUPPLY	6,318.81
TRACY CARLSON	6.28
CITY OF SAVAGE	18.19
CORE & MAIN LP	6,630.99
EMERGENCY AUTOMOTIVE TECHNOLOGIES I	3,291.38
JAIRO FLORES	500.00
FLYTE HCM LLC	10.00
GOPHER STATE ONE-CALL	1,044.90
JOSEPH GRAFNER	13.75
GRAINGER INC	175.86
GRAYBAR ELECTRIC COMPANY INC	1,189.02
MATTHEW GRIEBEL	194.81
HAWKINS INC	14,269.60
HENNEN'S AUTO SERVICE INC.	82.45
HERMAN'S LANDSCAPE SUPPLIES INC.	699.00
DONI HERNANDEZ	200.00
INNOVATIVE OFFICE SOLUTIONS LLC	190.71
IRBY - STUART C IRBY CO	145.47
BRUCE JOHNSON	500.00
TIMOTHY JOHNSON	200.00
TRICIA KELSEY	50.00
BRUCE KNAAK	179.99
HANNAH & ADAM LAFOLLETTE	75.00
BEN LEBENS	175.00
LINK LUMBER	75.16
SHIRLEY LUO	80.00
MELISSA LYNN	200.00
MALYADRI MAMIDALA	125.00
KIMBERLY MAREK	500.00
MINN VALLEY TESTING LABS INC	158.40
ANGELA & ZACHARY MINNICH	150.00
MN DEPT OF HEALTH	29,677.47
MN DEPT OF HEALTH	23.00
KARI NESLON	23.00
GERRY NEVILLE	173.55
TYLER O'BRIEN	74.01
RESCO	118.00
SHORT ELLIOTT HENDRICKSON INC	705.99
STAPLES OIL COMPANY, INC.	5,025.00
TESCO - THE EASTERN SPECIALITY COMPANY	212.01
GREG TRIPLETT	250.00
VERIZON WIRELESS	105.45
JAMIE VON BANK	3,213.05
CAROLINE WARNER	118.00
XCEL ENERGY	80.00
PETER ZOLLDAN	979.74
CENTERPOINT ENERGY - ACH	156.59
DELTA DENTAL PLAN OF MN	651.50
MMPA C/O AVANT ENERGY	5,907.89
FURTHER - ACH	4,783,149.20
PAYROLL DIRECT DEPOSIT 7.14.23	192.28
BENEFITS & TAXES FOR 7.14.23	\$131,576.80
	\$124,633.88

Total Week of 07/14/2023

\$5,145,417.70

WEEK OF 07/21/2023

ABDO LLP
ALTEC INDUSTRIES INC
AMARIL UNIFORM COMPANY
AMERICAN PRESSURE INC.
ASSOCIATED MECHANICAL CONTRACTORS
B & B TRANSFORMER INC
BARR ENGINEERING CO.
KALIANN BEHRENS
BOB'S LAWN & LANDSCAPING INC
BORDER STATES ELECTRIC SUPPLY
CALIAN CORP.
CHRIS CASE
PHILIP CHARLSON
CHOICE ELECTRIC INC
CITY OF SHAKOPEE
COMCAST CABLE COMM INC.
CORE & MAIN LP
CORVAL CONSTRUCTORS, INC.
DANIEL GELHAYE
GRAINGER INC
GARY HARTMANN
CHRISTOPHER HEIN
INNOVATIVE OFFICE SOLUTIONS LLC
INTERSTATE ALL BATTERY CTR
IRBY - STUART C IRBY CO
LINDA JOHNSON
PIYUSH KHANDLWAL
KLM ENGINEERING INC
LEAGUE OF MINN CITIES INS TRUST
PATRICIA LUEDTKE
MCGRANN SHEA CARNIVAL
MID AMERICA METER INC
MINN VALLEY TESTING LABS INC
MPOWER TECHNOLOGIES, INC.
NAGEL COMPANIES LLC
GERRY NEVILLE
NISC
NORTHERN STATES POWER CO
ORACLE AMERICA INC.
MARILYN PERKINS
PRESCRIPTION LANDSCAPE
RUTH RUSSO
BEVERLY SCHATZ
DAN SCHMITZ
SCOTT COUNTY ABSTRACT & TITLE CO
SCOTT COUNTY TREASURER
STATE OF MINNESOTA-MNIT SERVICES
TEST GAUGE & BACKFLOW SUPPLY INC
GREG TRIPLETT
THOMAS ZAGER
ZAYO GROUP, LLC
AMERICAN NATL BANK_MASTERCARD_ACH
FURTHER - ACH
MN DEPT OF REVENUE ACH PAYMENTS

17,799.00 JUNE FS ACCOUNTING /FIRM RPTING/TAX
1,376.91 ARC FLASH LANYARDS
705.56 WATER DEPT CLOTHING ORDER
1,763.36 SERVICE CALL ON PUMP
1,060.78 AC UNITS @ 4 SUBSTATIONS MAINT.
45,390.00 8 75 PAD RM 8 PALLETS
2,745.00 WO#2683 TANK 9
75.00 ENERGY STAR REFRIGERATOR REBATE
279.18 MULCH - WATER DEPT
5,050.39 MAIN 8CRT ELECTRIC
925.57 LIC SYMANTAC RENEWAL 6/22/23-6/21/24
89.25 IRRIGATION REBATE
175.00 ENERGY STAR CLOTHES WASHER REBATE
2,279.03 REPLACE HUGH BAYS IN SPU SHOP
498,698.64 JUNE SW \$379,417.73 / SD \$119,280.91
2.25 BREAK ROOM CABLE
772.91 METERS
1,607.50 HVAC REPAIR
50.00 WATER SENSE TOILET REBATE
336.08 SMALL ENGINE FUEL
150.00 ENERGY STAR DISHWASHER REBATE
200.00 ENERGY STAR COOL/HEAT REBATE
597.01 CALCULATER FOR MARY PENA
47.67 JB 3 LIT - WATER DEPT
1,514.59 GLOVE TESTING
175.00 ENERGY STAR CLOTHES WASHER REBATE
200.00 ENERGY STAR COOL/HEAT REBATE
15,684.00 SUPPLY & INSTALL GS-12 MIXER
2,320.00 W/C AGREEMENT 1/1/2022-1/1/2023
500.00 ENERGY STAR COOLING/HEATING REBATE
17,685.00 JUNE GENERAL LEGAL CONSULTING
968.25 SHOP SUPPLIES WATER DEPT
104.50 MANGANESE
19,850.00 MPOWER INTEGRATOR & EDITOR MMS SOFTWARE
9,400.00 BOREING WECKMAN RD HOLIDAY GAS STATION
105.45 REMIB 161 MILES
33,770.74 JUNE 2023 REOCCURRING INVOICE
4,898.75 JUNE POWER BILL
35,103.72 OPWR CHANNEL FEE/CLOUD SVC APR-JUN 2023
50.00 ENERGY STAR DISHWASHER REBATE
428.02 HYDRNT MTR RETURN FINAL BILL CALC REFUND
175.00 ENERGY STAR CLOTHES WASHER REBATE
500.00 ENERGY STAR COOLING/HEATING REBATE
179.99 IRRIGATION REBATE
750.00 TITLE SEARCH FEES (2 PARCELS) WATER
2,100.00 JULY FIBER
716.63 JUNE (WAN) MONTHLY SERVICES
852.28 BACKFLOW ASSEMBLY PARTS
104.14 REIMB 159 MILES
255.00 ENERGY STAR DISHWASHER REBATE
2,644.97 T1 LINE SHAKO S SUB, PIKE LAKE
9,994.39 JUNE CC STMT
1,278.45 MEDICAL/DAYCARE CLAIM REIMB
284,625.00 JUNE 2023 SALES TAX PAYABLE

Total Week of 07/21/2023**\$1,029,109.96**

WEEK OF 07/28/2023

ALTEC INDUSTRIES INC
 ARROW ACE HARDWARE
 RON BARTUSEK
 BIRDS LAWN CARE LLC
 BORDER STATES ELECTRIC SUPPLY
 ERIC BUSCH
 CITY OF PRIOR LAKE
 CITY OF SHAKOPEE
 CITY OF SHAKOPEE
 JEROME COLLING
 CORE & MAIN LP
 JONATHAN CRIST
 D R HORTON
 DGR ENGINEERING
 DYNAMIZE LLC
 EMERGENCY AUTOMOTIVE TECHNOLOGIES I
 FERRELLGAS
 FRONTIER ENERGY, INC.
 JAYSON GALLUS
 GRAINGER INC
 GREYSTONE CONSTRUCTION CO
 JOSEPH GRYGIEL
 HAWKINS INC
 HENNEN'S AUTO SERVICE INC.
 HIGH POINT NETWORKS, LLC
 IDEAL SERVICE
 KATAMA TECHNOLOGIES, INC.
 PATRICIA KEENER
 KRB DEVELOPMENT VIII LLC
 NEERAJ KUMAR
 LOFFLER COMPANIES - 131511
 JANET & MATTHEW MARTINEAU
 MI HOMES OF MPLS LLC
 MINN VALLEY TESTING LABS INC
 NAGEL COMPANIES LLC
 NATIONAL CONDUCTOR CONSTRUCTORS LLC
 GERRY NEVILLE
 SARAH PERSON
 COREY POLTON
 DENNIS PURCELL
 RIES HEATING & A/C INC
 RONALD W. ROGNLIE
 ANNA RUBENE
 RW BECK GROUP, INC, LEIDOS ENG, LL
 S M HENTGES & SONS INC
 STEVEN SCHEUNEMANN
 DAVE SCHLEPER
 STEPHANIE SCHNEIDER
 SAMEER SHIROLE
 JEFFREY SMITH
 T-MOBILE
 GREG TRIPLET
 UPS STORE # 4009
 VERIZON
 MIKE WADSTEN
 FURTHER - ACH
 PAYROLL DIRECT DEPOSIT 7.28.23
 BENEFITS & TAXES FOR 7.28.23

800.89 SLOTTED SOCKET, ADAPTER
 21.45 PADLOCK CABLE/BUNGEE CORD-WATER
 240.00 BOOTS REIMBURSEMENT
 3,714.00 JUNE LAWN CARE
 246.63 PARTIAL SHIPMENT OXIDE COMP
 150.00 ENERGY STAR DISHWASHER REBATE
 669.00 2ND QTR 2023 FRANCHISE FEES
 318,000.00 JULY 2023 PILOT TRANSFER FEE
 1,031.08 JULY STORM DRAINAGE/SPU PROPERTIES
 8.55 LED REBATE
 10,000.00 METERS
 125.00 ENERGY STAR CLOTHES WASHER REBATE
 10,646.25 WO#2407 FINAL PROJECT REFUND DUE
 1,500.00 WO#2731 GRANT DEV ASSISTANCE JUNE SVCS
 490.41 REPLACEMENT ELEC PARTS FIELD DAMAGE
 482.12 LIGHTBAR
 1,154.02 PROPANE
 8,844.71 SHAKOPEE PROGRAM MGMT C&I IMPLMENTATION
 100.00 ENERGY STAR DISHWASHER REBATE
 562.85 FUSE
 1,405.47 WO#2674 SW GATEWAY SHELL UG ELECTRIC
 500.00 ENERGY STAR COOLING/HEATING REBATE
 1,347.00 CHLORINE
 88.30 OIL CHANGE ELECTRIC TRK 2017 F550
 36,265.85 GRENCLOUD W/ ZERTO
 480.00 PREV MAINT 4/25/23 VFD'S
 843.75 WO 2472 AMI
 100.00 WATER SENSE TOILET REBATE
 16,939.10 WO#2475 FINAL PROJECT REFUND DUE
 134.99 IRRIGATION CONTROLLERS REBATE
 1,518.54 CONTRACT 7/1-9/30 2023 MAINT. AGREEMENT
 134.99 IRRIGATION CONTROLLERS REBATE
 608.25 WO#2600 VALLEY CREST 2ND ADDN REFUND
 593.20 NITRATES
 29,842.00 WO 2720 MN DOT CAMERA
 323,750.28 WO#2483 PAYMENT #6 W SHAKO SUBSTATION
 187.33 REIMB 286 MILES
 150.00 ENERGY STAR DISHWASHER REBATE
 200.00 IRRIGATION CONTROLLERS REBATE
 500.00 ENERGY STAR COOLING/HEATING REBATE
 220.00 ONSITE SVC CALL AC UNIT-WATER
 147.50 WO#2483
 150.00 ENERGY STAR DISHWASHER REBATE
 11,114.00 GENERAL CONSULTING - ELECTRIC
 6,890.65 WO#2672 FINAL PROJECT REFUND DUE
 50.00 WATER SENSE TOILET REBATE
 100.00 ENERGY STAR DISHWASHER REBATE
 350.00 ENERGY STAR COOLING/HEATING REBATE
 131.39 IRRIGATION CONTROLLERS REBATE
 200.00 IRRIGATION CONTROLLERS REBATE
 300.00 WO#2449 AP0103 L600 OL TANK 1 ANCHOR
 124.45 REIMB 190 MILES
 17.07 0:1 TEST -M ELECTRIC
 545.83 JUNE TRUCK TRACKING
 100.00 ENERGY STAR DISHWASHER REBATE
 192.31 DAYCARE FLEX CLAIM REIMB C.S.
 \$127,576.41
 \$119,965.22

Total Week of 07/28/2023**\$1,042,550.84****Grand Total****\$7,359,432.98**


Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Monthly Water Dashboard

As of: June 2023

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

Element/Measure

Water Pumped/Metered

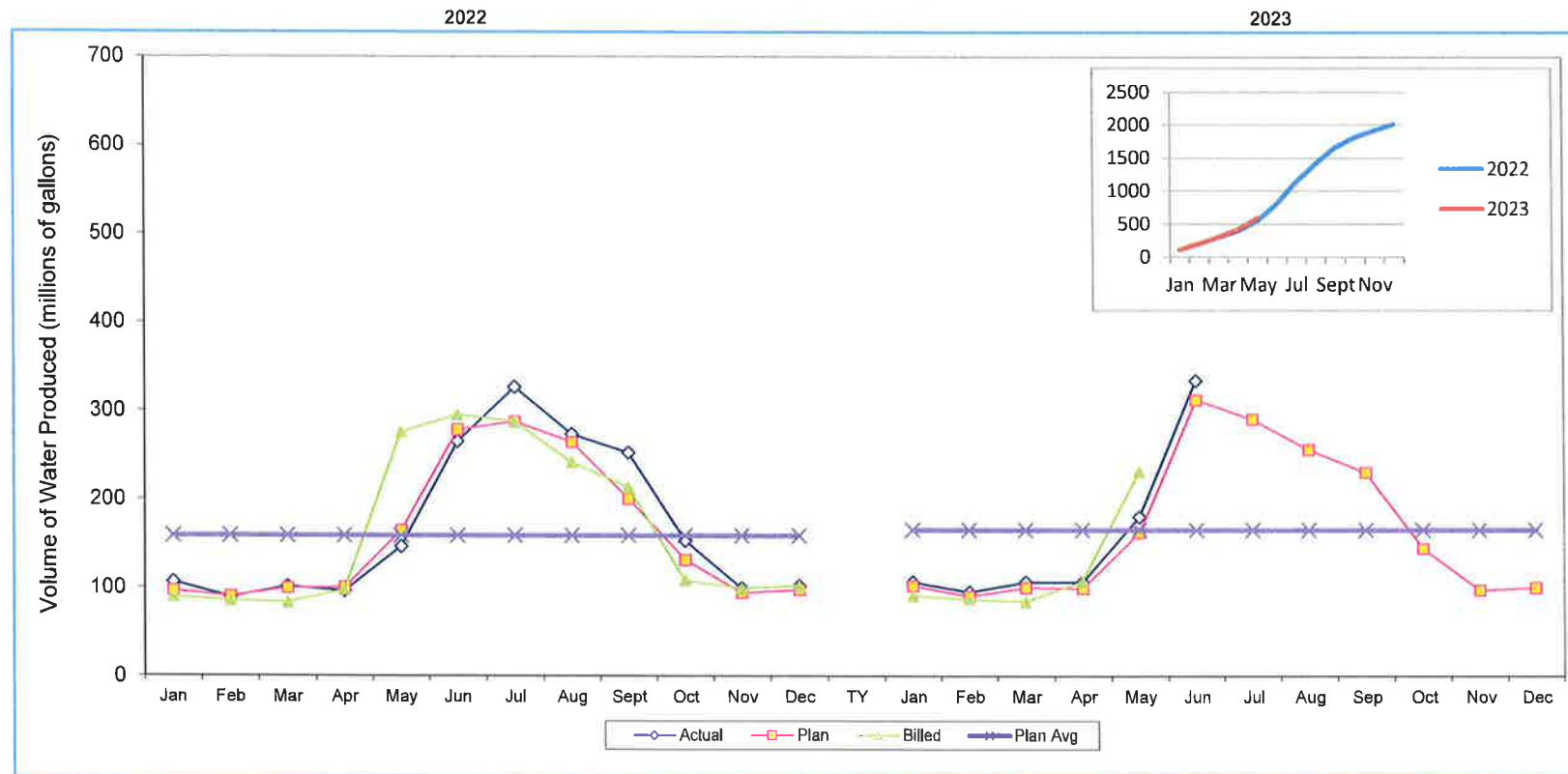
Monthly Avg

2020 150

2021 173

2022 167

Last 6 months actuals 106 95 106 106 180 334



LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Actual	106	89	101	96	146	265	326	273	252	153	99	102		106	95	106	106	180	334						
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%						
Billed	89	85	83	97	275	295	287	241	213	108	99	102		91	87	84	107	231							

* Actual gallons pumped vs. Plan



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TO: Greg Drent, General Manager *GD*

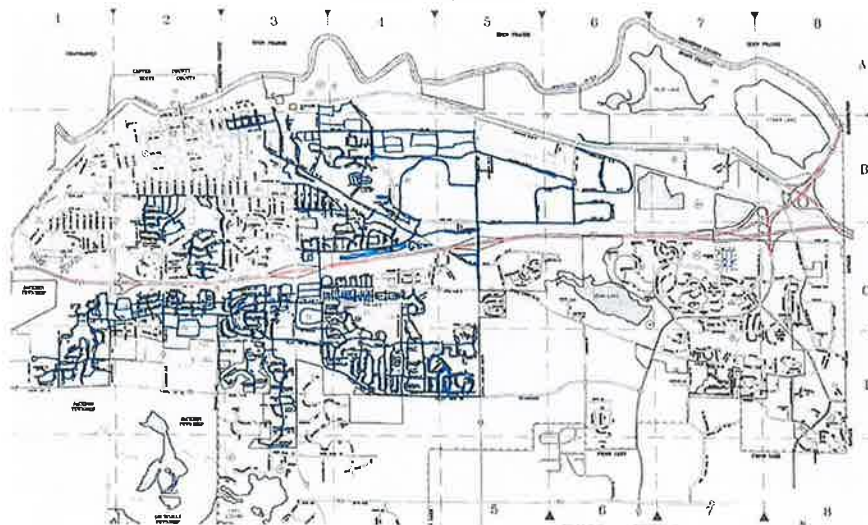
FROM: Lon R. Schemel, Water Superintendent *LRS*

SUBJECT: 2023 Flushing Program Progress

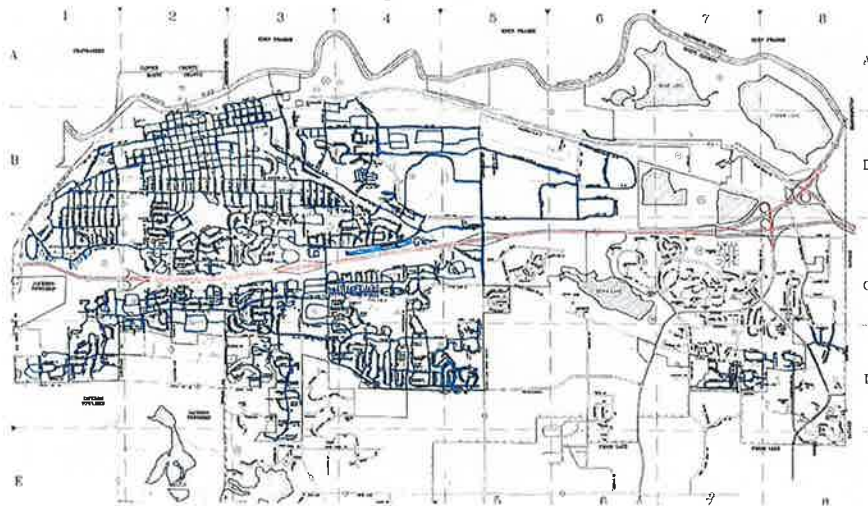
DATE: August 1, 2023

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

June 29, 2023




August 1, 2023





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To: SPU Commissioners

From: Greg Drent, General Manager 

Date: June 10, 2023

Subject: MMPA June 2023 Meeting Update

The public summary of the June 2023 MMPA Board of Directors meeting is below.

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on June 27, 2023, at Chaska City Hall in Chaska, Minnesota and via videoconference.

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

Customer penetration for the residential Clean Energy Choice program increased to 4.7%. There was an increase of 49 customers participating in the residential Clean Energy Choice program from April to May.

The Board discussed the current business environment.

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



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To: SPU Commissioners

From: Greg Drent, General Manager *GD*

Date: August 1, 2023

Subject: MMPA July 2023 Meeting Update

The public summary of the July 2023 MMPA Board of Directors meeting is below.

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on July 25, 2023, at Buffalo City Hall in Buffalo, Minnesota and via videoconference.

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

Customer penetration for the residential Clean Energy Choice program increased to 4.8%. There was an increase of 73 customers participating in the residential Clean Energy Choice program from May to June.

The Board discussed the current business environment.

Management provided a preliminary projection of MMPA's rates for 2024, which is that there will be no increase in budgeted rates from 2023 to 2024.

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



2023 Annual Meeting

July 25, 2023



Outline

- MMPA Overview and Mission
- Power Supply
- Business Environment
- 2022 Financial Results
- Carbon Free Electricity Law
- Our Plan for the Future
- MMPA's Position



MMPA Member Communities



1. Anoka
2. Arlington
3. Brownton
4. Buffalo
5. Chaska
6. East Grand Forks
7. Elk River
8. Le Sueur
9. North St. Paul
10. Olivia
11. Shakopee
12. Winthrop



MMPA History

- 1992 – MMPA Founded
 - 8 Former Xcel Energy Customers
- 1995 – Began Operations
- 2004 – East Grand Forks & Shakopee Join
- 2004 – Members Extend Contracts to 2040
- 2005 – Buffalo Joins
- 2013 – Elk River Joins
- 2014 – Members Extend Contracts to 2050
- 2022 – Members Extend Contracts to 2060
- 2023 – 43% Renewable Energy

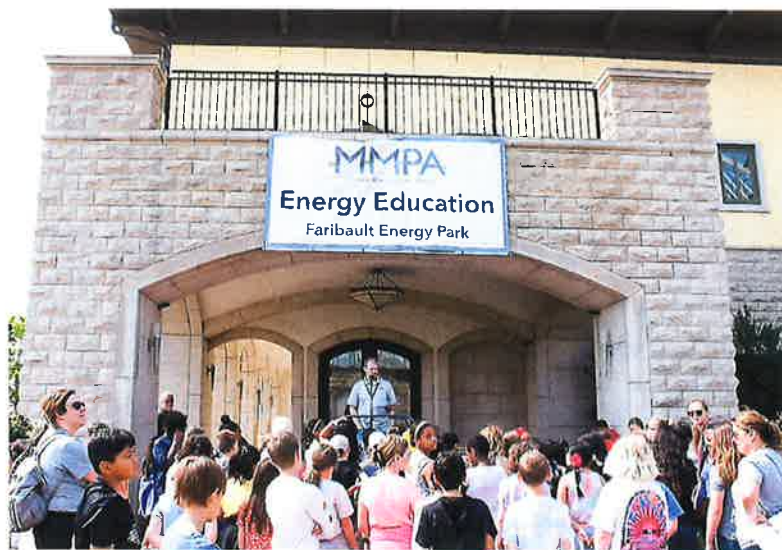


MMPA Mission

- To Provide Power
 - Reliable
 - Competitively-Priced
- To Create Value for MMPA and Its Members

Energy Education Program

- Returned to In-Person Program in 2023
- FEP Tours and In-School Assemblies
- 20,000 Students Reached in Total





MMPA Power Supply

Natural Gas

Reliability

Minnesota River Station	2001
Faribault Energy Park	2005
Shakopee Energy Park	2017

Renewable

Controlling Price

Oak Glen Wind Farm	2011
Hometown BioEnergy	2013
Black Oak Wind Farm	2016
Buffalo Solar	2017
Walleye Wind	2022



Natural Gas Resources

Faribault Energy Park, 300 MW



Minnesota River Station, 49 MW



Shakopee Energy Park, 46 MW





Wind Resources

Oak Glen Wind, 44 MW



Black Oak Wind, 78 MW



Walleye Wind, 109 MW



Other Renewable Resources

Hometown BioEnergy, 8 MW



Buffalo Solar, 7 MW





General Business Environment

- Natural Gas Prices Returned to Normal
- Wholesale Electric Prices Returned to Normal
- Inflation Remains Above Fed Target
- Federal Reserve Board Has Raised Interest Rates



Changes to Business Environment

- New Minnesota Carbon Free Electricity Law
- Direct Pay of Up to 30% of Capital Costs for Renewable Energy Investments



2022 FINANCIAL RESULTS



2022 Net Income

- \$7 Million
- Lower than Previous Years
- Recognized Higher Natural Gas Prices

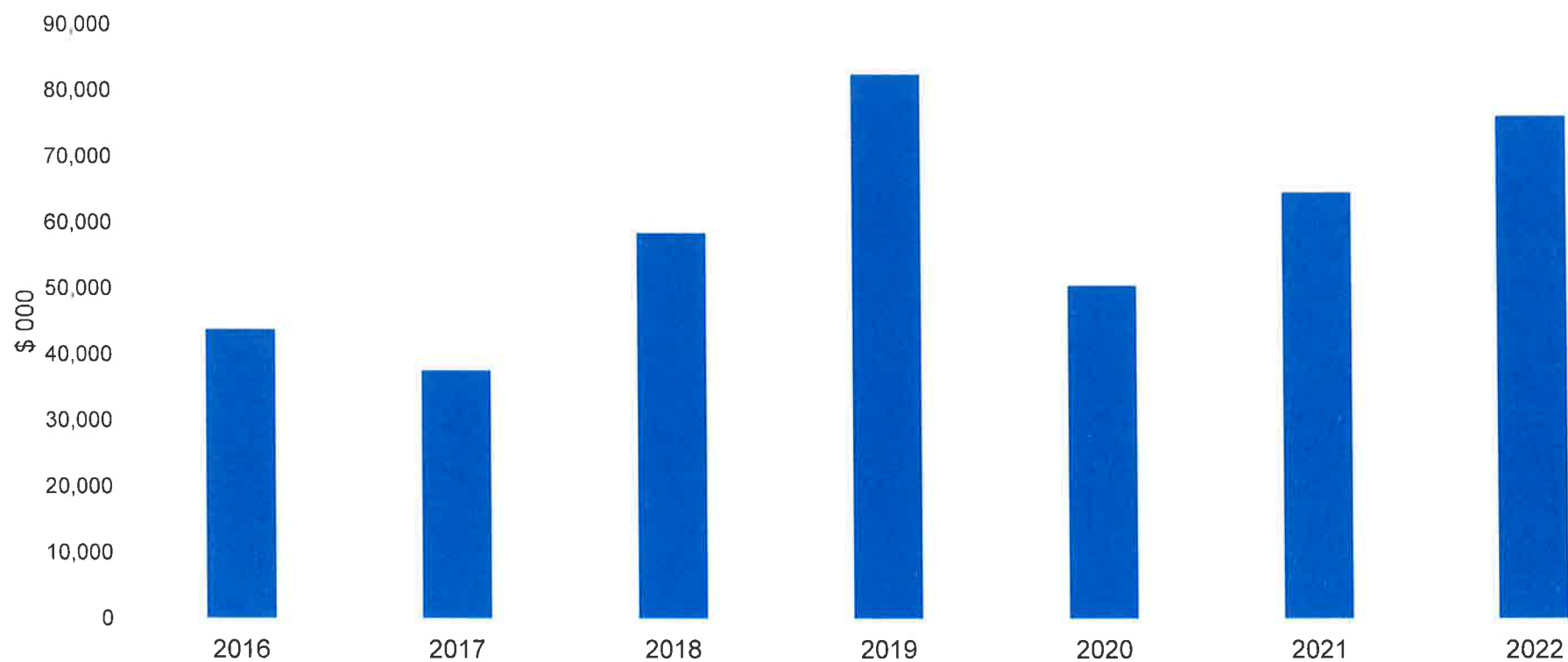


Debt Service Coverage

- 2022 Coverage: 2.07 Times Debt Service
- Bond Documents Require 1.15 Times Coverage



Healthy Cash Position



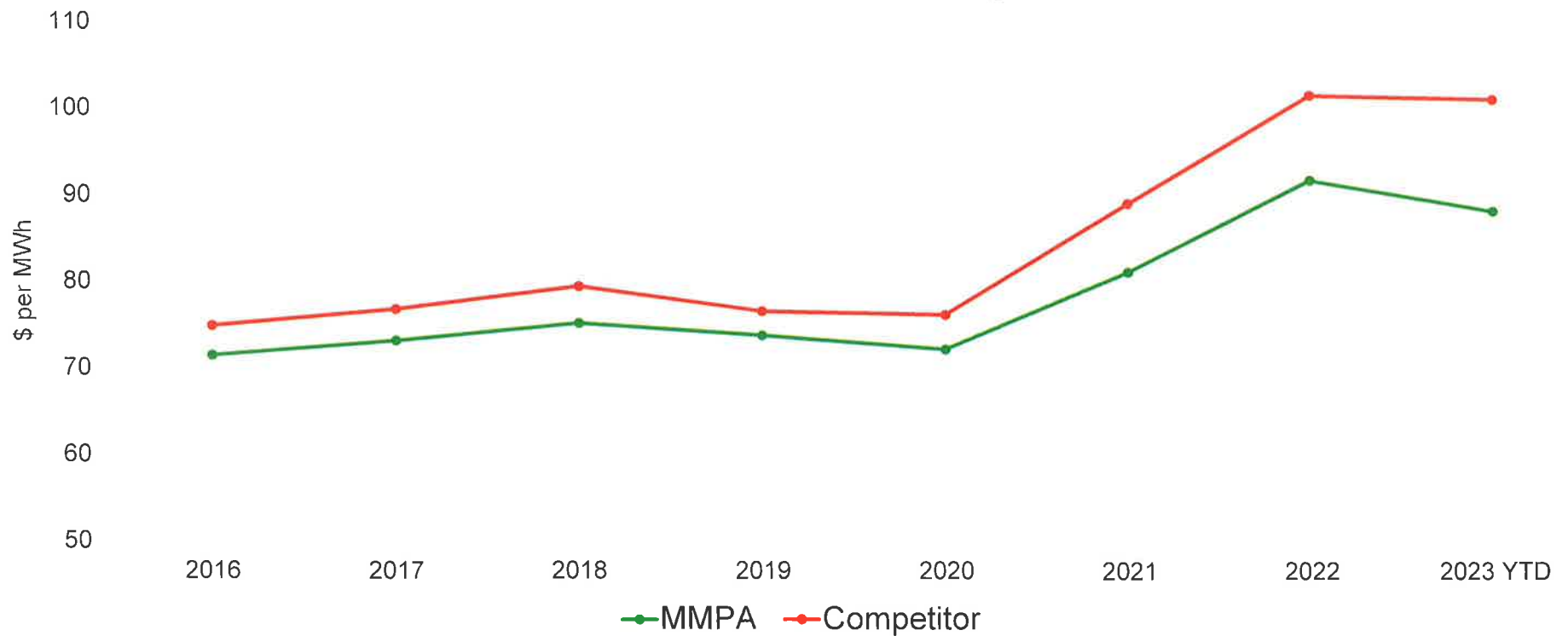


Rating Agency Upgrades

- October 2022 – Fitch Upgraded MMPA from A+ to AA-
- May 2023 – Moody's Upgraded MMPA from A1 to Aa3
- Both Agencies Cited:
 - Strong Financial Performance
 - Strong Member Credit Quality
 - Competitive Rates



Rates Below Competition





FUTURE ELECTRIC GENERATION PLANS

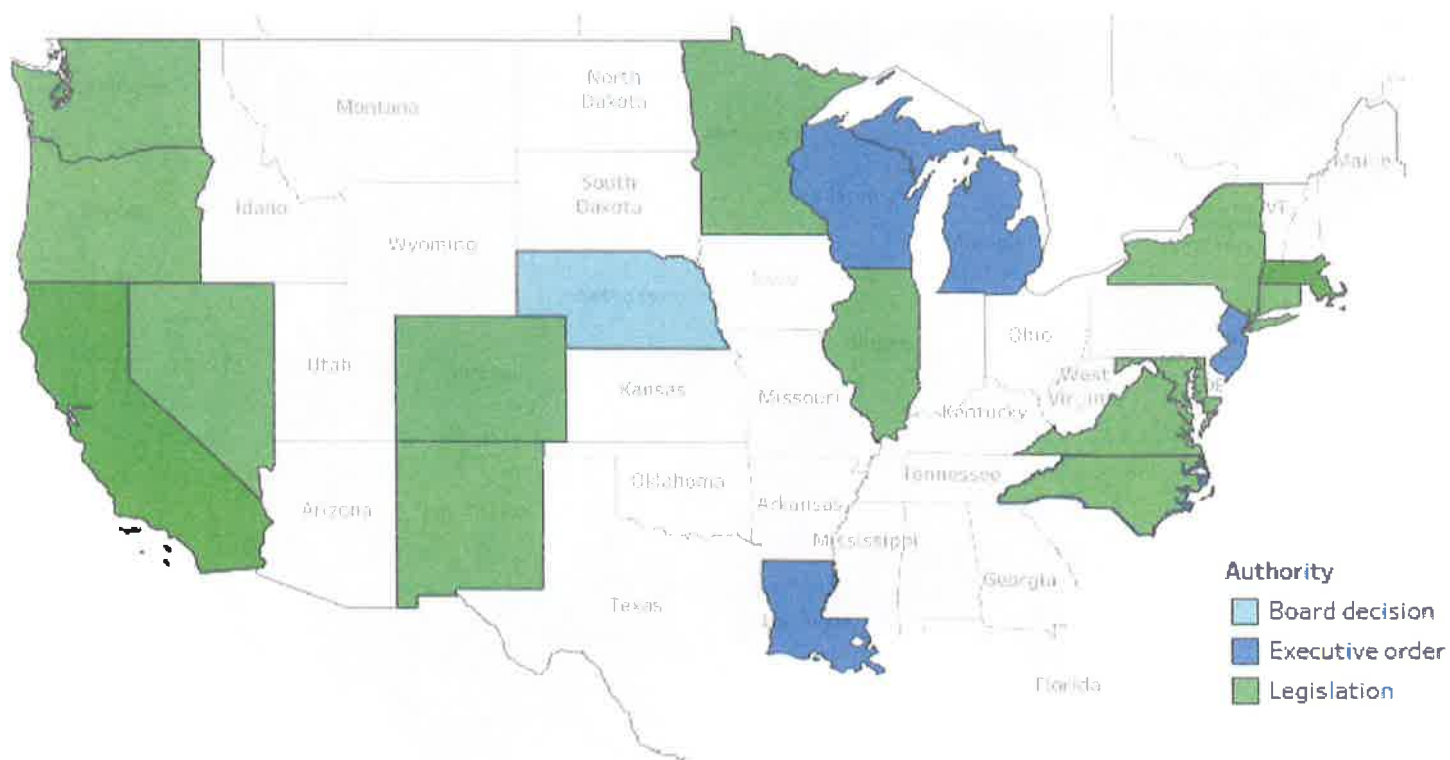


Focus on Carbon Free Electricity

- 14 States Have Carbon Free Laws
- 4 States Have Carbon Free Executive Orders
- 3 Largest Nebraska Utilities Decided to Go Carbon Free



Carbon Free States



Source: Clean Energy States Alliance

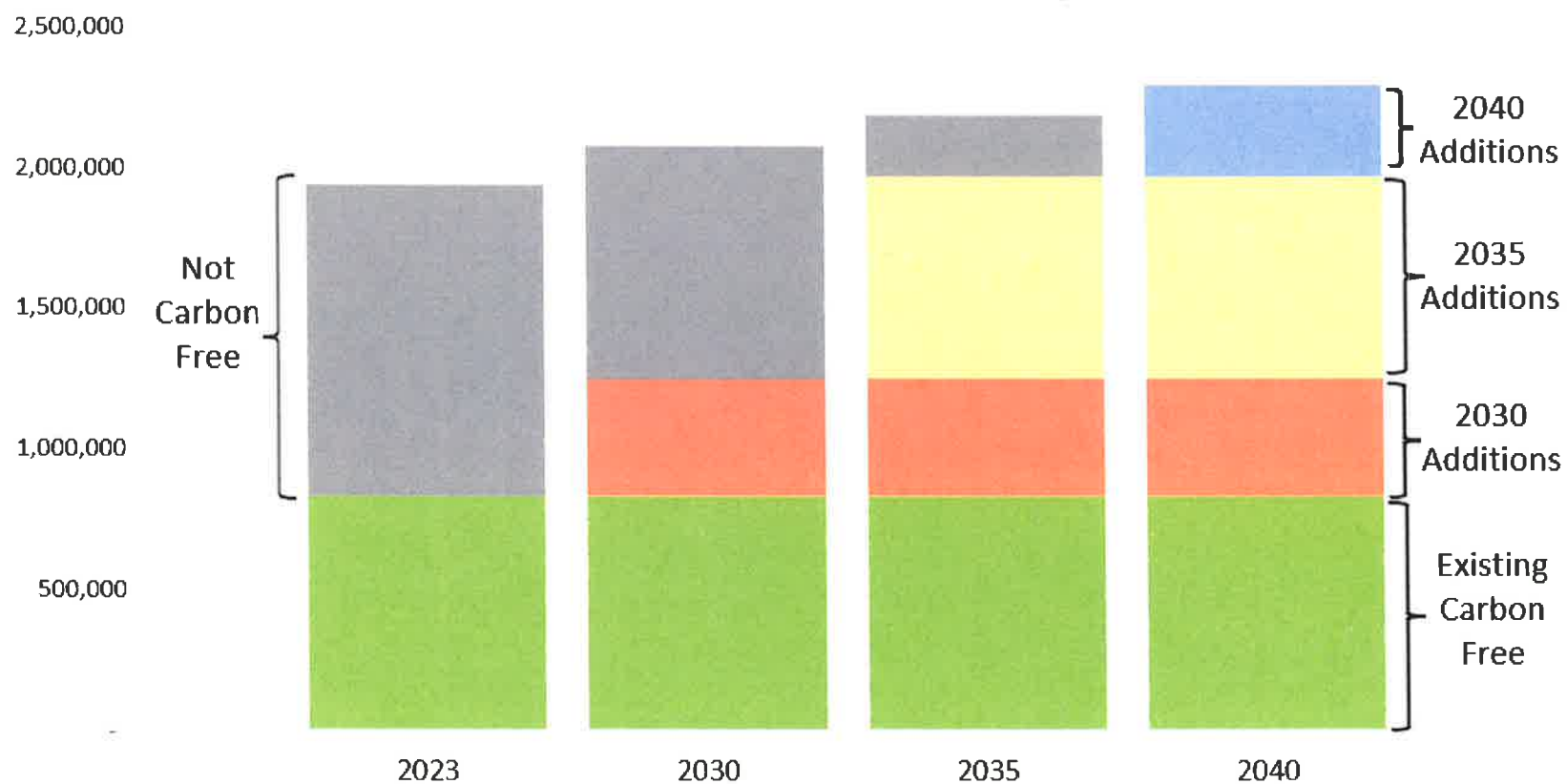


MN Carbon Free Electricity Law

- 60% by 2030
 - 90% by 2035
 - 100% by 2040
-
- We Have 43% Carbon Free Electricity in 2023



Carbon Free Electricity Needs





Our Plan for the Future

- Solar Near Our Members
- Wind Near Our Members
- Operate FEP, SEP, and MRS on Renewable Natural Gas (RNG)



Carbon Free Remote Resources

Oak Glen Wind, 44 MW



Black Oak Wind, 78 MW



Walleye Wind, 109 MW





Carbon Free Local Resources

Hometown BioEnergy, 8 MW



Buffalo Solar, 7 MW





Large-Scale Solar and Wind Sites

- Anoka/Elk River 2 Sites
- Buffalo 0 Sites
- Chaska/Shakopee 5 Sites
- East Grand Forks 4 Sites
- Elk River 1 Site
- Le Sueur 1 Site



Potential Smaller-Scale Solar Sites

- Arlington
- Brownton
- North St. Paul
- Winthrop

Carbon Free RNG Resources

Faribault Energy Park, 300 MW



Minnesota River Station, 49 MW



Shakopee Energy Park, 46 MW





Making Renewable Natural Gas (RNG)

- Completing Hometown BioEnergy Conversion to RNG
- Make RNG from WM Landfill Gas in Elk River
- Develop More RNG Facilities



Benefits of Our Carbon Free Plan

- Continue to Use Our Gas Generation
 - 395 MW of Dispatchable Carbon Free Resources
- Generation Located Close to Members
- Wind and Solar Have Zero Run Cost
 - Replaces Fuel Purchases
- Improves Our Competitive Position



MMPA Position

Short-Term

- No Budgeted Rate Increase for 2024
- Remain 10% Below Competitor's Rates



MMPA Position

Long-Term

- 43% Carbon Free in 2023
- Approach for Future Carbon Free Power Supply
- Future Competitive Rates



the power of your hometown




Proposed As Consent Item

3h

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

DATE: August 1, 2023

TO: Commissioners

FROM: Greg Drent, General Manager 

Subject: Kennedy and Graven Agreement

Background:

SPU has been working with Peter Mikhail with LeVander, Gillen & Miller law firm for SPU's water treatment site acquisition. Peter has moved firms to Kennedy and Graven Chartered. SPU has been pleased with Peter's knowledge and would like to continue to work with him on the site acquisition.

Action:

Approve engagement letter for water treatment site acquisition with Kennedy and Graven Chartered



Offices in
Minneapolis
St. Cloud

Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis, MN 55402
(612) 337-9300 telephone
(612) 337-9310 fax
kennedy-graven.com
Affirmative Action, Equal Opportunity Employer

PETER G. MIKHAIL

Attorney at Law
Direct Dial: (612) 337-9290
Email: pmikhail@kennedy-graven.com

July 31, 2023

VIA EMAIL ONLY

Shakopee Public Utilities Commission
c/o Greg Drent, General Manager
gdrent@shakopeeutilities.com

**Re: Water Treatment Site Acquisition – Mac Equities, LLC Property
Engagement Letter**

Dear Mr. Drent:

Thank you for retaining Kennedy & Graven, Chartered as special counsel for the Shakopee Public Utilities Commission (“SPU”) with respect to the matter described below.

Scope of Representation

The nature of our representation will be to offer the SPU legal advice and assistance with regard to the following project: Water Treatment Site Acquisition – Mac Equities, LLC Property. The scope of our representation will include representation for the voluntary purchase of the site and, if necessary, the use of eminent domain. Eminent domain proceedings include pre-condemnation statutory requirements, pleadings, viewings, appearances before the court and court-appointed commissioners, and if the commissioners’ award is appealed, a civil jury trial. We will also represent the SPU in settlement negotiations and meet with the SPU board as requested. We will coordinate all efforts with SPU’s general counsel and ensure that she remains informed.

Personnel

I will have primary responsibility for this matter. However, other professionals, including other lawyers, paralegals, legal assistants and others may be utilized to provide the most cost-effective expertise appropriate to your needs. We will see that you are kept updated at all stages of this matter.

Fees and Expenses

Kennedy & Graven will charge the SPU the following hourly rates: shareholders – \$240; associates – \$195; paralegals – \$140. Our rates will increase 2.5% effective January 1, 2024, and another 2.5% effective January 1, 2026.

In addition to the fees for our services, the firm may incur expenses related to providing legal services, such as legal research and computer database search fees, courier and mail services, printing, photocopying, etc. These costs will be noted separately on your monthly billing statement, but are to be paid along with the attorney and paralegal fees each month.

Billing and Payment

Bills are due and payable upon receipt. We will provide you with monthly, itemized billing statements showing time expended billed in increments of one-tenth hours.

Termination of Services

If at any time you wish to terminate our services, you may do so by notifying us in writing. Similarly, if the terms of this engagement agreement are not met, we reserve the right to terminate our representation in accordance with the applicable Minnesota rules. However, we will not withdraw our representation without providing you sufficient and timely notice of our intention. Upon termination of our services, you have a right to the return of a copy of your client file. It is your responsibility to notify us if you would like a copy of your client file. However, Kennedy & Graven retains the right to charge a reasonable fee for copy costs related to your request.

Ownership of "the File"

The papers and property that you give to us will be returned to you promptly upon your request. We will see to it that you have copies of all relevant correspondence and originals of final legal documents that are related to our representation of you. Our own files, including notes, drafts, research materials, internal memoranda, and other attorney work product, whether or not created during the course of our representation of you, belong to the firm and will not be subject to copying or delivery to you.

Retention of Documents

Any documents retained by the firm will be transferred to the person responsible for administering our records retention program. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to copy, digitally save, and/or destroy or otherwise dispose of any such documents or other materials retained by us within a reasonable time after the termination of the engagement. Our records retention program will apply to this engagement, plus any engagements undertaken for you for which separate engagement letters are not prepared.

If we retain any original documents, we reserve the right to return them to you by delivering them to your last known address. We will retain either photocopies or electronic copies of originals and file copies for at least five years.

Client Communication

We regularly communicate by email and telephone. We are continually monitoring the security of our network and updating our virus detecting software, however, we cannot guarantee the security of any correspondence sent to us or by us over the Internet. In addition, we may contact you, on occasion, by cellular telephone. Due to the nature of cellular communication, it is not necessarily secure at all times. By signing this letter, you agree to the use of e-mail and occasional cellular telephone calls as possible methods of communication between you and our firm, and accept that we make no guarantees as to the security of the transmissions using these means.

Minnesota Government Data Practices Act

Subject to the Rules of Professional Responsibility, pursuant to Minn. Stat. § 13.05, Subd. 11, Kennedy & Graven, Chartered acknowledges that the data collected, received, stored, used, maintained or disseminated in the performance of this assignment are subject to the requirements of the Minnesota Government Data Practices Act.

Sign and Return Letter

This letter is your fee agreement with our firm. If you find that the terms of this letter correctly express our understanding, please sign and date the bottom of this letter, and return it to our office. Once a signed copy of this letter is received by our office, we can begin work on your case.

We intend to represent the SPU's interests to the best of our abilities and look forward to a successful professional relationship with you. If you have any questions or concerns, please feel free to call our office.

Best Regards,

KENNEDY & GRAVEN, CHARTERED



Peter G. Mikhail

cc: Kaela Brennan (kmb@mcgrannshea.com)

I have read, understand, and am authorized to agree to the foregoing on behalf of the Shakopee Public Utilities Commission.

By: _____
Greg Drent, General Manager

Date: _____

DATE: August 1, 2023
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemssen, Director of Finance & Administration *KW*
SUBJECT: June 2023 Financials Reports

June 2023 electric financial reports equate to 48% of the annual budget.

- YTD electric revenues are up 9% from the prior year. YTD electric revenues are down to budget by 5%.
- For June 2023, the Electric Department Overall is ahead of prior YTD and favorable to budget YTD by \$28K. Additional variance analysis can be found on the Revenue and Expense financial reports included.

June 2023 water financial reports equate to 48% of the annual budget.

- YTD water revenues are up 4% from the prior year. YTD water revenues are down to budget by 14%.
- For June 2023, the Water Department Overall is behind prior YTD and unfavorable to budget YTD by \$255K. 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 06/30/2023.

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	\$ 27,700,357	2,692,573	30,392,930	28,980,980	3,147,644	32,128,624	(1,280,623)	-4.4%	(455,071)	-14.5%	(1,735,694)	-5.4%
OPERATING EXPENSES												
Operation, Customer and Administrative	23,633,262	1,899,178	25,532,440	24,814,543	2,131,732	26,946,276	1,181,281	4.8%	232,554	10.9%	1,413,835	5.2%
Depreciation	1,382,281	958,940	2,341,221	1,510,048	926,204	2,436,252	127,767	8.5%	(32,736)	-3.5%	95,031	3.9%
Total Operating Expenses	25,015,543	2,858,118	27,873,662	26,324,591	3,057,936	29,382,528	1,309,048	5.0%	199,818	6.5%	1,508,866	5.1%
Operating Income	2,684,814	(165,545)	2,519,269	2,656,389	89,708	2,746,097	28,425	1.1%	(255,253)	284.5%	(226,828)	-8.3%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	(9,696)	110,473	100,777	150,970	110,223	261,193	(160,666)	-106.4%	250	0.2%	(160,416)	-61.4%
Interdepartment Rent from Water	45,000	-	45,000	45,000	-	45,000	-	0.0%	-	-	-	0.0%
Investment Income	756,830	503,336	1,260,166	(385,919)	(140,696)	(526,615)	1,142,749	-296.1%	644,032	-457.7%	1,786,781	-339.3%
Interest Expense	(3,194)	116	(3,077)	(3,069)	(57)	(3,126)	(125)	-4.1%	173	305.4%	48	1.5%
Total Non-Operating Revenue (Expense)	788,940	613,926	1,402,866	(193,018)	(30,529)	(223,548)	981,958	-508.7%	644,455	-2110.9%	1,626,413	-727.5%
Income Before Contributions and Transfers	3,473,754	448,381	3,922,134	2,463,371	59,178	2,522,549	1,010,383	41.0%	389,202	657.7%	1,399,585	55.5%
CAPITAL CONTRIBUTIONS	(113,795)	2,166,670	2,052,875	211,121	1,123,031	1,334,152	(324,916)	153.9%	1,043,639	92.9%	718,723	53.9%
MUNICIPAL CONTRIBUTION	(1,779,052)	(198,000)	(1,977,052)	(1,707,588)	(196,728)	(1,904,316)	(71,464)	-4.2%	(1,273)	-0.6%	(72,736)	-3.8%
CHANGE IN NET POSITION	\$ 1,580,907	2,417,051	3,997,957	966,904	985,482	1,952,385	614,003	63.5%	1,431,569	145.3%	2,045,572	104.8%

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	\$ 27,700,357	2,692,573	30,392,930	28,980,980	3,147,644	32,128,624	(1,280,623)	-4.4%	(455,071)	-14.5%	(1,735,694)	-5.4%
OPERATING EXPENSES						-						
Operation, Customer and Administrative	23,633,262	1,899,178	25,532,440	24,814,543	2,131,732	26,946,276	1,181,281	4.8%	232,554	10.9%	1,413,835	5.2%
Depreciation	1,382,281	958,940	2,341,221	1,510,048	926,204	2,436,252	127,767	8.5%	(32,736)	-3.5%	95,031	3.9%
Total Operating Expenses	25,015,543	2,858,118	27,873,662	26,324,591	3,057,936	29,382,528	1,309,048	5.0%	199,818	6.5%	1,508,866	5.1%
Operating Income	2,684,814	(165,545)	2,519,269	2,656,389	89,708	2,746,097	28,425	1.1%	(255,253)	284.5%	(226,828)	-8.3%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	(9,696)	110,473	100,777	150,970	110,223	261,193	(160,666)	-106.4%	250	0.2%	(160,416)	-61.4%
Interdepartment Rent from Water	45,000	-	45,000	45,000	-	45,000	-	0.0%	-	-	-	0.0%
Interest Expense	(3,194)	116	(3,077)	(3,069)	(57)	(3,126)	(125)	-4.1%	173	305.4%	48	1.5%
Total Non-Operating Revenue (Expense)	32,110	110,589	142,699	192,901	110,166	303,067	(160,791)	-83.4%	423	0.4%	(160,368)	-52.9%
Income Before Contributions and Transfers	2,716,924	(54,956)	2,661,968	2,849,290	199,874	3,049,164	(132,366)	-4.6%	(254,830)	-127.5%	(387,196)	-12.7%
CAPITAL CONTRIBUTIONS	(113,795)	2,166,670	2,052,875	211,121	1,123,031	1,334,152	(324,916)	153.9%	1,043,639	92.9%	718,723	53.9%
MUNICIPAL CONTRIBUTION	(1,779,052)	(198,000)	(1,977,052)	(1,707,588)	(196,728)	(1,904,316)	(71,464)	-4.2%	(1,273)	-0.6%	(72,736)	-3.8%
CHANGE IN NET POSITION	\$ 824,077	1,913,715	2,737,791	1,352,823	1,126,177	2,479,000	(528,746)	-39.1%	787,537	69.9%	258,791	10.4%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END JUNE 30, 2023

	YTD Actual 6/30/2023	YTD Budget 6/30/2023	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 9,770,779	10,589,036	(818,256)	92.3
Commercial and Industrial	17,304,515	17,775,410	(470,894)	97.4
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	27,075,295	28,364,446	(1,289,151)	95.5
Forfeited Discounts	152,648	132,088	20,560	115.6
Free service to the City of Shakopee	69,052	69,052	-	100.0
Conservation program	403,362	415,394	(12,033)	97.1
Total Operating Revenues	27,700,357	28,980,980	(1,280,623)	95.6
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	19,813,442	20,602,939	(789,497)	96.2
Distribution operation expenses	332,365	311,962	20,403	106.5
Distribution system maintenance	508,878	415,855	93,023	122.4 (1)
Maintenance of general plant	192,713	215,177	(22,464)	89.6
Total Operation and Maintenance	20,847,398	21,545,933	(698,535)	96.8
Customer Accounts				
Meter Reading	70,004	81,988	(11,985)	85.4
Customer records and collection	329,979	313,353	16,627	105.3
Energy conservation	153,803	428,911	(275,108)	35.9 (2)
Total Customer Accounts	553,786	824,252	(270,466)	67.2
Administrative and General				
Administrative and general salaries	390,173	502,189	(112,016)	77.7 (3)
Office supplies and expense	283,219	255,600	27,618	110.8
Outside services employed	200,889	147,495	53,394	136.2 (4)
Insurance	87,747	64,962	22,785	135.1 (5)
Employee Benefits	1,026,882	1,223,996	(197,115)	83.9
Miscellaneous general	243,169	250,116	(6,947)	97.2
Total Administrative and General	2,232,078	2,444,359	(212,281)	91.3
Total Operation, Customer, & Admin Expenses	23,633,262	24,814,543	(1,181,281)	95.2
Depreciation	1,382,281	1,510,048	127,767	91.5
Total Operating Expenses	\$ 25,015,543	26,324,591	(1,309,048)	95.0
Operating Income	\$ 2,684,814	2,656,389	28,425	101.1

Item	Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.
(1)	Variance due to staff working on maintenance of a main feeder that failed, upgrades, and tree trimming while construction projects were slow.
(2)	Variance due to less conservation expenses than budgeted for through June 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 allocating more per month for prepaid insurance premiums through June 2023 than 2022. Premiums increased for 2023/2024.

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
FOR PERIOD END JUNE 30, 2023

	YTD Actual 6/30/2023	YTD Budget 6/30/2023	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 2,682,772	3,130,600	(447,828)	85.7
Forfeited Discounts	9,802	17,044	(7,243)	57.5
Total Operating Revenues	2,692,573	3,147,644	(455,071)	85.5
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	373,035	298,640	74,395	124.9 (1)
Pumping and distribution maintenance	179,326	273,825	(94,499)	65.5
Power for pumping	175,971	203,097	(27,127)	86.6
Maintenance of general plant	37,646	47,743	(10,097)	78.9
Total Operation and Maintenance	765,977	823,304	(57,327)	93.0
Customer Accounts				
Meter Reading	46,564	41,112	5,452	113.3 (2)
Customer records and collection	98,365	120,236	(21,870)	81.8
Total Customer Accounts	145,309	161,348	(16,039)	90.1
Administrative and General				
Administrative and general salaries	238,461	310,143	(71,682)	76.9
Office supplies and expense	93,989	80,900	13,089	116.2 (3)
Outside services employed	76,122	98,328	(22,207)	77.4
Insurance	27,856	21,654	6,202	128.6 (4)
Employee Benefits	462,206	529,151	(66,945)	87.3
Miscellaneous general	89,257	106,903	(17,646)	83.5
Total Administrative and General	987,891	1,147,080	(159,188)	86.1
Total Operation, Customer, & Admin Expenses	1,899,178	2,131,732	(232,554)	89.1
Depreciation	958,940	926,204	32,736	103.5
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	\$ 2,858,118	3,057,936	(199,818)	93.5
Operating Income	\$ (165,545)	89,708	(255,253)	(184.54)

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

- (1) Variance is due to higher than projected chemical expenses because of higher costs and increased pumpage through June.
- (2) Variance is due to water staff supporting customer service/metering staff with unplanned absences and retirement in the department.
- (3) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (4) Variance due to allocating more per month for prepaid insurance premiums through June 2023 than 2022. Premiums increased for 2023/2024.

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END JUNE 30, 2023

	2023	2022	2022-2023 Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 9,770,779	9,199,812	570,967	106.2
Commercial and Industrial	17,304,515	15,542,719	1,761,796	111.3
Total Sales of Electricity	27,075,295	24,742,531	2,332,764	109.4
Forfeited Discounts	152,648	102,314	50,334	149.2 (1)
Free service to the City of Shakopee	69,052	58,156	10,896	118.7
Conservation program	403,362	369,576	33,786	109.1
Total Operating Revenues	27,700,357	25,272,577	2,427,780	109.6
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	19,813,442	19,758,264	55,178	100.3
Distribution operation expenses	332,365	346,146	(13,781)	96.0
Distribution system maintenance	508,878	419,792	89,086	121.2 (2)
Maintenance of general plant	192,713	207,673	(14,960)	92.8
Total Operation and Maintenance	20,847,398	20,731,873	115,525	100.6
Customer Accounts				
Meter Reading	70,004	65,405	4,599	107.0
Customer records and collection	329,979	377,093	(47,114)	87.5
Energy conservation	153,803	175,845	(22,042)	87.5
Total Customer Accounts	553,786	618,343	(64,557)	89.6
Administrative and General				
Administrative and general salaries	390,173	331,168	59,005	117.8
Office supplies and expense	283,219	122,658	160,561	230.9 (3)
Outside services employed	200,889	170,328	30,561	117.9
Insurance	87,747	70,653	17,094	124.2 (4)
Employee Benefits	1,026,882	926,068	100,814	110.9
Miscellaneous general	243,169	223,065	20,104	109.0
Total Administrative and General	2,232,078	1,843,939	388,139	121.0
Total Operating Expenses	23,633,262	23,194,155	439,107	101.9
Depreciation	1,382,281	1,330,341	51,940	103.9
Total Operating Expenses	\$ 25,015,543	24,524,496	491,047	102.0
Operating Income	\$ 2,684,814	748,079	1,936,735	358.9

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 staff working on maintenance of a main feeder that failed, maintenance of street lighting, and tree trimming.
- (3) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (4) Variance due to allocating more per month for prepaid insurance premiums through May 2023 than 2022.

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
FOR PERIOD END JUNE 30, 2023

	2023	2022	2022-2023 Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Water	2,682,772	2,581,758	101,014	103.9
Forfeited Discounts	9,802	6,757	3,045	145.1 (1)
Total Operating Revenues	2,692,573	2,588,514	104,059	104.0
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	373,035	363,398	9,637	102.7
Pumping and distribution maintenance	179,326	202,257	(22,931)	88.7
Power for pumping	175,971	188,698	(12,728)	93.3
Maintenance of general plant	37,646	33,251	4,395	113.2
Total Operation and Maintenance	765,977	787,604	(21,627)	97.3
Customer Accounts				
Meter Reading	46,564	34,892	11,672	133.5 (2)
Customer records and collection	98,365	117,983	(19,618)	83.4
Energy conservation	380	1,068	(688)	35.6
Total Customer Accounts	145,309	153,943	(8,634)	94.4
Administrative and General				
Administrative and general salaries	238,461	207,250	31,211	115.1
Office supplies and expense	93,989	42,031	51,958	223.6 (3)
Outside services employed	76,122	49,635	26,487	153.4 (4)
Insurance	27,856	20,765	7,091	134.1 (5)
Employee Benefits	462,206	395,236	66,970	116.9
Miscellaneous general	89,257	94,305	(5,048)	94.6
Total Administrative and General	987,891	809,222	178,669	122.1
Total Operating Expenses	1,899,178	1,750,769	148,409	108.5
Depreciation	958,940	877,087	81,853	109.3
Total Operating Expenses	2,858,118	2,627,856	230,262	108.8
Operating Income	\$ (165,545)	(39,341)	(126,204)	420.8

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 June.
- (2) Variance is due to water staff supporting customer service/metering staff with unplanned absences and retirement in the department.
- (3) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (4) Variance due to higher outside service costs related to future water treatment and support from Abdo Financial Services while open positions are filled.
- (5) Variance due to allocating more per month for prepaid insurance premiums through May 2023 than 2022.



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

TO: Greg Drent, General Manager *[Signature]*
 FROM: Lon R. Schemel, Water Superintendent *[Signature]*
 SUBJECT: Pumphouse 23 Bid Award Recommendation
 DATE: July 27, 2023

On July 20, 2023, electronic bids were opened by WSB (our project engineer) for the Pumphouse 23 project located at Tank 8 on Zumbro Avenue. The apparent low bidder is Rice Lake Construction Group in the amount of \$3,543,200.00. Municipal Builders, Inc. was next with a bid of \$3,777,000.00. Magney Construction, Inc. was the high bidder at \$3,952,000.00. The Engineer's Opinion of Cost is \$3,361,610.00. Funding for the project comes from the CIP Connection Fund with an approved amount of \$2,705,000. Additional costs are attributable to the post-pandemic inflation effects.

Costs

Low Bid	\$3,543,200.00
Engineering Costs	\$235,837.75
SPU Labor Estimate	\$7,500.00
4% Contingencies (SPU)	\$141,728.00
Costs Total	\$3,928,265.75

Funding

Connection Fund	\$2,705,000.00
Trunk Fund	\$257,998.00
Funding Total	\$2,962,998.00

CIP Shortfall	\$965,267.75
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The shortfall in the CIP will be requested in the 2024 budget. Using the April 20th, 2023 bid price, the CIP would have been short \$2.2 million dollars. Attached are the bid tabulations and letter of recommendation from WSB.

Action Requested: Staff requests that the Commission award the contract for the construction of Pumphouse 23 to Rice Lake Construction Group in the amount of \$3,543,200.00.

178 E 9TH STREET SUITE 200 SAINT PAUL, MN 55101 651 286 8450 WSBENG.COM



July 20, 2023

Honorable President and Commissioners
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379

Re: Pumphouse 23
Shakopee Public Utilities
WSB Project No. 019777-000

Dear President and Commissioners:

Bids were received for the above-referenced project on Thursday, July 20, 2023, and were opened and read aloud. Three bids were received. The bids were checked for mathematical accuracy. Please find enclosed the bid summary indicating the low bid as submitted by Rice Lake Construction Group, Deerwood, MN in the amount of \$3,543,200.00. The Engineer's Estimate was \$3,361,610.00.

We recommend that the President and Commissioners consider these bids and award a contract in the amount of \$3,543,200.00 to Rice Lake Construction Group based on the results of the bids received.

Sincerely,

WSB

A handwritten signature in black ink, appearing to read "Ray Theiler".

Ray Theiler, PE
Project Manager

Attachments

cc: Lon Schemel, SPU

kkp

BID TABULATION SUMMARY

PROJECT:
Pumphouse 23

OWNER:
Shakopee Public Utilities

WSB PROJECT NO.:
019777-000

Bids Opened: Thursday, July 20, 2023, at 11:00 am

Contractor	Bid Security (5%)	Grand Total Bid
1 Rice Lake Construction Group	x	\$3,543,200.00
2 Municipal Builders, Inc.	x	\$3,777,000.00
3 Magney Construction, Inc.	x	\$3,952,000.00
Engineer's Opinion of Cost		\$3,361,610.00

I hereby certify that this is a true and correct tabulation of the bids as received on July 20, 2023.


Ray Theiler, Project Manager

 Denotes corrected figure

Bid Tabulation

Pumphouse 23 (#8551125)

Owner: Shakopee Public Utilities

Solicitor: WSB

07/20/2023 11:00 AM CDT

DENOTES CORRECTED FIGURE



Line Item		Item Description	Units	Quantity	Unit Price	Engineer Estimate Extension	Rice Lake Construction Grp Unit Price	Extension	Municipal Builders, Inc. Unit Price	Extension	Magney Construction, Inc. Unit Price	Extension
SCHEDULE A-ALL WORK NOT INCLUDED IN SCHEDULES B-I												
1		ALL WORK NOT INCLUDED IN BID SCHEDULES B-I, AS REQUIRED TO ACHIEVE SUBSTANTIAL COMPLETION AND FINAL COMPLETION.	LUMP SUM	1	\$ 155,000.00	\$ 155,000.00	\$184,542.00	\$184,542.00	\$368,299.00	\$368,299.00	\$130,405.00	\$130,405.00
SCHEDULE B-WATERMAIN SITE WORK (SECTION 33 11 00)												
2		6" GATE VALVE & BOX	EACH	4	\$ 3,000.00	\$ 12,000.00	\$2,800.00	\$11,200.00	\$2,650.00	\$10,600.00	\$2,640.00	\$10,560.00
3		8" GATE VALVE & BOX	EACH	1	\$ 3,500.00	\$ 3,500.00	\$3,500.00	\$3,500.00	\$3,450.00	\$3,450.00	\$3,600.00	\$3,600.00
4		12" GATE VALVE & BOX	EACH	1	\$ 6,000.00	\$ 6,000.00	\$5,800.00	\$5,800.00	\$6,150.00	\$6,150.00	\$6,100.00	\$6,100.00
5		16" GATE VALVE & BOX	EACH	1	\$ 14,500.00	\$ 14,500.00	\$14,500.00	\$14,500.00	\$13,275.00	\$13,275.00	\$13,700.00	\$13,700.00
6		6" HYDRANT	EACH	3	\$ 7,000.00	\$ 21,000.00	\$7,000.00	\$21,000.00	\$6,700.00	\$20,100.00	\$7,500.00	\$22,500.00
7		6" WATERMAIN DUCTILE IRON CL 52	L F	36	\$ 100.00	\$ 3,600.00	\$95.00	\$3,420.00	\$140.00	\$5,040.00	\$102.00	\$3,672.00
8		10" WATERMAIN DUCTILE IRON CL 52	L F	838	\$ 120.00	\$ 100,560.00	\$115.00	\$96,370.00	\$98.00	\$82,124.00	\$122.00	\$102,236.00
9		12" WATERMAIN DUCTILE IRON CL 52	L F	156	\$ 135.00	\$ 21,060.00	\$135.00	\$21,060.00	\$144.00	\$22,464.00	\$113.00	\$17,628.00
10		16" WATERMAIN DUCTILE IRON CL 52	L F	140	\$ 175.00	\$ 24,500.00	\$175.00	\$24,500.00	\$185.00	\$25,900.00	\$190.00	\$26,600.00
11		1" TYPE K COPPER PIPE	L F	76	\$ 40.00	\$ 3,040.00	\$45.00	\$3,420.00	\$80.00	\$6,080.00	\$44.00	\$3,344.00
12		1" CURB STOP	EACH	1	\$ 1,000.00	\$ 1,000.00	\$800.00	\$800.00	\$375.00	\$375.00	\$850.00	\$850.00
13		CONNECT TO EXISTING WATERMAIN	EACH	3	\$ 6,000.00	\$ 18,000.00	\$6,700.00	\$20,100.00	\$4,925.00	\$14,775.00	\$7,000.00	\$21,000.00
14		REMOVE HYDRANT	EACH	1	\$ 1,050.00	\$ 1,050.00	\$1,050.00	\$1,050.00	\$1,950.00	\$1,950.00	\$1,200.00	\$1,200.00
15		REMOVE GATE VALVE & BOX	EACH	1	\$ 1,850.00	\$ 1,850.00	\$1,850.00	\$1,850.00	\$860.00	\$860.00	\$200.00	\$200.00
16		10" 45 DEG BEND	EACH	9	\$ 500.00	\$ 4,500.00	\$750.00	\$6,750.00	\$1,350.00	\$12,150.00	\$1,320.00	\$11,880.00
17		12" 45 DEG BEND	EACH	2	\$ 750.00	\$ 1,500.00	\$1,020.00	\$2,040.00	\$1,700.00	\$3,400.00	\$1,760.00	\$3,520.00
18		16" 45 DEG BEND	EACH	2	\$ 1,750.00	\$ 3,500.00	\$2,100.00	\$4,200.00	\$2,685.00	\$5,370.00	\$2,900.00	\$5,800.00
19		8"X6" TEE	EACH	1	\$ 750.00	\$ 750.00	\$750.00	\$750.00	\$1,325.00	\$1,325.00	\$1,200.00	\$1,200.00
20		12"X12" TEE	EACH	2	\$ 1,500.00	\$ 3,000.00	\$1,689.00	\$3,378.00	\$2,285.00	\$4,570.00	\$2,500.00	\$5,000.00
21		16"X16" TEE	EACH	1	\$ 5,000.00	\$ 5,000.00	\$4,560.00	\$4,560.00	\$4,315.00	\$4,315.00	\$5,300.00	\$5,300.00
22		16"X6" TEE	EACH	1	\$ 3,000.00	\$ 3,000.00	\$2,850.00	\$2,850.00	\$3,000.00	\$3,000.00	\$3,300.00	\$3,300.00
23		10"X6" REDUCER	EACH	1	\$ 750.00	\$ 750.00	\$750.00	\$750.00	\$1,150.00	\$1,150.00	\$840.00	\$840.00
24		10"X8" REDUCER	EACH	1	\$ 850.00	\$ 850.00	\$850.00	\$850.00	\$1,200.00	\$1,200.00	\$1,000.00	\$1,000.00
25		12"X6" REDUCER	EACH	1	\$ 1,000.00	\$ 1,000.00	\$1,050.00	\$1,050.00	\$1,365.00	\$1,365.00	\$1,200.00	\$1,200.00
26		10" PLUG	EACH	2	\$ 500.00	\$ 1,000.00	\$750.00	\$1,500.00	\$1,025.00	\$2,050.00	\$700.00	\$1,400.00
27		12" PLUG	EACH	1	\$ 650.00	\$ 650.00	\$750.00	\$750.00	\$1,100.00	\$1,100.00	\$800.00	\$800.00
SCHEDULE C-SITework (EXCLUDING SECTION 33 11 00)												
28		DIVISION 31 & SECTIONS 32 10 00, 32 18 20, 32 92 00, 33 01 20, 33 05 50, 33 31 00	LUMP SUM	1	\$ 250,000.00	\$ 250,000.00	\$229,585.00	\$229,585.00	\$428,000.00	\$428,000.00	\$610,000.00	\$610,000.00
SCHEDULE D-PROCESS AND CHEMICAL FEED												
29		DIVISION 40, 43, AND 44	LUMP SUM	1	\$ 650,000.00	\$ 650,000.00	\$620,000.00	\$620,000.00	\$566,000.00	\$566,000.00	\$610,000.00	\$610,000.00
SCHEDULE E-ARCHITECTURAL & STRUCTURAL												
30		DIVISIONS 3, 4, 5, 6, 7, 8, AND 10	LUMP SUM	1	\$ 850,000.00	\$ 850,000.00	\$900,000.00	\$900,000.00	\$972,000.00	\$972,000.00	\$965,000.00	\$965,000.00
SCHEDULE F-COATINGS												
31		DIVISION 9	LUMP SUM	1	\$ 60,000.00	\$ 60,000.00	\$70,000.00	\$70,000.00	\$58,000.00	\$58,000.00	\$64,000.00	\$64,000.00
SCHEDULE G-MECHANICAL												
32		DIVISIONS 21, 22, AND 23	LUMP SUM	1	\$ 275,000.00	\$ 275,000.00	\$350,000.00	\$350,000.00	\$258,000.00	\$258,000.00	\$340,000.00	\$340,000.00
SCHEDULE H - ELECTRICAL												
33		DIVISIONS 26	LUMP SUM	1	\$ 830,000.00	\$ 830,000.00	\$900,000.00	\$900,000.00	\$821,000.00	\$821,000.00	\$903,000.00	\$903,000.00

Bid Tabulation

Pumphouse 23 (#8551125)

Owner: Shakopee Public Utilities

Solicitor: WSB

07/20/2023 11:00 AM CDT

DENOTES CORRECTED FIGURE

wsb

RENOTES CORRECTED FIGURE											
Line Item	Item Description	Units	Quantity	Engineer Estimate		Rice Lake Construction Grp		Municipal Builders, Inc.		Magney Construction, Inc.	
				Unit Price	Extension	Unit Price	Extension	Unit Price	Extension	Unit Price	Extension
SCHEDULE I-PLANTINGS (SECTIONS 32 93 00 AND APPENDIX E)											
34	CELTIS OCCIDENTALIS / COMMON HACKBERRY - 2.5" CAL B&B	TREE	3	\$ 500.00	\$ 1,500.00	\$475.00	\$1,425.00	\$730.00	\$2,190.00	\$800.00	\$2,400.00
35	GYMNOCLADUS DIOICA 'ESPRESSO' / KENTUCKY COFFEETREE - 2.5" B&B	TREE	3	\$ 500.00	\$ 1,500.00	\$475.00	\$1,425.00	\$741.00	\$2,223.00	\$815.00	\$2,445.00
36	QUERCUS BICOLOR / SWAMP WHITE OAK - 2.5" CAL B&B	TREE	9	\$ 500.00	\$ 4,500.00	\$475.00	\$4,275.00	\$769.00	\$6,921.00	\$845.00	\$7,605.00
37	PICEA ABIES / NORWAY SPRUCE - 6 FOOT B&B	TREE	10	\$ 400.00	\$ 4,000.00	\$350.00	\$3,500.00	\$683.00	\$6,830.00	\$750.00	\$7,500.00
38	PICEA GLAUCA DENSATA / BLACK HILLS SPRUCE - 6 FOOT B&B	TREE	14	\$ 400.00	\$ 5,600.00	\$350.00	\$4,900.00	\$683.00	\$9,562.00	\$750.00	\$10,500.00
39	PINUS STROBUS / WHITE PINE - 6 FOOT B&B	TREE	4	\$ 350.00	\$ 1,400.00	\$350.00	\$1,400.00	\$677.00	\$2,708.00	\$745.00	\$2,980.00
40	MN 25-142 / AGRICULTURE MIX - MOWABLE	S F	50000	\$ 0.25	\$ 12,500.00	\$0.22	\$11,000.00	\$0.30	\$15,000.00	\$0.30	\$15,000.00
41	PICEA ABIES / NORWAY SPRUCE - 6 FOOT B&B	TREE	3	\$ 400.00	\$ 1,200.00	\$350.00	\$1,050.00	\$683.00	\$2,049.00	\$750.00	\$2,250.00
42	PICEA GLAUCA DENSATA / BLACK HILLS SPRUCE - 6 FOOT B&B	TREE	3	\$ 400.00	\$ 1,200.00	\$350.00	\$1,050.00	\$683.00	\$2,049.00	\$750.00	\$2,250.00
43	PINUS STROBUS / WHITE PINE - 6 FOOT B&B	TREE	3	\$ 350.00	\$ 1,050.00	\$350.00	\$1,050.00	\$677.00	\$2,031.00	\$745.00	\$2,235.00
BASE BID TOTAL					\$3,361,610.00		\$3,543,200.00		\$3,777,000.00		\$3,952,000.00

I hereby certify that this is an exact reproduction of bids received.

Certified by: Rog TL

License No. 57772

Date: July 20, 2023



PO Box 470 • 255 Sarazin Street
 Shakopee, Minnesota 55379
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 www.shakopeeutilities.com

TO: Greg Drent, General Manager *gld*
 FROM: Joseph D. Adams, Planning & Engineering Director
 SUBJECT: Water Capacity Charges (WCC) Payment Agreements
 DATE: August 2, 2023

Joseph D Adams

ITEM

Staff is seeking direction from the Utilities Commission regarding what recourse to seek when the payments due under a WCC Payment Agreement are not made in a timely manner.

BACKGROUND

In response to requests from the development community to create an alternative to simply paying the full WCC due when a new or expanded water use was identified, staff developed a WCC Payment Agreement template (see attached example). This request was made to lighten the developer's cash flow burden on a new project. The WCC Payment Agreement is to be recorded on the property deed and is due in full at time of sale.

The standard terms of the agreements provide for four equal payments over three years with no interest. In the event of non-payment or missed payments the agreement provides for the utility to treat WCC non-payment the same as regular utility usage billings not being paid. That would mean the account would be subject to being disconnected and prior to restoring service the WCC payment would have to be made. As a last resort the amount due could be submitted to the city council with a request to have it certified on the property taxes of the parcel.

DISCUSSION

The WCC Payment Agreements have been completed in most cases without any issues. However, we do have some situations that cause us to question if some other form of security is warranted.

When initially conceived, the WCC Agreement was structured to be between the utility and the property owner. The terms work well when the property owner is also the utility customer and the property occupant. They do not work as well when the property is leased, and the property owner is not necessarily the utility customer or is not the property occupant. Staff believes it to be unfair to



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residents and unrealistic to remedy nonpayment by shutting off water service to an apartment building when the building owner is responsible for the payments for example.

Comparing the security received from a Large Power user when the utility requires financial security for the minimum demand charge in the form of cash, a letter of credit or a bond the "security" presently in the WCC Payment Agreement may not be as readily accessed.

REQUESTED ACTION

Staff is requesting the Utilities Commission discuss the current WCC Payment Agreement terms and specifically the recourse the utility has under the agreement when nonpayment occurs and provide direction if they wish to make any modifications.

Water Capacity Charge Agreement

This Water Capacity Charge Agreement (WCC) is entered into this _____ day of _____, 20____ by _____ ("Owner") and the SHAKOPEE PUBLIC UTILITIES, a municipal utility commission organized under Minnesota law ("SPU").

Recitals

A. Owner is the fee owner of certain real estate (the "Property") in Scott County, Minnesota described as follows:

XXXXXXXXXXXXXXXXXXXXXXX

B. In furtherance of a private construction/re-modeling project and the Owner's desire to increase water usage from the municipal water system, as determined in the Met Council's SAC Unit Determination letter dated xxxx, the SPU and Owner desire to enter into an agreement for payment of the Owner's current WCC to SPU for the Property.

To assist Owner, the SPU agrees to accept the WCC and the Owner agrees to pay the WCC for the Property over a three-year period in 4 equal installments beginning with the issuance of a building permit in xxxx and continuing with xxxxx through xxxx SPU utility billings. The WCC shall be invoiced in full for the determined amount with payment installments listed by due date. This is in addition to the monthly utility bill for the Property and shall be due and payable the same as the other utility services. The non-payment of the WCC installment shall be treated the same as the monthly utility bill per utility policy for collection and enforcement purposes, i.e., failure to make monthly payments will result in Property's utility service being disconnected. If utility service is disconnected, the total amount due, plus a reconnection fee will be required to resume service. The ONLY forms of payment at time of reconnection will be cash, check or money order.

Owner agrees the WCC installment payments shall be paid by the due date, or a penalty of 5% will be added to the unpaid balance.

Both parties agree that should Property be sold prior to the completion of the WCC payments the remaining WCC balance shall be immediately due and payable.

This agreement shall be filed with Scott County Recorder, it shall be binding on heirs' successors and assigns and shall continue in force until terminated by mutual agreement between Owner and SPUC.

OWNER

By: _____

By: _____

Its: _____

Its: _____

STATE OF MINNESOTA } ss.

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____ the _____ of xxxxxxxxxxxxxxxxx.

Notary Public

SHAKOPEE PUBLIC UTILITIES

By: _____
Its: General Manager

STATE OF MINNESOTA } ss.

COUNTY OF SCOTT

The foregoing instrument was acknowledged before me this _____ day of _____,
20____ by _____ the _____ of the Shakopee Public
Utilities, a municipal utility commission under the laws of Minnesota, by and on behalf of said utility
commission.

Notary Public

XXXX

- per Agreement commencing **XXXX**

Invoice Date	Period	Due date	Amount of Invoice	Running total of amount Paid	Description
	Per Agreement				1 of 4
	1				2 of 4
	2				3 of 4
	3				4 of 4

Drafted By
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379



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 Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

TO: Greg Drent, General Manager *gld*
 FROM: Joseph D. Adams, Planning & Engineering Director
 SUBJECT: Equivalent Lateral Water Main Charges
 DATE: August 1, 2023

Joseph D Adams

ISSUE

Staff is submitting two resolutions that modify the ELWM policy for the Commission's consideration.

BACKGROUND

The past several weeks included much discussion of the best way forward to apply the policy for past and future projects.

At their July 10, 2023, meeting the Commission determined the indexing of ELWM charges shall be based on the Construction Cost Index published by the Engineering News Record. And that no interest would be added for past projects until after August 1, 2023. Further, for past projects the applicable interest would be waived on payments of the ELWM charges for past projects for amounts paid by December 31, 2025.

For properties affected by past projects that have had resolutions declaring the applicable ELWM charges recorded on the property deed, a new document will be recorded emphasizing that the ELWM fees are not due until water service commences. When the ELWM fees have been paid in full a new document will be recorded stating as such. SPU will maintain a schedule of ELWM fees and update them annually for the inflation index on all past and future projects.

DISCUSSION

Property owners affected by the two projects e.g., CR 79 (Hillwood Estates) and Jennifer Lane/Wood Duck Trail have had an opportunity to review the draft language of the attached document clarifying the



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ELWM charges are not due until water service commences. One email response was submitted and included under communications and the Commission may want to discuss its content.

Additionally, another property owner provided verbal comments to staff seeking additional statements regarding the delay when interest would begin and the waiving of interest if payments were received by a certain date in the future. Staff believes those verbal concerns have been addressed in the resolutions.

REQUESTED ACTION

Staff recommends the Utilities Commission adopt the resolutions as is or direct staff to modify them. Staff also recommends the Utilities Commission approve the additional document to be recorded on the affected properties from past projects.

SHAKOPEE PUBLIC UTILITIES COMMISSION
NOTICE REGARDING EQUIVALENT
LATERAL WATERMAIN CONNECTION CHARGE

WHEREAS, in the ordinary course of business of providing water utility services to its customers, Shakopee Public Utilities (“SPU”) constructs and extends water mains according to its design criteria and requirements; and

WHEREAS, the Shakopee Public Utilities Commission (the “Commission”) previously adopted and recorded Resolution _____, as Document _____ (the “Resolution”) against the real property described in Exhibit A attached hereto; and

WHEREAS, the Commission wishes, in the interest of clarity and transparency, to provide this Notice regarding the imposition and rate for the equivalent lateral watermain connection charge contemplated by the Resolution (the “Charge”).

NOW, THEREFORE, NOTICE IS HEREBY GIVEN THAT:

1. The Charge contemplated by the Resolution is only due if and when SPU water service is connected to the applicable property (with all SPU standard requirements to receive water service).
2. The Charge, including any applicable interest, shall be set forth on the SPU Fee Schedule, posted on the SPU website (<https://shakopeeutilities.com/>), as amended from time to time.

This Notice was approved in the regular session of the Shakopee Public Utilities Commission, this ____ day of _____, 202__.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

EXHIBIT A

Description of Property

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 Krieg

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION #2023-20

A RESOLUTION MODIFYING THE EQUIVALENT LATERAL WATER MAIN
CONNECTION CHARGES FOR CERTAIN PROJECTS

WHEREAS, on August 1, 2005, the Shakopee Public Utilities Commission adopted Resolution #815, which established a connection charge for the equivalent lateral water main portion of a trunk water main project under Minnesota Statutes, Chapter 444 (the “Charges”).

WHEREAS, on August 7, 2006, the Commission adopted Resolution #851, which approved a connection charge for the equivalent lateral water main portion of the trunk water main project for the County Road 79 watermain extension along Hillwood Estates south of Westchester Estates to Hillwood Drive. On March 19, 2018, the Commission adopted Resolution #1190, which approved a connection charge for the equivalent lateral water main portion of the trunk water main project for the Jennifer Lane watermain extension from Valley Creek Crossing Second Addition to Wood Duck Trail. These two projects (the “Projects”) were some of the initial applications of the Charges.

WHEREAS, although Resolution #815 referenced an index for the Charges, it did not specify the index; the Commission later established the index by Resolution 2023-02 adopted on January 3, 2023. The Commission modified Resolution 2023-02 by Resolution 2023-19.

WHEREAS, the Commission has considered the unusual circumstances of the Projects, including the passage of time between establishing the Charges and the determination of the interest index, input provided by property owners affected by the Charges for the Projects, as well as balancing the interests of all past, present, and future water customers.

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

1. Interest on the Charges related to the Projects is waived through August 1, 2023.
2. If the Charges for a property included in the Projects is paid in full by December 31, 2025, then the Commission shall waive the interest associated with the Charges. If partial payment is received for a property included in the Projects by December 31, 2025, then interest shall be waived only for that portion of the Charges so paid.
3. For the properties affected by the Projects, the Commission approves the Notice Regarding Equivalent Lateral Watermain Connection Charge, subject to such changes recommended by the General Manager, for recording on the properties. If a property owner affected by the Projects provides written notice to SPU by September 30, 2023 requesting no recording, then SPU shall not record the Notice on that property.
4. The President or General Manager of the Commission is authorized, empowered, and directed to do all other acts and things as are deemed necessary or desirable in their discretion to effectuate the terms of this resolution.

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

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

MCGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

MEMORANDUM

To: Shakopee Public Utilities Commissioners

From: Kaela Brennan

Date: August 2, 2023

Re: General Manager Amended and Restated Employment Agreement

Background

As you know, the Employment Agreement with General Manager Greg Drent, approved in July 2021, contained a two-year term. I have worked with President Krieg and Vice President Letourneau, the informal working group assisting with budget and salary items, and Mr. Drent to prepare the enclosed draft Amended and Restated Employment Agreement, subject to review and approval by the Commission.

Some changes to note, in particular, include:

1. Statutory Change. References to the salary cap (Minn. Stat. § 43A.17) have been removed, as that provision was repealed effective May 25, 2023.
2. Employee Handbook. Items covered by the SPU Employee Handbook are not separately addressed in this agreement.
3. Term. The proposed term is five years, with one-year automatic renewals unless 90-day notice is provided before the end of the term.
4. Compensation. Salary provisions are consistent with the Commission's approved 2023 salary for the General Manager.
5. Job Description. The draft includes a job description as Exhibit A, which is a new document created with assistance from Debra Englund as part of the evaluation of staff job descriptions.

Please feel free to contact me if you have any questions (kmb@mcgrannshea.com).

Recommendation

The Commission review and, if acceptable, approve the General Manager Amended and Restated Employment Agreement as presented.

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the "Agreement"), is dated as of _____, 2023 (the "Effective Date") between the Shakopee Public Utilities Commission (the "Commission") and Greg Drent.

RECITALS

WHEREAS, the Commission entered an Employment Agreement dated July 6, 2021, as amended by Commission action dated November 7, 2022 (the "2021 Agreement") to retain the services of a general manager of Shakopee Public Utilities ("SPU") with Mr. Drent ("General Manager"); and

WHEREAS, the Commission and the General Manager have, at arm's length, negotiated certain terms and conditions regarding the General Manager's employment by the Commission and SPU and the parties desire to enter into this Agreement, which supersedes and replaces the 2021 Agreement in its entirety.

NOW, THEREFORE, in consideration of the foregoing premises and the respective agreements of the Commission and the General Manager set forth below, the Commission and the General Manager intending to be legally bound, agree as follows:

1. Employment. Subject to all terms and conditions hereof, the Commission hereby employs the General Manager and the General Manager shall serve the Commission and perform professional services for the Commission.
2. Position and Duties.
 - a. Position. During the term of the Agreement, the General Manager shall serve as the General Manager of SPU and shall perform such duties and responsibilities encompassed in a job description, and such duties and responsibilities as the Commission may assign from time to time. This job description is attached as Exhibit A.
 - b. Performance of Duties and Responsibilities. The General Manager shall serve the Commission faithfully and to the best of his ability and shall devote his full time, attention, and efforts to the business of the Commission during his employment. The General Manager shall report to the Commission. During this Agreement, the General Manager shall not accept other employment or engage in other material business activity, except as approved in writing by the Commission.
3. Term. The General Manager is an employee at will who serves at the pleasure of the Commission. Notwithstanding this employment status, and subject to the provisions for termination as hereinafter provided, the term of this Agreement shall begin on the Effective Date, and shall terminate five years thereafter, on the fifth anniversary of the Effective Date. Thereafter, this Agreement shall automatically renew for additional one-

year periods, absent written cancellation notice to the General Manager given not less than 90 days before the end of the contract period or any renewal period.

4. Compensation. While the General Manager is employed by the Commission hereunder, the Commission shall pay the General Manager an annual base salary of \$184,402 for the period January 1, 2023 through December 31, 2023, less deductions and withholdings. The salary shall be paid in accordance with the Commission's normal payroll policies and procedures. Each year of the General Manager's employment hereunder, as part of the annual budget process, the Commission shall review and may adjust the General Manager's salary in its sole discretion, effective January 1st of the applicable budget year.

5. Employment Benefits. Except as otherwise specified in this Agreement, the General Manager shall receive employee benefits provided in the SPU Employee Handbook, including, but not limited to individual or dependent health care insurance, individual or dependent dental insurance, worker's compensation insurance, disability insurance, life insurance, retirement, deferred compensation 457(b), paid holidays, vacation, and sick leave, as defined and regulated in the Employee Handbook, as may be amended from time to time by the Commission.

6. Automobile. While the General Manager is employed hereunder, he may choose between the following options as to automobile expenses:

(a) payment of \$500 per month as an automobile allowance for the use of the General Manager's privately-owned automobile; or

(b) use of an SPU-owned vehicle made available for staff use, provided that only the General Manager (and not family members) drives the vehicle, that the General Manager keeps accurate records of business and personal use of the vehicle, that any required income to the General Manager for personal use of the vehicle is determined according to IRS guidance, and that the General Manager follows applicable Commission policies and procedures concerning authorized use of SPU-owned vehicles.

The General Manager shall provide written notice of his selection of these options and follow all reporting requirements.

7. Classification. The position of General Manager is classified as exempt and reports to the Commission.

8. Performance Review. The General Manager shall receive an annual performance review.

9. Working Facilities; Equipment. The General Manager shall be furnished with an office, computer, cell phone, and such other facilities and services suitable to the General Manager's position and adequate for the performance of the General Manager's duties. The General Manager's use of this equipment shall be primarily for work-related

purposes, and shall follow SPU computer and technology use policies. The General Manager shall be responsible for any cell phone charges incurred outside of the scope of SPU business, including any charges for personal international calls.

10. Expenses. The General Manager is authorized to incur reasonable and necessary out-of-pocket expenses in the performance of the duties and responsibilities hereunder, subject to the Commission's normal policies and procedures for expense verification and documentation.

11. Professional Development. The parties shall mutually agree upon the General Manager's attendance at professional conferences, dues for professional and civic organizations, professional licensing and on-going education or certification license fees, and similar items to assist in the professional development of the General Manager and in acting on behalf of SPU. The Commission shall pay for or reimburse the General Manager for such authorized expenses. The Commission encourages the General Manager to further educational opportunities and encourages him to present tuition payment or reimbursement options for Commission review and approval.

12. Termination by the Commission. The Commission may terminate the General Manager's employment at any time, without cause, by giving written notice to the General Manager. If the Commission terminates the General Manager's appointment without cause, the Commission shall pay the General Manager, at the time of termination, an amount equal to six (6) months of the General Manager's current annual salary at the time of termination, and accumulated vacation, accumulated sick leave, and accumulated sick leave liquidated to cover the cost of group term insurance under Section 471.61, all subject to Minnesota Statutes § 465.722. If the General Manager is terminated for cause, then the General Manager shall not be entitled to termination pay described in this section.

13. Resignation. The General Manager may resign before the expiration of the term of this Agreement only upon providing ninety (90) days' advance written notice to the Commission. In that event, the General Manager shall, in good faith, use best efforts to aid, cooperate with, and assist the Commission in its transition effort in appointing and employment of a new or interim general manager. In the event of a resignation, the General Manager shall be paid only up to the effective date of the resignation and shall not receive the payment described under Section 12.

14. Employment Subject to Minnesota Laws. The terms of the General Manager's employment comport with and are subject to the laws of the State of Minnesota. In the event that this Agreement conflicts with the laws of Minnesota, as may be amended by the Legislature, the affected term(s) shall be amended to comply with State law.

15. Notices. Any notice required or permitted to be given under this Agreement shall be sufficient if in writing and personally delivered or mailed by registered or certified mail, return receipt requested, to the General Manager's residence in the case of the General

Manager or to its principal office in the case of Commission. Such notice shall be effective upon delivery to the U.S. post office, postage and fees prepaid.

16. Assignment. The rights and obligations of Commission under this Agreement shall inure to the benefit of and shall be binding upon the successors and assigns of Commission.

17. Terminology. Unless the context hereof clearly requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and vice versa.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties relating to the General Manager's employment with the Commission and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties; there are no warranties, representations, or agreements among the parties in connection with the subject matter hereof, except as set forth herein.

19. Amendments. No supplement, modification, or amendment of this Agreement or any of its provisions shall be binding unless made in writing and signed by the parties.

20. Waiver. No term or condition of this Agreement shall be deemed to have been waived, except by a statement in writing signed by the party against whom enforcement of the waiver is sought. No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision, and no such waiver shall constitute a continuing waiver unless otherwise expressly stated.

21. Governing Law. This Agreement shall be construed and enforced pursuant to the laws of the State of Minnesota.

22. Severability. The terms of this Agreement are severable such that if any terms or provision is declared by a court of competent jurisdiction to be illegal, void, or unenforceable, the remainder of the provisions shall continue to be valid and enforceable.

23. Counterparts. This Agreement may be executed in any number of counterparts, any one of which shall be deemed to be an original, but all of which shall constitute but one and the same instrument.

24. Headings. Section headings used in this Agreement are for convenience only and shall not affect the construction of this Agreement.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SHAKOPEE PUBLIC UTILITIES COMMISSION

By: _____
Justin Krieg
Its: President

By: _____
Benedict Letourneau
Its: Vice President

Greg Drent

EXHIBIT A

SHAKOPEE PUBLIC UTILITIES POSITION GUIDE

August 2023

Position Title: General Manager

Department: Administrative

FLSA Status: Exempt

Organizational Relationship:

Reports to: Commission

Supervises: Director of Planning and Engineering, Director of Finance and Administration, IT Director, Electric Superintendent, Water Superintendent, Director of Key Accounts, Marketing and Special Projects, Administrative Assistant

Position Summary:

The General Manager assumes direct charge of the business of the utility subject to the control of the Commission in order to effectively lead, oversee, and evaluate all office and field operations within Commission policies, directives, approved budget, and state and local regulations, in a manner which establishes and retains the image of SPU as a progressive, customer-focused, quality-driven, well-managed, and environmentally-sensitive municipal utility.

The General Manager reports directly to the Commission. The position directs and administers all activities of the utility, within a general framework of approved policies, budgets, and programs developed by the Commission. The position has frequent contact with members of the Commission, elected city officials and staff, state government officials, contractors, consultants, utility department heads, employees, and the general public. The position directly supervises the department heads of the various divisions within SPU. The position develops and maintains SPU's presence to enhance the utilization of its services by customers, broaden its visibility, and generates financial performance necessary to maintain a competitive rate on municipal services that SPU provides.

Essential Duties and Responsibilities:

- Develop an effective management structure for SPU, communicate the logic and expected outcomes of the structure to the management team, and partner with each member of the team to achieve successful implementation of the overall management plan.
- Sustains fiscal health and stability of the utility by providing input for short and long range fiscal plans relevant to the operational and system needs; recommending items for operational and capital expenditure budgets; developing operational procedures in support of sound plant accounting methods; monitoring rates and rules to ensure favorable impact on operational entities; monitoring revenues, expenditures and budget adherences; evaluating power bills and trends on a monthly basis; participating in the negotiation of all contracts for the utility related work; and estimating electric and water system construction and maintenance project costs and developing appropriate project costing standards.
- Staff SPU in key positions with self-motivated, talented, flexible, independent, and professional personnel whose knowledge, abilities and work philosophy matches the position for which each is hired.

- Exercises a management style which creates initiative and growth opportunities for all personnel in general and members of the management team in particular. Demonstrates by example the standards for integrity and service expected from all personnel.
- Provides active leadership of the supervisory/management team in short and longer-term planning and effectively directs the implementation of approved plans.
- Actively seeks and accepts opportunities to represent SPU and the Utilities Commission in the local and regional communities served to promote SPU.
- Develops and maintains those networking relationships with similar municipal utilities and stock utilities necessary to keep current in the industry.
- Oversees and directs all areas of fiscal budgeting and financial management, consistent with Commission direction and available resources.
- Represents the organization at MMUA and industry meetings and government-function activities to convey its position on current matters, enhance the organization's prestige and reputation, and contribute to the discharge of its obligation as a responsible corporate citizen.
- Ensures that the personnel policies, employee benefits, and salary administration programs are progressive, equitable, and fairly administered to facilitate the continuing ability to attract and retain qualified and competent personnel.
- Conducts SPU's business with due regard for the mutual best interests of SPU customers and employees, as well as the general public.

Competencies:

Leading, Modeling, Visioning - Provides leadership by example; defines a vision and engages others to implement the vision; sets a strong leadership role by walking the talk.

Managing People - Coaches, evaluates, develops, inspires people; sets expectations, recognizes achievements, manages conflict, aligns performance goals with SPU goals, provides feedback, group leadership; delegates.

Planning/Organizing - Understands how to design efficient workflows; identifies opportunities for synergy and integration; attains higher productivity results with fewer resources and simpler processes.

Teamwork - Builds trust and collaboration; encourages debate and challenging dialogue; assures that all voices are heard; fosters commitment; holds self and other accountable and assures results.

Communications - Strong verbal and writing skills; effective two-way communication; clearly articulates the key points of an issue; engages interpersonally with others; actively seeks input; able to influence and move things forward; able to communicate both positive and negative information for best results.

Problem Solving – Ability to analyze symptoms, look beneath the surface, identify what is wrong, find strategic alternatives and solutions; motivates/leads others to do the same and act upon alternative solutions that fall outside of the status quo.

Change Management – Initiates and/or manages the change process with the ability to effectively create, lead, and implement change and energizes it on an ongoing basis; takes steps to remove barriers or accelerate its pace.

Customer Service - Responsively addresses the needs of the customer; accurately diagnose customer needs; communicates effectively with customers; establishes customer rapport.

Results - Focuses on results and delivering value; moves tasks and assignments toward closure; maintains high service commitment.

Safety – Demonstrates a commitment to safety by following safety rules and guidelines and understands the importance of an inspiring safety culture in the organization. Creates and maintains a safety culture working towards zero incidents or injuries within the department.

Qualifications:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skills, and/or abilities required. Reasonable accommodation may be made to enable individuals with disabilities to perform the essential functions.

Education: A bachelor's degree in engineering, business administration, or a closely related field.

Experience: A minimum of seven (7) years' experience in responsible managerial position in a utility field; or any combination of education and experience which provides the necessary knowledge, skills and abilities.

Knowledge: Extensive knowledge of principles and practices related to overhead and underground electrical distribution and transmission systems. Working knowledge of federal, state, and local laws and regulations affecting the operations of the electric utility. Thorough knowledge of safe work practices; state, federal, and OSHA rules and regulations. Extensive knowledge in water operation, booster stations, pressure reducing valves, elevated storage tanks in a complex water with different pressure zones.

Language Ability: Ability to read, analyze, and interpret general business periodicals, professional journals, technical procedures, or governmental regulations. Ability to write reports, business correspondence, and procedure manuals. Ability to effectively present information and respond to questions from groups of managers, clients, customers, and the public.

Reasoning Ability: Ability to define problems, collect data, establish facts, and draw valid conclusions. Ability to interpret an extensive variety of technical instructions in mathematical or diagram form and deal with several abstract and concrete variables.

Mathematical Skills: Ability to understand advanced mathematical concepts such as exponents, quadratic equations, and permutations. Ability to apply mathematical operations to such tasks as frequency distribution, determination of test reliability, and validity.

Computer Skills: Working knowledge of Microsoft Office Suite (Outlook, Excel, Word) is required.

Certificates and Licenses: Valid State of Minnesota Class "D" Driver's license is required or obtain within 30 days

Work Environment:

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of the job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

The noise level in the work environment is usually moderately quiet and work is performed both indoors and outdoors.

Position Essential Physical Requirements:

Generally, works indoors in a climate-controlled office environment with minimal physical exertion. Frequently interacts with customers, employees, and contractors via verbal and written communication.

The duties listed above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position.

The Position Guide does not constitute an employment agreement between the employer and employee and is subject to change by the employer as the needs of Shakopee Public Utilities and the requirements of the job change.