

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

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

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

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

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

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

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

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

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

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

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

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

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

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



Greg Drent, Commission Secretary