

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 Willemsen, 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