

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
September 5, 2023
Regular Meeting

1. Call to Order. President Krieg called the September 5, 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. Commissioner Fox asked about streaming Commission meetings again. Greg Drent, General Manager, noted that SPU staff is researching a new sound system as part of the 2024 CIP.
3. Consent Agenda. Commissioner Mocol moved approval of the consent agenda: (3a) August 7, 2023 meeting minutes; (3b) September 5, 2023 agenda; (3c) September 5, 2023 warrant list; (3d) July 2023 financial reports; (3e) 2024 Budget Timeline; (3f) Monthly Water Dashboard for July 2023; (3g) 2023 Flushing Program Progress; (3h) MMPA August 2023 meeting update (3i) Res#2023-21 A Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as: Patch 1st Addition; (3j) Res#2023-22 A Resolution Setting the Amount of the Trunk Water charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as: Reliakor 1st Addition; (3k) Res #2023-23 Resolution Determining the Final Lateral Water Main Equivalency, Described as: Maras Street, 13th Avenue, Stagecoach Road, and Hansen Avenue Water Main Extension; (3l) Res#2023-24 Resolution Approving the Estimated Cost of Pipe Oversizing on the Water Main Project: Highview Park 1st Addition; (3m) Res#2023-24 Resolution of Appreciation to Thomas Hangaard. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
4. Public Comment Period. Gretchen Sanna, 1166 Harrison Street South, Shakopee, asked that the Commission support an opt-out option for the AMI project in an affordable manner.
5. Liaison Report. Commissioner DuLaney noted that he attended the MMUA Summer Conference and that there was good information and a lot of new connections.
6. Water System Operations Report. Lon Schemel, Water Superintendent, reported that although pumpage is elevated, there has been a decrease in the average daily levels, at 10.6 million gallons/day for August. He noted that hydrant flushing is completed and valve exercising has started. Mr. Schemel noted that the Minnesota Department of Health provided guidance on lead service line inventory and SPU will assign operators to work on it throughout the winter.
7. Water Capacity Payment Agreement. Kelley Willemsen, Director of Finance Administration, provided an update on staff recommendations for terms to be included in a template agreement for water capacity charges, including financial security. Staff will prepare a template agreement for Commission review and approval.

8. Electric Report. Brad Carlson, Electric Superintendent, discussed electric projects, including underground conversion at Ziegler CAT, EV charging stations at Apple Ford, and maintenance pole change outs. He reported that staff worked with Itron and Border States on 26 sites for the AMI project, checking access points. Mr. Carlson reported that SPU has touched 190 fixtures of the approximately 600 collector streetlights of that brand. He noted that the manufacturer is covering the cost of the fixture and labor. Mr. Carlson also reported that last month had seven outages: one storm-related, three animal-related, and three due to overheated transformers. He noted that the peak was 110 megawatts.

9. East Shakopee Substation Neighborhood Meeting. Joseph Adams, Planning and Engineering Director, explained that this site is under a purchase agreement and the City's Conditional Use Permit (CUP) requires a neighborhood meeting. Five residential customers and five businesses were invited to attend; no one attended. One property owner called with questions the next day; staff plan to meet with him as a follow up, after the ten-day appeal period.

10. EV Public Charging. Mr. Adams noted the Commission's past decision to install a level 3 EV charger at the West Shakopee Substation site. SPU has learned that this item is very costly to install and can be close to \$100,000. Mr. Adams noted that other businesses throughout the City are installing EV chargers and recommended that SPU not compete with its customers on this item. Vice President Letourneau moved that SPU not install a Level 3 EV charger at the West Shakopee Substation site. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects gave an update on the AMI project, including inventory arrival, next steps of backup batteries, and anticipated installation starting in early October. She reported that a mid-year review of conservation efforts demonstrated that SPU is on track to meet its required 1.5%. Ms. Walsh noted SPU's participation in the Big Vehicle Fair, which drew over 700 attendees.

12. AMI Customer Opt-Out Policy Options. Ms. Walsh presented the question of whether to establish an opt-out policy for residential customers for AMI. Ms. Walsh noted that the primary concerns focused on data privacy and medical concerns associated with smart meters. She explained that there is a misconception of continuous RF emissions and/or stronger emissions than other devices. Ms. Walsh summarized the practices of other municipal utilities, including requiring AMI without any opt-out and permitting an opt-out, with a fee reflecting the increased costs to the utility. Ms. Walsh noted the staff recommendation of allowing an opt-out for residential customers with a monthly fee of \$100. The Commission discussed whether all utility costs are included in the proposed fee and requested additional information. Commissioner Mocol moved to table this item until the October 2, 2023 Commission meeting. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

13. Succession Plan. Mr. Drent presented the proposed Succession Plan, which started as part of the RP3 application process. He thanked Commissioners DuLaney and Mocol for providing input on the draft. Commissioner Fox moved to approve the Succession Plan as presented. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

14. General Manager Report. Mr. Drent provided an update, including residential EV rates, the MMUA Summer Conference, where he became a member of the MMUA Board of Directors, and the FR Secure Risk Assessment process. He also noted the status of the potential property acquisitions, with the West Shakopee Substation site and the smaller parcel for the water treatment site nearing closing, and for the Mac Equities parcel, legal description and appraisal steps. Mr. Drent noted that the Budget Workshop on September 18th is expected to include cash flow analysis, preliminary CIP funding sources, cash reserve policies, cash sweep account options, and a legislative update.

15. Future Agenda Items. Vice President Letourneau requested a copy of materials from the Commissioner Track of the MMUA Summer Conference. He also suggested discussing a schedule to revisit and review policies.

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


Greg Drent, Commission Secretary