

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
March 4, 2024
Regular Meeting

1. Call to Order. President Krieg called the March 4, 2024 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. Vice President Letourneau asked to pull item 3(g). Commissioner Fox moved approval of the consent agenda as modified: (a) Approval of February 5, 2024 minutes; (b) Approval of March 4, 2024 agenda; (c) March 4, 2024 Warrant List; (d) Monthly Water Dashboard for January 2024; (e) MMPA February 2024 Meeting Updates; (f) Res #2024-07 Resolution of Appreciation to Denise Berens; (h) Access to SPU-Owned Equipment – Policy Violation Penalty Process; (i) Res #2024-09 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Arbor Bluff 1st Addition; (j) Res#2024-10 Resolution Setting the Amount of the Trunk Water Charge, Approving of Its Collection and Authorizing Water Services to Certain Property Described as: Arbor Bluff 1st Addition. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

As to item 3(g), Joseph Adams, Planning and Engineering Director, explained that the \$85 fee refers to a one-time fee for a separate meter at a residence to charge an electric vehicle. Vice President Letourneau moved to approve item 3(g) Res #2024-08 Resolution Adopting Fees and Charges for 2024. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

3. Public Comment Period. No public comments were offered.

4. Liaison Report. Commissioner DuLaney thanked SPU staff for the communication efforts on the recent outage. He also shared that a fire department study estimated the expected population of the City to be 65,000.

5. SPU Investment Performance Review/Economic & Market Update. Kelley Willemsen, Director of Finance and Administration, introduced Danny Nelson and Brian Johnson from PFM Asset Management. Mr. Johnson provided a market update. Mr. Johnson presented an update of SPU's portfolio and upcoming maturities. They also discussed SPU cash flows in light of projected expenditures in the capital improvement plan. Commissioners requested more information as to investment options at a future meeting.

6. Water Report. Lon Schemel, Water Superintendent, reported that the water department began exercising gate valves to prepare for hydrant flushing. He noted that the flushing program will start on March 18th, the earliest start date ever. Mr. Schemel also reported that Rice Lake, the contractor for Pumphouse #23, plans to start footings the week of March 25th. He noted that, in response to the revised lead and copper rules, SPU retained AE2S to help with the service line inventory, which must be completed by September 16th.

7. County 800 MHz on Tower 3. Greg Drent, General Manager, provided background information concerning the County's request to add 800 MHz emergency radio equipment to SPU Tower #3. The Commission discussed the request, and requested additional information, including apportioning the radio costs, and SPU connection with the County's fiber system.

8. Lions Park Water Service/11th Ave Water Main Reconstruction Project. Mr. Adams provided an overview of this water main project in cooperation with the City's significant reconstruction efforts at Lions Park. He presented SPU staff's recommendation for SPU to replace and increase the water main in 11th Avenue outside the park entrance and extend 100 feet into the park (at which point the City would install a private water main) to provide improved water service and fire flows and to support the City's project, which has community-wide benefits. The City is seeking a change order to consider these revisions. Mr. Adams provided a preliminary estimate that SPU's share for this project would cost between \$185,000 and \$200,000. He explained that the proposed source of SPU funds would be two line items in the 2024 Reconstruction Fund that are currently unassigned; the remaining unbudgeted amount is proposed to be covered by the Reconstruction Fund. Commissioner Mocol moved to support the project as described and to authorize the preparation of bid documents, with bid results to return to the Commission for contract award. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

9. Electric Report. Brad Carlson, Electric Superintendent, reported four outages since the last Commission meeting: (1) a large outage affecting 400 customers for a few hours, (2) a pole burn off at J&J/Swift Street, affecting 27 customers, (3) a transformer hit by a City plow, affecting three customers, and (4) an animal-caused regulator outage at the tie point, which affected the substation. Mr. Carlson also provided an update on tree trimming, change out of poles when needed, and substation relays. He noted that electric crews toured B&B Transformers and participated in emergency preparedness and large-scale disaster training.

10. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, provided an update on the AMI project, including resolving water meter issues before the large rollout. She noted that customer letters are expected to go out on March 22nd. Ms. Walsh also provided a marketing update, noting that although SPU staff will not attend the City's Egg Hunt due to scheduling issues, she ordered fifty pounds of candy to assist with the event.

11. Res #2024-11 Resolution Approving Shakopee Public Utilities Commission's Cogeneration and Small Power Production Tariff. Mr. Adams explained that SPU updates these schedules 1 and 2 annually, and schedule 3 resulted from revisions by the Minnesota Public Utilities Commission. Vice President Letourneau moved to approve Resolution #2024-11 as presented. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

12. General Manager Report. Mr. Drent provided an update from the APPA Legislative Conference in Washington, D.C. He reported that mediation is scheduled for SPU labor negotiations on April 11th. Mr. Drent provided an update on the RP3 application process as well as the audit progress. He provided an overview of the topics, including water backflow prevention, for the workshop on March 18th.

13. SPU Labor Negotiations. Commissioner Fox moved to go to closed session under Minnesota Statutes, Section 13D.03, subd. 1 to consider strategy for labor negotiations, including negotiations, strategies or developments or discussion and review of labor negotiations proposals, at 6:46 P.M. at the Shakopee Service Center. Vice President Letourneau seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. In open session, Commissioner Mocol moved that Vice President Letourneau join the mediation scheduled for April 11th. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

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


Greg Drent, Commission Secretary