AGENDA SHAKOPEE PUBLIC UTILITIES COMMISSION REGULAR MEETING September 9, 2024 at 5:00 PM

- 1. Call to Order at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call

2. Communications

2a) Customer Communications, re: Backflow Testing and Penalties Appeal response (GD)

3. Consent Agenda

- C=> 3a) Approval of August 3, 2024 Minutes (GD)
- C=> 3b) Approval of September 9, 2024 Agenda (JK)
- C=> 3c) September 9. 2024 Warrant List (KW)
- C=> 3d) Monthly Water Dashboard for July 2024 (LS)
- C=> 3e) Reservoir Structure Inspections (LS)
- C=> 3f) July 31, 2024 Financials Reports (KW)
- C=> 3g) 2025 Budget Timeline (KW)
- C=> 3h) Statement of Work Audit Services: Clifton, Larson Allen LLP (CLA) (KW)
- C=> 3i) MMPA August 2024 Meeting Update (GD)
- C=> 3j) Res #2024-27 Resolution of Appreciation to Gregory Triplett (GD)
- C=> 3k) Res #2024-28 Resolution of Appreciation to Cynthia Nickolay (GD)
- C=> 3I) Controlled Substance and Alcohol Testing Policy (GD)

- 4. **Public Comment Period.** Please step up to the table and state your name and address for the record.
- 5. Reports: Water Items
 - 5a) Customer Appeal of Backflow Penalties (GD)
 - 5b) 2024 Comprehensive Water Plan Update by SEH, Inc. (JA) *
 - * Motion to accept the report and the recommendations contained within, request more information or direct revisions to the report.
 - 5c) Water System Operations Report Verbal (LS)
 - 5d) AMI Water Meter Installations Actions for Failure to Install (SW)
 - 5e) Jackson Township Park Water Service Request by the City of Shakopee (JA) *
 - * Motion to approve the water service consistent with the provision in Resolution #814
 - 5f) Request to Authorize Use of Reclaimed Water in Car Wash (JA) *
 - * Motion to Authorize the General Manager to proceed as described and direct staff to update the Water Policy Manual to incorporate the requirements to allow reclaimed water to use in certain acceptable situations.
- 6. Liaison Report (JD)

^{*} Motion to approve the Consent Agenda

- 7. Reports: Electric Items
 - 7a) Electric System Operations Report Verbal (BC)
- 8. **Reports: General**
 - 8a) Marketing/Key Accounts Report Verbal (SW)
 - 8b) Organization Chart Changes 2024 2025 (GD) *
 - * Motion to accept the changes to the Organizational Chart 2024 2025
 - 8c) General Manager Report Verbal (GD)
 - 8d) NES WTP Site Search Update: Shakopee Gravel/Hawkins potential site plans (GD) **
 - ** A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property at 1776 Mystic Lake Drive S
- 9. **Items for Future Agendas**
- 10. Tentative Dates for Upcoming Meetings
 - September 23, 2024 Workshop
 - October 7, 2024
 - November 4, 2024
- 11. Adjournment





September 3, 2024

TO: Greg Drent, General Manager

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Project

SUBJECT: AMI Water Meter Installations – Actions for Failure to Install

Overview

In February 2023 the Commission approved the **Access to SPU-Owned Equipment Policy** (see attached). This policy addressed customers who refuse SPU access to their property for the maintenance, removal, exchange, reading and/or repair of SPU-owned equipment. After several months of meter installations, we have had very few formal refusals, but are experiencing customers who have failed to respond to requests for scheduling appointments for various reasons.

- Three notices have been mailed to service addresses, addressed to 'Current SPU Customer'.
 This was to aid in postal delivery should occupancy at a service address change.
- Most recently, door hangers were given to those customers who did not respond to the three
 mailings. Staff is working through this process as resources are available. This was an added
 step before making phone calls.
- Prior to the door hangers being distributed a facebook post was published to generate
 awareness for the door hangers and gain community support and understanding of our process
 (see attached). This post explained why we needed customers to schedule the changeout and
 what would happen if they didn't within 14 days of receiving the door hanger. We attempted to
 appeal to a sense of neighborhood and responsibility to peers.
- Auto-generated phone calls will begin 14 days after the door hanger was distributed if no appointment has been made.
- Customers failing to make scheduled appointments after this step will be assessed a \$100/month penalty according to policy.

As of August 28th, there were 370 residential customers identified from Phases I-IV that are non-compliant. This is a non-compliance rate of approximately 10%. Notices for these four phases were mailed between the end of March and the beginning of July.

Action Requested

No further action is requested, unless the Commission is requesting any change in policy based on the information supplied above.



ATTACHMENT #1

February 23, 2023

TO: Greg Drent, General Manager

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects

SUBJECT: Access to SPU-Owned Equipment – Policy Violation Penalty Process

Overview

The following defines SPU's penalty policy for customers who refuse SPU access to their property for the maintenance, removal, exchange, reading and/or repair of SPU-owned equipment. Refusal to grant access is in violation of SPU's electric and water policies. Policy manuals will be updated with verbiage that communicates a consequence for violation of policy, including penalty and possible disconnection of service.

- Prior to assessing a penalty, multiple communications* will be made in writing to the customer
 in violation. If customer is still in violation of policy following written communications, efforts
 will be made to contact the customer by phone. Following two attempts without successful
 compliance, a final written document will be sent to the customer indicating the start date of a
 monthly penalty to their billing statement and possible disconnection of service.
- The penalty will be assessed for three consecutive monthly billings or until the customer is in compliance with SPU policy. (If the customer schedules access, the penalty will pause/stop unless access is not granted at the scheduled time.)
 - One month of penalties will be waived if customer is compliant within three months.
- If the customer does not comply within the three-month penalty period (which would end on the due date of the third billing statement with the penalty assessed), the customer's service will be disconnected.
 - o Inclement weather conditions will be considered before disconnection occurs.
- The proposed penalty is \$100 per month. This penalty will be added to SPU's fee schedule for annual publication and staff review.

*For AMI meter exchange purposes, attached are the three notices that will be sent to SPU water meter customers. If customers do not respond to these notices (i.e., schedule an appointment) over the course of approximately 30 days, this information will be supplied to SPU for future phone call attempts.

Action Requested

Staff is requesting commission approve this Access to SPU-Owned Equipment Policy.



ATTACHMENT #2

Facebook Post - Wednesday, August 28th

Check Your Front Door - there may be a door hanger for you!

If you have not responded to the mailings sent to you regarding your water meter exchange*, please help us complete this project in your neighborhood.

Most customers have made appointments and we are able to utilize the new meter technology - thank you!

However, if even a few customers don't complete the meter exchange we need to send meter readers out to obtain readings. Due to time, resources and costs, we will not be able to sustain this and will need to estimate usage rather than manually read your meter. This could affect your billing, including monthly penalties.

If you receive a door hanger, please call the number indicated within 14 days of receipt. Thank you for your attention to this matter.

View the installation progress on our website. There is a slider on the home page (below the large photo).

Click there and select Water Meter Exchange Maps for this application. If you are a random red box in a sea of blue stars you need to make an appointment.

*If you have not received a mailing it means we have not yet reached your neighborhood or specific reading route. It will be coming!





SHAKOPEE PUBLIC UTILITIES MEMORANDUM

TO:

Greg Drent, General Manager

FROM:

Joseph D. Adams, Planning & Engineering Director

SUBJECT:

Jackson Township Park Water Service Request by City of Shakopee

DATE:

September 5, 2024

ISSUE

The City of Shakopee is requesting a water service be installed in Jackson Township on the site of the Jackson Town Hall parcel for the purpose of providing drinking water in a park facility to be owned and maintained by the City of Shakopee.

BACKGROUND

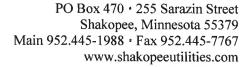
To date the municipal water system has not yet provided service outside the city limits save for a few interconnections with the City of Savage to facilitate exchanging water under emergencies.

The Commission has previously adopted a special policy with the adoption of the attached Resolution #814 concerning City of Shakopee parks requesting water service.

The existing water main on the town hall parcel was installed with construction of the adjacent residential development of Highview Park 1st Addition by the developer DR Horton for the purpose of providing a second source of the water (looping) to Highview Park 1st Addition in addition to the trunk water main installed in Zumbro Avenue. At the time of plan approval there was no mention of plans to request water service within the Jackson Township town hall property.

DISCUSSION

There is nothing known to staff preventing SPU from providing water service outside city limits. The existing interconnections with the City of Savage were arranged through a joint powers'





agreement. This service would be to the City of Shakopee but be located outside the city limits. Given the existence of the orderly annexation agreement between the city and township it is presumed eventually the parcel will be annexed into the city.

The Commission may choose to direct staff to follow the policy established for all City of Shakopee parks water service requests while noting an exception is being made since the location is not within city limits. The policy in place would treat a single drinking fountain without any irrigation as a "minimal and seasonal" use that is exempt from both a Trunk Water Charge and a Water Capacity Charge.

The only other issue to discuss is what if any effect this request has on the adjacent development's Trunk Water Oversizing credit? When initially calculating the trunk watermain oversizing credit staff included the portion of the township parcel area that the water main passed through (the west half which measures approximately ¼ mile east to west) when determining the north to south flow requirements for the residential development. The developer's representative objected since that area is not included in their plat since they do not own that parcel. Staff then recalculated the estimated oversizing credit without the town hall area but with credit to the developer for the 8-inch watermain flow through the parcel.

Now that water service is being requested within the town hall parcel staff believes that either the parcel area the water main passes through should be included in the oversizing credit calculation or the flow benefit from the 8-inch water main should not be. In either case it affects the amount of trunk water main oversizing SPU would credit to the developer. The difference in the credit amount is approximately \$10,000 out of the previously approved estimated amount of \$265,378.95 by Resolution #2023-24.

One option would be to reduce the trunk watermain oversizing credit to the developer as described above.

A second option would be to require the city park project to absorb the difference in the credit, but that would mean having the City of Shakopee reimburse SPU for a credit paid to the developer of the adjacent plat.

A third option would be to allow the park water service and decide there is no effect on the trunk watermain oversizing credit to the developer leaving the town hall parcel out of the calculation but continue to include the 8-inch watermain flow across the parcel.

RECOMMENDATIONS

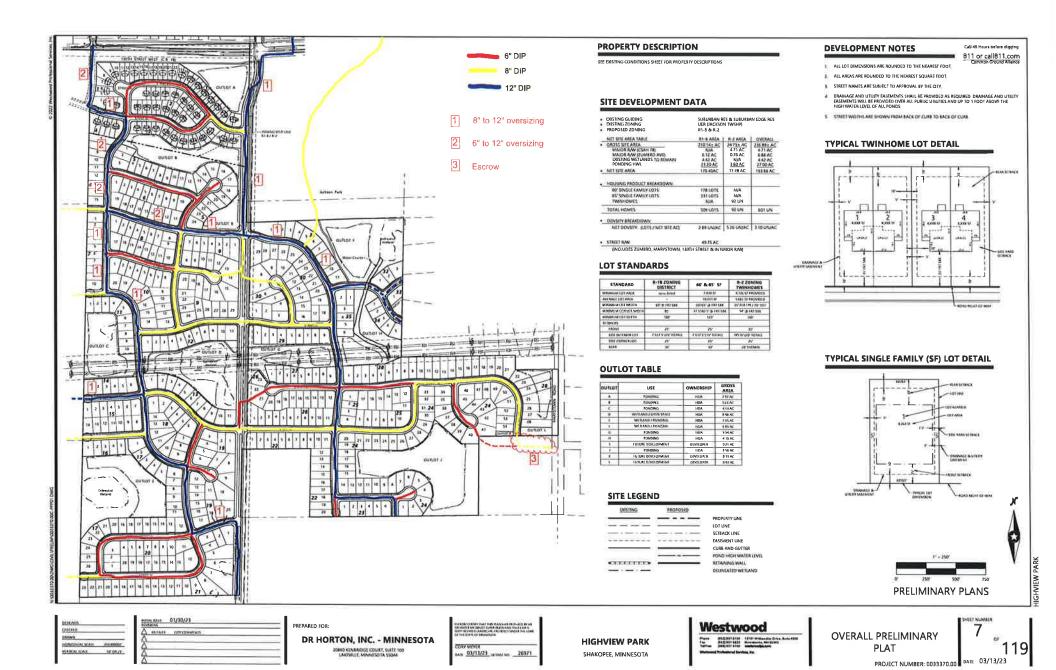
Staff recommends the Commission approve the water service consistent with the provisions in Resolution #814.



Staff recommends that the ultimate amount of trunk water oversizing to be paid for Highview Park 1st Addition be adjusted to either include the parcel area of the west half of the Jackson town hall parcel or the watermain passing through the park land not be credited for flow when doing the oversizing calculation. The practical effect would be the same and the credit paid would be that much less.

REQUESTED ACTIONS

- 1. Staff requests the Commission approve the requested water service to the City of Shakopee park facilities on the Jackson Township property consistent with other city parks per Resolution #814.
- 2. Staff requests the Commission provide direction to staff on resolving the issue of trunk water oversizing credit for Highview Park 1st Addition.



RESOLUTION #814

A RESOLUTION CLARIFYING THE APPLICATION OF EXISTING STANDARD WATER CHARGES AND POLICIES TO CITY PARKS

WHEREAS, the Shakopee Public Utilities Commission has previously adopted its Water Policy Manual containing the standard charges and requirements that shall apply to all water service requests, and

WHEREAS, the standard charges and requirements, whose purpose is to ensure an equitable sharing among water users of the costs to construct and extend the water system, include (among other items) payment of a Trunk Water Charge (TWC), payment of a Water Connection Charge (WCC), and adherence to certain Lateral Water Main (LWM) design criteria, and

WHEREAS, the Shakopee Public Utilities Commission is determined to clarify the application of the existing standard water charges and policies to requests for water service within city parks, specifically the TWC, WCC, and the LWM design criteria, and

WHEREAS, after carefully considering the need to balance the impact on water system components brought on by water service requests within city parks and the varying levels and characteristics of water service requests within city parks which are due in part to the unique nature of city parks, and

WHEREAS, after due consideration of the unique relationship that exists between the Shakopee Public Utilities Commission and the City of Shakopee,

NOW THEREFORE, BE IT RESOLVED, that all standard water charges and policies shall apply to water service requests within city parks with specific clarification and modification as follows:

WCC

1. The standard WCC shall apply to all new water service requests within city parks.

TWC

- The Commission hereby exempts city parks with only minimal and seasonal water use from the TWC. For the purpose of this exemption only, drinking fountains and cooling "misters" shall be deemed to fall under the definition of minimal and seasonal use.
- 3. The standard TWC shall apply where park facilities consist of more intensive uses such as the Community Center.
- 4. A modified TWC shall apply when city park facilities are a mix of large open spaces and a structure or structures housing rest rooms or concessions. The TWC shall apply to a portion of the park area, defined by the Commission on a case-by-case basis that equates to the minimum size parcel that would be necessary to support the proposed structure under the city code requirements, plus any and all areas that are irrigated via the water service from the public water system.

LWM

The LWM requirements for city parks shall be met as necessary to receive service using the same design criteria as for other developments, unless specifically exempted in whole or in part by the Commission, and

BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 1^{st} day of August, 2005.

Commission President: John Engler

ATTEST:

Commission Secretary: Kent Archerd



SHAKOPEE PUBLIC UTILITIES **MEMORANDUM**

Greg Drent, General Manager TO:

Joseph D. Adams, Planning & Engineering Director FROM:

SUBJECT: Request to Authorize Use of Reclaimed Water in Car Wash

DATE: September 5, 2024

ISSUE

Take Five Car Wash is requesting permission to utilize reclaimed water in their new automated car wash in the Southbridge area.

BACKGROUND

Reclaimed water use is not currently prevalent in Shakopee. There are contamination concerns like cross connections and backflow, but there are controls that properly employed and maintained will protect the water supply.

DISCUSSION

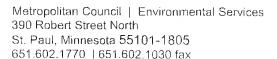
Attached is an application form that can be submitted with the required attachments for the Met Council to consider. If approved the applicant would save on their SAC unit determination for their SAC and WCC fees. Also, their water use would be less and that promotes conservation.

One of the required attachments is a letter from the community supporting the application and that necessary inspections and record keeping will be maintained.

Staff will work with City staff to create the letter described in the Met Councl application and make the necessary commitments.

REQUESTED ACTION

Staff requests the Commission authorize the General Manager to proceed as described above and direct staff to update the Water Policy Manual to incorporate the requirements to allow reclaimed water to use in certain acceptable situations.





MCES Reclaim Last Updated: 12/22/23

Sewer Availability Charge (SAC) 2024 RECLAIM CAR WASH SYSTEMS

Business Name:				
Business Site Address:				
Community Name:				
Car Wash Type:	☐ Rollover	-or-	☐ Conveyor/Tunnel	

PLEASE SUBMIT ALL ITEMS LISTED BELOW IN ORDER TO BE CONSIDERED FOR RECLAIM.

A) Letter from the Community stating:

- 1. The community is willing to do an initial inspection of the facility to ensure the equipment is installed so that no cross-connections or bypass feature exists that would allow the wash system to function without the use of reclaim water.
- 2. The community will periodically inspect the facility or hire an independent plumber at the owner's expense, to ensure the reclaim equipment is being utilized properly and no bypass or cross-connections exist between the fresh water line and the reclaim water lines.
- 3. The community will provide water usage records to MCES upon request.

B) Letter from the Business Owner stating:

- 1. The business owner is committed to continued use of the reclaim process.
- 2. The facility will not, and cannot, operate without the reclaim system.
- 3. The business owner will, if asked by the city, pay for an independent plumber to inspect the facility.

C) Detailed plumbing plans that show/highlight (PLEASE LABEL EACH ITEM ON PLAN):

- 1. Reclaim tanks
- 2. Method of connection to sanitary sewer
- 3. Location and size of reclaim supply line
- 4. Location, elevation, and size of interconnection(s) between tanks
- 5. Freshwater supply line from the entrance into building to equipment connections
- 6. Size of freshwater supply line (should be sized so that it is insufficient to deliver adequate water pressure to operate wash system without reclaim system)
- 7. Freshwater supply line showing connection to a separate manifold that feeds fresh water only during appropriate cycles
- 8. Plan must include sufficient detail to show that no cross-connections or bypass features exist which would allow the wash system to function without reclaim water.

D) Water specification sheet showing:

- 1. Water delivered (gallons per minute) for each piece of equipment and operation cycle (prewash, wash, rinse, etc.) for each wash type (e.g. Basic, Deluxe, Super, Super Deluxe, etc.)
- 2. Identify equipment that uses reclaim water
- 3. Calculations or specification that give duration (seconds) of each piece of equipment cycle time per vehicle (e.g. undercarriage spray = 10 seconds)
- E) Detailed floor plan of wash area that shows and identifies each piece of equipment in wash bay



DATE: September 3, 2024

TO: Commissioners

FROM: Greg Drent, General Manager

Subject: Organization chart

Software advances through implementing NISC and AMI have influenced a strategic review of SPU's current organizational structure. I am excited to propose a new structure that enhances customer service support and increases operational efficiencies. These changes reflect our commitment to staying agile, responsive, and customer-focused as we continue to grow and evolve.

Key Changes in the New Organizational Chart:

1. Creation of a Technical Service Supervisor

We have established a dedicated technical service supervisor position. The Technical Services area will oversee data analytics, reporting functions, and technical/customer support tickets from an AMI perspective. Technical services will streamline the communication channels and act as the liaison between the service and finance departments. They will ensure that data is effectively analyzed to provide actionable insights and support decision-making processes. The supervisor will facilitate creating and maintaining a centralized knowledge base that includes customer service representatives with quick access to information and solutions—this helps resolve customer issues more efficiently and consistently. Technical services will monitor technical issues like high usage alarms and create service tickets to resolve technical problems promptly and efficiently. By leveraging predictive analytics through the new systems that have been implemented this year, the technical service area can anticipate customer needs and potential problems before they arise, allowing for proactive support and improved customer satisfaction.

2. Relocation of an operational function – Dispatch/CSR

Relocating an operational function to a different department involves transferring job responsibilities and tasks. By moving the SPU dispatch/CSR position out of the electric department and into the customer service/billing area in the finance department, we aim to enhance operational efficiency and customer satisfaction. Having dispatch within customer service allows for centralized knowledge and resource management. CSBR's



can access dispatch information and vice versa, making it easier to manage schedules, track service requests, and allocate resources effectively. Staff in a combined dispatch and customer service role can be cross-trained, allowing them to handle various tasks and functions. This flexibility improves overall efficiency and reduces the need for specialized roles.

3. Communication Specialist

Reviewing the organizational structure, we discussed our continued challenges with finding dedicated time and resources for our communication processes, focused attention on key accounts, and dedicated oversight of marketing activities. Despite the dedication and efforts of our current structure, these challenges have led to some gaps. To address these gaps, we propose creating a communication specialist position. The addition of this position will deliver several key benefits: Enhanced communication processes to ensure that customers are informed and engaged, focused attention on key account meetings so businesses are informed and supported and dedicated oversight of marketing activities so that we are consistent with our efforts and visible to the community.

If the proposed organizational chart is approved, we will begin rolling out these changes over the next few months. There will be no financial impact on the 2024 budget. The chart includes one additional staff member that will be added in 2025. The 2025 budget will include the associated costs for this new position and be brought to the commission for approval in December. SPU will provide the necessary resources and training to adapt to the new structure.

Action: Approve the attached org chart 2024-2025

