

MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
September 9, 2024  
Regular Meeting

1. Call to Order. President Krieg called the September 9, 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. Communications. Greg Drent, General Manager, noted an SPU communication to a customer appealing the backflow prevention penalty.
3. Consent Agenda. Mr. Drent noted that item 8d NES WTP Site Search Update: Shakopee Gravel/Hawkins potential site will be removed from the agenda. Commissioner Mocol pulled items 3j and 3. In response to a question from Commissioner DuLaney on item 3d, Lon Schemel, Water Superintendent, noted the large variance in water usage. Commission Mocol moved to approve the consent agenda, as amended:
  - (a) August 5, 2024 minutes;
  - (b) September 9, 2024 Agenda;
  - (c) September 9, 2024 Warrant List;
  - (d) Monthly Water Dashboard for July 2024;
  - (e) Reservoir Structure Inspections;
  - (f) July 31, 2024 Financials Report;
  - (g) 2025 Budget Timeline;
  - (h) Statement of Work – Audit Services: Clifton, Larson Allen LLP (CLA);
  - (i) MMPA August 2024 Meeting Update;
  - (l) Controlled Substance and Alcohol Testing Policy

Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. For items (3j) Res# 2024-27 Resolution of Appreciation to Gregory Triplett and (3k) Res #2024-28 Resolution of Appreciation to Cynthia Nickolay, Commissioner Mocol recognized both employees for their many years of service. She then moved approval of items 3j and 3k; Vice President Letourneau seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

4. Public Comment Period. No public comments were offered.
5. Customer Appeal of Backflow Penalties. Mr. Drent noted that a customer disputed the \$150 penalty for the failure to test and submit documentation of the backflow prevention device under SPU's Backflow Prevention and Cross-Connection Control Policy. Under SPU's appeal process, Mr. Drent responded to the customer's appeal by letter and the customer wished to address the Commission on the issue. Mikhail Stalmakov spoke about the \$150 penalty for failure to complete the backflow prevention device testing and certification for his lawn sprinkler system. Mr. Stalmakov noted that the law passed in 2015 refers to fire sprinkler systems and not lawn

sprinkler systems. He reasoned that a lawn sprinkler does not have high pressure and has no chance to get into the public water system because the pressure ends when the water is turned off. Mr. Stalmakov also stated that state testing requirements apply to devices installed in 2016 or later and that his system was installed before 2016. He asked the Commission to remove the \$150 penalty.

President Krieg noted that it would be helpful for SPU staff to gather additional information, including the applicable portions of the code, information to understand the risks of contaminating the public water system, and potential federal Clean Water Act applicable provisions. Commissioner Mocol moved to direct staff to respond to the information presented and to come back with a draft of findings and determination for the Commission to consider at a future meeting. Commission DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

6. 2024 Comprehensive Water Plan Update. Joseph Adams, Planning and Engineering Director, introduced Chad Katzenberger from SEH, Inc. to present the final comprehensive water plan. Mr. Katzenberger noted that in evaluating a long-range capital improvement plan for water facilities, Section 7 presents three separate tables that assume growth in the current city limits, serving the areas of Louisville Township as a wholesale customer, and fully developing the water system to serve Louisville Township. Mr. Adams explained that this document will be used in future analysis of trunk water charges and water capacity charges, as well as capital improvement plans and budgets. Commissioner Fox moved to accept the report as presented and use it as a guide when preparing the Commission's capital improvement plans and water system operating budget. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. Water Report. Mr. Schemel reported that hydrant painting is almost complete with 40 hydrants out of 200 left to paint. He noted that due to an equipment delay, Pumphouse 23 is not expected to be operational until mid-February. Mr. Schemel reported that SPU has received testing results of 333 backflow systems, with 103 failures in test results. He noted that approximately 1,300 systems remain to be tested.

8. AMI Water Meter Installations – Actions for Failure to Install. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, provided an update as to 370 residential customers who have not scheduled the AMI meter installation as of August 28, 2024. She noted that SPU has sent three notices by mail; SPU staff also placed a door hanger notice on each customer's door. Under the policy approved by the Commission in February 2023, SPU will generate a phone call to these customers and if they do not comply within 14 days, the penalty of \$100 per month will follow, with a return of certain funds upon compliance.

9. Jackson Township Park Water Service Request by the City of Shakopee. Mr. Adams gave an overview of the request to install a water service in Jackson Town Hall to provide drinking water in a park facility to be owned and maintained by the City of Shakopee. Commissioner Fox moved approval of the water service to the City of Shakopee park facility consistent with

Resolution #814. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

10. Request o Authorized Use of Reclaimed Water in Car Wash. Mr. Adams explained that Take 5 Car Wash has asked to use reclaimed water in its new automated car wash. If approved, this measure would reduce the Met Council SAC unit determination for SAC and WCC fees. The process requires a letter from the community supporting the application and necessary inspections and record keeping. Commissioner Mocol moved to authorize the General Manager to proceed as described in the staff report and to direct staff to update the Water Policy Manual to incorporate the requirements to allow reclaimed water use in certain situations. Commission Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. Liaison Report. Commissioner DuLaney noted that he attended the Minnesota Municipal Utilities Association summer conference, which included informative sessions on legislative updates, emergency communications, and cybersecurity. He noted that City staff prepared a memorandum of understanding for Jackson Township Commons, which will operate as a City park.

12. Electric Report. Brad Carlson, Electric Superintendent, provided project updates, including the roundabout at Eagle Creek, joint trench work at Highview and Arbor Bluffs, underground facilities at Sand Venture Pool, replacing battery pad in substation, permanent power at St. Francis, lighting at Co Rd 78 and Co Rd 69, and 101 and removing overhead and installing underground facilities at Shenandoah. Mr. Carlson noted that staff is busy installing electric AMI meters, and in that process they have come across some problems requiring electricians to help replace sockets. He reported twelve outages since the last Commission meeting, mostly from storms, with three smaller outages related to cable issues.

13. Marketing/Key Accounts Report. Ms. Walsh reported that SPU has installed approximately 8,426 electric AMI meters and 4,365 AMI water meters. She noted that in investigating a small percentage of water meters with leaks, no consistent cause has been determined. She also reported that all AMI inventory has been received, including 33,500 meters and 11,500 com-modulars. Ms. Walsh noted that the State launched a new conservation platform, and SPU has submitted its 2023 results and its 2025 plans.

14. Organizational Chart Changes 2024 – 2025. Mr. Drent described recommended changes to the organizational chart, which included creating a Technical Service Supervisor position, relocating the Dispatch/CSR position to customer service/billing, and creating a Communication Specialist position. He noted that these changes will not have a financial impact on the 2024 budget and will be included in the 2025 budget process. Vice President Letourneau moved to approve the 2024 – 2025 Organizational Chart as presented. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

15. General Manager Report. Mr. Drent provided an update on pending items, including budget and capital improvement planning, compensation analysis, meeting with a potential large power user, and updates to the Employee Handbook. He noted that SPU will prepare a two-year Year in Review report in early 2025. Mr. Drent asked for two Commissioners to volunteer to participate in an informal working group to assist with the budget process. President Krieg and Vice President Letourneau volunteered to help.

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