

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
October 7, 2024
Regular Meeting

1. Call to Order. Vice President Letourneau called the October 7, 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. President Krieg participated via interactive technology due to work travel.

2. Consent Agenda. Commissioner Mocol moved to approve the consent agenda:

- (a) September 9., 2024 minutes;
- (b) October 7, 2024 Agenda;
- (c) October 7, 2024 Warrant List;
- (d) Monthly Water Dashboard for August 2024;
- (e) 2024 Flushing Program Progress Map;
- (f) Nitrate Report - Advisory;
- (g) Res #2024-29 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project: Highview Park 1st Addition;
- (h) August 31, 2024 Financials Report;
- (i) MMPA September 2024 Meeting Update

Commissioner Fox 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 noted some questions from residents as to (1) other cities addressing backflow prevention, and (2) the undergrounding process for Omry. Greg Drent, General Manager, noted that municipal utilities in Elk River, Owatonna, and Rochester implemented backflow prevention efforts. As to the Omry project, he explained that SPU has moved the regulator bank and that SPU plans to use matching funds to address the next phase of undergrounding work, hopefully later this year.

5. Water Report. Lon Schemel, Water Superintendent, reported that SPU completed another round of PFAS testing; the results are expected for the next Commission meeting. He also reported that the Minnesota Department of Health has accepted SPU's initial database for lead service lines. The next steps include an on-line tracking tool and notices for services that are not so identified.

6. Backflow Penalty Appeal Response – Res #2024-30 A Resolution Making Findings of Fact and Determining the Appeal Submitted by Mikhail Stalmakov. Mr. Drent explained that SPU staff gathered information and prepared a proposed resolution that included findings of fact and denied the appeal of the \$150 penalty. He noted that resolution #2024-30 was revised to address a few typos and is before the Commission for consideration. Commissioners noted instances of contamination due to backflow and the need to protect the public water system. Commissioner

Mocol moved approval of Resolution #2024-30 A Resolution Making Findings of Fact and Determining the Appeal Submitted by Mikhail Stalmakov. Commissioner DuLaney seconded the Motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. McGuire and Sunset Streets and Utilities Feasibility Report. Ryan Halverson, Engineering Supervisor – Water provided an overview of the project process, including the City’s request that SPU provide preliminary cost estimates to provide water to the project area. He explained that, due to the low density of housing, water pressure zones, and the directional drilling, the project costs are significant, with over \$1,000,000 estimated for base water service, not including water capacity and trunk water charges. Mr. Halverson explained staff’s analysis of multiple options to decrease the project costs. Commissioners discussed these options, past project approvals, the negative balance in the trunk water fund, and the pending Ehlers study of trunk water and water capacity charges. They requested future discussion of funding alternatives for these types of projects. Commissioner Fox moved to waive SPU’s looping requirements of 300 feet on cul-de-sacs for this project and to authorize \$150,000 to offset the project costs. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

8. Tank 9 Reject All Bids and Rebid. Mr. Halverson reported that SPU received two bids on September 30, 2024 for construction of Tank 9. He explained that the bids were significantly higher than the budget, that national communications issues on the day of the response may have affected potential responders, and that staff recommended rejecting all bids and rebidding. Commissioner Fox moved to reject all bids for the Tank 9 construction project and rebid. Commission DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

9. Electric Report. Brad Carlson, Electric Superintendent, reported completed projects for the roundabout at 69 & 78, Sand Venture Park service, the CDA building on 5th Avenue, and temporary power to Gateway Townhomes. He also provided an update as to SPU’s three-phase line near Marshall Road and Cty. Road 160, AMI meter changeouts, and that renovations for the Commission meeting room are expected to start this week. Mr. Carlson noted that MMUA hosted a Minnesota line workers rodeo, and he congratulated SPU employees on their many awards. He reported that an SPU crew joined 38 line workers from Minnesota traveling to Florida to provide mutual aid to assist with power outages relating to hurricanes. Mr. Carlson reported five outages since the last Commission meeting, including some minor animal-related causes and one larger outage in Valley Park Drive that affected 39 customers for approximately two hours.

10. Electric Long Range Plan Presentation. Mr. Drent introduced Kevin Favero of Leidos to present the Electric Long Range Plan. Mr. Favero explained that the Plan forecasts load growth for each circuit and identifies the facilities needed to provide reliable and cost-efficient service. He presented the load growth projections, and the facilities needed to support this load. Mr. Drent noted that the Plan is used in preparing SPU’s capital improvement plan. Commissioner Mocol

moved to accept the Electric Long Range Plan. Commission Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. Marketing/Key Accounts Report. Sharon Walsh, Director of Marketing, Key Accounts, and Special Projects, reported that SPU has installed 5,352 AMI water meters and 11,191 electric meters as of September 20, 2024. She noted that SPU participated in the Chamber’s Shako Lantern event and will participate in the City’s Spooky Family Fun Day.

12. Dave Berg Consulting, LLC Rate Study. Kelley Willemsen, Director of Finance and Administration, introduced Dave Berg, from Dave Berg Consulting LLC, to discuss the on-going rate study. Mr. Berg presented SPU’s current electric and water rates and identified potential adjustments, as well as funding options for upcoming capital projects, including current reserves and debt financing. He noted that these issues will be further discussed at the October 21, 2024 workshop.

13. General Manager Report. Mr. Drent provided an update of pending items, including evaluating new features through NISC, job descriptions, investments and sweep accounts, and determining staffing needs. He noted that Mr. Carlson and he met with City staff to discuss fleet maintenance services and potential partnership. Mr. Drent also noted an inquiry from a potential data center. He reported that he will speak at the Minnesota Electric Leadership event and that he plans to participate in a discussion by municipal and cooperative utility representatives about legislative efforts and potential opportunities to work together.

14. General Manager Performance Evaluation. Commissioner Mocol moved to go to closed session under Minnesota Statutes, Section 13D.05 subd.3(a) to evaluate the performance of the General Manager. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. In open session, Vice President Letourneau noted that the Commission will provide a summary of its conclusions at the next meeting.

15. Future Agenda Item. Commissioners requested future discussion of water projects in connection with street reconstruction, grants and funding options, and developing a crisis communication plan.

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