

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

1. Call to Order. President Krieg called the November 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. Communication/Closed Session Summary. President Krieg provided a summary of the conclusions of the closed session of the October 7, 2024 Commission meeting regarding the evaluation of the General Manager, Greg Drent. He noted the Commission's conclusion that Mr. Drent performed well, particularly as to leadership and management of the SPU organization. The Commission requested that Mr. Drent continue to evaluate overall staffing and appropriate levels of responsibility, as well as considering mentorship, succession planning, and crisis communication plans. The Commission asked that the informal working group currently considering employee compensation make a recommendation as to the General Manager's salary as part of the budget process.
3. Consent Agenda. Commissioner Fox moved to approve the consent agenda:
 - (a) October 7, 2024 minutes;
 - (b) November 4, 2024 Agenda;
 - (c) November 4, 2024 Warrant List;
 - (d) Monthly Water Dashboard for September 2024;
 - (e) September 30, 2024 – Financial Report;
 - (f) Residential Customer Deposit Assistance – CAP Agency;
 - (g) American National Bank (ANB) – Insured Cash Sweep Account;
 - (h) MMPA October 2024 Meeting Update.Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
4. Public Comment Period. Mary Isacson, owner of Babe's Place, summarized the history of SAC unit charges by the Met Council and SPU water charges for her business, with expansions over the years. She questioned the amount of SPU charges as too high given the nature of the expansion to include pool tables. Mr. Drent offered to provide details as to the SPU fees. Commissioner Mocol noted that SPU's transfer of funds to the City includes funds designated for economic development and suggested reaching out to the City to consider these funds.
5. Water Report. Lon Schemel, Water Superintendent, noted that he received the PFAS testing results from the State after the meeting packet was distributed. Although more information will be provided at the next meeting, he noted that SPU's numbers for PFAS/POS were all below regulated levels. Mr. Schemel reported that SPU provided required notices to customers as to unknown materials (as part of the lead services actions), sending 1,176 letters and 1,800 emails on October 18, 2024. He reported that the flushing program is complete for the year; because South Bridge was not addressed, it will be scheduled in the Spring. He noted that a gate valve blew off

on October 22, 2024, with SPU repairing the street along with the valve; twenty customers were affected for approximately four hours.

6. Ehlers Water Development Fee Study. Joseph Adams, Planning and Engineering Director, introduced Jessica Cook from Ehlers Public Finance Advisors to present the water development fee study. Ms. Cook summarized the study and the recommendations of combining the balances of the water capacity and trunk water funds, as well as 2025 increases for each fee. Mr. Adams explained the five recommendations from SPU staff detailed in the staff memo. Commissioner Mocol moved to accept the Ehlers Water Development Fee Study. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. Commissioner Mocol moved to approve the five staff recommendations presented and to direct staff to prepare resolutions for the next Commission meeting. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. Dave Berg Consulting, LLC Rate Recommendations. Dave Berg presented his recommendations for adjustments to SPU electric and water rates. The Commission discussed the potential solar grid access charge and requested additional information as to affected customers and the impact on an average bill. The Commission also discussed the potential economic development rate and the impact on current practices; Mr. Drent recommended further study on this item. Commissioner Mocol moved to accept the Electric and Water Rates Final Report. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

8. 2025 – 2029 Semi Final CIP. Mr. Adams provided an overview of the Capital Improvement Plan (CIP), with maps of electric and water projects. Vice President Letourneau moved to accept the 2025 - 2029 Semi-Final CIP and to direct staff to present the final CIP at the December meeting. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

9. 2025 Preliminary Operating Budget. Kelley Willemsen, Director of Finance Administration, presented the 2025 Preliminary Operating Budget. She discussed wage and benefit assumptions for 2024. Commissioner Fox moved to accept the 2025 Preliminary Operating Budget. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

10. Liaison Report. Commissioner DuLaney noted that the gravel pit project is expected to come before the City Council for approval in the next month. He thanked SPU for supporting the community, including the CAP contribution.

11. Electric Report. Brad Carlson, Electric Superintendent, provided an update on current projects, including undergrounding, new services, Canterbury Commons, and automated meter infrastructure (AMI) upgrades. He noted that two employees participated in mutual aid for approximately 9-10 days. Mr. Carlson reported four outages since the last Commission meeting, including two animal-related items, one tree falling from a storm, and one equipment failure at a switch.

12. General Manager Report. Mr. Drent provided an update on marketing/key accounts in addition to the General Manager report. For the AMI project, he reported installation of 15,725 electric meters, which is 72% complete, and 7,493 water meters, which is 60% complete. He also noted upcoming SPU community events, including Gifts for Seniors, Toys for Tots, and a blood drive. Mr. Drent stated that he and Mr. Carlson participated in the Electrification Conference at the University of Minnesota. He noted on-going progress with the budget and assistance from the informal working group, developing information including relocation benefits for the Hawkins property, and a recent inquiry involving a data center.

13. 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