

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
May 5, 2025
Regular Meeting

1. Call to Order. President Letourneau called the May 5, 2025 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Letourneau, Vice President Mocol, Commissioner DuLaney, Commissioner Fox, and Commissioner Krieg were present.
2. Consent Agenda. Greg Drent, General Manager, noted that the agenda should be revised to remove item 9(c). Vice President Mocol moved to approve the consent agenda, as so amended:
 - 3a. Approval of April 7, 2025 Minutes;
 - 3b. Approval of May 5, 2025 Agenda;
 - 3c. May 5, 2025 Warrant List;
 - 3d. Monthly Water Dashboard for March 2025;
 - 3e. MMPA March 2025 Meeting Update;
 - 3f. MMPA April 2025 Meeting Update;
 - 3g. 2025 1st Quarter Financial Report;
 - 3h. Res #2025-12 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Arbor Bluff 2nd Addition;
 - 3i. Res #2025-13 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Services to Certain Property Described as Arbor Bluff 2nd Addition;
 - 3j. Res #2025-14 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Richland Court
 - 3k. Res #2025-13 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Services to Certain Property Described as Richland Court.

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

3. Public Comment Period. No public comments were offered.
4. 2024 Audited Financials and Presentation. Kelley Willemssen, Director of Finance and Administration, introduced Ezra Koetz and Siona Kelly from CliftonLarsonAllen, LLP, SPU's auditors. Mr. Koetz summarized the audit process and reported that no compliance, deficiencies, internal control, or legal compliance issues were identified. He noted that SPU received an Unmodified Opinion, which is the highest level of assurance. Ms. Kelly summarized the financial statements. President Letourneau clarified the annual SPU transfer to the City of six percent of gross sales revenues. Commissioner Fox moved to accept the financial statements for year-ending December 31, 2024. Commissioner DuLaney seconded the motion. Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.

5. Liaison Report. Commissioner DuLaney reported that during a recent City Council meeting, customers presented three questions as to AMI, which the Council referred to the City Attorney. Commissioner DuLaney summarized the City Attorney's response as follows:

1. What authority, if any, does the City Council have over SPU's decision to implement the AMI program? SPU was compliant with City Code in informing the City Council about the AMI program. The Council has no further authority over the Commission's decision on that matter.

2. Is there any appeal process for a ratepayer who objects to participate in the AMI program? There is no appeal process to the City Council.

3. Is there a risk of liability to the City arising out of SPU's decision to implement the AMI program? The City Council played no role in the decision of SPU to implement the AMI policy or to deny the customer appeal, so the City Council has little risk of being found liable for SPU's decisions.

6. Water Report. Brad Carlson, Director of Field Operations, reported that Tower #3 restoration is ongoing, and that Pumphouse 23 started operations, with grading and lawn as the last steps to be completed. He noted that crews continue to change out meters and valves replacements for the AMI project. Mr. Carlson reported that the repairs for Tower #8 have been completed. He congratulated Jacki Hanson, who received her Class B Water Certification.

7. Professional Services Agreement for Arbor Bluff Inline Booster Station Design. Ryan Halverson, Water Engineering Supervisor, presented an overview of the proposed inline booster station, related projects, and the need for design services. Vice President Mocol moved approval to execute a Professional Services Agreement with Barr Engineering in the amount of \$481,000 for the design of an inline booster station at the Arbor Bluff Development. Commissioner Krieg seconded the motion. Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.

8. Temporary Construction Easement and Grading Request at Tank #8 Site. Joseph Adams, Director of Planning and Engineering, explained that Summergate, the residential developer of the property immediately north and adjacent to Tank #8 and Pumphouse #23, requested this temporary easement. The purpose is to perform grading required by the City. Commissioner DuLaney moved approval of the temporary easement until the City of Shakopee accepts the finished grade and the restoration, or December 31, 2025, whichever comes earlier. Commissioner Fox seconded the motion. Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.

9. Electric Report. Mr. Carlson reported three outages since the last Commission meeting. One involved a contractor hitting an electric meter in Gateway Townhomes, and another involved a car accident on 42 and 17 that took out a transformer, which affected 14 customers. Mr. Carlson provided an update on projects, including replacing the transformer involved in the accident, completing tree trimming, continuing AMI changeouts, installing the feeder at the Amphitheater, and work on the 78 and 79 roundabout relocating facilities. He also noted that crews have started taking oil samples on all switches as a preventative measure to see if there are any issues.

10. Marketing/Key Account Report. Sharon Walsh, Director of Key Accounts/Marketing, reported that for the AMI project, SPU has installed 32,384 meters; 766 water meters and 572 electric meters remain to be installed. Ms. Walsh presented a model of the water tower design and images showing the design from multiple angles. She noted that she received the draft Year-in-Review and will add the financials to finalize. President Letourneau asked about the commercial customer process for AMI. The remaining accounts involve approximately 350 commercial customers. Mr. Drent noted that by this fall, if customers have not arranged the change out, SPU's next step in the policy is to disconnect water service. He emphasized that SPU does not want to disconnect customers, and he and Ms. Walsh noted the heightened communication efforts underway, including phone calls in addition to the multiple written notices, and potential in-person visits.

11. General Manager Report. Mr. Drent provided an update on pending items, including that the informal working group discussed the potential water treatment plant site, continued discussions on solar manufacturing, waiting for information from Anchor Glass, review of SPU's deposit policy and a potential workshop for discussion, evaluating Minnesota FMLA options with Ms. Menke, and considering document management options under NISC.

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


Greg Drent, Commission Secretary