


REGULAR COMMISSION MEETING


FEBRUARY 2, 2026

SPU SERVICE CENTER, 255 SARAZIN ST, SHAKOPEE

1. **CALL TO ORDER – 5:00 PM**
 2. **ROLL CALL**
 3. **APPROVAL OF FEBRUARY 2, 2026 AGENDA**
MOTION TO APPROVE THE AGENDA
 4. **COMMUNICATIONS** - Customer Communication Received – Response to AMI Meter Exchange Policy and Fee Clarification Letter (SW)
 5. **PUBLIC COMMENT PERIOD**
PLEASE STEP UP TO THE TABLE AND STATE YOUR NAME AND ADDRESS FOR THE RECORD
 6. **CONSENT AGENDA**
 - 6.a January 5, 2026 Minutes (GD)
 - 6.b February 2, 2026 Warrant List (KW)
 - 6.c Monthly Water Dashboard for December (BC)
 - 6.d Highview Park 1st and 3rd Addition Trunk Watermain Oversizing Resolutions (JA)
Res #2026-02; Res #2026-03; Res #2026-04
 - 6.e Surplus Equipment (BC)
 - 6.f MMPA January 2026 Meeting Update (GD)
 - 6.g Prior Lake Franchise Agreement (GD)**MOTION TO ACCEPT AND/OR APPROVE THE CONSENT AGENDA ITEMS**
 7. **BUSINESS REMOVED FROM CONSENT AGENDA**
 8. **LIAISON REPORT (JD)**
 9. **REPORTS – GENERAL (resolutions or discussion topics would go here)**
 - 9.a Goals 2026 (GD)
 10. **REPORTS – STAFF**
 - 10.a Operations Report – Verbal (BC)
 - 10.b Finance Report – Verbal (KW)
 11. **GENERAL MANAGER REPORT – VERBAL (GD)**
 12. **ITEMS FOR FUTURE AGENDAS**
 13. **TENTATIVE DATES FOR UPCOMING MEETINGS**
 - MARCH 2, 2026
 - MARCH 16, 2026 (WORKSHOP)
 - MARCH 17, 2026 JOINT MEETING WITH CITY
 14. **ADJOURNMENT**
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PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

January 16, 2026

TO: Greg Drent, General Manager *GD*
FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects *AW*
SUBJECT: Customer Communication – Response to AMI Meter Exchange Policy and Fee Clarification Letter

Overview

The attached communication was received on January 12th, 2026.

It is in response to an SPU letter dated December 11, 2025, in which SPU communicates due to the absence of a customer selection of any alternative provided in the SPU’s AMI Meter Exchange Policy, SPU deems the customer choice to be manual meter reading effective with the December billing. In the same December 11th letter, it was stated SPU policy and practices do not permit customer reading or customer determination of usage.

The attached customer communication proposes retaining current, dated analog metering equipment and providing ‘customer-submitted’ photos of their electric and water usage.

Based on prior Commission direction, Staff intends to proceed following the AMI Meter Exchange Policy and the Billing, Credit and Collection Policy. If any customer is not current on their utility bill they will be subject to disconnect.

Action Requested

Staff is sharing this customer communication for Commission awareness and discussion as the Commission deems appropriate. No action is requested by staff unless the Commission would like to make an exception or adjustment to policy.

January 6, 2026

Shakopee Public Utilities
Attention: Greg Drent, General Manager
P.O. Box 470
255 Sarazin Street
Shakopee, Minnesota 55379-1470

Dear Mr. Drent,

We are responding to your letter of December 11, 2025. Thank you for the recent policy adjustments.

There continues to be disagreement between us on the issue of “denying access to SPU-owned equipment”. Our refusal is not one of access to SPU-owned equipment, but is based on SPU’s intent to replace our fully functioning analog meters with devices that collect our personal information without our consent, including detailed personal usage patterns of electric and water services.

We dispute the additional fees you assess for manual reading of any meters but the RF communicating data collection devices. This fee only applies to those who refuse your offer to install an RF communicating personal data collection device in place of either a non-RF communicating personal data collection device or a basic, fully functioning analog meter. As such, the additional fees are a coercive penalty and therefore unjustified. In addition, the promised assignment of delinquency and resulting disconnection for not paying the penalty fee is a coercive threat.

We, and to our knowledge no SPU customers, were ever asked our opinions about the AMI technology during the investigation period before implementation, nor were we given complete information about what the technology entails or an uncoerced option to refuse the new equipment. This is a violation of informed consent, which is another reason SPU’s current coercive policies are unwarranted. Customers should not bear the burden of errors made by utility management, nor should they be subject to bullying measures to obtain consent to controversial equipment.

In our continued interest in working with SPU on a mutually agreeable solution, please see the attached idea that retains SPU’s requirement for meter reading, but without a manual meter reading property visit.

Sincerely,

Proposed As Consent Item

MINUTES OF THE SHAKOPEE PUBLIC UTILITIES COMMISSION

January 5, 2026
Regular Meeting

1. Call to Order. Vice President Mocol called the January 5, 2026 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. Vice President Mocol, Commissioner DuLaney, and Commissioner Krieg were present.
2. Agenda Approval. Commissioner DuLaney moved, seconded by Commissioner Krieg, to approve the agenda. Ayes: Mocol, DuLaney, and Krieg. Nays: None.
3. Public Comment Period. No public comments were presented.
4. Consent Agenda. Commissioner Krieg moved, seconded by Commissioner DuLaney, to approve and accept the consent agenda as presented:
 - (6a) Approval of December 1, 2025 Minutes;
 - (6b) January 5, 20226 Warrant List;
 - (6c) Monthly Water Dashboard for November 2025;
 - (6d) Nitrate Results;
 - (6e) MMPA December 2025 Meeting Update;
 - (6f) Updated Employee Recognition and Meal Policy;
 - (6g) Pay Equity Implementation Report;
 - (6h) 2025 November Financial Reports;
 - (6j) 2026 Electric Rates, Fees, and Charges ScheduleAyes: Mocol, DuLaney, and Krieg. Nays: None.
5. Liaison Report. Commissioner DuLaney thanked staff for the timely outage communications on Facebook, which are helpful.
6. Res. #2026-01 Adopting the Water Policy Manual of the Shakopee Public Utilities Commission and Providing the General Administration. Brad Carlson, Director of Field Operations, described the significant proposed updates to the Water Policy Manual, the first update since 2014, including (1) extending the time to repair water leaks from 24 hours to 72 hours; (2) adding the backflow prevention policy in the appendix; (3) revising water connection charge to water capacity charge; and (4) proposing a \$200 fee for commercial and industrial customers for non-compliance with backflow prevention, which would continue until compliance, with a potential refund of \$200 when completed. Greg Drent, General Manager, explained that some locations have one meter for multiple customers, and this fee was proposed as an option when disconnection is impracticable. Commissioner Krieg moved to approve Resolution #2026-01, changing the phrase Utilities Manger to General Manager, and the updated Water Policy Manual. Commissioner DuLaney seconded the motion. Ayes: Mocol, DuLaney, and Krieg. Nays: None.
7. Operations Report. Mr. Carlson presented a water update, including the cleanup work on the Lusignan site on Eagle Creek, such as removing the house and septic tanks and capping the well. He explained that work continues on the lead and copper service line inventory, that Well

#7 is back in service, and that staff completed testing of the main line for Bluff Avenue First Addition and turned on the water. Mr. Carlson noted a water main break at 10th and Dakota affecting ten customers and a water leak in a commercial business with a residence above. For electric, Mr. Carlson reported two outages in the last month, both caused by wind and trees, affecting 8-10 customers, and lasting 48 to 60 minutes. He noted that joint trench work continues at Highview Fourth Addition. For AMI meter changeouts, about 27 meters remain. Mr. Carlson explained that in response to Xcel's issues on its side at the Blue Lake Substation, which caused blinking for some SPU customers, SPU rerouted its circuit to another substation. Xcel then experienced several large outages, so the rerouting process was a good decision. SPU has now returned to Blue Lake Substation, at less than full levels.

8. Marketing Report. Sharon Walsh, Director of Marketing/Key Accounts/Special Projects reported that although SPU finished 2025 strong on conservation efforts, for the first time in years, SPU will not reach its 1.5 percent savings goal due to larger customer projects that did not proceed with plans. She also reported that income-qualified conservation numbers increased. Ms. Walsh noted the new look of the agenda and on the SPU website. She reported that SPU's new rate information will be posted on the website closer to the billing date in January. Ms. Walsh discussed planning efforts for the upcoming anniversary celebrations, currently envisioned as celebrating the 75th anniversary of the Commission starting in April 2026 and continuing through March 2027 with the 125th anniversary of SPU. She described the planning committees and initial ideas.

9. General Manager Report. Mr. Drent reported that the MMPA Board has adopted its final budgets and rates are set for wholesale power. He noted that the closing date for the Hawkins site may occur in first quarter 2026 and that staff is working with PFM to have funds available. Mr. Drent reported that letters have been exchanged with Xcel Energy as to service territory. He noted that staff is preparing goals for 2026 to present to the Commission. Mr. Drent noted that representatives of MMUA and MREA will meet tomorrow to discuss the 2026 legislative session and opportunities to work together. He noted an expression of interest by a data center. He explained that SPU is working with the Minnesota Department of Natural Resources on Well #23, including a letter to those with wells in the area. Mr. Drent is working with City staff on an agenda for the Commission's joint meeting with the City Council on March 17, 2026.

10. Adjourn. Motion by Commissioner DuLaney, seconded by Commissioner Krieg, to adjourn. Ayes: Mocol, DuLaney, and Krieg. Nays: None.

Greg Drent, Commission Secretary

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

February 2, 2026

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

WEEK OF 12/31/2025

JT SERVICES

WESCO RECEIVABLES CORP.

76,702.41 POLE ST.LIGHT BREAKAWAY ROUNDABOUT 27'8"

265.52 PIPE 1 1/4" INNERDUCT COUPLING

Total Week of 12/31/2025

\$76,967.93

WEEK OF 01/02/2026

AAR BUILDING SERVICE CO.	\$4,468.51	JANUARY 2026 CLEANING SERVICE
DAVID J ADRIANSEN	\$50.00	ENERGY STAR CLOTHES WASHER REBATE
CHAD AMUNDSON	\$125.00	ENERGY STAR DISHWASHER REBATE
APPLE FORD OF SHAKOPEE	\$72.89	SWITCH ASY-D(E)
B & L TRUCK REPAIR INC	\$26,583.50	D.O.T. 2025 ELECTRIC TRK 621A/TRAILER
BAILWICK SERVICES LLC	\$320.00	INTERIOR LED LIGHTING REBATE
ANDREA & BRENT BORKOWSKI	\$500.00	ENERGY STAR COOLING/HEATING REBATE
CANTERBURY PARK ENTERTAINMENT LLC	\$6,178.00	LED LIGHTING REBATE
CHOICE ELECTRIC INC	\$1,049.59	REPLACED GFI @ WATER TOWER
CORVAL CONSTRUCTORS, INC.	\$14,799.00	WO3037 A/C REPLACEMENT @ SHAKOPEE SUB
DITCHWITCH OF MINNESOTA	\$176.34	VACTRON REPAIR
GRANT FRIENDSHUH	\$190.50	SAFETY BOOT REIMBURSEMENT 2025
GRAINGER INC	\$465.46	MOBIL DTE LIGHT ISO 32 5 GAL(W)
HERMAN'S LANDSCAPE SUPPLIES INC.	\$408.00	WASHED SAND(E)
INCENTIVE REBATE 360, LLC	\$11,407.00	ENERGY CONSERVATION-HVAC #2746246
JT SERVICES	\$812.82	ONE HOLE TAG KIT W/COVER(E)
MICHAEL LIANG	\$150.00	WATER SENSE TOILET REBATE
LOFFLER COMPANIES - 131511	\$248.00	RED INK CARTRIDGE FOR POSTAL MACHINE
WALLY LUSIAN	\$150.00	ENERGY STAR DISHWASHER REBATE
MINN VALLEY TESTING LABS INC	\$157.10	WATER TESTING COLIFORM
MR PIG'S SMOKERY	\$2,606.00	ENERGY CONSERVATION REBATE
TODD NEMITZ	\$150.00	ENERGY STAR DISHWASHER REBATE
LORI & CRAIG NEWMAN	\$500.00	ENERGY STAR COOLING/HEATING REBATE
OLD 169 LLC	\$6,818.00	HIGH EFFICIENCY LED LIGHTING REBATE
RICE LAKE CONSTRUCTION GROUP	\$7,229.00	WO2984 WELL #7 CHECK VALVE INSTALLATION
DYLAN RICHARDS	\$424.00	REIMBURSE FOR SAFETY GLASSES
ADAM RUNK	\$175.00	ENERGY STAR CLOTHES WASHER REBATE
CODY SCHUETT	\$242.99	SAFETY BOOT REIMB 2025
SCOTT COUNTY CDA	\$14,210.00	CDA INCOME-QUALIFIED 2025 REBATE
SCOTT COUNTY CDA	\$14,841.00	HIGH EFFICIENCY LED LIGHTING REBATE
TOTAL FILTRATION SERVICES INC.	\$332.00	LED INTERIOR LIGHTING REBATE
TRAUT COMPANIES	\$80,505.00	WO2984 REPAIR OF WELL 7
ULINE, INC.	\$125.70	DIVIDERS FOR SHELF BINS(E)
SHARON WALSH	\$62.54	REIMBURSE FOR PHOTO PROP
WESCO RECEIVABLES CORP.	\$361.52	MARKING HIT KITS
XCEL ENERGY	\$277.69	ACT#51-001264573-3 AMBERGLEN 11/20-12/23
CENTERPOINT ENERGY - ACH	\$3,699.92	11/6-12/9 2025 @ 255 SARAZIN #5258454-7
VERIZON WIRELESS SERVICES LLC	\$386.89	MONTHLYPEPWAVE POTSOLVE 11/6-12/5 2025

Total Week of 01/02/2026

\$201,258.96

WEEK OF 01/09/2026

CREDIT REFUNDS	\$3,896.70
ALTEC INDUSTRIES INC	\$707.06
ARAMARK REFRESHMENT SERVICES INC	\$332.71
BORDER STATES ELECTRIC SUPPLY	\$16,019.01
CAP AGENCY	\$40,473.00
CDW GOVERNMENT LLC	\$397.97
CUSTOMER CONTACT SERVICES	\$468.52
DSI/LSI	\$654.70
FLYTE HCM LLC	\$10.00
GOPHER STATE ONE-CALL	\$307.80
HENNEN'S AUTO SERVICE INC.	\$118.59
INNOVATIVE OFFICE SOLUTIONS	\$777.83
INT'L UNION OF OPER ENGINEERS LOCAL 49	\$816.00
KRUEGER EXCAVATING INC.	\$11,895.00
LOFFLER COMPANIES - 131511	\$1,707.05
MINN VALLEY TESTING LABS INC	\$254.80
MMUA	\$1,845.00
NAPA AUTO PARTS	\$35.96
NCPERS GROUP LIFE INS.	\$176.00
OLSEN CHAIN & CABLE, INC.	\$790.06
OPUS DEVELOPMENT COMPANY LLC	\$139,553.12
OPUS DEVELOPMENT COMPANY LLC	\$72,424.31
ORACLE AMERICA INC.	\$35,759.03
REHDER & ASSOCIATES INC.	\$3,400.00
ROBERT B HILL CO.	\$460.27
VIVID IMAGE, INC.	\$650.00
WESCO RECEIVABLES CORP.	\$189.01
XCEL ENERGY	\$3,757.05
HEALTH EQUITY INC.	\$1,653.89
VERIZON WIRELESS SERVICES LLC	\$4,192.89
MINNESOTA LIFE	\$1,041.53
HEALTHPARTNERS	\$77,558.08
HEALTH EQUITY INC.	\$216.00
DELTA DENTAL PLAN OF MN	\$5,870.02
PRINCIPAL LIFE INS. COMPANY	\$5,092.40
PAYROLL DIRECT DEPOSIT 01.09.26	\$138,270.15
BENEFITS & TAXES FOR 01.09.26	\$226,992.19

Total Week of 01/09/2026

\$798,763.70

WEEK OF 01/16/2026

ABDO LLP	\$2,129.20	DEC 2025 FS ACCOUNTING SERVICES
ALL ELEMENTS INC.	\$1,192.00	ROOF CARE ADVANTAG PROGRAM
ANNETTE STANEK	\$948.75	SPU 2026 RATE BROCHURE REVISIONS
BARNA GUZY & STEFFEN LTD	\$695.00	WO#2844 E SUB PROP 77283-001 NOV DEC
CDW GOVERNMENT LLC	\$6,398.62	1 YEAR VEEM RENEWAL 2026
CITY OF PRIOR LAKE	\$699.55	4TH QTR PRIOR LAKE FRANCHISE FEES
CITY OF SHAKOPEE	\$5,698.65	DECEMBER FUEL BILL
CITY OF SHAKOPEE	\$586,295.38	DEC 2025 SD\$456,392.56 SW\$129,902.82
CITY OF SHAKOPEE	\$223,494.87	DECEMBER 2025 PILOT TRF FEE TRUE-UP
CITY OF SHAKOPEE	\$1,080.04	DEC 2025 STORM DRAINAGE/SPU PROPERTIES
DGR ENGINEERING	\$20,734.08	WO 2817 WARNET OVERGEAD TIE DEC
FLYTE HCM LLC	\$50.75	NOVEMBER 2025 COBRA
FRONTIER ENERGY, INC.	\$16,840.50	SHAKO C&I IMPLEMENTATION-DECEMBER
GLOBAL INDUSTRIAL	\$460.49	FLAMMABLE CABINET(W)
GRAINGER INC	\$42.28	PHOTOCONTROL, POLYCARBONATE, STEM
INDELCO PLASTICS CORP	\$2,286.60	NATURAL PVDF TUBING(W)
INTERSTATE ALL BATTERY CTR	\$79.12	BATTERY(E)
IRBY - STUART C IRBY CO	\$2,148.01	GLOVE TESTING
KRUEGER EXCAVATING INC.	\$13,997.00	WM REPAIR 10TH AVE/DAKOTA S S
LANO EQUIPMENT INC	\$28.21	BRASS PADLOCK(E)
LEAGUE OF MINN CITIES INS TRUST	\$472.48	CLAIM#00524522 E.S./CLAIM#00524839 D.O.
LIGHTNING PRINTING INC.	\$1,183.01	SPU ELECTRIC STUDY RATES /WATER RATES
MASTER ELECTRIC INC.	\$1,901.08	PUMP HOUSE#16 REPAIR
MINN VALLEY TESTING LABS INC	\$365.90	WATER TESTING NITRATE+NITRITE
MINNESOTA SECURITY CONSORTIUM	\$583.20	INFOSEC IQ-PRO LICENSE JAN-DEC 2026
MMUA	\$44,262.50	2026 DRUG/ALCOHOL TESTING/DOT
MN DEPT OF HEALTH	\$31,496.85	4TH QTR 2025 COMM WATER SUP SVC CONN FEE
MN DEPT. OF LABOR & INDUSTRY	\$150.00	PRESSURE VESSEL
MN DNR WATERS	\$45,917.22	2025 WATER USAGE/SURCHARGE
MPOWER TECHNOLOGIES, INC.	\$2,530.00	1/15/26-3/14/26 HOSTED SOFTWARE FEE
NAPA AUTO PARTS	\$517.36	BATTERYS(E)
NISC	\$35,475.09	DECEMBER PRINT SERVICES
NORTHERN STATES POWER CO	\$2,935.56	DECEMBER 2025 POWER BILL
OFFICE OF MNIT SERVICES	\$776.90	DECEMBER (WAN) MONTHLY SERVICE
OLSEN CHAIN & CABLE, INC.	\$434.31	SHACKLE ANCHOR SCREW PIN/POLY SLING
RW BECK GROUP, INC, LEIDOS ENG. LL	\$70,185.50	WO2844 EAST SUB CIVIL DESIGN-DECEMBER
SCOTT COUNTY RECORDERS	\$184.00	REC RELEASE WC AGREE SW GATEWAY BRAVIS
SPENCER FANE LLP	\$6,672.40	DECEMBER LEGAL FEES
STAR ENERGY SERVICES	\$12,941.45	POLE INSPECTION
USABUEBOOK	\$16.79	FREIGHT DUE INV00883324
VERIZON	\$603.25	DECEMBER TRUCK TRACKING
JAMIE VON BANK	\$300.00	2026 SAFETY BOOT REIMBURSEMENT
WATER CONSERVATION SERVICE INC	\$581.50	WATER LEAK 1006 DAKOTA ST S
AMERICAN NATL BANK_MASTERCARD_ACH	\$15,965.69	DECEMBER 2025 CC STMT
FIRST DATA CORPORATION	\$19,153.45	DECEMBER MONTHLY SERVICE FEES
MMPA C/O AVANT ENERGY	\$2,965,846.86	DECEMBER 2025 POWER BILL
MN DEPT OF REVENUE ACH PAYMENTS	\$280,643.00	DECEMBER 2025 SALES/USE TAX PAYABLE

Total Week of 01/16/2026**\$4,427,394.45**

WEEK OF 01/23/2026

DAVID J ADRIANSEN	\$125.00 ENERGY STAR CLOTHES WASHER REBATE
CHAD AMUNDSON	\$100.00 ENERGY STAR DISHWASHER REBATE
API GARAGE DOOR INC	\$798.52 12/8/25 REPLACED RELAY ON GARAGE DOOR
BORDER STATES ELECTRIC SUPPLY	\$982.90 WEDGE CLAMP
COMCAST CABLE COMM INC.	\$2.27 CABLE FOR BREAKROOMS
CORE & MAIN LP	\$410.33 #35 MAIN VLV RBR URETHANE
ELECTRICAL PRODUCTION SERVICES	\$8,000.00 WO3113 SPLICING WORK
FERGUSON US HOLDINGS, INC.	\$2,048.10 GATE VALVE/GASKET(W)
GRAINGER INC	\$258.43 TAPE MEASURE(E)
GREYSTONE CONSTRUCTION CO	\$3,716.98 WO3003 HIGH STAKES SHELL UG PROJ REFUND
HENNEN'S AUTO SERVICE INC.	\$75.82 OIL CHANGE ENG TRK#629
HERMAN'S LANDSCAPE SUPPLIES INC.	\$816.00 WO3018 TON WASHED SAND
INNOVATIVE OFFICE SOLUTIONS	\$671.50 OFFICE SUPPLIES
IRBY - STUART C IRBY CO	\$825.00 WIRE #2 COPPER STRANDED BARE STR
KLM ENGINEERING INC	\$13,500.00 WO3012 RECOAT RESERVOIR #4 DOMINION AVE
LOFFLER COMPANIES - 131511	\$204.51 CONTRACT CHG 2025 MAINT AGREE DEC
MINN VALLEY TESTING LABS INC	\$157.10 WATER TESTING COLIFORM
MMUA	\$14,341.25 2026 Q1 SAFETY MGMT PROG/ELEC TRAINING
PLUNKETT'S PEST CONT, INC.	\$331.64 RODENT CONTROL PROGRAM @ S.SUB HOUSES
RESCO	\$5,300.05 CROSSARM FIBERGLASS 8' TANG W/MTG BRKT
SHORT ELLIOTT HENDRICKSON INC	\$1,056.62 SHPUC ON CALL WATER MODELING SERVICES
SMSC	\$11,456.47 WO2945 DOKENDORF PHS 2 UG ELEC REFUND
STINSON LLP	\$2,062.50 WO3020 UTIL SVC TERR DISPUTE DEC 2025
JORDAN STOCKER	\$214.00 REIMBURSE DOT PHYSICAL/HEALTH CARD
WESCO RECEIVABLES CORP.	\$9,612.71 METER SOCKET 9S 3PHASE 13 TERMINAL W/BYP
WSB & ASSOCIATES INC.	\$1,046.50 WO#2581 2025 PROJ COMPLETION/STARTUP DEC
HEALTH EQUITY INC.	\$5,383.00 2025 DAYCARE CLAIM REIMB M.G./C.S/R.H
HEALTH EQUITY INC.	\$134.52 2026 PLAN YR HEALTH CLAIM REIMB. D.H.
HEALTH EQUITY INC.	\$1,017.00 JANUARY 2026 HCRA MEDICAL PREFUNDING
HEALTH EQUITY INC.	\$3,062.00 JANUARY 2026 DCRA DEPENDENT PREFUNDING
VERIZON WIRELESS SERVICES LLC	\$386.89 MONTHLYPEPWAIVE POTSOLVE 12/6/25-1/5/26
PAYROLL DIRECT DEPOSIT 01.23.26	\$140,655.22
BENEFITS & TAXES FOR 01.23.26	\$155,097.39

Total Week of 01/23/2026

\$383,850.22

Grand Total

\$5,888,235.26

Kelley Willemssen

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Monthly Water Dashboard

As of: December 2025

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

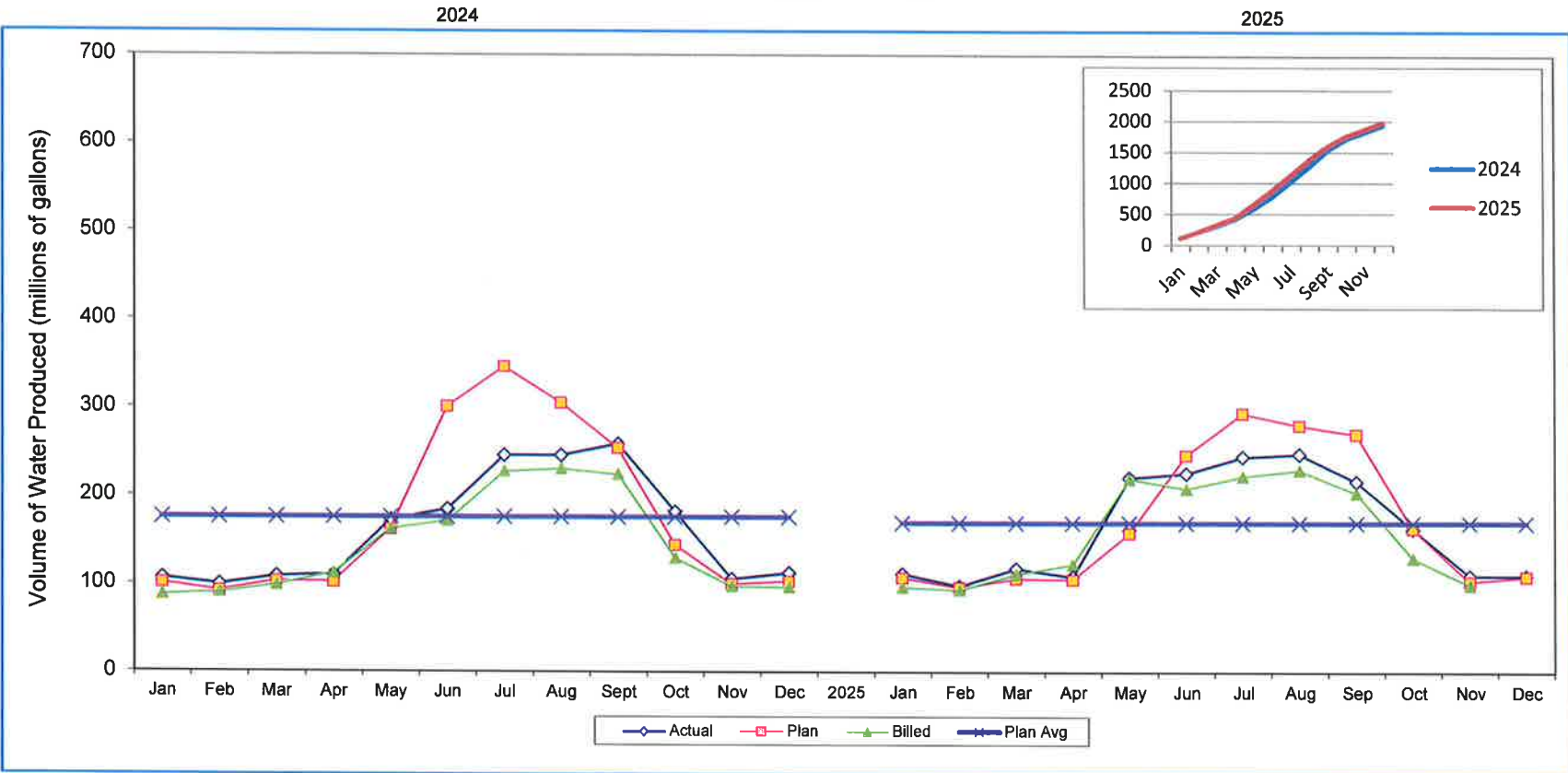
Element/Measure

Water Pumped/Metered

Monthly Avg

Last 6 months actuals	245	248	217	163	110	110
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2023	187
2024	161
2025	165




	2024												2025											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	107	100	109	111	173	185	246	246	259	182	106	113	112	98	118	109	221	226	245	248	217	163	110	110
Plan	101	92	103	102	162	301	346	305	254	144	100	103	107	96	106	105	158	246	294	280	270	163	103	109
YTD % *													105%	103%	106%	106%	115%	108%	102%	99%	96%	96%	97%	97%
Billed	88	91	99	113	163	172	228	231	225	130	98	97	97	94	112	123	220	209	223	230	204	130	100	

* Actual gallons pumped vs. Plan

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Highview Park 1st and 3rd Additions Trunk Watermain Oversizing Resolutions

DATE: January 22, 2026

ISSUE

Staff is submitting for Commission approval Resolution #2026-02 approving supplemental payment to DR Horton and Resolutions #2026-03 and 2026-04 approving estimated cost and payment to Fourstar for watermain oversizing credit on the Highview Park 1st and 3rd Addition plats respectively.

BACKGROUND

Attached are the adopted resolutions for both the estimated trunk watermain oversizing credit in the amount of \$265,378.95 on the Highview Park 1st Addition and the subsequent payment resolution in the amount of \$209,306.82. Payment was made to the developer of the plat, DR Horton.

Previously staff had determined that there was no pipe oversizing on the Highview Park 3rd Addition.

DISCUSSION

Staff were recently asked by Fourstar, the land developer for the most recent Highview Park residential additions, to review our previously completed Trunk Watermain Oversizing determination. During the review staff discovered we had overlooked some portions of watermain oversizing credits due DR Horton the original developer for earlier additions and Fourstar for both the new additions and one already completed.

A revised analysis revealed that we miscalculated the value of the oversizing due the developers in the additional amount equal to \$ 29,625.51. With the additional amount due DR Horton for the 1st Addition equal to \$23,314.46 and the amount due Fourstar for the 3rd Addition equal to \$6,338.05.

RECOMMENDATION

Staff recommends the Commission adopt the attached Resolutions #2026-02, 2026-03 and 2026-04 approving payments to DR Horton of \$23,314.46 and to Fourstar of \$6,338.05 to cover the difference between the amount previously paid and the corrected amounts due.

REQUESTED ACTION

Staff requests:

1. Commission adopt by motion: Resolution #2026-02 Resolution Approving a Supplemental Payment for the Pipe Oversizing Costs on the Project Highview Park 1st Addition.
2. Commission adopt by motion: Resolution #2026-03 Resolution Approving of the Estimated Cost of the Pipe Oversizing on the Project Highview Park 3rd Addition.
3. Commission adopt by motion: Resolution #2026-04 Resolution Approving Payment for the Pipe Oversizing Costs on the Project Highview Park 3rd Addition.

RESOLUTION #2026-02

RESOLUTION APPROVING A SUPPLEMENTAL PAYMENT FOR THE PIPE
OVERSIZING COSTS ON THE WATERMAIN PROJECT:

HIGHVIEW PARK 1ST ADDITION

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$265,378.95 with Resolution #2023-24 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Kimley-Horn & Associates, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

WHEREAS, the payment by the Shakopee Public Utilities Commission for the oversizing on this project was approved in the amount of \$209,306.82, by Resolution #2024-29 dated October 7, 2024, and

WHEREAS, SPU Staff has determined after further analysis the correct amount of oversizing on the project was actually greater by \$23,314.46 for a total of \$232,621.28.

NOW THEREFORE, BE IT RESOLVED, that the supplemental payment by the Shakopee Public Utilities Commission for the oversizing on this project be approved in the amount of \$23,314.46, 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 2nd day of February, 2026.

Commission President: BJ Letourneau

ATTEST:

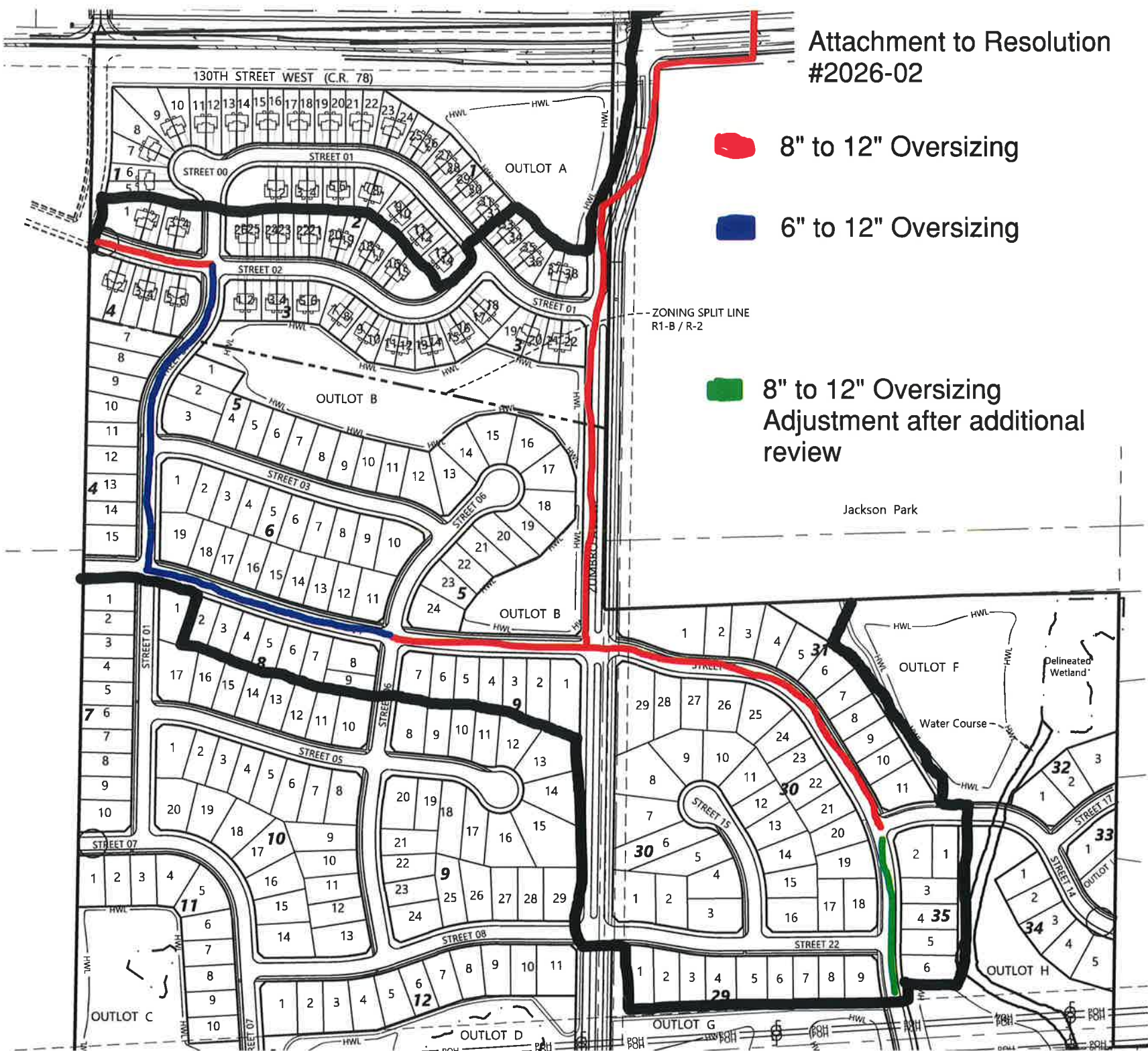
Commission Secretary: Greg Drent

Attachment to Resolution #2026-02

 8" to 12" Oversizing

 6" to 12" Oversizing

 8" to 12" Oversizing
Adjustment after additional review



Supplemental Watermain Oversizing Costs

Project Name: Highview Park 1st Addition

<u>Item</u>	<u>Description</u>	<u>Unit</u>	<u>Est. Qty.</u>	<u>Unit Price</u>	<u>Extension</u>
1	<u>8</u> " DIP CL 52 VS. <u>12</u> " DIP CL 52	LF	450	\$29.00	\$13,050.00
2	<u>8</u> " Valve and Box VS. <u>12</u> " Valve and Box	EA	2	\$1,928.27	\$3,856.54
3	Fittings	LBS	290	11.61	\$3,366.90
4	15% Engineering, Admin, and Finance Allowance				\$3,041.02
Total Estimated Watermain Oversizing Costs					<u>\$23,314.46</u>

Submitted By: Westwood, Calculations by SPU

Date: 1/22/2026

Return Estimate To:
Attn: Joseph D. Adams
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379

<i>For SPU Use Only</i>	
Total Est Oversizing Cost	\$23,314.46
(for entire project)	
Reviewed By:	
Approved By:	

RESOLUTION #2024-29

RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING
COSTS ON THE WATERMAIN PROJECT:

HIGHVIEW PARK 1ST ADDITION

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$265,378.95 with Resolution #2023-24 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Kimley-Horn & Associates, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$209,306.82, 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 7th day of October, 2024.



Vice President: BJ Letourneau

ATTEST:



Commission Secretary: Greg Drent

RESOLUTION #2023-24

RESOLUTION APPROVING OF THE ESTIMATED COST OF
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

HIGHVIEW PARK 1ST ADDITION

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by Pioneer Engineering, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and


WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

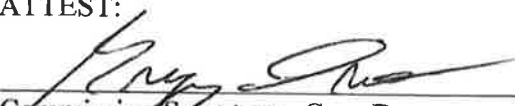
NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$265,378.95, and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

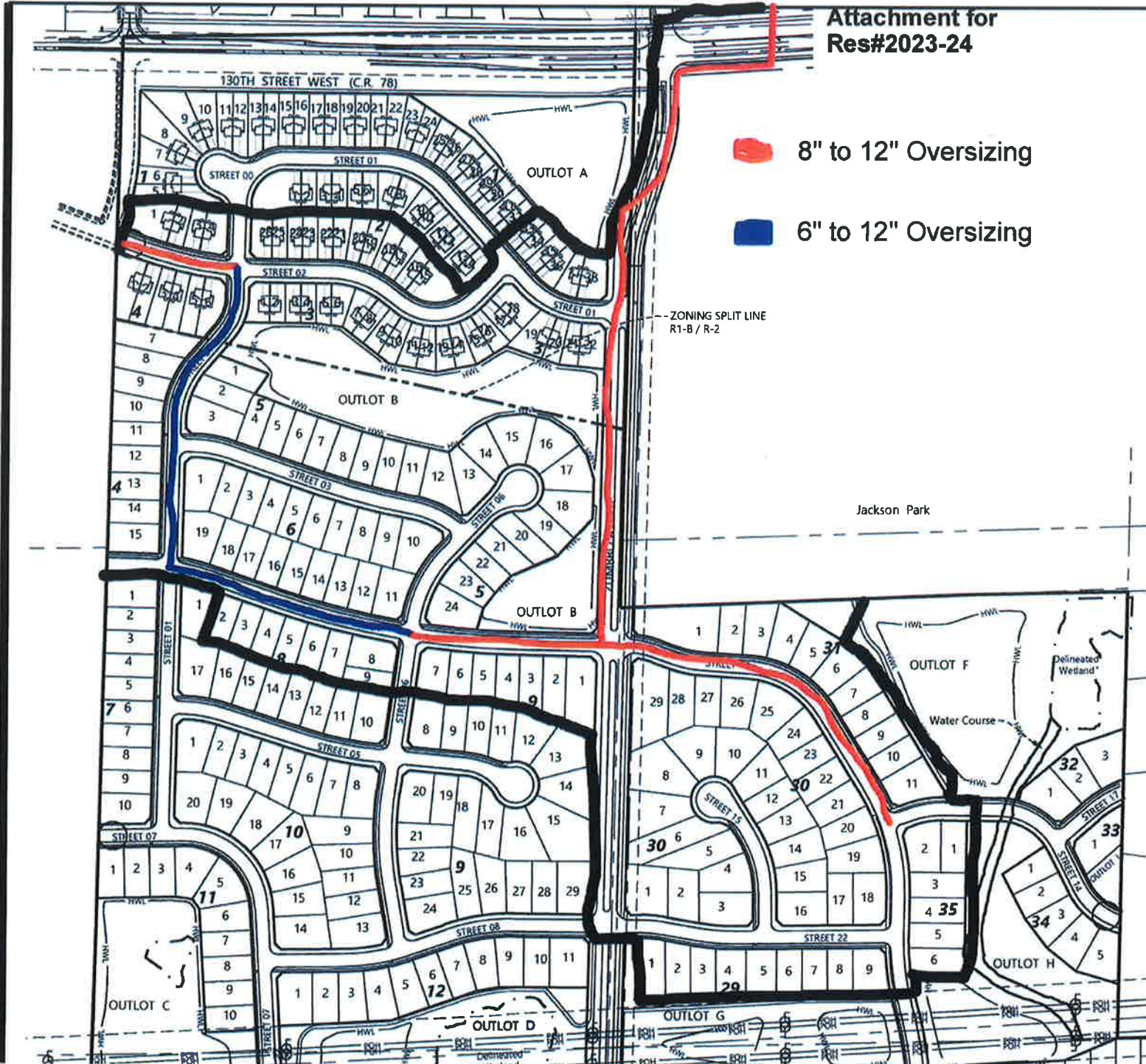
BE IT FURTHER RESOLVED, that all things necessary to carry out the terms and purpose of this Resolution are hereby authorized and performed.

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of September 2023.


Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent

Attachment for Res#2023-24



 8" to 12" Oversizing

 6" to 12" Oversizing

-- ZONING SPLIT LINE
R1-B / R-2

Jackson Park

Water Course
Delineated Wetland

RESOLUTION #2026-03

RESOLUTION APPROVING OF THE ESTIMATED COST OF
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

HIGHVIEW PARK 3rd ADDITION

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by Westwood Professional Services, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$6,338.05, and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, 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 2nd day of February, 2026.

Commission President: BJ Letourneau

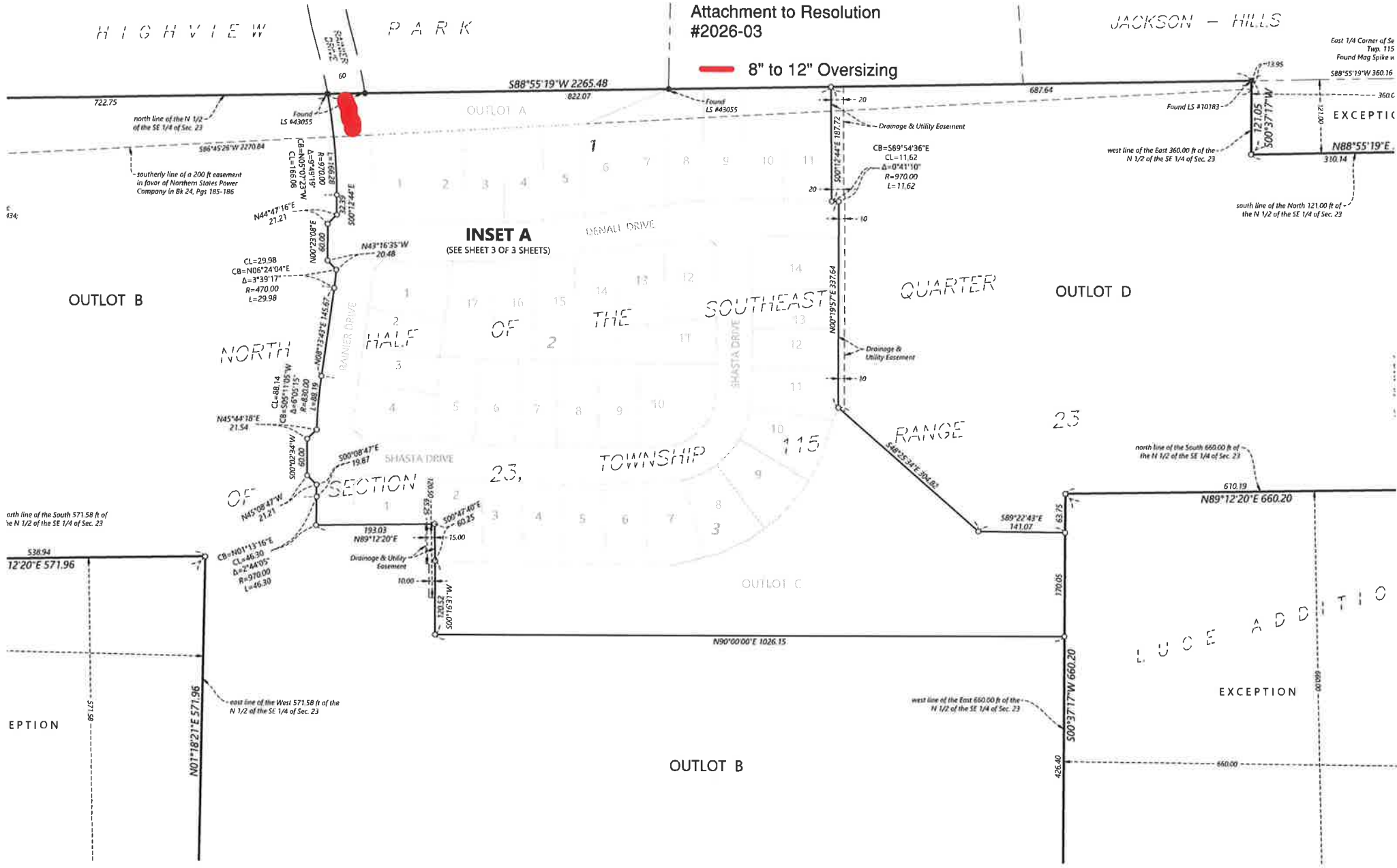
ATTEST:

Commission Secretary: Greg Drent

HIGHVIEW PARK 3RD ADDITION

Attachment to Resolution
#2026-03

8" to 12" Oversizing



East 1/4 Corner of Sec. 115
Found Mag Spike w.
S88°55'19"W 360.16
360.0
121.00
121.05
N88°55'19"E
310.14
south line of the North 121.00 ft of the N 1/2 of the SE 1/4 of Sec. 23

North line of the South 571.58 ft of the N 1/2 of the SE 1/4 of Sec. 23

East line of the West 571.58 ft of the N 1/2 of the SE 1/4 of Sec. 23

West line of the East 660.00 ft of the N 1/2 of the SE 1/4 of Sec. 23

North line of the South 660.00 ft of the N 1/2 of the SE 1/4 of Sec. 23

Final Watermain Oversizing Costs


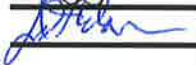
Project Name: Highview Park 3rd Addition

<u>Item</u>	<u>Description</u>	<u>Unit</u>	<u>Est. Qty.</u>	<u>Unit Price</u>	<u>Extension</u>
1	<u>8</u> " DIP CL 52 VS. <u>12</u> " DIP CL 52	LF	<u>136</u>	<u>\$29.00</u>	<u>\$3,944.00</u>
2	<u>8</u> " Valve and Box VS. <u>12</u> " Valve and Box	EA		<u>\$1,928.27</u>	<u>\$0.00</u>
3	Fittings	LBS	<u>135</u>	<u>11.61</u>	<u>\$1,567.35</u>
4	15% Engineering, Admin, and Finance Allowance				<u>\$826.70</u>
Total Estimated Watermain Oversizing Costs					<u>\$6,338.05</u>

Submitted By: Westwood, Calculations by SPU

Date: 1/22/2026

Return Estimate To:
Attn: Joseph D. Adams
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379

<i><u>For SPU Use Only</u></i>	
Total Est Oversizing Cost	<u>\$6,338.05</u>
(for entire project)	
Reviewed By:	
Approved By:	

RESOLUTION #2026-04

RESOLUTION APPROVING PAYMENT FOR THE PIPE OVERSIZING
COSTS ON THE WATERMAIN PROJECT:

HIGHVIEW PARK 3rd ADDITION

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$6,338.05 with Resolution #2026-03 for oversizing on the above described watermain project, and

WHEREAS, the pipe sizes required for that project have been installed as shown on the engineering drawing by Westwood Professional Services, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of these costs to install oversize pipe above the standard size.

NOW THEREFORE, BE IT RESOLVED, that the payment by the Shakopee Public Utilities Commission for the oversizing on this project is approved in the amount of \$6,388.05, 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 2nd day of February, 2026.

Vice President: BJ Letourneau

ATTEST:

Commission Secretary: Greg Drent

DATE: January 26, 2026

TO: Greg Drent, General Manager



FROM: Brad Carlson, Director of Field Operations



Subject: Surplus Equipment

Background:

This document identifies equipment currently owned by Shakopee Public Utilities that has reached the end of its useful life, is no longer operationally required, or has been replaced through scheduled life-cycle upgrades. Items determined to be expired, damaged, obsolete, or otherwise unsuitable for resale will be disposed of in accordance with applicable disposal regulations. Equipment that remains functional and suitable for resale will be designated as surplus and sold through approved methods, including public auction, trade-in arrangements, or electronic sales platforms.

Equipment:

- 6 – Itron FC300 Computers

Action:

Declare Water and Electric property as surplus equipment and authorize for sale and disposal.



To: SPU Commissioners
From: Greg Drent, General Manager *GD*
Date: January 27, 2026
Subject: MMPA January 2026 Meeting Update

The public summary of the January 2026 MMPA Board of Directors meeting is below.

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on January 27, 2026, at Chaska City Hall in Chaska, Minnesota, and via videoconference.

The Board reviewed the Agency's financial and operating performance for December 2025.

Participation in the residential Clean Energy Choice program increased by 45 customers. Customer penetration for the program is 6.9% of residential customers.

The Board discussed the status of renewable projects the Agency is pursuing.

Thanks



PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

DATE: January 28, 2026
TO: Commissioners
FROM: Greg Drent, General Manager *GD*
Subject: Prior Lake Franchise Agreement

Background:

Prior Lake Franchise Agreement is set to expire in March 2026. SPU and Prior Lake have been in discussion on updating the agreement. Attached is the agreement that has been sent to Prior Lake for review. Prior Lake Legal Counsel is currently reviewing the document and would like to have the agreement done in February.

Action: Staff requests approval, subject to further revisions recommended by the General Manager and counsel.

**CITY OF PRIOR LAKE
SCOTT COUNTY, MINNESOTA**

ORDINANCE NO. _____

AN ORDINANCE GRANTING TO SHAKOPEE PUBLIC UTILITIES A MINNESOTA MUNICIPAL UTILITY, ITS SUCCESSORS AND ASSIGNS, A NONEXCLUSIVE FRANCHISE TO CONSTRUCT, OPERATE, REPAIR AND MAINTAIN IN THE CITY OF PRIOR LAKE, MINNESOTA, AN ELECTRIC DISTRIBUTION SYSTEM AND TRANSMISSION LINES, INCLUDING NECESSARY POLES, LINES, FIXTURES AND APPURTENANCES, FOR THE FURNISHING OF ELECTRIC ENERGY TO THE CITY, ITS INHABITANTS, AND OTHERS, AND TO USE THE PUBLIC WAYS AND PUBLIC GROUNDS OF THE CITY FOR SUCH PURPOSES.

The City Council of Prior Lake, Minnesota ordains:

SECTION 1. DEFINITIONS.

For purposes of this Ordinance, the following capitalized terms listed in alphabetical order shall have the following meanings:

City. The City of Prior Lake, Scott County, State of Minnesota.

City Utility System. Facilities used for providing public utility service owned or operated by the City or an agency thereof, including sewer, storm sewer, water service, street lighting and traffic signals, but excluding facilities for providing heating, lighting, or other forms of energy.

Commission. The Shakopee Public Utilities Commission, or any successor agency or agencies, which governs the Company.

Company. Shakopee Public Utilities, a Minnesota municipal utility, its successors and assigns including all successors or assignees that own or operate any part or parts of the Electric Facilities subject to this franchise.

Electric Facilities. Electric transmission and distribution towers, poles, lines, guylines, anchors, conduits, fixtures, and necessary appurtenances owned or operated by the Company for the purpose of providing electric energy for public or private use.

Notice. A writing served by any party or parties on any other party or parties. Notice to the Company shall be mailed to _____. Notice to the City shall be mailed to City Manager, 4646 Dakota St SE, Prior Lake, Minnesota 55372. Any party may change its respective address for the purpose of this Ordinance by written notice to the other parties.

Public Way. Any public right-of-way within the City as defined by Minnesota Statutes, Section 237.162, subd. 3.

Public Ground. Land owned or otherwise controlled by the City for park, open space or similar public purpose, which is held for use in common by the public and not a Public Way.

SECTION 2. ADOPTION OF FRANCHISE.

2.1. **Grant of Franchise.** The City hereby grants the Company, for a period of 20 years from the date this Ordinance is passed and approved by the City, the right to transmit and furnish electric energy for light, heat and power for public and private use within and through the limits of the City as its boundaries now exist or as they may be extended in the future. For these purposes, the Company may construct, operate, repair and maintain Electric Facilities in, on, over, under and across the Public Ways and Public Grounds, subject to the provisions of this Ordinance. The Company may do all reasonable things necessary or customary to accomplish these purposes, subject however, to such reasonable regulations as may be imposed by the City pursuant to ordinance or permit requirements and to the further provisions of this franchise agreement.

2.2. **Effective Date; Written Acceptance.** This franchise shall be in force and effect from and after the passage of this Ordinance and publication as required by law and its acceptance by the Company. If the Company does not file a written acceptance with the City within 60 days after the date the City Council adopts this Ordinance, the City Council by resolution may revoke this franchise, seek its enforcement in a competent jurisdiction or pursue other remedies in law or in equity.

2.3. **Service, Rates and Area.** The service to be provided and the rates to be charged by the Company for electric service in City are subject to the jurisdiction of the Commission. The area within the City in which the Company may provide electric service is subject to the provisions of Minnesota Statutes, Sections 216B. 37 - .40.

2.4. **Publication Expense.** The Company shall pay the expense of publication of this Ordinance.

2.5. **Dispute Resolution.** If either party asserts that the other party is in default in the performance of any obligation hereunder, the complaining party shall notify the other party of the default and the desired remedy. The notification shall be written. Representatives of the parties must promptly meet and attempt in good faith to negotiate a resolution of the dispute. If the dispute is not resolved within thirty (30) days of the date of written Notice, the parties may jointly select a mediator to facilitate further discussion. The parties will equally share the fees and expenses of this mediator. If a mediator is not used or if the parties are unable to resolve the dispute within 30 days after first meeting with the selected mediator, either party may commence an action in District Court to interpret and enforce this franchise or for such other relief as may be permitted by law or equity.

2.6. **Continuation of Franchise.** If the City and the Company are unable to agree on the terms of a new franchise by the time this franchise expires, this franchise will remain in effect until a new franchise is agreed upon, or until 90 days after the City or the Company serves written Notice to the other party of its intention to allow the franchise to expire. However, in no event shall this franchise continue for more than one year after expiration of the 20 year term set forth in Section 2.1.

SECTION 3. LOCATION, OTHER REGULATIONS.

3.1. **Location of Facilities.** Electric Facilities shall be located, constructed, and maintained so as not to interfere with the safety and convenience of ordinary travel along and over Public Ways and so as not to disrupt or interfere with the normal operation of any City Utility System. Electric Facilities may be located on Public Grounds as determined by the City. The Company's construction, reconstruction, operation, repair, maintenance, location and relocation of Electric Facilities shall be subject to other reasonable regulations of the City consistent with statutory authority granted the City to manage its Public Ways and Public Grounds under state law.

3.2. **Street Openings.** The Company shall not open or disturb the surface of any Public Way or Public Ground for any purpose without first having obtained a permit from the City, if required by a separate ordinance for which the City may impose a reasonable fee. Permit conditions imposed on the Company shall not be more burdensome than those imposed on other utilities for similar facilities or work. The Company may, however, open and disturb the surface of any Public Way or Public Ground without a permit if (i) an emergency exists requiring the immediate repair of Electric Facilities and (ii) the Company gives telephone notice to the City before, if reasonably possible, commencement of the emergency repair. Within two business days after commencing the repair, the Company shall apply for any required permits and pay any required fees.

3.3. **Restoration.** After undertaking any work requiring the opening of any Public Way, the Company shall restore the Public Way in accordance with Minnesota Rules, part 7819.1100 and applicable City ordinances consistent with law. The Company shall restore Public Ground to as good a condition as formerly existed, and shall maintain the surface in good condition for six (6) months thereafter. All work shall be completed as promptly as weather permits, and if Company shall not promptly perform and complete the work, remove all dirt, rubbish, equipment and material, and put the Public Ground in the said condition, the City shall have, after demand to Company to cure and the passage of a reasonable period of time following the demand, but not to exceed five days, the right to make the restoration of the Public Ground at the expense of the Company. The Company shall pay to the City the actual cost of such work done for or performed by the City. This remedy shall be in addition to any other remedy available to the City for noncompliance with this Section 3.3. The Company shall also post a construction performance bond consistent with provisions of the Minnesota Rules, parts 7819.3000 and 7819.0100, subpart 6.

3.4. **Shared Use of Poles.** The Company shall make space available on its poles or towers for City fire, water utility, police or other City facilities whenever such use will not interfere with the

use of such poles or towers by the Company, by another electric utility, by a telephone utility, or by any cable television company or other form of communication company. In addition, the City shall pay for any added cost incurred by the Company because of such use by City.

3.5. Avoid Damage to Electric Facilities. The Company must take reasonable measures to prevent the Electric Facilities from causing damage to persons or property. The City must take reasonable measures to prevent damage to the Electric Facilities, including when it performs work near the Electric Facilities. Nothing in this Ordinance relieves any person from liability arising out of the failure to exercise reasonable care to avoid damaging Electric Facilities while performing any activity

3.6. Notice of Improvements to Streets. The City must give the Company reasonable written Notice of plans for improvements to Public Ways where the City has reason to believe that Electric Facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the Public Ways upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) if more than one Public Way is involved, the order in which the work is to proceed. The notice must be given to the Company a sufficient length of time, considering seasonal working conditions, in advance of the actual commencement of the work to permit the Company to make any additions, alterations or repairs to its Electric Facilities the Company deems necessary.

3.7. Mapping Information. The Company must promptly provide mapping information for any of its underground Electric Facilities in accordance with Minnesota Rules, parts 7819.4000 and 7819.4100.

SECTION 4. FACILITIES RELOCATION.

4.1. Relocation in Public Ways. The Company and the City shall comply with Minnesota Rules, part 7819.3100.

4.2. Relocation in Public Grounds. The City may require the Company at the Company's expense to relocate or remove its Electric Facilities from Public Ground upon a finding by the City that the Electric Facilities have become or will become a substantial impairment to the existing or proposed public use of the Public Ground.

4.3. Projects with Federal Funding. Relocation, removal, or rearrangement of any Electric Facilities made necessary because of the extension into or through the City of a federally-aided highway project shall be governed by the provisions of Minnesota Statutes, Section 161.46. For relocation, removal, or rearrangement of any Electric Facilities otherwise eligible for funding in whole or in part by the federal government or any agency thereof, the City shall pay the Company the reasonable non-betterment costs of such relocation, removal, or rearrangement of Electric Facilities.

SECTION 5. TREE TRIMMING.

Unless otherwise provided in any permit or other reasonable regulation required by the City under separate ordinance, the Company may trim all trees and shrubs in the Public Ways and Public Grounds of the City to the extent the Company finds necessary to avoid interference with the proper construction, operation, repair and maintenance of any Electric Facilities installed hereunder. The Company shall be responsible for its own acts or omissions and those of any third-party for which it is responsible arising from such trimming of trees and shrubs.

SECTION 6. INSURANCE AND INDEMNIFICATION.

6.1. Insurance. The Company is required to maintain Commercial General Liability Insurance on an occurrence basis protecting it from claims for damages for bodily injury, including death, and for claims for property damage, which may arise from operations under this Ordinance. Insurance minimum limits are as follows:

- \$2,000,000 – per occurrence
- \$4,000,000 – annual aggregate

The following coverages shall be included: Premises and Operations Bodily Injury and Property Damage; Personal and Advertising Injury Blanket Contractual Liability and Products and Completed Operations Liability.

The City must be endorsed as an Additional Insured.

With the City's consent, which shall not be unreasonably withheld, the Company shall have the option of providing a program of self-insurance to meet its obligation under this Ordinance. In such event, the Company shall submit to the city a Certificate of Self-Insurance or other documents showing proof of its financial responsibility.

6.2. **Responsibilities.** The Company and the City shall each be responsible for its own acts or omissions, and those of any third parties for whom it is responsible, and the results thereof to the extent authorized by law. Neither the City nor the Company shall be responsible for the acts or omissions of any others and the results thereof.

6.3. **Defenses and Protections.** Nothing contained in this franchise shall limit, waive, affect, or impair the rights or protections provided to the City or the Company as a local unit of government, including, but not limited to official immunity, legislative immunity, statutory immunity, discretionary immunity, or other immunity under applicable law. Nothing contained in this franchise, including any provisions regarding Company responsibility, shall in any way limit, waive, affect, or impair the limitations on liability for the City or the Company or their respective representatives set forth in Minnesota Statutes, Chapter 466, as may be amended.

SECTION 7. VACATION OF PUBLIC WAYS.

The City shall give the Company at least two weeks prior written notice of a proposed vacation of a Public Way. The City and the Company shall comply with Minnesota Rules, 7819.3200 and applicable ordinances consistent with state statutes.

SECTION 8. ABANDONED FACILITIES.

The Company shall comply with Minnesota Statutes, Sections 216D.01 et seq. and Minnesota Rules, part 7819.3300, as they may be amended from time to time. The Company shall maintain records describing the exact location of all abandoned and retired Facilities within the City, produce such records at the City's request, and comply with the applicable location requirements of Section 216D.04 with respect to Electric Facilities.

SECTION 9. CHANGE IN FORM OF GOVERNMENT.

Any change in the form of government of the City shall not affect the validity of this Ordinance. Any governmental unit succeeding the City shall, without the consent of Company, succeed to all of the rights and obligations of the City provided in this Ordinance.

SECTION 10. FRANCHISE FEE.

10.1. **Form.** During the term of the franchise hereby granted, and in addition to permit fees being imposed or that the City has a right to impose, the City may charge the Company a franchise fee. The fee may be (i) a percentage of gross revenues received by the Company for its operations within the City, or (ii) a flat fee per customer based on metered service to retail customers within the City or on some other similar basis, or (iii) a fee based on units of energy delivered to any class of retail customers within the corporate limits of the City. The formula for a franchise fee based on units of energy delivered may incorporate both commodity and demand units. The method of imposing the franchise fee, the percentage of revenue rate, or the flat rate based on metered service may differ for each customer class or combine the methods described in (i) - (iii) above in assessing the fee. The City shall seek to use a formula that provides a stable and predictable amount of fees, without placing the Company at a competitive disadvantage. If the Company claims that the City-required fee formula is discriminatory or otherwise places the Company at a competitive disadvantage, the Company shall provide a formula that will produce a substantially similar fee amount to the City and reimburse the City's reasonable fees and costs in reviewing the formula. The City will attempt to accommodate the Company but is under no franchise obligation to adopt the Company-proposed franchise fee formula and such review will not delay the implementation of the City-imposed fee.

10.2. **Separate Ordinance.** The franchise fee shall be imposed by separate ordinance duly adopted by the City Council, which ordinance shall not be adopted until at least thirty (30) days after written notice enclosing such proposed ordinance has been served upon the Company. The fee shall become effective ten (10) days after written notice enclosing such adopted ordinance has been served upon the Company by certified mail.

10.3. **Condition of Fee.** The separate ordinance imposing the fee shall not be effective against the Company unless it lawfully imposes a fee of the same or substantially similar amount on the

sale of electric energy within the City by any other electric energy supplier, provided that, as to such supplier, the City has the authority to require a franchise fee.

10.4. **Collection of Fee.** The franchise fee shall be payable not less than quarterly during complete billing months of the period for which payment is to be made. The franchise fee formula may be changed from time to time; however, the change shall meet the same notice requirements and the fee may not be changed more often than annually. Such fee shall not exceed any amount that the Company may legally charge to its customers prior to payment to the City. Such fee is subject to subsequent reductions to account for uncollectibles and customer refunds incurred by the Company. The Company agrees to make available for inspection by the City at reasonable times all records necessary to audit the Company's determination of the franchise fee payments.

10.5. **Continuation of Franchise Fee.** If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon notwithstanding the franchise expiration as provided in section 2.6 above.

SECTION 11. SERVICE RELIABILITY, INFRASTRUCTURE REPORTING.

The Company and the City shall meet annually at a mutually convenient time to discuss items of concern or interest relating to the Company's service reliability in the previous year, compared to other service areas, infrastructure plans for the coming year and other matters raised by the City or the Company. Upon request, the Company shall produce reports of aggregated data comparing its service record in the City to other service areas and provide, among other reasonably required data, System Average Interruption Duration Index (SAIDI), Customers Experiencing Multiple interruptions (CEMI) and municipal pumping station and general customer outage data for the previous year.

SECTION 12. PROVISION OF ORDINANCE.

12.1. **Severability.** Every section, provision, or part of this Ordinance is declared separate from every other section, provision, or part; and if any section, provision, or part shall be held invalid, it shall not affect any other section, provision, or part; provided, however, that if the City is unable to enforce its franchise fee provisions for any reason the City will be allowed to amend the franchise agreement to impose a franchise fee pursuant to statute. Where a provision of any other City ordinance conflicts with the provisions of this Ordinance, the provisions of this Ordinance shall prevail.

12.2. **Limitation on Applicability.** This Ordinance constitutes a franchise agreement between the City and the Company as the only parties and no provision of this franchise shall in any way inure to the benefit of any third person (including the public at large) so as to constitute any such person as a third party beneficiary of the agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

SECTION 13. AMENDMENT PROCEDURE.

Either party to this franchise agreement may at any time propose that the agreement be amended. This Ordinance may be amended at any time by the City passing a subsequent ordinance declaring the provisions of the amendment, which amendatory ordinance shall become effective upon the filing of the Company's written consent thereto with the City Clerk after City Council adoption of the amendatory ordinance. This amendatory procedure is subject, however, to the City's police power and franchise rights under Minnesota Statutes, Sections 216B.36 and 301B.01, which rights are not waived hereby.

Passed by the City Council Prior Lake, Minnesota this _____ day of Month, 2026.

Kirt Briggs, Mayor

Attested:

Jason Wedel, City Manager

DATE: January 21, 2026
TO: SPU Commissioners
FROM: Greg Drent, General Manager 
Subject: Goals 2026

As we look ahead to 2026, SPU will focus on establishing clear, measurable goals that support reliable operations, regulatory compliance, financial stewardship, and long-term system sustainability. Setting focused organizational goals will help guide decision-making, align departmental priorities, and ensure continued delivery of safe and efficient utility services to our community. SPU staff has agreed to the following goals for your review and approval.

2026 Goals

1. Electric Service Territory with Xcel Energy 2026-2027 **Greg**
2. 125 Years celebration for the Electric and 115 Year from the first well – 75 Years of Commission **Sharon**
 - a. Organize an employee committee for celebration idea generation, budget planning and execution
 - b. Create commemorative logo for electric and water milestones
 - c. Develop and implement a public communications campaign (April 2026 – March 2027)
 - d. Coordinate a community event (“carnival”) for September 2026
3. Disaster Recovery tabletop **Philip**
 - a. Organize and simulate Disaster Recovery Scenario for both Water and Electric Departments.
 - b. Organize and simulate Disaster Recovery Scenario for IT Department.
 - c. Organize and schedule regional Disaster Recovery Scenario for Utility including City of Shakopee/Scott County Emergency Services for 2027.
4. Euna Software Implementation (Capital & Financial Software) **Kelley**

Euna Solutions is a software that offers a cloud based Saas solution specifically for capital improvement budgeting and related operational financial planning and budgeting.

- o Multi-Year Capital Budgeting Capabilities
- o Integrated Capital and Operating Budgeting
- o Real-Time Collaboration & Centralization for capital projects (between finance and engineering)
- o Strategic/Predictive enhancements for planning and finance

Project Management (Kelley Willemsen/Gabe Reiter)

5. Electric Policy Manual **Brad**
 - a. Review/update and add new policies
 - b. Update detailed specification drawings (ie, metering, smart switch)
6. Update Franchise Fee with the City of Shakopee for companies over \$950,000 in water and electric utility services. **Greg**
7. Key accounts program **Sharon**
 - a. Complete APPA Key Accounts Certification
 - b. Launch introductory program to key accounts
 - c. Create a Key Account database/CRM for SPU-wide use
8. Developing and planning infrastructure needs to support expected growth **Joe**
 - a. Water treatment land purchase
 - b. Additional well sites
 - c. Additional booster station sites
 - d. Raw water lines in projects
 - e. Electric substation land for expansion
 - f. East Substation Completion 2027 potential 2nd lineup

Future items 2027 Resolutions updates and paperless

2025 Goals

1. Develop a Crisis Management Plan
 - a. Risk Assessment – identify and rank technology, financial, employee and operational risks
 - b. Crisis Communications- identify responders, communication strategies and messaging
 - c. Disaster Recovery Plan – create a formal plan
2. Continue developing and planning infrastructure needs to support expected growth
 - a. Water treatment land purchase
 - b. Additional well sites
 - c. Additional booster station site
 - d. Raw water lines in projects

- e. Electric substation land for expansion (Shakopee Substation)2025-2026
- 3. Update Electric and Water Policy manuals
- 4. Easement set guidelines for service installation
 - a. Standard Utility Easement Template
 - b. Recording process
 - c. Use of Easement
 - d. Enforcement
 - e. Termination of easement templates
- 5. Electric Service Territory with Xcel Energy 2025-2026
- 6. Implement On-Boarding Process - new commissioners and employees
 - a. Create on-boarding welcoming packet
 - b. Orientation (organizational overview, responsibilities, regulations, compliance, goals)
 - c. MMUA training and workshops
 - d. Relationship building with GM and Staff
 - e. Governance and Decision-Making

ACTION: Review 2026 goals and approve them as presented or amended