



REGULAR COMMISSION MEETING

MARCH 2, 2026

SPU SERVICE CENTER, 255 SARAZIN ST, SHAKOPEE

1. **CALL TO ORDER – 5:00 PM**
2. **ROLL CALL**
3. **APPROVAL OF MARCH 2, 2026 AGENDA**
MOTION TO APPROVE THE AGENDA
4. **COMMUNICATIONS** – Customer Communication – Response to notice of disconnect (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 February 2, 2026 Minutes (GD)
 - 6.b March 2, 2026 Warrant List (KW)
 - 6.c Monthly Water Dashboard for January 2026 (BC)
 - 6.d Highview Park 4th Addition Trunk Watermain Oversizing Resolutions (JA)
Res #2026-05 & Res 2026-06
 - 6.e Res# 2026-07 Resolution Approving Shakopee Public Utilities Commission's
Cogeneration and Small Power Production Tariff (JA)
 - 6.f Adams Street Watermain Extension – Construction Cooperative Agreement
needed with City of Shakopee (RH)
 - 6.g MMPA February 2026 Meeting Update (GD)
 - 6.h Res #2026-08 Resolution Approving Purchase of Property (GD)
 - 6.i Updates from February Commission Meeting: Cold Weather Rule, LIHEAP &
Disconnects (KW)**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 Revised Billing, Credit & Collection Policy (KW)
 - 9.b Potential Large Power User Considerations (GD)
10. **REPORTS – STAFF**
 - 10.a Operations Report – Verbal (BC)
11. **GENERAL MANAGER REPORT – VERBAL (GD)**



12. ITEMS FOR FUTURE AGENDAS

TENTATIVE DATES FOR UPCOMING MEETINGS

- March 16, 2026 - WORKSHOP
- March 17, 2026 – JOINT MEETING WITH CITY
- APRIL 6, 2026

13. ADJOURNMENT



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13. ADJOURNMENT

February 20, 2026

TO: Greg Drent, General Manager *plw*
FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects *SW*
SUBJECT: Customer Communication – Response to Notice of Disconnect

Overview

The attached communication was received on February 18th, 2026.

It is in response to a standard SPU notice of disconnect for a past due account balance. The amount past due on their account is equal to the monthly manual reading fees and late fee penalties.

For clarification and understanding, the billing system looks at a utility account as a whole. It pays the oldest account balance first and then applies any remaining payment amount toward the newest billings/services. While the customer continues to short pay the manual reading fee and late fee **amounts**, those are not the only - or specific - line items on their account that are not being paid.

Simply put, because they are short paying their account balance due each month, they are leaving unpaid balances in other utility services as well - not just the manual reading fees or late fees. Any outstanding account balance is subject to disconnection for nonpayment.

Based on prior Commission direction, Staff intends to proceed following standard policy.

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.

February 18, 2026

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

Dear Mr. Drent,

On January 26, 2026, we received your notice of disconnect.

We have reasonable basis to understand SPU's practice regarding billing and terms and conditions of service as being in violation of certain provisions of law, including:

1. Contract law requires full disclosure. We believe SPU's AMI meter exchange program is being carried out in violation of this standard. SPU's implementation involves replacing all fully functioning analog meters with devices that collect customers' personal information, including detailed personal usage patterns of electric and water services. SPU has shown a lack of transparency as none of SPU's AMI marketing material clearly communicates the data collection aspect of the new equipment, therefore customers are unable to give informed consent.
2. We find SPU's policy to charge a \$75 "manual meter reading fee" (separate from the normal service rate charges, which we do not oppose) both unreasonable and harmful to its customers (2025 MN Statute 216B.172). First, the \$75 amount is well above similar fees charged by other utilities, conveying a penalty to coerce those who do not agree to the offered devices which collect detailed personal usage patterns. In addition, SPU has now escalated the threat by assigning delinquency to our account, with subsequent retribution of disconnecting our essential electric and water services. This discriminatory retaliation is further exacerbated by SPU's monopoly position as the utility provider for Shakopee, giving SPU an unfair advantage over consumer choice. (Minnesota Human Rights Act; 2025 MN Statute 216B.07)

3. We are not in breach of our original contract. We continue to be in good standing with SPU on our original mutually agreed upon contract where we agreed to pay SPU for safely delivered electric and water services, the cost being determined by actual usage recorded by an analog meter without additional “manual meter reading fees”. As in past communication, we assert that the unpaid amount in question is an unjustified penalty, and therefore does not warrant termination and disconnection of our services.
4. Throughout the appeal process we have sought to act in good faith. Most recently, we suggested a solution whereby we would provide our meter readings to SPU on a monthly basis, to which we were told that SPU does not allow customers to read their own meters. Our subsequent proposal was to provide SPU with time-stamped photos of our meters, allowing SPU to confirm actual meter readings. SPU did not answer this proposed idea, but instead sent us the notice of disconnect. Minnesota Administrative Rule 7826.0900 and 2025 MN Statute 216B.075 allow for the customer’s option to self-read, and the spirit of this rule seems to be to make arrangements that are acceptable to the customer.

Based on the above, we request the following corrective measures:

1. Rescind the Notice of Disconnect threat on our account (dated 1/23/2026);
2. Bring our account back to good standing by waiving all past, present and future coercive penalty fees (currently described as “manual meter reading fees”) associated with our account;
3. Retract the Shakopee Public Utilities Commission Resolution No. 2025-06 regarding the “findings of fact and determining” our appeal.
4. Provide us with written confirmation when each of the above corrective measures are completed.

Our hope is to continue a good-faith customer relationship with Shakopee Public Utilities. The offer to self-read our meters each month (and/or provide photos of our meters to show numerical readings) still stands. In the event that we cannot agree on the provisions outlined in this letter, we will be compelled to seek remedy from those with greater jurisdiction.

Sincerely,



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

February 23, 2026

Re: Nonpayment Notice and AMI Meter Exchange Policy,

Dear

On behalf of Shakopee Public Utilities (SPU), I write in response to your letter dated February 18, 2026. I will briefly clarify a few items.

Your account is in arrears because your balance due has been underpaid (in an amount equal to the monthly manual meter reading fees and late payment fees) for two months. As you know, the Commission adopted the AMI Meter Exchange Policy for the benefit of customers who wish to avoid AMI equipment. It applies to all residential customers who did not exchange meters and includes a monthly meter-reading fee.

SPU's fee was determined according to SPU's overall costs. As additional background, I note that although the Minnesota Public Utilities Commission generally does not regulate municipal utilities like SPU, it has approved a monthly manual meter reading fee of \$80 for a state-regulated utility. The references to Minnesota Statutes Chapter 216B and related Minnesota Administrative rules noted in your letter apply to public utilities, not municipal utilities like SPU. SPU does not have a customer self-read option. Although you may disagree with the monthly manual meter reading fee, it is an approved option to an AMI meter exchange.

Your account is in arrears. Under SPU's typical policy, payments will be applied to the oldest balance past due. In your case, recent payments were first applied to the outstanding water services balance (where the monthly manual meter reading fees are posted), which results in a partial payment or no payment in all other services on your account. Late fees will continue to accrue until the account is paid in full. Please note that ongoing arrears will result in disconnection.

SPU encourages you to bring your account current. More information on payment options can be found at www.shakopeeutilities.com.

Sincerely,

A handwritten signature in cursive script that reads "Gregory L Drent".

Greg Drent
General Manager

Proposed As Consent Item

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
February 2, 2026
Regular Meeting

1. Call to Order. President Letourneau called the February 2, 2026 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. Agenda Approval. Commissioner DuLaney moved, seconded by Commissioner Fox, to approve the agenda. Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.
3. Communications. Sharon Walsh, Director of Marketing/Key Accounts/Special Projects, described recent customer communications concerning the AMI Meter Exchange Policy. She noted that, absent direction from the Commission to proceed differently, staff will continue to follow the policy.
4. Public Comment Period. No public comments were presented.
5. Consent Agenda. Vice President Mocol moved, seconded by Commissioner Krieg, to approve the consent agenda as presented:
 - (5a) January 5, 2026 Minutes;
 - (5b) February 2, 2026 Warrant List;
 - (5c) Monthly Water Dashboard for December 2025;
 - (5d) Highview Park 1st and 3rd Addition Trunk Watermain Oversizing Resolutions #2026-02, #2026-03, #2026-04;
 - (5e) Surplus Equipment;
 - (5f) MMPA January 2026 meeting Update; and
 - (5g) Prior Lake Franchise.
 Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.
6. Liaison Report. Commissioner DuLaney shared his appreciation of the MMUA Governance in Action training that he attended on January 23.
7. Goals 2026. Greg Drent, General Manager, provided an overview of the proposed SPU goals for 2026, including Xcel Energy service territory, disaster recovery training, capital expenditures software, updating the Electric Policy Manual, and potential booster station sites. Commissioner Fox asked for clarification of the status of 2025 goals, and Mr. Drent provided an update. Commissioner Fox moved to approve the 2026 goals as presented. Vice President Mocol seconded the motion. Ayes: Letourneau, Mocol, DuLaney, Fox, and Krieg. Nays: None.
8. Operations Report. Brad Carlson, Director of Field Operations, presented a water update, including rebuilding chemical feed equipment in all pumphouses and pulling Wells 12 and 17 for maintenance for the year. Mr. Carlson reported that SPU received a \$3,000 grant from the Minnesota Department of Health to purchase new fluoride testing equipment. SPU also qualified for a source water protection grant to enhance well site security; although this program has

expended its funding, SPU will be at the top of the list when more funding becomes available. Mr. Carlson noted testing for lead and copper, which is free for homes built before 1983. He explained that the Department of Natural Resources has adjusted the notice requirements for Well #23 (the pumping levels are much lower than DNR's initial assumptions), resulting in notice required to only one private well. For electric, Mr. Carlson reported that SPU has only ten AMI meters left to install; six are scheduled for this month. He provided an update on energizing the Palomino addition in Windermere, joint trench work in Bluff View, and replacing streetlights hit by cars in bad weather. Mr. Carlson explained that the West Substation was taken offline while Xcel put fiber on its transmission lines. SPU crews finished pole inspections, with sixty poles rejected and replaced. He reported four outages since the last Commission meeting, with nothing significant.

9. Finance Report. Kelley Willemsen, Director of Finance and Administration, provided an update, including the status of current receivables and 109 disconnects scheduled. She reported that the audit process started, with CLA on-site the week of March 16, and plans to present at the May 4, 2026 Commission meeting. Ms. Willemsen described the EUNA finance software for long-term planning and capital asset management, with training in April – June and use in the 2027 budget process. President Letourneau confirmed the number of disconnects is typical. Vice President Mocol asked about the status of the Cap Agency assistance for SPU customers. Ms. Willemsen noted that the funding faced challenges due to the federal government shutdown.

10. General Manager Report. Mr. Drent noted that a potential large customer is considering locating in Shakopee, and asked for volunteers to assist with an informal working group to consider rates and development fees for customers of this size. Present Letourneau and Commissioner Krieg volunteered. Mr. Drent noted that Xcel Energy service territory negotiations continue. The joint meeting with the City Council is expected to include SPU's Year in Review, the City presenting on annexation/development, and discussion of SPU's payment in lieu of taxes as to large users, including a provision similar to Xcel's franchise fee for large customers. Mr. Drent attended the recent meeting of MMUA/MREA representatives to discuss the upcoming legislative session and plans to attend the APPA federal legislative rally on February 22-24. He explained that for the existing well in the gravel pit development, SPU is leaning towards city ownership to allow appropriation, which is not expected with SPU ownership of the well.

11. Items for Future Agendas. Commissioner Fox suggested sending courtesy letters to SPU electric customers with private wells regarding water testing, as SPU is doing for its water customers.

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

Greg Drent, Commission Secretary

Proposed As Consent Item

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

March 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 01/30/2026

API GARAGE DOOR INC	\$369.63 SHOP GARAGE DOOR REPAIR COIL CORD
APPLE FORD OF SHAKOPEE	\$667.76 OIL CHANGE/RPLC FUE FILTER ELECT TRK#610
BARR ENGINEERING CO.	\$11,167.00 PROF.SERVICE 11/29-12/31/2025 WO2683
BLOOMINGTON INVESTMENTS LLC	\$32,252.20 WO#2882 AMPHITHEATER WM PR&I REFUND
BOHN WELL DRILLING CO	\$150.00 RESEARCH 20 ADDRESSES FOR WELL INFO
BORDER STATES ELECTRIC SUPPLY	\$1,384.22 - MUH0341
CDW GOVERNMENT LLC	\$1,963.06 ADOBE RENEWAL
CONCRETE CUTTING & CORING INC	\$2,573.89 STIHL MS 201 TCM CHAINSAW/POLE PRUNER
DITCHWITCH OF MINNESOTA	\$86.76 FUEL/OIL/HYD FILTERS(E)
FERGUSON US HOLDINGS, INC.	\$23,430.00 METER HORNS
GRANT FRIENDSHUH	\$19.00 REIMBURSE CDL LICENCE FEE
GREYSTONE CONSTRUCTION CO	\$4,662.95 WO#2951 SCOTT CNTY CDA UG ELEC REFUND
HARRIS ST PAUL, INC	\$1,530.00 BUILDING AUTOMATION MAINT AGREEMENT
HAWKINS INC	\$3,722.25 CHEMICAL ORDER
HENNEN'S AUTO SERVICE INC.	\$138.86 OIL CHANGE ELECTRIC TRUCK #636
INTERSTATE ALL BATTERY CTR	\$230.20 BATTERY(W)
JT SERVICES	\$609.61 LAB,RE,3X4,RD/BK/WH,DNGR BIDIRECTIONAL
MAGUIRE IRON INC.	\$174,471.98 WO#2683 TANK 9 HES ELEVATED STORAGE
MINN VALLEY TESTING LABS INC	\$435.90 WATER TESTING COLIFORM
NAPA AUTO PARTS	\$149.26 MARINE FLOODED BATTERY, CORE DEPOSIT
NCPERS GROUP LIFE INS.	\$176.00 JANUARY NCPERS LIFE INS PREMIUMS
NOVAK COMPANIES, LLC	\$815.00 LONG/SHORT WRENCHES(W)
PRAIRIE MEADOW LLC	\$3,858.74 WO#2913 CNTRYSIDE 3RD ADDN WM REFUND
RICE LAKE CONSTRUCTION GROUP	\$37,452.43 PUMP HOUSE 23 PAY APP 19 WO#2581
SLACK PAINTING	\$8,900.00 POWER WASHING - TOWER 4
ULINE, INC.	\$303.57 ALL-PURPOSE L40 WIPERS-1/4 FOLD(W)
USABLUEBOOK	\$5,381.16 48"ALLOY T-PROBE/4' INSUL PROBE
MUYHUOY HOUTH	\$443.65 INACTIVE REFUND
ZAYO GROUP, LLC	\$4,155.66 JANUARY 2026 T1 LINE

Total Week of 01/30/2026

\$321,500.74

WEEK OF 02/06/2026

CREDIT REFUNDS	\$9,868.12 CREDIT REFUNDS
AAR BUILDING SERVICE CO.	\$4,468.51 FEBRUARY CLEANING SERVICE
AMARIL UNIFORM COMPANY	\$13,550.65 SPU CLOTHING ORDER D HAGEN
APPLE FORD OF SHAKOPEE	\$226.30 OIL CHANGE TRK#651 (W)
B & B TRANSFORMER INC	\$17,912.00 REGULATOR REPAIR
RON BARTUSEK	\$314.99 2026 SAFETY BOOT REIMBURSEMENT
CANTERBURY PARK CATERING & EVENTS	\$400.00 DEPOSIT FOR YR END MEETING 12/3/26
CHOICE ELECTRIC INC	\$10,400.00 TRANSFORMER BASEMENT INSTALL WO2977
CLIFTONLARSONALLEN LLP	\$1,470.00 AUDIT SVCS FOR 12/31/2025
COLLINS BROTHERS TOWING ST CLOUD INC	\$758.63 TOW/HOOK FEE (E)TRK#614
CONCRETE CUTTING & CORING INC	\$856.31 FILE GUIDE, CHAIN LOOP, PROT WRAP CHPS,
CORVAL CONSTRUCTORS, INC.	\$2,400.84 HVAC HEAT COIL REPLACEMENT @ S. SUB
CUSTOMER CONTACT SERVICES	\$329.42 ANSWERING SERVICE 2/3-3/2 2026
DIVERSIFIED ADJUSTMENT SERVICES INC	\$33.34 DUE TO AGENCY-JANUARY STMT
DR HORTON	\$23,314.46 OVERSIZING PAYOUT RES #2026-02
DSI/LSI	\$654.70 FEBRUARY GARBAGE SERVICE
ESRI, INC.	\$32,729.25 SOFTWARE AGREEMENT 1/21/26-1/20/27
FERRELLGAS	\$948.90 PROPANE
FLYTE HCM LLC	\$31.50 JANUARY 2026 COBRA
FORESTAR(USA) REAL ESTATE GRP INC	\$6,388.05 OVERSIZING PAYOUT RES #2026-04
GENERAL SECURITY SERVICES CORP	\$447.05 2/1/26-4/30/26 MAINT VIDEO SYSTEM
MARTIN GLYNN	\$28.57 REIMBURSE MILEAGE
BRAD GUSTAFSON	\$1,619.16 WO#3119 MUTUAL AID REIMBURSE EXPENSES
HAWKINS INC	\$440.00 CHLORINE CYLINDERS DEMURRAGE
HERMAN'S LANDSCAPE SUPPLIES INC.	\$408.00 WO3060 TON WASHED SAND
IDEAL SERVICE INC.	\$1,502.00 PREV MAINT SPU VFD'S ON 1/8/26
INNOVATIVE OFFICE SOLUTIONS	\$484.60 OFFICE SUPPLIES
INT'L UNION OF OPER ENGINEERS LOCAL 49	\$1,287.96 UNION DUES PERCENTAGE OF PAY
IRBY - STUART C IRBY CO	\$12,413.40 UG FAULT INDICATOR 3-PHASE KIT
JT SERVICES	\$44,694.07 POLE ST.LIGHT BREAKAWAY ROUNDABOUT 278"
MATTHEW KAHLE	\$350.15 WO#3119 MUTUAL AID REIMBURSE EXPENSES
JAY KALK	\$2,180.50 WO3081 15790 MARYSTOWN NEW HME UG ELEC
MEDINA ELECTRIC LLC	\$60,800.00 WO#2712 PYMT #3 RV BOOSTER STATION
CINDY MENKE	\$80.52 REIMB 1099 NEC FORMS/W2 ENVELOPES
MGX EQUIPMENT SERVICES, LLC	\$119.93 BLADE GUIDE ASSY POLY(E)
MIDWEST SAFETY COUNS, INC.	\$407.95 POSISHIELD DISPOSABLE LATEX GLOVES(W)
MINN VALLEY TESTING LABS INC	\$365.90 WATER TESTING NITRATES+NITRITES
MMUA	\$13,050.00 DEV.UTILITY EXP/LDRSHIP HANSON/KAHLE/ROT
MRA-THE MANAGEMENT ASSOCIATION	\$42.00 BACKGROUND CHECK
NORTHWESTERN POWER EQUIPMENT CO. INC	\$17,334.52 GA FIGURE 250-D CHECK VALVE WO3111
RESCO	\$1,262.74 #6 COPPERWELD WIRE JACKETED GREY
SCOTT COUNTY GOVERNMENT CENTER	\$255.00 TAB RENEWALS WATER TRUCKS
SCOTT COUNTY GOVERNMENT CENTER	\$42.50 TAB RENEWAL ENGINEERING
SCOTT COUNTY GOVERNMENT CENTER	\$743.75 TAB RENWALS ELECTRIC TRUCKS
USABUEBOOK	\$3,050.11 BLEED VALVE VTC1 L3300T01-PVC-3/8'
VESSCO, INC	\$1,192.87 EVOQUA PM KIT/SWITCHOVER UNIT/KNOB
VESTIS FIRST AID & SAFETY SUPPLIES LOCK	\$596.81 REPLENISH 1ST AID KITS
VIVID IMAGE, INC.	\$650.00 ESSENTIAL + PLAN 02/01-02/28 2026
WATERISAC	\$650.00 1/1-12/31 2026 ANNUAL MEMBERSHIP
WESCO RECEIVABLES CORP.	\$361.20 SIDE OPENING CLAMP
KELLEY WILLEMSSEN	\$140.00 REIMB 2026 MN GOVT TRAINING ACADEMY
XCEL ENERGY	\$4,397.52 ACT#51-001264573-3 AMBERGLEN 12/23-1/27
CENTERPOINT ENERGY - ACH	\$5,384.58 1/9/25-1/8/26 @ 255 SARAZIN #5258454-7
FIRST DATA CORPORATION	\$16,286.42 JANUARY CC FEES
HEALTH EQUITY INC.	\$5,000.00 DCRA CLAIM REIMB 2025 PLAN YR M.KAHLE
HEALTH EQUITY INC.	\$220.50 JAN. ADM FEES
MINNESOTA LIFE	\$1,319.03 JAN. PREMIUMS AND CHARGE MONTH
HEALTHPARTNERS	\$83,809.72 FEB. PREMIUMS/JAN. CHARGE MONTH
DELTA DENTAL PLAN OF MN	\$6,145.52 JAN. DENTAL PREMIUMS AND CHARGE MONTH
PRINCIPAL LIFE INS. COMPANY	\$3,245.92 PRINCIPAL LTD AND STD PREMIUMS FOR JAN.
PAYROLL DIRECT DEPOSIT 02.06.26	\$150,218.73
BENEFITS & TAXES FOR 02.06.26	\$164,120.09

Total Week of 02/06/2026

\$734,205.26

WEEK OF 02/13/2026

JANUARY FS ACCOUNTING SERVICES
WIRE TONG SADDLE ASSEMBLY
SPU CLOTHING ORDER T DELLOODLE
WO#2844 E SUB PROP 77283-001 JAN 26'
ZAGG RUGGED BOOK F/IPAD
JANUARY FUEL BILL
JAN 2026 SW \$397,202.39 & SD \$114,388.46
JANUARY 2026 PILOT TRF FEE
SD/SPU PROPERTIES FOR JANUARY 2026
HT 105-Z POLE PRUNER
AUTOCAD RENEWAL 1/18/26-1/17/27
ENERGY STAR REFRIGERATOR REBATE
JANUARY TICKETS
SNOW BLOWER SCRAPER
PER DIEM MARSHALL MN 2/4-2/6 2026
2026 NIMBLE HF20 SUPPORT RENEWAL
ANNUAL SAFETY INSPECTION UNITS
OFFICE SUPPLIES
BATTERY(W)
MILW MT212 3/16IN CABINET(E)
POLE ST. LIGHT 24' PAINTED ALUMINUM BURY
PER DIEM MARSHALL MN 2/4/2/6 2026
ENERGY STAR COOLING/HEATING REBATE
CLAIM#00524522 E.S/CLAIM#00526604 T.B
WC PREMIUM 1/1/26-1/1/27 ACCT#10002618
WATER TESTING NITRATE+NITRITE
2026 SUB SCHOOL 3/10/26 OBRIEN/COLEMAN
BREAKAWAY SWITCH(E)
JANUARY PRINT SERVICES
JANUARY POWER BILL
787TC-6-RL/HOSE(E) FOR #624
JAN 2026 (WAN) MONTHLY SERVICE
ENERGY STAR DISHWASHER REBATE
CKR-USB-BUNDLE RECHARGEABLE CYBERKEY(W)
RODENT CONTROL SHAKOPEE HOUSES
FORKLIFT REPAIR
CONN PEDESTAL INSUL/CONN COVER
ENERGY STAR CLOTHES WASHER REBATE
JANUARY FIBER RENTAL
2026 ANNUAL MEETING 2 - S WALSH
ENERGY STAR COOLING/HEATING REBATE
WO#3092 SAND VENT/ADAMS ST WM EXT
ENERGY STAR REFRIGERATOR REBATE
JANUARY LEGAL FEES
ENERGY STAR COOLING/HEATING REBATE
RD8200SG RAM MOUNT/RX 82SGMRX LOCATOR
LOCK BOX 470 RENEWAL 12 MOS
PULSAFEEDER
JAN TRUCK TRACKING
CHLORINE EQUIPMENT REBUILDS
PER DIEM MARSHALL MN 2/3-2/6
ENERGY STAR DISHWASHER REBATE
CABLE 6-6-6 ERSKINE ALUMINUM STRAND
RUBBER SQUEEGEE/HANDLE(W)
JANUARY CELL 12/24/25-1/23/26
JAN 2026 CC STMT
JANUARY POWER BILL
JAN 2026 SALES & USE TAX PAYABLE

\$2,785.10 JANUARY FS ACCOUNTING SERVICES
\$677.37 WIRE TONG SADDLE ASSEMBLY
\$1,931.97 SPU CLOTHING ORDER T DELLOODLE
\$2,280.00 WO#2844 E SUB PROP 77283-001 JAN 26'
\$31,374.94 ZAGG RUGGED BOOK F/IPAD
\$4,456.87 JANUARY FUEL BILL
\$511,590.85 JAN 2026 SW \$397,202.39 & SD \$114,388.46
\$370,432.00 JANUARY 2026 PILOT TRF FEE
\$1,080.04 SD/SPU PROPERTIES FOR JANUARY 2026
\$212.89 HT 105-Z POLE PRUNER
\$5,785.76 AUTOCAD RENEWAL 1/18/26-1/17/27
\$75.00 ENERGY STAR REFRIGERATOR REBATE
\$290.30 JANUARY TICKETS
\$127.45 SNOW BLOWER SCRAPER
\$170.00 PER DIEM MARSHALL MN 2/4-2/6 2026
\$10,587.16 2026 NIMBLE HF20 SUPPORT RENEWAL
\$5,160.00 ANNUAL SAFETY INSPECTION UNITS
\$386.59 OFFICE SUPPLIES
\$230.20 BATTERY(W)
\$92.05 MILW MT212 3/16IN CABINET(E)
\$54,621.00 POLE ST. LIGHT 24' PAINTED ALUMINUM BURY
\$170.00 PER DIEM MARSHALL MN 2/4/2/6 2026
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$706.59 CLAIM#00524522 E.S/CLAIM#00526604 T.B
\$57,555.00 WC PREMIUM 1/1/26-1/1/27 ACCT#10002618
\$522.50 WATER TESTING NITRATE+NITRITE
\$1,170.00 2026 SUB SCHOOL 3/10/26 OBRIEN/COLEMAN
\$74.45 BREAKAWAY SWITCH(E)
\$35,542.67 JANUARY PRINT SERVICES
\$3,347.28 JANUARY POWER BILL
\$186.89 787TC-6-RL/HOSE(E) FOR #624
\$776.90 JAN 2026 (WAN) MONTHLY SERVICE
\$50.00 ENERGY STAR DISHWASHER REBATE
\$1,458.00 CKR-USB-BUNDLE RECHARGEABLE CYBERKEY(W)
\$331.64 RODENT CONTROL SHAKOPEE HOUSES
\$2,854.75 FORKLIFT REPAIR
\$15,232.05 CONN PEDESTAL INSUL/CONN COVER
\$50.00 ENERGY STAR CLOTHES WASHER REBATE
\$2,100.00 JANUARY FIBER RENTAL
\$90.00 2026 ANNUAL MEETING 2 - S WALSH
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$10,797.10 WO#3092 SAND VENT/ADAMS ST WM EXT
\$75.00 ENERGY STAR REFRIGERATOR REBATE
\$14,613.50 JANUARY LEGAL FEES
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$10,931.98 RD8200SG RAM MOUNT/RX 82SGMRX LOCATOR
\$478.00 LOCK BOX 470 RENEWAL 12 MOS
\$4,981.78 PULSAFEEDER
\$650.65 JAN TRUCK TRACKING
\$3,619.83 CHLORINE EQUIPMENT REBUILDS
\$238.00 PER DIEM MARSHALL MN 2/3-2/6
\$50.00 ENERGY STAR DISHWASHER REBATE
\$8,909.44 CABLE 6-6-6 ERSKINE ALUMINUM STRAND
\$251.92 RUBBER SQUEEGEE/HANDLE(W)
\$4,538.17 JANUARY CELL 12/24/25-1/23/26
\$25,975.25 JAN 2026 CC STMT
\$2,842,122.58 JANUARY POWER BILL
\$319,161.00 JAN 2026 SALES & USE TAX PAYABLE

Total Week of 02/13/2026

\$4,375,460.46

WEEK OF 02/20/2026

KNUTSON CONSTRUCTION SERVICES
AMARIL UNIFORM COMPANY
ARAMARK REFRESHMENT SERVICES INC
TIM & PATTY ARMSTRONG
B & B TRANSFORMER INC
KEVIN BENZ
BORDER STATES ELECTRIC SUPPLY
CDW GOVERNMENT LLC
COMCAST CABLE COMM INC.
CORVAL CONSTRUCTORS, INC.
DGR ENGINEERING
FERGUSON US HOLDINGS, INC.
FRONTIER ENERGY, INC.
HAWKINS INC
HERMAN'S LANDSCAPE SUPPLIES INC.
MUKO HERNANDEZ
IDEAL SERVICE INC.
IRBY - STUART C IRBY CO
JT SERVICES
LOCATORS & SUPPLIES INC
LOFFLER COMPANIES - 131511
MINN VALLEY TESTING LABS INC
MMUA
KARRIN MOSER
NCPERS GROUP LIFE INS.
SCOTT & LORI OXLEY
POWERPLAN BF
RESCO
RW BECK GROUP, INC, LEIDOS ENG. LL
SCOTT COUNTY TREASURER
SHORT ELLIOTT HENDRICKSON INC
GREG SPANIER
ULINE, INC.
VERIZON WIRELESS SERVICES LLC
HEALTH EQUITY INC.
PAYROLL DIRECT DEPOSIT 02.20.26
BENEFITS & TAXES FOR 02.20.26

\$2,761.75 WO2761 ST FRANCIS AMBUL CTR WM PLAN
\$22,935.42 SPU CLOTHING ORDER B.SCHWARTZ
\$180.11 COFFEE
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$46,250.00 1500KVA 3 PH PADMOUNT TRANSFORMER RETANK
\$75.00 ENERGY STAR REFRIGERATOR REBATE
\$138,375.28 VFI 11 16/12.5 KA 600A/600A SWITCHGEAR
\$390.93 ZAGG RUGGED BOOK F/IPAD GEN 10
\$2.27 CABLE FOR BREAKROOMS 2/17-3/16 2026
\$5,147.27 SPU BLOWER MOTOR REPAIR
\$9,184.67 WO2817 WARNET OVERHEAD TIE JAN
\$300.00 FERGUSON 2026 MUNI ACADEMY SCHOOL
\$26,187.74 ANNUAL P3 SUBS C&I IMP 1/1/26-12/31/26
\$82.81 BONNET PLUG(W)
\$408.00 WO3060 WASHED SAND
\$300.00 REIMBURSE SAFETY BOOTS EXPENSE 2026
\$480.00 TROUBLESHOOT WELL #17 VFD 1,12,26
\$1,630.08 FOLDING UTILITY KNIFE
\$31,618.41 LED LUMINAIRE POST MOUNT
\$2,397.32 PRINTED POLY PULLING TAPE(E)
\$204.51 CONTRACT CHG 2025 MAINT AGREE JAN
\$382.50 WATER TESTING COLIFORM
\$1,855.00 NW LINEMAN SUB PROGRAM T.OBRIEN
\$100.00 WATER SENSE TOILET REBATE
\$176.00 MARCH PREMIUMS/FEB CHARGE MONTH
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$141.63 U-BOLT/DEFLECTOR(E)
\$16,248.30 351S#1ABC/351S#WV4B
\$10,704.75 JAN 2026 SPU OPERATING STUDIES
\$2,100.00 FEBRUARY FIBER RENTAL
\$4,335.90 WO3092 SAND VENT/ADAMS ST WM
\$500.00 ENERGY STAR COOLING/HEATING REBATE
\$291.20 SAFETY GLASSES(E)
\$7,752.95 MONTHLY POTSOLVE 1/6/26-2/5/26&IPADS
\$178.15 MEDICAL (HCRA) CLAIM REIMB C.S. 2.18.26
\$137,200.99
\$149,009.82

Total Week of 02/20/2026

\$620,888.76

Grand Total

\$6,052,055.22

Kelley Williamson

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Monthly Water Dashboard

As of: January 2026

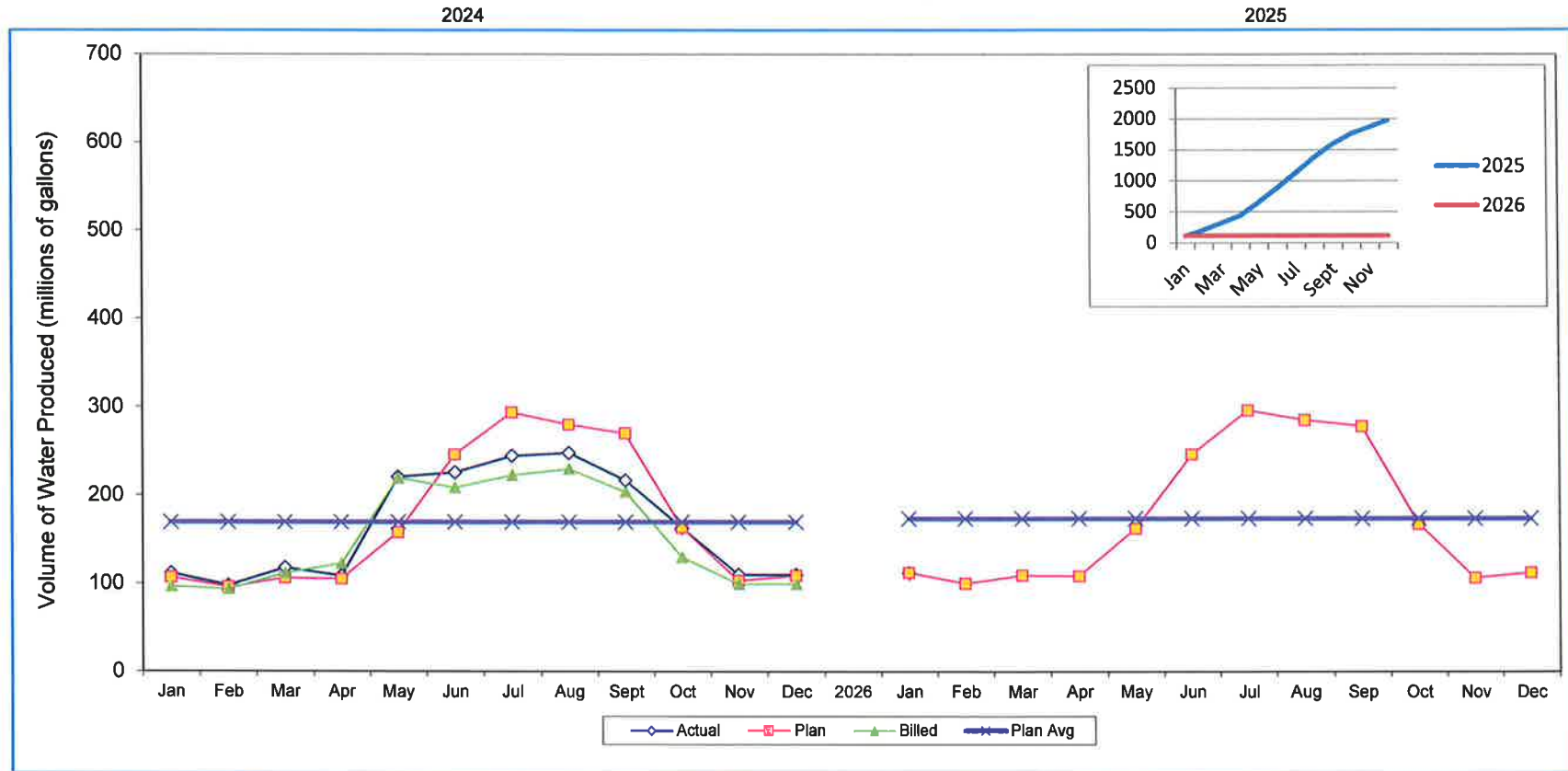
Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

Element/Measure Water Pumped/Metered

Last 6 months actuals	248	217	163	110	110	112
-----------------------	-----	-----	-----	-----	-----	-----

Monthly Avg	
2024	161
2025	165
2026	112



	2025												2026											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Actual	112	98	118	109	221	226	245	248	217	163	110	110	112											
Plan	107	96	106	105	158	246	294	280	270	163	103	109	112	100	109	108	162	246	296	285	278	167	106	112
YTD % *													100%											
Billed	97	94	112	123	220	209	223	230	204	130	100	100												

* Actual gallons pumped vs. Plan



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager *GD*

FROM: Joseph D. Adams, Planning & Engineering Director *J Adams*

SUBJECT: Highview Park 4th Addition Trunk Watermain Oversizing Resolutions

DATE: February 26, 2026

ISSUE

Staff submits for Commission approval Resolutions #2026-05 and #2026-06 approving estimated cost and payment to Fourstar for watermain oversizing credit on the Highview Park 4th Addition plat.

BACKGROUND

During staff's recent review of the entire Highview Park area plats and water main plans, we determined that there was oversizing of a lateral watermain within the 4th Addition. And since this project has been completed it is appropriate to proceed to approve both the estimated cost and the oversizing payment to the developer Fourstar.

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. These resolutions address oversizing one of the new additions.



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RECOMMENDATION

Staff recommends the Commission adopt the attached Resolutions #2026-05 for the estimated oversizing costs and 2026-06 approving payment to Fourstar in the amount of \$34,230.68.

REQUESTED ACTION

Staff requests:

1. Commission adopts by motion: Resolution #2026-05 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project Highview Park 4th Addition.
2. Commission adopts by motion: Resolution #2026-06 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project Highview Park 4th Addition.

RESOLUTION #2026-05

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

HIGHVIEW PARK 4th ADDITION

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

WHEREAS, the pipe sizes required 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 \$34,230.68, 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 March, 2026.

Commission President: BJ Letourneau

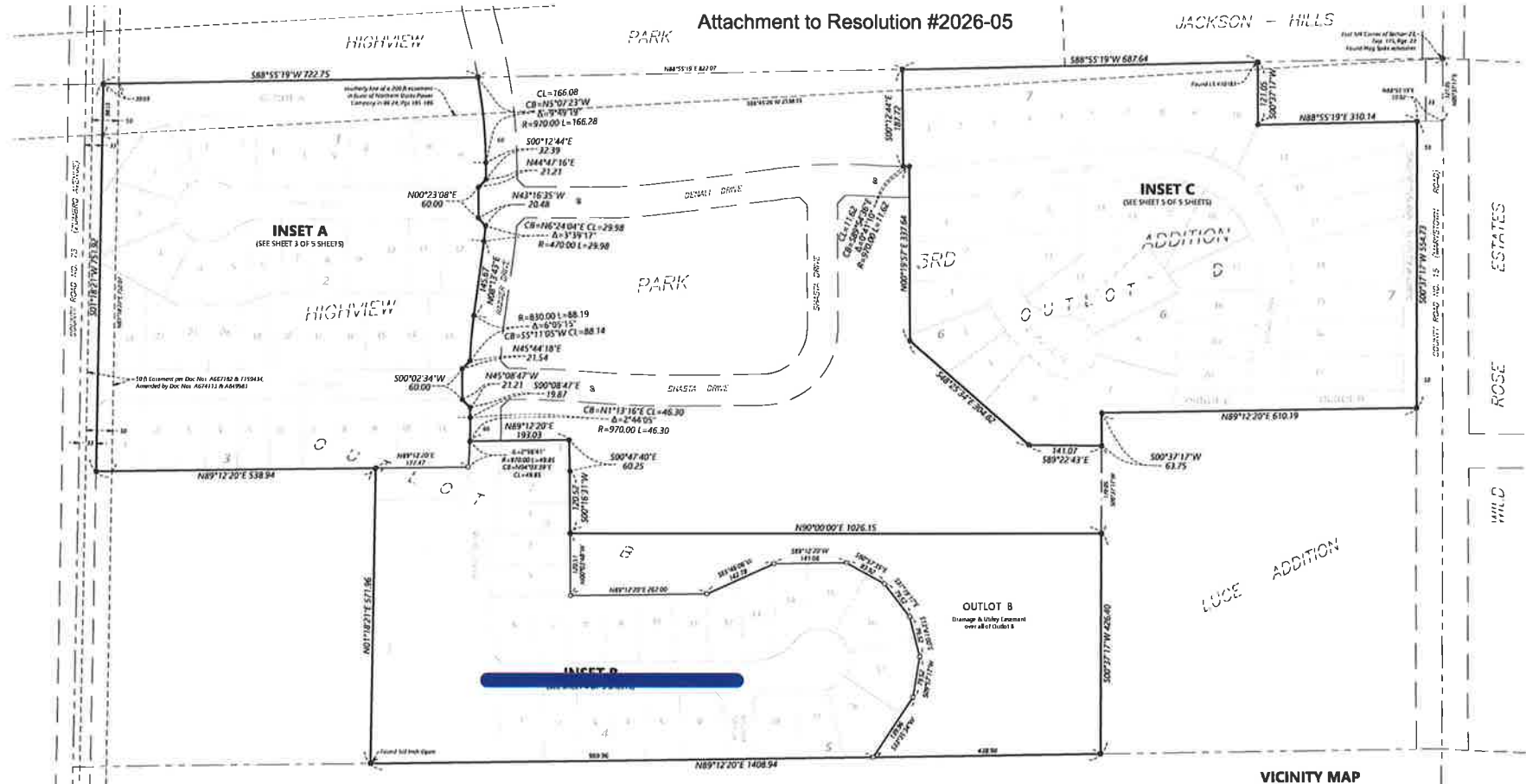
ATTEST:

Commission Secretary: Greg Drent

HIGHVIEW PARK 4TH ADDITION

Attachment to Resolution #2026-05

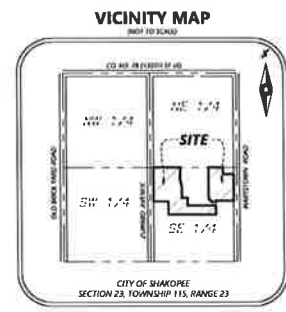
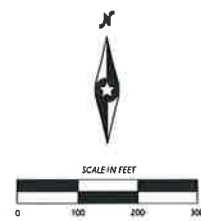
JACKSON - HILLS



8" to 12" Oversizing

- SET 1/2" BY 14" IRON REBAR WITH CAP #33596
- FOUND MONUMENT IS #43055, UNLESS OTHERWISE SHOWN

THE SOUTH LINE OF OUTLOT B, HIGHVIEW PARK 3RD ADDITION, HAS A BEARING OF N 89°12'20" E



Westwood
Professional Services, Inc.

Supplemental Watermain Oversizing Costs

Project Name: Highview Park 4th Addition

<u>Item</u>	<u>Description</u>	<u>Unit</u>	<u>Est. Qty.</u>	<u>Unit Price</u>	<u>Extension</u>
1	8 " DIP CL 52 VS. 12 " DIP CL 52	LF	493	\$44.23	\$21,805.39
2	8 " Valve and Box VS. 12 " Valve and Box	EA	2	\$2,245.76	\$4,491.52
3	Fittings	LBS	310	11.19	\$3,468.90
4	15% Engineering, Admin, and Finance Allowance				\$4,464.87
Total Estimated Watermain Oversizing Costs					\$34,230.68

Submitted By: Westwood, Calculations by SPU

Date: 2/10/2026

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	\$34,230.68
(for entire project)	
Reviewed By:	
Approved By:	

RESOLUTION #2026-06

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

HIGHVIEW PARK 4th ADDITION

WHEREAS, the Shakopee Public Utilities Commission had previously approved of an estimated amount of \$34,230.68 with Resolution #2026-05 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 \$34,230.68, 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 March, 2026.

Commission President: BJ Letourneau

ATTEST:

Commission Secretary: Greg Drent

RESOLUTION APPROVING SHAKOPEE PUBLIC UTILITIES COMMISSION'S
COGENERATION AND SMALL POWER PRODUCTION TARIFF

WHEREAS, the Rules Governing the Interconnection of Cogeneration and Small Power Production Facilities with Shakopee Public Utilities Commission and Minnesota Statutes Section 216B.164 require the utility to annually adopt schedule 1 and schedule 2 of its Cogeneration and Small Power Production Tariff.

WHEREAS, the cogeneration and small power production tariff shall include a calculation of Shakopee Public Utilities' average retail utility energy rates, the rates at which Shakopee Public Utilities' purchases energy and capacity, and Shakopee Public Utilities' adopted interconnection process.

WHEREAS, the statute and rules cited above require the information contained in schedules 1, 2, and 3 described within.

WHEREAS, Schedule 1 shall contain the calculation of average retail utility energy rates for each Shakopee Public Utilities' customer class.

WHEREAS, Schedule 2 shall contain the rates at which Shakopee Public Utilities purchases energy and capacity from the wholesale supplier from which purchases may first be avoided.

WHEREAS, Schedule 3 shall indicate by reference Shakopee Public Utilities Commission's adopted interconnection process, or "distributed generation tariff" adopted in compliance with Minnesota Statutes Section 216B.1611, subd. 3(2), including standard contract forms to be used with customers interconnecting qualifying facilities as well as general technical interconnection and interoperability requirements.

WHEREAS, these filings shall be maintained at the Shakopee Public Utilities Commission office and shall be made available for public inspection during normal business hours.

NOW THEREFORE BE IT RESOLVED, that the Shakopee Public Utilities Commission approves the following Cogeneration and Small Power Production Tariff effective beginning April 1, 2026 or the nearest regular meter reading date following, and apply to usage/output after that date and to subsequent billing periods.

Passed in the regular session of the Shakopee Public Utilities Commission, this 2nd day of March, 2026.

Commission President: BJ Letourneau

ATTEST:

Commission Secretary: Greg Drent



Shakopee Public Utilities Commission
COGENERATION AND SMALL POWER PRODUCTION TARIFF
2026

SCHEDULE 1 – AVERAGE RETAIL ENERGY RATES

Average Retail Utility Energy Rates: Available to any Qualifying Facility of less than or equal to 40 kW AC aggregated nameplate capacity that does not select either Roll Over Credits, Simultaneous Purchase and Sale Billing, or Time of Day rates.

Shakopee Public Utilities shall bill Qualifying Facilities for any excess of energy supplied by Shakopee Public Utilities above energy supplied by the Qualifying Facility during each billing period according to Shakopee Public Utilities applicable rate schedule. Shakopee Public Utilities shall pay the customer for the energy generated by the Qualifying Facility that exceeds that supplied by Shakopee Public Utilities during a billing period at the “average retail utility energy rate”. The term "average retail utility energy rate" means, for any class of utility customer, the quotient of the total annual class revenue from sales of electricity minus the annual revenue resulting from fixed charges, divided by the annual class kilowatt-hour sales. Data from the most recent 12-month period available shall be used in the computation.

“Average retail utility energy rates” are as follows:

RESIDENTIAL	2025	
TOTAL REVENUES	\$	24,070,441.58
LESS UNDERGROUND RELOCATION FEES	\$	43,204.68
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$	2,394,550.78
NET REVENUES	\$	21,632,686.12
TOTAL KWH SALES	\$	151,043,441
AVERAGE RETAIL ENERGY RATE	\$	0.1432
COMMERCIAL		
TOTAL REVENUES	\$	2,759,800.66
LESS UNDERGROUND RELOCATION FEES	\$	4,657.92
LESS WATER DIVISION ELECTRIC FOR PUMPING	\$	336,603.37
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$	263,507.48
NET REVENUES	\$	2,155,031.89
TOTAL KWH SALES	\$	15,534,428
AVERAGE RETAIL ENERGY RATE	\$	0.1387
INDUSTRIAL		
TOTAL REVENUES	\$	34,857,095.50
LESS UNDERGROUND RELOCATION FEES	\$	83,049.84
LESS FIXED REVENUES (CUSTOMER CHARGE)	\$	477,169.39
LESS DEMAND CHARGES	\$	7,647,419.09
NET REVENUES	\$	26,649,457.18
TOTAL KWH SALES	\$	276,350,555
AVERAGE RETAIL ENERGY RATE	\$	0.0964

SCHEDULE 2 – WHOLESALE SUPPLY RATES

Wholesale Supply Rates: A “non-generating utility” must list the rates at which it purchases energy and capacity. If the utility has more than one wholesale supplier, the rates listed are of that supplier from which purchases may first be avoided.

Shakopee Public Utilities purchases energy and capacity from Minnesota Municipal Power Agency (MMPA).

In 2025, the average energy rate paid by Shakopee Public Utilities was \$0.06689 per kilowatt-hour.

In 2025, the average capacity rate paid by Shakopee Public Utilities was \$0.02380 per kilowatt-hour.

These rates are used to calculate Shakopee Public Utilities “avoided costs” for purposes of calculating compensation to customers whose Qualifying Facilities are not eligible for compensation at Shakopee Public Utilities average retail utility energy rate or who elect compensation at another rate.

“Avoided Costs for Shakopee Public Utilities” are as follows:

	<u>Energy (\$/kWh)</u>	<u>Capacity (\$/kWh)</u>	<u>REC (\$/kWh)</u>
Summer Months (June-Sept)			
On Peak	0.0614	0	0
Off Peak	0.0338	0	0
All Hours	0.0469	0	0
Winter Months (Oct-May)			
On Peak	0.0482	0	0
Off Peak	0.0342	0	0
All Hours	0.0407	0	0
Annual (January-December)	0.0428	0	0

SCHEDULE 3 – INTERCONNECTION PROCESS

Interconnection Process: In order to provide for coordinated interconnection of customer-owned distributed energy resources and comply with Minnesota Statutes Section 216B.1611, subd. 3(2), Shakopee Public Utilities has adopted the

“Minnesota Municipal Interconnection Process (M-MIP) 2022”

as recognized by the Minnesota Municipal Utilities Association Board of Directors at its February 9, 2022, meeting and made publicly available at mmua.org.

General technical requirements may be found in the

“Minnesota Technical Interconnection and Interoperability Requirements (TIIR)”

as adopted by the Minnesota Public Utilities Commission on April 11th, 2023 as part of DOCKET NO. E-999/CI-16-521.

For Shakopee Public Utilities’ specific safety standards, required operating procedures for interconnected operations, and the functions to be performed by any control and protective apparatus, please contact Shakopee Public Utilities.



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager *GD*
Joseph Adams, Engineering Director

FROM: Ryan Halverson, Water Engineering Supervisor *RH*

SUBJECT: Adams Street Watermain Extension – Construction Cooperative Agreement
Needed with City of Shakopee

DATE: March 2, 2026

ISSUE

Shakopee Public Utilities (SPU) staff, with the help of an engineering consultant, has completed construction plans and specifications for the Adams Street Watermain Extension project. The project has been advertised, a future bid opening is scheduled and the Commission will be asked to consider awarding the project at a future meeting. Funding for a portion of the project is proposed to come from the City of Shakopee. At issue, is the need for a construction cooperative agreement between the City of Shakopee and Shakopee Public Utilities related to funding of the project.

BACKGROUND

The 2026 SPU Capital Improvement Plan (CIP) includes a project to extend new watermain from 12th Avenue, heading north in the roadway of Adams Street and then east to a hydrant stub located within Lion's Park. This project has been planned to complete a watermain loop to improve the deficient water service to Lion's Park and provide improved fire flows to the area.

In 2024, The City of Shakopee constructed a new pool building, swimming pool and restaurant known as SandVenture Aquatic Park and Tommy's Malt Shop. The city project included construction of new watermain to serve the park amenities, including the extension of a stub and hydrant near the northwest side of the pool that would provide fire protection and a connection point to loop the watermain system to 12th Avenue with a future project.



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In support of the city park project, SPU constructed a city block of horizontal directionally drilled watermain along 11th Avenue from Quincy Street to the park entrance. The project upsized the watermain serving the park from a 6” watermain to 8” watermain at a cost of \$251,201.98 from the Reconstruction Fund.

After opening the restaurant and swimming pool, in addition to an existing park bathroom and splash pad, low flow issues occurred when city staff would fill or top off water in the pool. All of the park facilities share one water service line entering the park building, through a shared meter, and then back out to the respective water uses throughout the park.

DISCUSSION

During development of the 2026 CIP, City staff requested that SPU include a 2026 CIP project to expedite the completion of the watermain loop serving SandVenture Aquatic Park down to 12th Avenue. A dedicated water service for filling the pool is proposed to be included with the project. The completed watermain loop and dedicated water service is anticipated to provide adequate flow to fill the pool without disruption to other park amenities using water.

City staff noted that they will be performing a pavement rehabilitation project to Adams Street in 2026. Additionally, Adams Street will be closed south of the park for construction of roundabouts at Vierling and the HWY 169 ramps.

The road rehab project and summer pool opening accelerates the need to complete the watermain extension in spring of 2026, while the road closures related to the roundabout construction will reduce traffic in the area for our proposed project.

Construction plans and specifications have been developed by SEH Inc., in coordination with SPU and City staff. An advertisement for bid has been sent to the Burnsville Sun This Week newspaper for publication according to SPU Purchasing Policy and MN State Statutes. The project will also be advertised on QuestCDN, and a public bid opening will be held at 10:00 am on Thursday, March 26th, using QuestCDN’s virtual bid service.

SPU staff anticipates asking the SPU Commission to consider awarding a contract for the Adams Street Watermain Extension project at the regular meeting on April 6, 2026.



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ESTIMATED PROJECT BUDGET

Engineer's Opinion of Probable Cost	\$ 329,147
5% Construction Contingency	\$ 16,471
<u>Engineering (SEH Inc. Design, Bid, Survey)</u>	<u>\$ 31,160</u>
Total Estimated Project Cost	\$ 376,778

FUNDING

The 2026 CIP includes the Adams Street Watermain Extension project with a budget of \$150,000 from the Reconstruction Fund. This amount was anticipated to cover half of the project cost based upon a preliminary cost estimate.

The Reconstruction Fund has adequate funding to cover the increase in project cost. Additionally there is a line item for a yet to be determined water main reconstruction project listed in the 2026 CIP, with a budget amount of \$150,000. An updated budget, after the bid opening, will be presented to the Commission when asked to consider awarding the project.

The other half of the project is anticipated to be reimbursed by the City of Shakopee. SPU staff will work to develop a construction cooperative agreement with City staff with a defined reimbursement amount.

Staff recommends that the construction cooperative agreement with proposed funding reimbursement be approved by the Shakopee City Council and Shakopee Public Utilities Commission prior to award of the contract.

REQUESTED ACTION

No action is requested with this memo. Staff will return to the Commission at a future meeting for consideration of a cost sharing agreement with the City of Shakopee for the Adams Street Watermain Extension project.




Proposed As Consent Item

6g

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To: SPU Commissioners

From: Greg Drent, General Manager 

Date: February 19, 2026

Subject: MMPA February 2026 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on February 17, 2026, at Chaska City Hall in Chaska, Minnesota, and via videoconference.

The Board reviewed MMPA's 2025 accomplishments.

The Board reviewed the Agency's financial and operating performance for January 2026.

Participation in the residential Clean Energy Choice program increased by 16 customers. Customer penetration for the program is 6.7% of residential customers.

The Board discussed the status of electric generation and RNG projects the Agency is pursuing.


Thanks



Proposed As Consent Item

6h

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DATE: February 26, 2026
TO: Commissioners
FROM: Greg Drent, General Manager 
Subject: Resolution 2026-08

Attached is the resolution approving purchase of the Hawkins site for future water treatment plant in the 1st high zone. You approved the purchase agreement in a past commission meeting, and we are in the due diligent period of the agreement. Environmental review and other measures have been completed with closing schedule for early to mid-march.

Action: Approve Resolution 2026-08

RESOLUTION #2026-08

RESOLUTION APPROVING PURCHASE OF PROPERTY

WHEREAS, the Shakopee Public Utilities Commission, a municipal utilities commission organized under Minnesota law (the “Commission”), previously approved the Purchase Agreement effective October 3, 2025 (the “Purchase Agreement”) with Michael A. Hawkins and Dawn Hawkins (collectively, the “Seller”), for the purchase of a parcel of real property, with an address of 1776 Mystic Lake Drive South, detailed in Exhibit A to the Purchase Agreement (the “Property”); and

WHEREAS, the Commission has determined that the acquisition of the Property is in the public interest as a site for a water treatment facility with appropriate water pressure connections and consistent with the Commission’s hybrid model for water treatment planning; and

WHEREAS, the Shakopee Public Utilities has engaged in the due diligence outlined in the Purchase Agreement, including a Phase I Environmental Review, and hereby authorizes the purchase of the Property.

NOW, THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION AS FOLLOWS:

1. That the Commission hereby authorizes and approves the execution of the closing documents and the expenditure of funds required to purchase the Property. The closing documents include an agreed-upon lease from and after the date of closing, which was an exhibit to the Purchase Agreement (the “Lease”).
2. That the Commission hereby authorizes and approves the President and the General Manager to prepare, revise, finalize, accept, and/or deliver in the name and on behalf of the Commission, the closing documents and all documents, affidavits, and certificates in such form and on such terms and conditions as deemed necessary or appropriate in connection with the purchase of the Property as contemplated by the Purchase Agreement and the Lease.
3. That the President and the General Manager are authorized, empowered, and directed to do all other acts and things as are deemed necessary or desirable in their discretion to effectuate the transaction.

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

Passed in regular session of the Shakopee Public Utilities Commission this second day of March, 2026.

Commission President: Benedict Letourneau

ATTEST:

Secretary: Greg Drent



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

DATE: February 26, 2026
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: Updates from February Commission Meeting: Cold Weather Rule, LIHEAP & Disconnects

This memo addresses the questions raised during our February meeting regarding the Cold Weather Rule, LIHEAP Program, and disconnect status.

Cold Weather Rule in Minnesota – October 1st to April 30th

Overview:

In Minnesota, the Cold Weather Rule is statutory protection to residential utility customers with responsibility – it is not an automatic forgiveness of the bill during these months. The law is designed to ensure safety during cold months, but it also requires that customers take proactive steps to maintain that protection. Residential customers must contact the utility, provide information about their financial situation, and agree to a payment plan that is feasible. The rule balances human safety with financial accountability. Protection is granted only to those actively engaging in the process and fulfilling their agreed-to obligations.

Payment Plans & Income Considerations:

For lower-income households, the law limits how much each customer can be required to pay toward their heating bills each month during the Cold Weather Rule period, but it does not eliminate the obligation to pay the full balance. If a customer requests protection, the utility must offer a payment plan tailored to their financial situation. For households with income at or below 50% of the state median, the plan cannot require payments exceeding 10% of their monthly income. For higher-income households, the utility must still offer a payment plan that is considered reasonable based on the customer's ability to pay. The utility continues to monitor the customer's adherence to the payment plan. Should the customer fail to make the agreed payments, the utility may resume disconnection, even during the Cold Weather Rule period.

Role of SPU Staff:

In addition to sending the required written notices to customers, SPU staff are essential in helping customers understand and use Cold Weather Rule protection. They guide customers through the process, verifying customer income, answering questions about payment plan options, explaining how income levels affect required payments, and providing community resource contacts.



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LIHEAP – Low Income Home Energy Assistance Program

Overview:

LIHEAP is part of the federal Community Action Program (CAP) network, which provides funding and guidance to help low-income households with energy costs. Federal LIHEAP funds flow to the state, which then distributes them through the CAP network to local agencies for administration. These local CAP agencies help households apply for assistance, verify eligibility, and issue benefits—such as payments to utility companies. By operating through the CAP framework, LIHEAP combines federal resources with local knowledge to provide effective, targeted support.

Funding:

Federal LIHEAP funds are allocated to each state, which then sets funding thresholds to determine how much assistance each household can receive, which households are prioritized, and the maximum benefits available. We regularly work with our local CAP office, and they provided us with additional details on funding and assistance in Scott County.

- Minnesota was awarded a total of \$112M for primary heat and crisis benefits through the LIHEAP program for the Federal Fiscal Year 2026. According to the Department of Commerce EAP Dashboard, \$57,273,662 was awarded to Minnesota households from 10/1/25 – 2/23/26.
- As of February 2, 2026, CAP has assisted 262 households served by Shakopee Public Utilities.
- CAP has issued approximately \$67,000 in primary heat assistance and \$11,000 in crisis funding to Shakopee Public Utilities customers.

Disconnection Update:

- In the past 12 months, 190 customers experienced 2 or more repeat disconnects. Sixty-five percent (123 customers) had 2 occurrences, followed by 40 customers with 3 occurrences. Fewer customers experienced higher numbers of disconnects: 8 had 4, 12 had 5, 4 had 6, 1 had 7, and 2 had 8, showing that multiple repeat disconnects beyond three incidents are increasingly rare.
- Disconnects decreased from 120 in January 2025 to 102 in January 2026, showing an improvement.

Action:

Informational Only – no action

DATE: February 26, 2026
TO: Greg Drent, General Manager *hld*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: Revised Billing, Credit & Collection Policy

The Commission has discussed the Billing, Credit, and Collection Policy at an earlier work session. Staff conducted a comprehensive review of the policy, focusing on strengthening compliance controls and improving operational procedures. The attached revised policy is intended to reinforce internal controls, promote consistency in credit/collection practices, and improve overall receivables management. In addition to the proposed revised policy, a redline to the policy approved in June 2024 is included for reference.

Summary of Key Revisions

- New provisions were added to strengthen SPU’s credit controls by requiring deposits from new customers with a prior history of late or missed payments with SPU and to require payment of previously written-off balances when it can be confirmed that the applicant benefited from or was responsible for the prior account.
- Clarifications to provisions regarding returned payments due to insufficient funds. If notice of disconnection had already been provided, then a new provision allows service disconnection without further additional notice. This ensures timely enforcement of account obligations and prevents delays when payments cannot be applied to restore service.
- The provisions concerning the Cold Weather Rule Statute were updated. The policy includes references to AMI.
- A new provision was added reserving SPU’s right to certify unpaid utility services through the City of Shakopee or Scott County as unpaid taxes or for assessment as a lien against the property

Disconnection Process

1. Billing Due Date

Monthly bills are due on the 15th of each month. If the 15th falls on a Saturday, Sunday, or holiday, payment is due on the next business day.



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2. First (Delinquent) Notice

Approximately one week after the due date, a delinquent notice is issued. The notice informs the customer that service will be disconnected if payment is not received within 30 days.

- Notices are sent via first-class mail, unless the customer has authorized electronic communication.

3. Second (Courtesy) Notice

If payment has not been received, a second notice is issued five (5) business days before to the scheduled disconnection date.

- This is a courtesy notification.
- It is sent via email, automated voice message or text message.

4. Disconnection

If payment is not received within 30 days, the account is subject to disconnection.

5. Reconnection Requirements

To restore service after disconnection, customers must:

- Pay the full past-due balance, and
- Pay the applicable reconnection fee

Customers may request a payment plan to restore service. In that case:

- The reconnection fee, and
- The first payment under the payment plan

must be paid before service is reconnected.

Customer Assistance and Disconnection Prevention

Our priority is to work with customers to prevent service interruption whenever possible. Customer Service Representatives actively collaborate with customers who are past due to identify solutions that help avoid disconnection. This may include establishing reasonable payment plans, reviewing eligibility for cold weather protections, verifying income for assistance programs, and discussing other available relief options. Customers experiencing financial difficulty are strongly encouraged to contact our office as early as possible so we can work together to maintain service.

Action: Approve revised Billing, Credit & Collection Policy



Billing, Credit & Collection Policy

Policy Objective: The following policies and procedure have been established for the billing, credit and collections of electric and water services provided by Shakopee Public Utilities (SPU).

Account Set-Up/Deposit

- An application for new accounts must be submitted. The application can be found on shakopeeutilities.com.
- Any applicant with a prior history of one or more untimely or missed payments with SPU may be required to provide a deposit in the amount noted below for the appropriate customer class. The deposit must be received before the service connection date.
- In addition, if an applicant has a previous or current balance written off as uncollectible and requests new service, and the applicant occupied the premises, continues to occupy the premises, or in any manner received the benefits of the service, the applicant must pay the amount designated as uncollectible before the service connection date.

- A deposit shall be required to be paid by all residential customers who do not hold title to the property at the customer's service address - (Resolution #2023-17).
 - Residential deposits are \$100 for standard electric service and \$200 for electric heat service.
 - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
 - Residential homeowners are not required to pay a deposit (unless prior payment history issues).

- A deposit shall be required to be paid by all commercial and industrial customers - (Resolution #2023-17)
 - Commercial and industrial customers are required to pay a deposit equal to one month's average billings.
 - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
 - A surety bond or irrevocable letter of credit in a form acceptable to SPU may be furnished in lieu of a cash deposit.

- Deposits are retained on the account until service ends or until the account achieves a five-year good payment history, at which time, it will be applied to the active account. Deposits will accrue interest annually at the rate set for by the Minnesota Department of Commerce and Minnesota State Statute 325.E.02
 - If deposit is surety bond or irrevocable letter of credit, these instruments will be released at this time.

Billing

Regular Billing

- Monthly bills are issued for the following utility service: electric, water, sewer, and storm drainage. Shakopee Public Utilities bills the sewer and storm drainage on behalf of the City of Shakopee.
- Each utility meter usage is remotely collected (advanced metering infrastructure) or manually read (under SPU policy) by SPU staff on or near the same day each month so that approximately 28- 31 days of usage is recorded.
- Bills are created after all meters have been read. The date the bill is created is known as the billing date. It is mailed out the day of or the day after being created.
- Bills are due on the 15th of each month (or the following business day if the 15th falls on a Saturday or Sunday or holiday).

- Customers have the option of receiving their bills electronically or via the US Postal Service.

Final Billing

- It is the customer's responsibility to notify Shakopee Public Utilities that service to an account address is ending at least three business days before the date of final service. A forwarding address must be provided.
- Final bills are issued the first full week of the new month or during monthly billing depending on when the service is discontinued.
- Each utility meter is read based on the date of the customer's final day at the service address.
- Final bills approximate days of usage, which varies based on the customer's date of request.
- Bills are due on the 15th of the month the bill was issued (or the following business day if the 15th falls on a Saturday or Sunday or holiday).
- Any final billed accounts that have a credit remaining will receive a refund via check mailed out to their forwarding address.

Budget Billing Plan

- Shakopee Public Utilities offers a voluntary budget billing plan as a convenience for qualifying residential customers.
- Budget billing allows customers to pay an estimated amount each month, avoiding the fluctuation of utility costs throughout the year.
- A customer's average utility consumption over the previous 12 months is used to determine the budget billing amount for the next 12 months.
- A customer must have at least 12 months of consumption history and no balance owing to sign up.
- The average usage is reviewed each year. The consumption is trued up for the previous 12 months and a new budget billing amount is set.
- Customers are encouraged to also set up automatic payments.
- No more than two consecutive late payments in any 12-month period are allowed for budget billing customers. After two late payments, the customer will be notified that the account is removed from budget billing for 12 months.
- The budget billing plan is a pre-arranged payment schedule and therefore no other payment arrangements are available.

Payment Options

- **Acceptable Forms of Payment** – Cash or cash equivalent, money order, check, or authorized credit card.
- **Auto Pay** – Payments are processed automatically for the amount due using a credit card, debit card or bank account each month on the due date.
- **Pay Now** – Online payment option via link found on shakopeeutilities.com
- **By Phone** – Call 833-498-1072 to make payments 24/7.
- **24-Hour drive-up drop box** – Located at our service center at 255 Sarazin Street. Payments are securely deposited into the building.
- **SPU Service Center** – Lobby or Drive-up window.
- **USPS Mail** – Address to: Shakopee Public Utilities, PO Box 470, Shakopee, MN 55379.

Returned Payments

- Payments by check or ACH that are returned for non-sufficient funds (NSF), account closed or credit/debit cards that are declined will be assessed a return fee, established by the fee schedule.
- If the customer has already been notified of a pending disconnection and the payment is returned, service may be disconnected without further notice.
- If customer has not already been notified of a pending disconnection, then SPU sends customer a letter by mail and email letting them know about the returned payment. Customer has thirty (30) days from issuance of letter to repay funds and return fee.
 - If it is not paid in that time, the account is up for disconnection of service.
 - A customer with more than two (2) of any combination of the following: NSF, account closed, or declined credit/debit card payments within a twelve (12) month period will be required to make future payments in cash, money order, cashier's check, wire transfer, or acceptable credit cards for twelve (12) months of acceptable payment history
 - Disconnects are performed weekly for returned payments

Late Payment Fee

- A penalty of 5% will be added to the current bill if not paid in full on or before the stated due date.
- Penalties are billed 3 business days after the due date.

Dispute/Appeal Process

- When a customer disputes any water or electric charge on their bill the following process is followed:
 - All disputes are escalated to the Customer Service and Billing Supervisor. The billing dispute is reviewed to determine if staff may resolve the issue.
 - All disputes are investigated; this includes re-reading the meter, reviewing past usage, and/or testing the meter.
 - Customers are notified of the findings.
 - If a customer is dissatisfied with the findings, customers are directed to the written Appeals Policy for next steps.

Payment Plans

- Payment plans are allowed but must be requested by the customer.
- Terms are determined based on the current outstanding amount, the projected amount billed for the duration of the payment plan, and the customer's ability to make payments. Generally, payment plans fall into the following categories:
 - \$0-\$200 – 2 months
 - \$201-\$500 – 4 months
 - \$501-\$1,000 – 6 months
 - \$1,001+ - 8-12 months
- After the first untimely payment under the payment plan (default), customers are notified and must make payment to keep the payment plan current.
- After the second default, payment plans are revoked, and customers must make full payment of the past due balance to prevent being disconnected.
- Disconnects are performed monthly following the standard disconnection schedule.

Permissible Service Disconnections with Notice

- SPU may disconnect service to any customer with notice for any reason stated below:
 1. failure to make timely payment;
 2. failure of the customer to make proper application for service or misstatements;
 3. customer's violation of any SPU policies/rules approved by the Commission;
 4. failure of the customer to provide SPU reasonable access to its equipment and property; or
 5. other situations provided in Minnesota statutes and rules.

- Unless a customer authorizes electronic communication, delinquent notices shall be sent by first class mail to active accounts with past due balances approximately one week after the due date. These notices identify that electric service (or water service, where applicable) will be disconnected if payment is not received in 30 days. For any rental property with a third party authorization, a delinquency notice will also be sent to the property owner or management company.
- A second delinquency notice is sent five days before the planned disconnect day via email or an automated phone call.
- Cold weather rule is followed October 1 – April 30. See Cold Weather Rule section for details.
- Disconnects are performed during the third week of the month. Service will not be disconnected on Fridays, Saturdays, or Sundays, the day before an observed holiday, or when inclement weather is applicable.
- Customers are required to pay the past due balance or become current on a payment plan to be removed from the disconnect list. Staff has access to the online billing and payment system to view real-time payments.
- Those customers that are disconnected must pay a reconnect fee plus the past due balance to be reconnected.
- Customers who request payment plans after being disconnected must pay the reconnect fee plus the first payment plan payment to be reconnected.
- During the cold weather months, any accounts that are disconnected for electric service will be reviewed and water will be shut off within a reasonable period of time in an effort to prevent bursting water pipes at the property.
- After two weeks from the physical disconnect, a billing system disconnect will also be completed if payments remain past due assuming the residence is vacant to formally close out the account.

Permissible Service Disconnections Without Notice

Shakopee Public Utilities may disconnect service to any customer without notice for any reason stated below:

1. Unauthorized use of or tampering with SPU’s equipment;
2. A condition determined by SPU to be hazardous to the customer, to other SPU customers, to SPU’s equipment, or to the public.

Bankruptcy

- Customers who file for bankruptcy protection will be subject to the bankruptcy law in effect at the time of their filing. Customers in bankruptcy proceedings will be required to provide a deposit or other assurance of payment acceptable to SPU within twenty days of the bankruptcy petition in order to continue service.

Cold Weather Rule (October 1st – April 30th)

Minnesota Statutes, Section 216B.097 states that SPU must not disconnect and must reconnect the utility service of a residential customer during the period between October 1 and April 30, if the disconnection affects the primary heat source for the residential unit and all of the conditions described in the statute are met. This protection does not prohibit SPU from disconnecting service but requires several steps to be taken before disconnection.

SPU will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and all of the following three conditions are met:

1. The household income of the customer is at or below 50 percent of the state median household income. SPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses

an income eligibility threshold set at or below 50 percent of the state medical household income

2. The customer enters into and makes reasonably timely payments under a payment agreement that considers the financial resources of the household. “Reasonably timely payment” means payment within five working days of agreed-upon due dates. It does not include any payment returned for non-sufficient funds (NSF), account closed, or credit/debit cards that are declined.
3. The customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer’s energy bills.

SPU will notify all residential customers between August 15 and October 1 each year of the provisions of this policy and Minnesota Statutes Section 216B.097.

Before disconnecting service to a residential customer during the period between October 1 and April 30, SPU will provide the following information to a customer (the Disconnection Notice):

1. A notice of proposed disconnection;
2. A statement explaining the customer’s rights and responsibilities;
3. A list of local energy assistance providers;
4. A form on which to declare inability to pay; and
5. A statement explaining available time payment plans and other opportunities to secure continued utility service.

At the same time that SPU provides the Disconnection Notice, SPU will give written or electronic notice of the proposed disconnection to the local energy assistance provider and the department.

If SPU must disconnect a residential customer under Minnesota Statutes, Section 216B.097, subd. 3, the disconnection will not occur:

1. On a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by SPU;
2. On a weekend, holiday, or the day before a holiday;
3. When SPU offices are closed;
4. After the close of business on a day when disconnection is permitted, unless a field representative of SPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer;
5. If before disconnection, the customer appeals a Disconnection Notice under SPU’s established appeal procedure, until the appeal is resolved.

Further, the disconnection must not occur until at least thirty (30) days after the Disconnection Notice has been mailed to the customer or fifteen (15) days after the notice has been personally delivered to the customer. SPU will not disconnect the customer until SPU attempts to confirm whether the residential unit is actually occupied, by examining energy usage data obtained through advanced metering infrastructure to determine whether there is energy usage over at least a 24-hour period that indicates occupancy, or as otherwise permitted under Section 216B.097, subd. 3.

Collections Process – For Inactive Customers

- A series of letters are sent out monthly notifying inactive electric and water customers of their past due balances. Sewer and storm drainage charges billed on behalf of the City of Shakopee are managed through the City and not SPU.
- The first letter is sent 21 days after the bill date. This letter is a reminder of the balance due on the utility account.

- The second and final notice is sent 15 days later. This letter notifies customer that payment is due and if not paid balances will be sent to collections.
- Electric and water customers are allowed an additional 10 days to make payment. After 10 days the collections file is created and sent to the collection agency.
- The collection agency will proceed with the collection process per the agreements in place. The collections efforts include mailings, phone calls, and legal avenues as applicable.
- Payments on collection accounts can be paid directly to SPU or to the collection agency until the account balance is satisfied.

Tax/Property Liens

- SPU reserves the right to certify unpaid utility services through the City of Shakopee or Scott County as unpaid taxes or for assessment as a lien against the property.



Redline Proposed Revised March 2026 Policy to June 2024 Policy

Billing, Credit & Collection Policy

Policy Objective: The following policies and procedure have been established for the billing, credit and collections of electric and water services provided by Shakopee Public Utilities: (SPU).

Account Set-Up/Deposit

- An application for new accounts must be submitted. The application ~~for utilities~~ can be found on shakopeeutilities.com.
- Any applicant with a prior history of one or more untimely or missed payments with SPU may be required to provide a deposit in the amount noted below for the appropriate customer class. The deposit must be received before the service connection date.
- In addition, if an applicant has a previous or current balance written off as uncollectible and requests new service, and the applicant occupied the premises, continues to occupy the premises, or in any manner received the benefits of the service, the applicant must pay the amount designated as uncollectible before the service connection date.

- A deposit shall be required to be paid by all residential customers who do not hold title to the property at the customer's service address - (Resolution #2023-17).
 - Residential deposits are \$100 for standard electric service and \$200 for electric heat service.
 - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
 - Residential homeowners are not required to pay a deposit: (unless prior payment history issues).

- A deposit shall be required to be paid by all commercial and industrial customers - (Resolution #2023-17)
 - Commercial and industrial customers are required to pay a deposit, equal to one month's average billings.
 - Deposits are non-transferable from one applicant to another and are only payable to the original applicant.
 - A Surety Bond ~~surety bond~~ or Irrevocable ~~irrevocable~~ letter of credit in a form acceptable to SPU may be furnished in lieu of a cash deposit.

- Deposits are retained on the account until service ends or until the account achieves a five-year good payment history, at which time, it will be applied to the active account. Deposits will accrue interest annually at the rate set for by the Minnesota Department of Commerce and Minnesota State Statute 325.E.02
 - If deposit is surety bond or irrevocable letter of credit, these instruments will be released at this time.

Billing

Regular Billing

- Monthly bills are issued for the following utility service: electric, water, sewer, and storm drainage. Shakopee Public Utilities bills the sewer and storm drainage on behalf of the City of Shakopee.
- Each utility meter is read usage is remotely collected (advanced metering infrastructure) or manually read (under SPU policy) by SPU staff on or near the same day each month so that approximately 28-34 31 days of usage is recorded.
- Bills are created after all meters have been read. The date the bill is created is known as the billing date. It is mailed out the day of or the day after being created.

- Bills are due on the 15th of each month (or the following business day if the 15th falls on a Saturday or Sunday or holiday).
- Customers have the option of receiving their bills electronically or via the US Postal Service.

Final Billing

- It is the customer's responsibility to notify Shakopee Public Utilities that service to an account address is ending at least three business days before the date of final service. A forwarding address must be provided.
- Final bills are issued the first full week of the new month or during monthly billing depending on when the service is discontinued.
- Each utility meter is read based on the date of the customer's final day at the service address.
- Final bills approximate days of usage, which varies based on the customer's date of request.
- Bills are due on the 15th of the month the bill was issued (or the following business day if the 15th falls on a Saturday or Sunday or holiday).
- Any final billed accounts that have a credit remaining will receive a refund via check mailed out to their forwarding address.

Budget Billing Plan

- Shakopee Public Utilities offers a voluntary budget billing plan as a convenience for qualifying residential customers.
- Budget billing allows customers to pay an estimated amount each month, avoiding the fluctuation of utility costs throughout the year.
- A customer's average utility consumption over the previous 12 months is used to determine the budget billing amount for the next 12 months.
- A customer must have at least 12 months of consumption history and a \$0.00 no balance owing to sign up.
- The average usage is reviewed each year. The consumption is trued up for the previous 12 months and a new budget billing amount is set.
- Customers are encouraged to also set up automatic payments.
- No more than 2two consecutive late payments in any 12-month period are allowed for budget billing customers. After 2two late payments, the customer will be notified that the account is removed from budget billing for 12 months.
- The budget billing plan is a pre-arranged payment schedule and a letter notifying them is sent ~~out~~ therefore no other payment arrangements are available.

Payment Options

- **Acceptable Forms of Payment** – Cash or cash equivalent, money order, check, or authorized credit card.
- **Auto Pay** – Payments are processed automatically for the amount due using a credit card, debit card or bank account each month on the due date.
- **Pay Now** – Online payment option via link found on shakopeeutilities.com
- **By Phone** – Call 833-498-1072 to make payments 24/7.
- **24-Hour drive-up drop box** – Located at our service center at 255 Sarazin Street. Payments are securely deposited into the building.
- **SPU Service Center** – Lobby or Drive-up window.

- **USPS Mail** – Payment can be sent through post office to Shakopee Public Utilities, PO Box 470, Shakopee, MN 55379.

Returned Payments

- ~~Returned payments are assessed an NSF fee.~~
- ~~Customer~~ Payments by check or ACH that are returned for non-sufficient funds (NSF), account closed or credit/debit cards that are declined will be assessed a return fee, established by the fee schedule.
- If the customer has already been notified of a pending disconnection and the payment is ~~sent~~ returned, service may be disconnected without further notice.
- If customer has not already been notified of a pending disconnection, then SPU sends customer a letter ~~in the by mail and via a door hanger email~~ letting them know about the NSF.
- returned payment. Customer is given ~~7~~ has thirty (30) days ~~s~~ from issuance of letter to repay funds and NSF ~~return~~ fee.
 - If it is not paid in that time, the account is up for disconnection of service.
 - A customer with more than two (2) of any combination of the following: NSF, account closed, or declined credit/debit card payments within a twelve (12) month period will be required to make future payments in cash, money order, cashier's check, wire transfer, or acceptable credit cards for twelve (12) months of acceptable payment history
 - Disconnects are performed weekly for returned payments

Late Payment Fee

- A penalty of 5% will be added to the current bill if not paid in full on or before the stated due date.
- Penalties are billed 3 business days after the due date.

Dispute/Appeal Process

- When a customer disputes any water or electric charge on their bill the following process is followed:
 - All disputes are escalated to the Customer Service and Billing Supervisor. The billing dispute is reviewed to determine if staff may resolve the issue.
 - All disputes are investigated; this includes re-reading the meter, reviewing past usage, and/or testing the meter.
 - Customers are notified of the findings.
 - If a customer is dissatisfied with the findings, customers are directed to the written Appeals Policy for next steps.

Payment Plans

- Payment plans are allowed but must be requested by the customer.
- Terms are determined based on the current outstanding amount, the projected amount billed for the duration of the payment plan, and the ~~customers'~~ customer's ability to make payments. Generally, payment plans fall into the following categories:
 - \$0-\$200 – 2 months
 - \$201-\$500 – 4 months
 - \$501-\$1,000 – 6 months
 - \$1,001+ - 8-12 months
- After the first untimely payment under the payment plan (default;), customers are notified and must make payment to keep the payment plan current. ~~Staff follow up on past due payments plans by phone calls, emails, or mailed communications.~~
- After the second default, payment plans are revoked, and customers must make full payment of the past due balance to prevent being disconnected.
- Disconnects are performed weekly for past due payment plans based on payment dates monthly following standard disconnection schedule.

Notice of Disconnect and Disconnecting Permissible Service Disconnections with Notice

- SPU may disconnect a customer's service, to any customer with notice for non-any reason stated below:
 1. failure to make timely payment;
 2. failure of the customer to make proper application for service or misstatements;
 3. customer's violation of billings, any SPU policies/rules approved by the Commission;
 4. Delinquent notices are mailed failure of the customer to provide SPU reasonable access to its equipment and property; or
 5. other situations provided in Minnesota statutes and rules.
- Unless a customer authorizes electronic communication, delinquent notices shall be sent by first class mail to active accounts with past due balances approximately one week after the due date. These notices identify that electric service (or water service, where applicable) will be disconnected if payment is not received in 20 days. 30 days. For any rental property with a third party authorization, a delinquency notice will also be sent to the property owner or management company.
- Second disconnection notices are sent 5 five days before the planned disconnect day via an first class mail, email, or an automated phone call.
- Cold weather rule is followed October 1 – April 30. See Cold Weather Rule section for details.
- Disconnects are performed during the third week of the month. Service will not be disconnected on Fridays, Saturdays, or Sundays, the day before an observed holiday, or when inclement weather is applicable.
- On the day of disconnect, the list of customers to disconnect is provided to the Electric department dispatcher. Customers are required to pay the past due balance or become current on a payment plan to be removed from the disconnect list. Staff have has access to the online billing and payment system to view real-time payments. Customers to be removed from the disconnect list, or to be reconnected are communicated with the dispatcher.
- Those customers that are disconnected must pay a reconnect fee plus the past due balance to be reconnected.
- Customers who request payment plans after being disconnected must pay the reconnect fee plus the first payment plan payment to be reconnected.
- During the cold weather months, any accounts that are disconnected for electric service will be reviewed and water will be shut off within a reasonable period of time in an effort to prevent bursting water pipes at the property.
- Cold weather rule is followed October 1 – April 30. Customers must apply for cold weather rule status (inability to pay form) and make reasonably timely payments under the acceptable payment agreement that considers financial resources of the household.
- After two weeks from the physical disconnect, a billing system disconnect will also be completed if payments remain past due assuming the residence is vacant to formally close out the account.

Permissible Service Disconnections Without Notice

Shakopee Public Utilities may disconnect service to any customer without notice for any reason stated below:

1. Unauthorized use of or tampering with SPU's equipment;
2. A condition determined by SPU to be hazardous to the customer, to other SPU customers, to SPU's equipment, or to the public.

Bankruptcy

- Customers who file for bankruptcy protection will be subject to the bankruptcy law in effect at the time of their filing. Customers in a bankruptcy proceeding will be required to provide a deposit or other assurance of payment acceptable to SPU within twenty days of the bankruptcy petition in order to continue service.

Cold Weather Rule (October 1st – April 30th)

- ~~Minnesota's Cold Weather Rule (Minnesota Statutes, Section 216B.097) is in effect from October 1 to April 30 each year. states that SPU must provide communication regarding the Cold Weather Rule to all not disconnect and must reconnect the utility service of a residential customerscustomer during the period between August 15 and October 1st each year. This communication must identify the rights October 1 and responsibilities under the Cold Weather Rule.~~

~~The Cold Weather Rule is available to all April 30, if the disconnection affects the primary heat source for the residential customers: ownersunit and renters ifall of the required conditions described in the statute are met. This protection does not prohibit SPU from disconnecting service but requires several steps to be taken before disconnection.~~

SPU will not disconnect or will reconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit and all of the following three conditions are met:

1. The household income of the customer is at or below 50 percent of the state median household income. SPU may verify income on forms it provides or obtain verification of income from the local energy assistance provider. A customer is deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility threshold set at or below 50 percent of the state median household income. SPU may request income verification from the customer or obtain verification of income from the local Energy Assistance Provider (CAP Agency).medical household income
2. The customer enters into a payment agreement and makes reasonably timely payments under thea payment agreement that considers the financial resources of the household. "Reasonably timely payment" means payment within five working days of agreed-upon due dates. It does not include any payment returned for non-sufficient funds (NSF), account closed, or credit/debit cards that are declined.

○ ~~Income can be verified by:~~

- ~~Accepting a signed statement of eligibility~~
- ~~Receiving verification from an energy assistance provider or government agency~~
- ~~Reviewing income tax returns, two months of pay stubs for all members of the household, or pension documentation.~~
- ~~If this documentation proves that the customer meets the income guideline, no other documentation is required.~~

○ ~~Payment plans under the Cold Weather Rule must not exceed 10% of the household income.~~

○ ~~Modifications to the payment plan may be made if a customer's household income has changed or if the customer is unable to make reasonably timely payments on the current payment plan.~~

○ ~~Customers must apply for Cold Weather Rule protection each year.~~

3. The customer receives referrals to energy assistance, weatherization, conservation, or other programs likely to reduce the customer's energy bills.

SPU will notify all residential customers between August 15 and October 1 each year of the provisions of this policy and Minnesota Statutes Section 216B.097.

Before disconnecting service to a residential customer during the period between October 1 and April 30, SPU will provide the following information to a customer (the Disconnection Notice):

1. A notice of proposed disconnection;
2. A statement explaining the customer's rights and responsibilities;

3. A list of local energy assistance providers;
4. A form on which to declare inability to pay; and
5. A statement explaining available time payment plans and other opportunities to secure continued utility service.

At the same time that SPU provides the Disconnection Notice, SPU will give written or electronic notice of the proposed disconnection to the local energy assistance provider and the department.

If SPU must disconnect a residential customer under Minnesota Statutes, Section 216B.097, subd. 3, the disconnection will not occur:

1. On a Friday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by SPU;
2. On a weekend, holiday, or the day before a holiday;
3. When SPU offices are closed;
4. After the close of business on a day when disconnection is permitted, unless a field representative of SPU who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer;
5. If before disconnection, the customer appeals a Disconnection Notice under SPU's established appeal procedure, until the appeal is resolved.

Further, the disconnection must not occur until at least thirty (30) days after the Disconnection Notice has been mailed to the customer or fifteen (15) days after the notice has been personally delivered to the customer. SPU will not disconnect the customer until SPU attempts to confirm whether the residential unit is actually occupied, by examining energy usage data obtained through advanced metering infrastructure to determine whether there is energy usage over at least a 24-hour period that indicates occupancy, or as otherwise permitted under Section 216B.097, subd. 3.

Collections Process – For Inactive Customers

- A series of letters are sent out monthly notifying inactive electric and water customers of their past due balances. Sewer and ~~Storm Drainage~~ storm drainage charges billed on behalf of the ~~city~~ City of Shakopee are managed through the ~~city versus the~~ City and not SPU Collection process.
- The first letter is sent 21 days after the bill date. This letter is a reminder of the balance due on the utility account.
- The second and final notice is sent 15 days later. This letter notifies customer that payment is due and if not paid balances will be sent to collections.
- Electric and ~~Water~~ water customers are allowed an additional 10 days to make payment. After 10 days the collections file is created and sent to the collection agency.
- The collection agency will proceed with the collection process per the agreements in place. The collections efforts include, mailings, phone calls, and legal avenues as applicable.
- Payments on collection accounts can be paid directly to SPU or to the collection agency until the account balance is satisfied.

Tax/Property Liens

- SPU reserves the right to certify unpaid utility services through the City of Shakopee or Scott County as unpaid taxes or for assessment as a lien against the property.



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DATE: February 24, 2026
TO: Commissioners
FROM: Greg Drent, General Manager *GD*
Subject: Potential Large Power User Considerations

As part of our ongoing economic development efforts and regional growth trends, SPU has been engaged in preliminary discussions regarding a potential large power user that may locate within our electric service territory. While discussions for this user remain exploratory, it is prudent to consider a variety of factors that may affect SPU's planning for future large users. Staff seek Commission input on the factors to consider with potential large power users.

Overview

The prospective customer would represent a significant increase in electric load on our system. Large power users can provide long-term revenue stability, improved system load factor, and broader economic benefits to the community.

At the same time, customers of this size require careful planning to ensure system reliability, appropriate cost recovery, and alignment with our long-term infrastructure strategy.

Potential Benefits

- **Improved Load Factor:** A large, consistent load can help optimize system use and spread fixed costs across more kilowatt-hour sales.
- **Revenue Stability:** Long-term energy usage can provide predictable revenue to support system investments and financial stability.
- **Economic Development:** Expanded tax base, and indirect economic activity within the community. Enhances SPU's role as a reliable and competitive energy provider capable of supporting growth.

Key Considerations

- **Infrastructure Requirements:** Evaluate substation capacity, feeder capability, transmission availability, and potential need for system upgrades.
- **Power Supply Planning:** Assess wholesale power supply impacts, peak demand obligations, and risk exposure.
- **Rate Design:** Develop an appropriate rate structure to ensure full cost recovery and equitable treatment of existing customers.

- **Reliability and Redundancy:** Determine service expectations and potential need for redundant feeds or dedicated infrastructure.
- **Financial Risk Management:** Ensure appropriate distribution of risk in agreement terms, security, billing, and/or minimum load provisions.
- **No Significant Water Consumption:** Ensure appropriate allocation/use of SPU water system, including not using water for cooling.
- **Other Factors to Consider:** What other factors would the Commission wish to consider?

Next Steps

SPU staff will continue due diligence efforts, working with the informal working group, including:

- Conducting preliminary engineering and load impact analysis
- Evaluating infrastructure and capital investment needs
- Reviewing power supply implications
- Assessing financial and rate considerations
- Providing updates to the Commission as discussions progress

Conclusion

Serving a large power user can present a meaningful opportunity for SPU and the community if structured thoughtfully and aligned with our long-term strategic and financial objectives. Staff will continue to evaluate this opportunity carefully to ensure reliability, fairness, and prudent risk management remain priorities. Staff wanted to take the time to discuss the general concept of potential large power users and to receive input from the Commission. Any agreement for a specific customer will be presented to the Commission for approval.

Action: Information only no action