SPU
Shakopee Public Utilities

REGULAR COMMISSION MEETING

AUGUST 3, 2026

SPU SERVICE CENTER, 255 SARAZIN ST, SHAKOPEE

1. **CALL TO ORDER – 5:00 PM**

2. **ROLL CALL**

3. **APPROVAL OF AUGUST 3, 2026 AGENDA**
   MOTION TO APPROVE THE AGENDA

4. **COMMUNICATIONS**

5. **PUBLIC COMMENT PERIOD**
   PLEASE STEP UP TO THE TABLE AND STATE YOUR NAME AND ADDRESS FOR THE RECORD

6. **CONSENT AGENDA**
   6.a Approval of July 6, 2026 Minutes (GD)
   6.b Approval of July 16, 2026 Special Meeting Minutes (GD)
   6.c August 3, 2026 Warrant List (KW)
   6.d Monthly Water Dashboard for June 2026 (RH)
   6.e June 2026 Financials Report (KW)
   6.f Purchasing Policy Changes (KW)
   6.g Amended Easement Agreement for Reliakor Services Inc. (JA)
   6.h SPU AI/LLM Usage Policy (PD)
   MOTION TO ACCEPT AND/OR APPROVE THE CONSENT AGENDA ITEMS

7. **BUSINESS REMOVED FROM CONSENT AGENDA**

8. **LIAISON REPORT (JD)**

9. **REPORTS – GENERAL**
   9.a Recommendation on Meter Exchange Policy (SW)
   MOTION TO APPROVE THE EXEMPTION AS PRESENTED

   9.b Res #2026-15 Resolution in Appreciation of Martin Glynn (RH)
   MOTION TO APPROVE RES #2026-15 RESOLUTION OF APPRECIATION TO MARTIN GLYNN

   9.c East Shakopee Substation Construction Bid Award (BC)
   MOTION TO AWARD THE SUBSTATION CONSTRUCTION SITE WORK TO NATIONAL CONDUCTOR CONSTRUCTORS IN THE AMOUNT OF $5,573,202.

10. REPORTS – STAFF

10.a Electric Engineering & Operations Report – Verbal (BC)

10.b Water Engineering & Operations Report – Verbal (RH)

11. GENERAL MANAGER REPORT – VERBAL (GD)

12. ITEMS FOR FUTURE AGENDAS

13. TENTATIVE DATES FOR UPCOMING MEETINGS

- September 8, 2026 (Tuesday)
- October 5, 2026
- October 19, 2026 – Workshop

14. ADJOURNMENT

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MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
July 6, 2026
Regular Meeting

1. Call to Order. President Letourneau called the July 6, 2026 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Letourneau, Vice President Mocol, Commissioner DuLaney, and Commissioner Ranua were present.

2. Agenda Approval. Vice President Mocol moved, seconded by Commissioner Ranua, to approve the agenda. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

3. Communications. Sharon Walsh, Director of Communications, Key Accounts, and Conservation, noted two customer communications by letter and an in-person meeting.

4. Public Comment Period. Andrea Lynn spoke on behalf of her mother concerning the disconnection of her electric service for failure to pay the full amount. She presented concerns with radiofrequency exposure from AMI and compliance with other laws and requested that SPU not charge her mother the $75 monthly manual meter reading fee under the AMI Meter Exchange Policy. Jeanne and David Gavin presented concerns with radiofrequency from AMI, the current FCC standards, and SPU's monthly meter reading fee. They asked SPU to remove monthly meter reading fees. In response to a question from Commissioner DuLaney about SPU's treatment of data from AMI, Greg Drent, General Manager, noted that SPU reviews the data internally and treats it in the same manner as customer billing information. Mr. Drent summarized the four options that SPU currently allows for AMI. The Commission discussed the potential to revise the policy. Vice President Mocol expressed caution, noting that a negotiating process may present a result different than an initial request. The consensus was that SPU staff prepare a proposed revision to the AMI Meter Exchange Policy for the Commission to consider and that SPU should not disconnect these two customers pending this process.

5. Consent Agenda. Commissioner Ranua pulled item 6d, Quarterly Nitrate Report. Commissioner DuLaney moved to approve the Consent Agenda as modified, seconded by Vice President Mocol:

(6a) June 1, 2026 Minutes;
(6b) July 6, 2026 Warrant List;
(6c) Monthly Water Dashboard for May 2026;
(6e) MMPA June 2026 Meeting Update;
(6f) May 2026 Financial Report;
(6g) Organizational Chart Update;
(6h) Res #2026-14 Resolution Amending Res #3024-33; and
(6i) SPU Employee Handbook Updates

Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

For item 6d Quarterly Nitrate Report, Commissioner Ranua asked how Wells 15, 16 and 23 are at times higher, and about potential customer education. Ryan Halverson, Director of Water

Engineering and Operations, discussed water protections, fertilizer regulations, and potential bill inserts. Commissioner Ranua moved approval of item 6d Quarterly Nitrate Report. Vice President Mocol seconded the motion. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

6. Liaison Report. Commissioner DuLaney noted that he attended the MMUA legislative update, with good information presented. He also attended a DEED data center information session, which highlighted the difference between a hyperscale facility with 100 MW or more and smaller facilities.

7. Temporary Construction Easement and Shared Driveway Trail Agreement. Mr. Halverson provided an overview of the proposed shared driveway/trail with Summergate Companies LLC and temporary construction easement, with documents to be finalized, and anticipated costs. Commissioner Ranua moved to authorize the General Manager to execute a temporary construction easement allowing grading and construction on the shared driveway/trail. Commissioner DuLaney seconded the motion. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None. Commissioner DuLaney moved to authorize the General Manager to execute an agreement with Summergate Companies LLC exchanging the construction of the oversized shared driveway/trail and reimbursement of engineering services for a permanent trail easement granted to the City of Shakopee, with no additional cash exchanged. Vice President Mocol seconded the motion. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

8. Alignment of Meter Reading and Billing Cycles Under AMI. Kelley Willemssen, Director of Finance and Administration, introduced Mike Vourlos, Technical Service Supervisor. Mr. Vourlos explained that in the past, with analog meters, SPU's meter reading process took over one month, resulting in bills issued forty-five to sixty days after the usage period, with some errors, and creating challenges for year-end as billing/payment could overlap multiple years. With AMI, SPU may read meters remotely, contemporaneously, and without errors. He outlined the staff proposal to shift the billing period to align with the AMI capabilities, using a seventeen month period to gradually adjust customers' billing timing to benefit customers, to avoid a sudden change in the billing period, and to avoid the higher usage summer months. Mr. Vourlos noted that the final process will provide SPU seven days to process bills, resulting in more timely bills to customers. Vice President Mocol moved to approve the proposed AMI-based alignment of meter reading and billing cycles. Commissioner DuLaney seconded the motion. Ayes: Mocol, DuLaney, Krieg, and Ranua. Nays: None.

9. Community Garden Contract Extension. Mr. Drent explained that SPU's Community Garden agreement with Scott County is expiring and staff's recommendation to extend it. Vice President Mocol moved to approve the five-year extension of the Community Garden License Agreement. Commissioner Ranua seconded the motion. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

10. Election Operations and Engineering Report. Brad Carlson, Director of Electric Engineering and Operations, provided project updates, including undergrounding for commercial customers, rerouting street lights for roundabout, residential projects, and transitioning overhead lines to underground. He noted that crews continue pole and transformer changeouts. Mr. Carlson reported three non-storm outages since the last Commission meeting without many customers affected; he noted a storm on June 28 that affected 150 customers.

11. Water Operations and Engineering Report. Mr. Halverson provided an update of water projects, including Tank #9 watermain installed and site infrastructure; watermains installed for residential projects; on-going work on roundabouts; flushing in the first high zone; and locating for fiber projects. For service line identification, he noted that SPU sent twenty-eight certified letters to those who have not yet responded. Mr. Halverson noted that SPU replaced the roof on Pumphouse #3 and #20. SPU completed the EPA's Risk and Resiliency Plan. He reported a failure on Well #5, which will require repair to the pump. Mr. Halverson noted that the first round of lead sampling has been completed and that SPU completed the Consumer Confidence Report.

12. General Manager Report. Mr. Drent reported that SPU was sad to learn that a long-term SPU water operator passed away unexpectedly. Mr. Drent noted an MMPA meeting to discuss rate structure for large customers. He noted an upcoming meeting with Xcel Energy on service territory. SPU has met with MVEC regarding the Sand family land and the overall Louisville Township annexation and service territory. Mr. Drent attended the MMUA legislative update. He highlighted the RP3 application preparation, for which SPU received top honors the last four years, for submission later this year. He noted that a bid opening for wire is scheduled for July 13, and the Commission may need to hold a special meeting to address before its next regular meeting.

13. Adjourn. Motion by Commissioner Ranua, seconded by Commissioner DuLaney, to adjourn. Ayes: Letourneau, Mocol, DuLaney, and Ranua. Nays: None.

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Greg Drent, Commission Secretary

Proposed As Consent Item **6b**

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
July 16, 2026
Special Meeting

1. Call to Order. President Letourneau called the July 16, 2026 special meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Letourneau, Commissioner DuLaney, Commissioner Krieg, and Commissioner Ranua were present.

2. Agenda Approval. Commissioner DuLaney moved to approve the agenda as presented, seconded by Commissioner Krieg. Ayes: Letourneau, DuLaney, and Krieg. Nays: None.

3. Underground 15 kV Medium Voltage Cable Bid Opening Results. Brad Carlson, Director of Electric Engineering and Operations, reported that on July 13, 2026 SPU opened bids for cable for the time-sensitive large customer project. He noted that lead time and prices were the two main factors of the seven responses. He explained that although Westco provided the lowest response, its proposed timing was too long to get the project done by the end of the year. He reported that Border States provided the second lowest response with a 19-week lead time, which would work with the project timing since SPU is getting permits from MnDOT involving trees along 169 in October/November to build the duct bank. Commissioner DuLaney moved to authorize the purchase of underground 15 kV medium voltage 1000 MCM cable from Border States in the amount of $1,626,025.86. Commissioner Krieg seconded the motion. Ayes: Letourneau, DuLaney, Krieg, and Ranua. Nays: None.

4. Water Tank #9 Design. Greng Drent, General Manager, presented the three current design options for Tank #9. He explained that pricing has been requested, but in general more colors will cost more. The Commission provided input, and design options and budget information will be presented at a future meeting.

5. Adjourn. Motion by Commissioner Krieg, seconded by Commissioner Ranua, to adjourn. Ayes: Letourneau, DuLaney, Krieg, and Ranua. Nays: None.

Greg Drent, Commission Secretary

Proposed As Consent Item

6c

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

August 3, 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 07/02/2026

AAR BUILDING SERVICE CO.	$7,203.69	EXTERIOR WINDOWS CLEANED @ SPU
AMARIL UNIFORM COMPANY	$3,249.22	SPU CLOTHING ORDER
APPA	$4,905.35	DEED MEMBERSHIP 4/1/2026-3/31/2027
ARAMARK REFRESHMENT SERVICES INC	$183.17	COFFEE SERVICES
BIRD'S LAWN CARE LLC	$1,115.00	SERVIES @KELLY CIR/PH#32(W)
BORDER STATES ELECTRIC SUPPLY	$4,723.56	LINE MARKER BALLS UG/INSULATING CAP 15KV
JOYCE & DAVID BURESH	$75.00	REBATE - REFRIGERATOR
CHHUN CHEA	$50.00	REBATE - PUSHMOWER
JAMES DULANEY	$125.00	REBATE - CLOTHES WASHER
FERGUSON US HOLDINGS, INC.	$265.32	SPU WATER SOFTNER ITEMS
FLYTE HCM LLC	$50.75	JUNE COBRA
GRAINGER INC	$565.20	PINTLE HOOK STEEL(E)
RYAN HALVERSON	$503.65	PER DIEM ACE WATER CONF/REIMB PARKING
HAWKINS INC	$390.00	CHLORINE CYLINDERS DEMURRAGE
HIGH POINT NETWORKS, LLC	$183.75	2 DL 380 ERRORS FIRMWARE 6/3/26
ANNA HUNT	$500.00	REBATE - COOLING/HEATING
INNOVATIVE OFFICE SOLUTIONS	$311.06	OFFICE SUPPLIES
IRBY - STUART C IRBY CO	$4,670.27	CUTOUT 100A 15KV 14 ASYM
JT SERVICES	$343.33	RED MARKING PAINT(E)
GERALD KOPET	$500.00	REBATE - COOLING/HEATING
CAREY & DIANE KOWALSKI	$500.00	REBATE - COOLING/HEATING
LIGHTNING PRINTING INC.	$790.00	SPU 2025 YR IN REVIEW ANNUAL RPT
LOCATORS & SUPPLIES INC	$1,959.13	RED FLAGS(E)
MATT ANDERSON CONSTRUCTION LLC	$2,350.00	PUMP HOUSE 4 UPGRADES WO3133
MINN VALLEY TESTING LABS INC	$336.10	WATER TESTING COLIFORM
MRA-THE MANAGEMENT ASSOCIATION	$240.00	BACKGROUND CHECKS
NAGEL COMPANIES LLC	$8,245.00	VALLEY INDUSTRIAL BLVD BORE WORK
NCPERS GROUP LIFE INS.	$352.00	JUNE PREMIUMS
NOVAK COMPANIES, LLC	$71.59	ADJUST ALUM KEY RACK RODS/GAS(W)
RESCO	$6,357.75	CLAMP HOT LINE SMALL
BROOKE REYNOLDS	$50.00	REBATE - PUSHMOWER
SHORT ELLIOTT HENDRICKSON INC	$2,559.00	EMERGANCY ACTION PLAN & RESILIENCE ASMT
MARIAH SKELLY	$23.20	REIMB MILEAGE JAN-JUN 2026
STINSON LLP	$727.50	(W) LABOR MATTERS FILE3522418.0002
BRIAN STRAND	$150.00	REBATE - DISHWASHER
JOHN TROTMAN	$50.00	REBATE - WATER SENSE TOILET
ULINE, INC.	$152.27	5S TOOLBOX FOAM - 2 1/4", BLACK
VESSCO, INC	$5,990.00	DEZURIK,4" CSV WO3111
COLLEEN WIDMER	$191.23	REBATE - IRRIGATION CONTROLLERS
CENTERPOINT ENERGY - ACH	$761.59	5/6/26-6/5/26 @ 10TH AVE #5230193-4
HEALTH EQUITY INC.	$288.46	DCRA DAYCARE FLEX CLAIM REIMB R.L.
Total Week of 07/02/2026	**$62,058.14**	

WEEK OF 07/10/2026

CREDIT REFUNDS	$63,483.62	CREDIT REFUNDS
ABDO LLP	$406.25	JUNE FS ACCOUNTING SERVICES
AMARIL UNIFORM COMPANY	$158.80	SPU CLOTHING ORDER J.VONBANK
B & B TRANSFORMER INC	$4,761.00	25/37/50 KVA 1PH TRANSFORMERS RP 120/2
BORDER STATES ELECTRIC SUPPLY	$65,202.60	(QTY 1) RVAC 11
JERRELL BRAXTEN	$50.00	REBATE - DISHWASHER
BRADLEY CARLSON	$661.95	PER DIEM APPA CONF/REIMB TRANSPORTATION
MEENA CHETTY	$500.00	REBATE - CENTAC
CHOICE ELECTRIC INC	$195.00	REPLACED EMERG LT IN BOOSTER STATION
GREG DRENT	$418.54	PER DIEM BOSTON APPA CONF/REIMB PARKING
DSI/LSI	$584.50	JULY GARBAGE SERVICE
FASTENAL COMPANY	$60.15	HCS3/8-16X3/4 Z 5(E)
FRONTIER ENERGY, INC.	$10,248.47	SHAKO C&I IMPLENTATION-JUNE
JODY GLYNN	$2,123.91	MARTY GLYNN FINAL CK REG/COMP HRS
JODY GLYNN	$9,976.59	MARTY GLYNN CK PARTIAL VAC PO
GRAINGER INC	$957.75	SAW BLADE SET(E)
HAWKINS INC	$13,016.67	CHEMICALS
HIGH POINT NETWORKS, LLC	$18,745.11	HP PROBOOK 4 G1I 14" LAPTOPS
HREXPERTISEBP LLC	$100.00	HR CONSULTING - JUNE
INTEGRATED PROCESS SOLUTIONS, INC	$24,493.00	PUMPHOSE 20 PLC & OIT UPGRADES WO3108
IRBY - STUART C IRBY CO	$1,304.94	PIN- CROSS ARM
LOFFLER COMPANIES - 131511	$1,734.48	MAINT CONTRACT 7/1/26-9/30/26
MALYADRI MAMIDALA	$500.00	REBATE - CENTAC
MINN VALLEY TESTING LABS INC	$798.75	WATER TESTING COLIFORM
CHRISTINE MITTELSTADT	$500.00	REBATE - MSAC
MN DEPT OF HEALTH	$23.00	OPERATOR RENEWAL APPLICATION T.M.
NAPA AUTO PARTS	$171.95	STICK HOSE(W)
SCOTT NOTMAN	$50.00	REBATE - PUSHMOWER
REHDER & ASSOCIATES INC.	$600.00	WO2844 MARAS ST RELIKOR
NELSON SHELLY	$138.94	REBATE - IRRIGATION CONTROLLERS
DAN SINNESS	$100.00	REBATE - WATER SENSE TOILET
STAPLES OIL COMPANY, INC.	$178.85	DEF-BULK(E)
STAR ENERGY SERVICES	$256.00	NOVA POWER PORTAL BLOCK 1 APPS
VIVID IMAGE, INC.	$725.90	ESSENTIAL+PLAN 7/1-7/31 2026/PLUGIN LIC
MELISSA WECKMAN	$125.00	REBATE - REFRIGERATOR
WESCO RECEIVABLES CORP.	$734.00	GROUNDING TRANS LUG/SLEEVE ALUM LOOP
JENNIFER YOUNGS	$500.00	REBATE - CENTAC
HEALTH EQUITY INC.	$618.00	HCRA MEDICAL FLEX CLAIM REIMB J.A.
MMPA C/O AVANT ENERGY	$4,787,104.64	JUNE POWER BILL
VERIZON WIRELESS SERVICES LLC	$2,414.90	JUNE CELL PHONE BILL
PAYROLL DIRECT DEPOSIT 07.10.26	$149,687.44	
BENEFITS & TAXES FOR 07.10.26	$156,239.47	
Total Week of 07/10/2026	**$5,320,650.17**	

WEEK OF 07/17/2026

ALTERNATIVE TECHNOLOGIES INC	$1,254.00	DISSOLVED GAS ANALYSIS/OIL QUALITY
BARNA GUZY & STEFFEN LTD	$120.00	77283-003 J&J CANTERBURYWO2820 JUNE
BARR ENGINEERING CO.	$32,483.50	WO#2683 TANK 9 ENG 5/16-6/12 2026
BIRD'S LAWN CARE LLC	$6,061.62	JUNE LAWN CARE
BORDER STATES ELECTRIC SUPPLY	$301.00	GROUND ROD CLAMP 3/4"
CITY OF PRIOR LAKE	$710.75	2ND QTR PRIOR LAKE FRANCHISE FEES
CITY OF SHAKOPEE	$8,975.82	JUNE FUEL BILL
CITY OF SHAKOPEE	$586,143.19	JUNE - SW$458,956.32 / SD$127,186.87
CITY OF SHAKOPEE	$370,432.00	PILOT TRANSFER FEE: JUNE 2026
CITY OF SHAKOPEE	$1,154.39	SD/SPU PROPERTIES FOR JUNE
COAST TO COAST CALIBRATIONS INC.	$607.00	CALIBRATION(W)
COMCAST CABLE COMM INC.	$2.27	CABLE FOR BREAKROOMS
CORE & MAIN LP	$456.80	3 GALV MI 90(W)
CORVAL CONSTRUCTORS, INC.	$1,265.00	HVAC REPAIR
DGR ENGINEERING	$6,793.28	WO2817 WARNET OVERGEAD TIE JUNE
JAMES DULANEY	$1,084.99	SOCIAL SECURITY TAX REFUND
FERGUSON US HOLDINGS, INC.	$129.08	1-1/4 CURB BX REP COUP
FLYTE HCM LLC	$10.00	COBRA USAGE FEE
KAYDEN FOX	$1,245.50	SOCIAL SECURITY TAX REFUND
GOPHER STATE ONE-CALL	$1,603.80	JUNE TICKETS
GRAINGER INC	$1,978.00	FUSE PULLER(E)
DEAN HAEDER	$500.00	REBATE - CENTAC
HAWKINS INC	$4,134.52	CHEMICALS
HENNEN'S AUTO SERVICE INC.	$75.82	OIL CHANGE ENG EXPLORER
JOEL HENTGES	$50.00	REBATE - PUSHMOWER
KATHLEEN HOFER-MOCOL	$1,134.61	SOCIAL SECURITY TAX REFUND
INCENTIVE REBATE 360, LLC	$533.00	REBATE - AC IMPROVEMENTS
INNOVATIVE OFFICE SOLUTIONS	$1,195.37	OFFICE SUPPLIES
INT'L UNION OF OPER ENGINEERS LOCAL 49	$1,292.75	UNION DUES FOR JUNE 2026
INTEGRATED PROCESS SOLUTIONS, INC	$3,514.16	WELL 12 & 17 TRANSDUCER REPLAC WO3111
IRBY - STUART C IRBY CO	$7,133.46	JULY VMI TESTING
MATTHEW KAHLE	$294.98	2026 SAFETY BOOT REIMBURSEMENT
KWANNY KEOMALAYTHONG	$75.00	REBATE - REFRIGERATOR
JUSTIN KRIEG	$1,525.02	SOCIAL SECURITY TAX REFUND
STEVEN LANG	$105.00	REBATE - REFRIGERATOR
LANO EQUIPMENT INC	$79,524.61	BRUSH BANDIT MODEL-15XP WO3130
BEN LEBENS	$25.00	REBATE - ROOMAC
BENEDICT LETOURNEAU	$1,264.62	SOCIAL SECURITY TAX REFUND
MALYADRI MAMIDALA	$100.00	REBATE - DISHWASHER
MGX EQUIPMENT SERVICES, LLC	$4,456.00	PARTS/SVC TRUCK#626(W) WO3107
MINN VALLEY TESTING LABS INC	$406.50	WATER TESTING COLIFORM
MINNESOTA SECURITY CONSORTIUM	$595.00	VIRTUAL SCANNER LICENSE 7/26-6/27
MMUA	$16,143.25	Q3 SAFETY PROGRAM/Q3 TRAIN ELECTRIC
MN DEPT OF HEALTH	$49,923.70	2ND QTR 2026 WATER SUPPLY CONNECTION FEE
MN OCCUPATIONAL HEALTH - LOCKBOX 135054	$40.00	DRUG TESTING
NISC	$35,844.17	PRINT SERVICES JUNE
NORTHERN STATES	$3,140.40	ACCT#51-5636204-8 VALLEY PK 5/25-6/23
NORTHERN STATES POWER CO	$3,452.56	JUNE POWER BILL
NORTHWESTERN POWER EQUIPMENT CO. INC	$8,750.73	10" GA CHECK VALVE
ORACLE AMERICA INC.	$35,759.03	2ND QTR 2026 OPOWER CLOUD SERVICE
PLUNKETT'S PEST CONT, INC.	$45.52	GENERAL PEST CONTROL SUB HOUSES
PRECISION UTILITIES LLC	$4,270.00	HYDROVAC TO SPOT WATER SVC LINES WO3136
PROFESSIONAL BEVERAGE SYSTEMS	$5,361.36	MANITOWOC UDP0310A ICE MACHINE
QUALITY FORKLIFT SALES & SERVICE	$1,270.65	FORKLIFT REPAIR
RESCO	$2,256.66	BOLTS 5/8 X 16
RW BECK GROUP, INC, LEIDOS ENG. LL	$52,909.50	JUNE SPU OPERATING STUDIES/SHAKO EAST SUB DESIGN
SCOTT COUNTY TREASURER	$2,100.00	FIBER - JULY
MANU SETHI	$50.00	REBATE - DISHWASHER
SHORT ELLIOTT HENDRICKSON INC	$925.00	EMERGANCY ACTION PLAN & RESILIENCE ASMT
SPENCER FANE LLP	$9,566.00	JUNE LEGAL FEES
SRF CONSULTING GROUP, INC.	$1,753.74	WO2634 SVCS HAWKINSON PROPERTY-JUNE
STINSON LLP	$11,755.50	(W) LABOR MATTERS FILE3522418.0002-JUNE
JORDAN STOCKER	$175.00	REIMB FUEL FOR TRUCK
TEST GAUGE & BACKFLOW SUPPLY INC	$1,363.28	REPAIR KIT/FLARE/SEAT KIT(W)
TOTEM FOODS INC.	$1,594.00	REBATE - EXTERIOR LED LIGHTING
ULINE, INC.	$664.78	HAZMAT SORBENT PADS(E)
VERIZON	$650.65	JUNE TRUCK TRACKING
WESCO RECEIVABLES CORP.	$17,170.68	MPS J2348-1/2 SPOOL BOLT 18-1/2/SLEEVE ALUM LOOP
AMY YANTA	$500.00	REBATE - CENTAC
AMERICAN NATL BANK_MASTERCARD_ACH	$19,409.65	JUNE CC STMT
FIRST DATA CORPORATION	$14,661.28	JUNE CC FEES
MN DEPT OF REVENUE ACH PAYMENTS	$362,736.00	JUNE SALES & USE TAX PAYABLE
VERIZON WIRELESS SERVICES LLC	$1,100.74	MONTHLYPEPWAVE POTSOLVE 6/6-7/5 2026
HEALTH EQUITY INC.	$221.00	JUNE ADM. FEES
PRINCIPAL LIFE INS. COMPANY	$3,581.82	JUNE LTD AND STD PREMIUMS

WEEK OF 07/17/2026

DELTA DENTAL PLAN OF MN	$6,093.45	JUNE PREMIUMS
MINNESOTA LIFE	$1,293.33	JUNE LIFE INS. PREMIUMS
MINNESOTA UI	$347.65	2ND QTR. UNEMPLOYMENT
HEALTHPARTNERS	$73,693.43	JUNE HEALTH INS. PREMIUMS
PRINCIPAL LIFE INS. COMPANY	$3,710.85	MNPFML FOR JUNE
Total Week of 07/17/2026	**$1,885,032.77**	

WEEK OF 07/24/2026

MATTHEW ADAMS	$75.00	REBATE - REFRIGERATOR
MARK ANDERSON	$20.00	REBATE - LEAFBLOWER
B & B TRANSFORMER INC	$45,561.00	225KVA 3PH TRANSFORMER 277/480V
BORDER STATES ELECTRIC SUPPLY	$73,719.45	FUSE SWITCHGEAR RVAC 125E
PHAN CHAO	$50.00	REBATE - PUSHMOWER
CUSTOMER CONTACT SERVICES	$1,118.20	ANSWERING SERVICE 7/21-8/17 2026
DIVERSIFIED PLUMBING & HEATING INC.	$15,775.50	REPLACE WATER SERVICE WO3136
ECM PUBLISHERS, INC	$173.00	MCM CABLE BIDS
NAOMI EDWARDS	$500.00	REBATE - CENTAC
FERGUSON US HOLDINGS, INC.	$592.47	3 GALV BE A53A ULFM S40 PIPE
SHAWN GHERAU	$50.00	REBATE - CLOTHES WASHER
PATRICIA GOODALL	$75.00	REBATE - REFRIGERATOR
GRAINGER INC	$284.26	AIR REGULATOR(E)
BRAD GUSTAFSON	$249.99	SAFETY BOOT REIMB 2026
HARRIS ST PAUL, INC	$2,910.74	ERV SYSTEM MAINTENANCE & REPAIR
JOEL HENTGES	$25.00	REBATE - CHAINSAW
HIGH POINT NETWORKS, LLC	$14,679.89	IAAS RENEWAL 7/1/26-6/30/27
IDEAL SERVICE INC.	$15,228.70	WELL 17 VFD REPLACEMENT WO3111
JET-BLACK INTERNATIONAL INC.	$6,212.00	SEAL COATING @ 857 VALLEY PARK DR
JT SERVICES	$28,889.31	ST LIGHT POLES/RED MARKING PAINT(E)
JAMES KRAEMER	$75.00	REBATE - REFRIGERATOR
LOCATORS & SUPPLIES INC	$628.97	BLUE MARKING PAINT(W)
LOFFLER COMPANIES - 131511	$204.51	CONTRACT CHG 2025 MAINT AGREE JUNE
MINN VALLEY TESTING LABS INC	$142.10	WATER TESTING COLIFORM
NAPA AUTO PARTS	$4.36	SPARK PLUG(E)
TROY NELSON	$500.00	REBATE - CENTAC
NOTT COMPANY	$10.97	PIPE(E)
OFFICE OF MNIT SERVICES	$776.90	MONTHLY (WAN) SERVICE - JUNE
PLUNKETT'S PEST CONT, INC.	$286.12	GENERAL PEST CONTROL SUB HOUSES
QUALITY FORKLIFT SALES & SERVICE	$839.91	FORKLIFT REPAIR
RESCO	$1,115.88	GROUND ROD CLAMP/WIRE TIE
CHRIS RIES	$105.00	REFUND OF BACKFLOW TESTING FEE
BRIGID SAMWEL	$105.00	REFUND BACKFLOW TESTING FEE
MANU SETHI	$100.00	REBATE - DISHWASHER
SHORT ELLIOTT HENDRICKSON INC	$883.72	ON CALL WATER MODELING SERVICES JUNE
KATHRYN SMITH	$500.00	REBATE - CENTHP
ULINE, INC.	$66.14	RED PLASTIC SHELF BINS
TRACY WEBB	$500.00	REBATE - CENTAC
WINSTON COMPANY	$609.59	ELECTRICAL TAPE
JOSEPH WOHNOUTKA	$500.00	REBATE - CENTAC
GERSON YEVU	$105.00	REFUND OF BACKFLOW TESTING FEE
EST. OF MARTIN GLYNN	$10,088.48	MARTY GLYNN FINAL CK VAC/SICK PAYOUT
HEALTH EQUITY INC.	$288.46	DCRA DAYCARE FLEX CLAIM R.L. 7.21.26
PAYROLL DIRECT DEPOSIT 07.24.26	$150,842.58	
BENEFITS & TAXES FOR 07.24.26	$145,753.23	
Total Week of 07/24/2026	**$521,221.43**	
Grand Total	**$7,788,962.51**	

Kelly Willemssen

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Proposed As Consent Item **6d**

Monthly Water Dashboard

As of: June 2026

Shakopee Public Utilities Commission

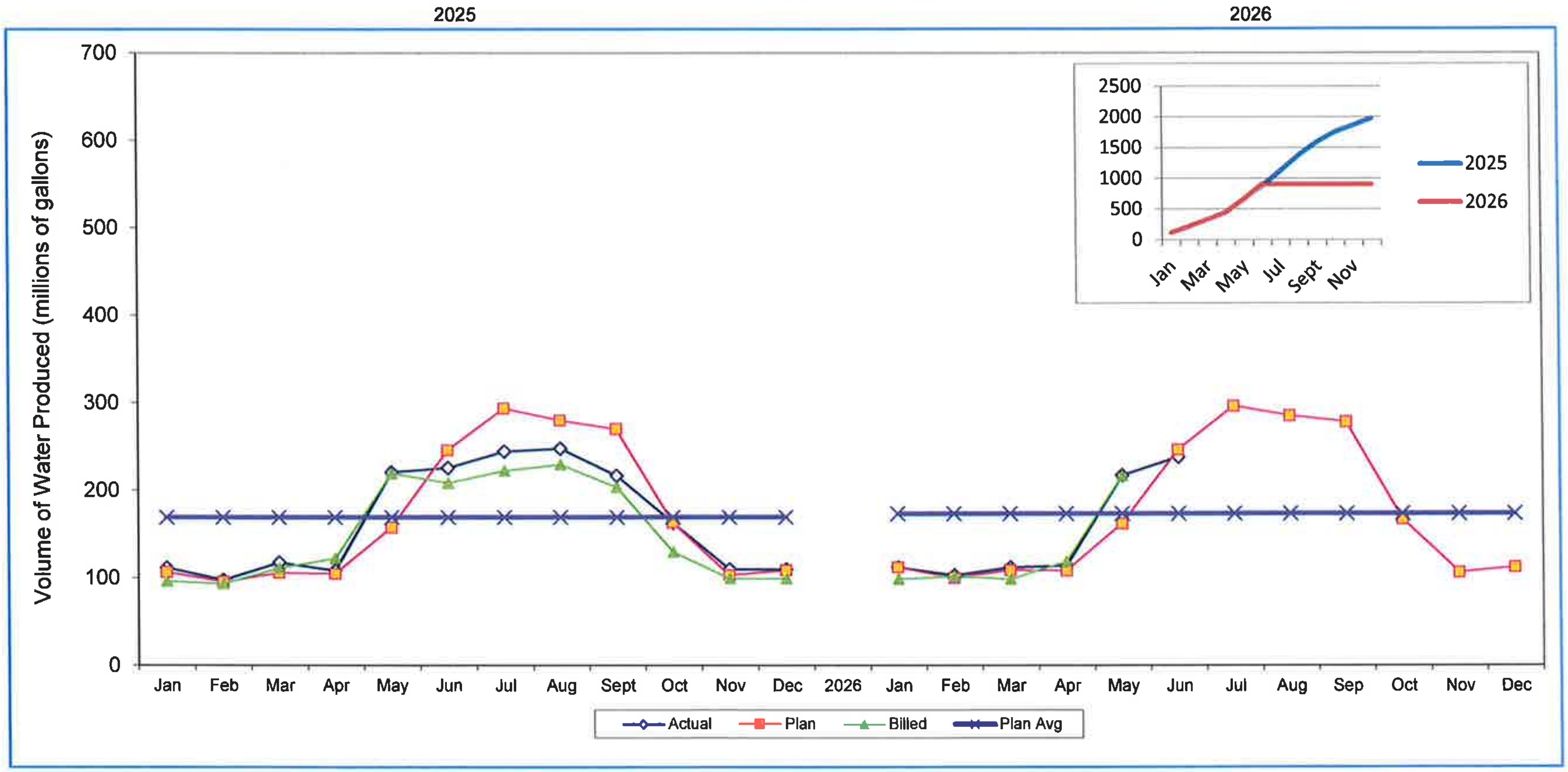
ALL VALUES IN MILLIONS OF GALLONS

Element/Measure

Water Pumped/Metered

Last 6 months actuals	110	112	103	112	114	217

Monthly Avg	
2024	161
2025	165
2026	149



2025	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
Plan	107	96	106	105	158	246	294	280	270	163	103	109
YTD % *												
Billed	97	94	112	123	220	209	223	230	204	130	100	100

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	112	103	112	114	217	238						
Plan	112	100	109	108	162	246	296	285	278	167	106	112
YTD % *	100%	101%	102%	103%	111%	107%						
Billed	99	102	99	119	217							

* Actual gallons pumped vs. Plan

Proposed As Consent Item **6e**

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

DATE: July 27, 2026

TO: Greg Drent, General Manager

FROM: Kelley Willemssen, Director of Finance & Administration

SUBJECT: June Financials Reports

As part of the June financial reports, we continued the practice of providing a component of analytical review. For the Water and Electric Operating Revenue and Expense budget to actual you will see comments at the bottom of each page. The budget is projected on an annual basis rather than a monthly basis so the information in the June reports equates to 50% of the annual budget.

Key Takeaways for YTD Actuals to Budget

- Electric revenues were 9.73% under budget, mainly due to lower than budgeted power cost adjustment revenue from lower than budgeted purchased power costs through June.
- Electric expenses were 12.22% under budget, with the major variances in purchase power costs and energy conservation.
- Water revenues were 18.68% under budget due to seasonal usage patterns and should stabilize beginning in July.
- Water expenses were 12.98% under budget mainly due to pumping and distribution expenses being lower than budgeted through June. This variance should stabilize as usage increases.
- Change in Net Position for the electric division as of 06/30/26 is $3.34M.
- Change in Net Position for the water division as of 06/30/26 is $2.08M.

Key Takeaways for YTD Actuals to Prior Year

- YTD electric operating revenues are up 5.33% from the prior year.
- YTD total electric operating expenses are up 0.68% from the previous year.
- YTD water operating revenues are up 10.10% from the prior year.
- YTD total water operating expenses are down 0.25% from the previous year.

Included in this report are the following statements:

- Combined Statement of Revenues, Expenses and Changes in Fund Net Position
- Electric Operating Revenue and Expense – Budget to Actual (with analytics)
- Water Operating Revenue and Expense– Budget to Actual (with analytics)
- Electric Operating Revenue and Expense – 2025 to 2026
- Water Operating Revenue and Expense – 2025 to 2026

Request

The Commission is requested to accept the Financial Reports for the period ending 06/30/2026.

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

	Year to Date Actual - Jun 30, 2026			Year to Date Budget - Jun 30, 2026			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) $	%	YTD Actual v. Budget B/(W) $	%	YTD Actual v. Budget B/(W) $	%
OPERATING REVENUES	$ 29,600,054	3,547,062	33,147,116	32,790,651	4,361,968	37,152,619	(3,190,597)	-9.73%	(814,906)	-18.68%	(4,005,503)	-10.8%
OPERATING EXPENSES						-						
Operation, Customer and Administrative	23,406,066	2,140,663	25,546,729	26,882,480	2,754,798	29,637,277	3,476,413	12.9%	614,134	22.3%	4,090,546	13.8%
Depreciation	2,007,267	1,664,038	3,671,305	2,067,295	1,617,444	3,684,739	60,028	2.9%	(46,594)	-2.9%	13,434	0.4%
Total Operating Expenses	25,413,333	3,804,701	29,218,034	28,949,774	4,372,242	33,322,016	3,536,441	12.22%	567,540	12.98%	4,103,981	12.3%
Operating Income	4,186,721	(257,639)	3,929,082	3,840,877	(10,274)	3,830,603	345,844	9.0%	(247,366)	2407.8%	98,479	2.6%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	103,872	433,980	537,852	198,816	177,028	375,844	(94,944)	-47.8%	256,952	145.1%	162,008	43.1%
Interdepartment Rent from Water	45,000	-	45,000	45,000	-	45,000	-	0.0%	-	0.0%	-	0.0%
Investment Income	654,008	534,490	1,188,499	739,476	246,492	985,968	(85,467)	-11.6%	287,998	116.8%	202,531	20.5%
Interest Expense	(29,544)	(1,314)	(30,857)	(45,333)	(2,385)	(47,718)	15,790	34.8%	1,071	44.9%	16,861	35.3%
Gain/(Loss) on the Disposition of Property	15,809	2,875	18,684	23,336	-	23,336	(7,527)	0.0%	2,875	-	(4,652)	-
Total Non-Operating Revenue (Expense)	789,146	970,031	1,759,178	961,295	421,135	1,382,429	(172,148)	-17.9%	548,897	130.3%	376,748	27.3%
Income Before Contributions and Transfers	4,975,867	712,392	5,688,259	4,802,171	410,861	5,213,032	173,696	3.6%	301,531	73.4%	475,227	9.1%
CAPITAL CONTRIBUTIONS	348,196	1,615,266.96	1,963,463	386,931	1,769,653	2,156,584	(38,735)	10.0%	(154,386)	-8.7%	(193,121)	-9.0%
FREE SERVICE TO THE CITY OF SHAKOPEE	81,937	-	81,937	72,901	-	72,901	9,037	-12.4%	-	-	9,037	12.4%
CONTRIBUTIONS TO CITY OF SHAKOPEE	(2,065,405)	(239,124.00)	(2,304,529)	(1,983,470)	(239,119)	(2,222,589)	(81,935)	-4.1%	(5)	0.0%	(81,941)	-3.7%
CHANGE IN NET POSITION	$ 3,340,595	2,088,535	5,429,130	3,278,533	1,941,396	5,219,928	62,063	1.9%	147,139	7.6%	209,202	4.0%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

		YTD Actual 6/30/2026	YTD Budget 6/30/2026	YTD Actual v. Budget Increase (decrease) $	%	
OPERATING REVENUES						
Sales of Electricity						
Residential	$	11,290,030	12,773,691	(1,483,661)	88.4	
Commercial and Industrial		17,777,940	19,480,348	(1,702,407)	91.3	
Total Sales of Electricity		29,067,970	32,214,038	(3,146,068)	90.2	
Forfeited Discounts		99,947	110,331	(10,384)	90.6	
Conservation program		432,137	466,282	(34,145)	92.7	
Total Operating Revenues		29,600,054	32,790,651	(3,190,597)	90.3	
OPERATING EXPENSES						
Operations and Maintenance						
Purchased power		19,431,130	21,874,599	(2,443,468)	88.8	
Distribution operation expenses		345,930	412,700	(66,770)	83.8	
Distribution system maintenance		714,056	686,570	27,486	104.0	
Maintenance of general plant		189,679	242,788	(53,109)	78.1	(1)
Total Operation and Maintenance		20,680,795	23,216,657	(2,535,861)	89.1	
Customer Accounts						
Customer records and collection		294,023	362,740	(68,717)	81.1	
Energy conservation		(231,705)	442,500	(674,205)	(52.4)	(2)
Total Customer Accounts		62,318	805,240	(742,922)	7.7	
Administrative and General						
Administrative and general salaries		658,085	669,720	(11,634)	98.3	
Office supplies and expense		262,291	344,957	(82,665)	76.0	(3)
Outside services employed		207,304	286,153	(78,849)	72.4	(4)
Insurance		84,836	89,000	(4,164)	95.3	
Employee Benefits		1,124,353	1,135,679	(11,326)	99.0	
Miscellaneous general		326,083	335,075	(8,992)	97.3	
Total Administrative and General		2,662,953	2,860,583	(197,630)	93.1	
Total Operation, Customer, & Admin Expenses		23,406,066	26,882,480	(3,476,413)	87.1	
Depreciation		2,007,267	2,067,295	60,028	97.1	
Total Operating Expenses	$	25,413,333	28,949,774	(3,536,441)	87.8	
Operating Income	$	4,186,721	3,840,877	345,844	109.0	

Item	Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and $ Variance Greater than $15,000.
(1)	Variance due to less maintenance expenses than budgeted through June.
(2)	Variance due to less conservation expenses than budgeted.
(3)	Variance due to less office and software expenses budgeted through June.
(4)	Variance due to less outside services expensed through June, should stabalize throughout the year.

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

	YTD Actual 6/30/2026	YTD Budget 6/30/2026	YTD Actual v. Budget Increase (decrease) $	%	
OPERATING REVENUES					
Sales of Water	$ 3,535,812	4,354,997	(819,185)	81.2	
Forfeited Discounts	11,250	12,221	(971)	92.1	
Total Operating Revenues	3,547,062	4,361,968	(814,906)	81.3	
OPERATING EXPENSES					
Operations and Maintenance					
Pumping and distribution operation	446,105	538,312	(92,207)	82.9	
Pumping and distribution maintenance	284,653	521,319	(236,666)	54.6	(1)
Power for pumping	183,054	188,526	(5,472)	97.1	
Maintenance of general plant	28,255	33,212	(4,957)	85.1	
Total Operation and Maintenance	942,067	1,281,369	(339,302)	73.5	
Customer Accounts					
Customer records and collection	105,910	90,231	15,680	117.4	
Energy conservation	724	3,177	(2,453)	22.8	(2)
Total Customer Accounts	106,707	93,408	13,300	114.2	
Administrative and General					
Administrative and general salaries	255,722	307,720	(51,998)	83.1	
Office supplies and expense	95,308	117,264	(21,955)	81.3	
Outside services employed	100,515	182,901	(82,386)	55.0	(3)
Insurance	28,279	22,666	5,613	124.8	(4)
Employee Benefits	503,179	516,929	(13,750)	97.3	
Miscellaneous general	108,886	232,543	(123,657)	46.8	(5)
Total Administrative and General	1,091,889	1,380,021	(288,132)	79.1	
Total Operation, Customer, & Admin Expenses	2,140,663	2,754,798	(614,134)	77.7	
Depreciation	1,664,038	1,617,444	46,594	102.9	
Total Operating Expenses	$ 3,804,701	4,372,242	(567,540)	87.0	
Operating Income	$ (257,639)	(10,274)	(247,366)	2,508	

Item	Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and $ Variance Greater than $15,000.
(1)	Variance due to lower than budgeted pumping maintenance expenses through June, should stabilize throughout the year.
(2)	Variance due to lower than budgeted water rebate expenses through June.
(3)	Variance due to less outside service expenses than budgeted for through June,should stabilize throughout the year.
(4)	Variance due to higher than budgeted insurance payments through June, should stabalize throughout the year.
(5)	Variance due to lower than budgeted labor and general expenses through June, should stabilize throughout the year.

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	2026	2025	2025-2026 Increase (decrease) $	%
OPERATING REVENUES				
Sales of Electricity				
Residential	$ 11,290,030	10,411,391	878,639	108.4
Commercial and Industrial	17,777,940	17,178,795	599,145	103.5
Total Sales of Electricity	29,067,970	27,590,186	1,477,784	105.4
Forfeited Discounts	99,947	102,218	(2,271)	97.8
Conservation program	432,137	410,416	21,721	105.3
Total Operating Revenues	29,600,054	28,102,820	1,497,234	105.3
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	19,431,130	19,314,417	116,713	100.6
Distribution operation expenses	345,930	327,831	18,099	105.5
Distribution system maintenance	714,056	510,594	203,462	139.8
Maintenance of general plant	189,679	217,890	(28,211)	87.1
Total Operation and Maintenance	20,680,795	20,370,732	310,063	101.5
Customer Accounts				
Meter Reading	-	10,767	(10,767)	-
Customer records and collection	294,023	267,384	26,639	110.0
Energy conservation	(231,705)	19,635	(251,340)	(1,180.1)
Total Customer Accounts	62,318	297,786	(235,468)	20.9
Administrative and General				
Administrative and general salaries	658,085	588,145	69,940	111.9
Office supplies and expense	262,291	290,708	(28,417)	90.2
Outside services employed	207,304	225,503	(18,199)	91.9
Insurance	84,836	83,385	1,451	101.7
Employee Benefits	1,124,353	983,114	141,239	114.4
Miscellaneous general	326,083	318,122	7,961	102.5
Total Administrative and General	2,662,953	2,488,977	173,976	107.0
Total Operation, Customer, & Admin Expenses	23,406,066	23,157,495	248,571	101.1
Depreciation	2,007,267	2,084,976	(77,709)	96.3
Total Operating Expenses	$ 25,413,333	25,242,471	170,862	100.68
Operating Income	$ 4,186,721	2,860,349	1,326,372	146.4

		2026	2025	2025-2026 Increase (decrease) $	%
OPERATING REVENUES	$				
Sales of Water		3,535,812	3,210,305	325,507	110.1
Forfeited Discounts		11,250	11,504	(254)	97.8
Total Operating Revenues		3,547,062	3,221,809	325,253	110.1
OPERATING EXPENSES					
Operations and Maintenance					
Pumping and distribution operation		446,105	399,927	46,178	111.5
Pumping and distribution maintenance		284,653	205,073	79,580	138.8
Power for pumping		183,054	174,509	8,545	104.9
Maintenance of general plant		28,255	19,140	9,115	147.6
Total Operation and Maintenance		942,067	798,649	143,418	118.0
Customer Accounts					
Meter Reading		73	6,710	(6,637)	1.1
Customer records and collection		105,910	87,359	18,551	121.2
Energy conservation		724	1,576	(852)	46.0
Total Customer Accounts		106,707	95,645	11,062	111.6
Administrative and General					
Administrative and general salaries		255,722	296,139	(40,417)	86.4
Office supplies and expense		95,308	103,758	(8,450)	91.9
Outside services employed		100,515	62,878	37,637	159.9
Insurance		28,279	27,795	484	101.7
Employee Benefits		503,179	476,478	26,701	105.6
Miscellaneous general		108,886	119,966	(11,080)	90.8
Total Administrative and General		1,091,889	1,087,014	4,875	100.4
Total Operating Expenses		2,140,663	1,981,308	159,355	108.0
Depreciation		1,664,038	1,833,053	(169,015)	90.8
Total Operating Expenses		3,804,701	3,814,361	(9,660)	99.75
Operating Income	$	(257,639)	(592,552)	334,913	43.5

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Proposed As Consent Item

SPU

Shakopee Public Utilities

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

DATE: July 30, 2026

TO: Greg Drent, General Manager

FROM: Kelley Willemssen, Director of Finance & Administration KW

SUBJECT: Purchasing/Contracts Policy Review and Updates

We completed a review of the current Purchasing/Contracts Policy in collaboration with legal counsel, who also reviewed the document and provided recommended revisions. Together, we have incorporated updates to strengthen and clarify key provisions within the policy.

The modifications primarily focus on refining bidding requirements and enhancing contract language to promote greater consistency, transparency, and alignment with applicable standards. These updates are intended to reduce ambiguity, mitigate risk, and support effective procurement practices across the utility. The redline and final Purchasing/Contracts policy attached reflect the recommended changes in the following areas:

- Clarification of Award Criteria – Updated language to emphasize that contract awards will be based on overall best value, including bidder responsibility and experience, and not solely on lowest cost, while reaffirming the Commission's right to reject any or all bids in the public interest.

- Timing of Bond Requirements – Clarified that payment and performance bonds are not required at the time of bid submission but must be provided by the successful bidder within ten (10) days following bid acceptance and prior to the contract becoming effective. All bond costs are the responsibility of the successful bidder and will not be reimbursed by SPU.

Action:
The Commission is requested to review and adopt the revised Purchasing/Contracts Policy as presented.

Purchasing/Contracts Policy

MN 3568525.1

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Adopted by Shakopee Public Utilities Commission on: August 4, 2025

The Operating budget and Capital Improvement Plan (CIP) allocates funds for the purchase or payment of personnel, supplies, material, and contractual services. The Purchasing/Contract Policy is provided to all departments of the utility to provide guidance and direction to employees involved in the purchasing process. It is the policy of the utility to make purchases utilizing a competitive process to receive the best value. The competitive process may include verbal/written quotes, requests for proposals (RFP), and a formal bidding process. Requests cannot be made for items outside the budget except under special circumstances, which must be approved by the General Manager. The General Manager is the Purchasing Agent. Any deviation from this Purchasing and Contracts Policy must be approved by the commission. Purchasing authorization thresholds are summarized below:

- < $2,500 – Supervisors
- < $50,000 – Department Director or Superintendent
- < $175,000 – General Manager
- ≥ $175,000 – Commission (Follow Formal Bid Process)

PURCHASING AUTHORIZATION PROCESS

Purchasing: A purchase is defined as buying, renting, leasing or otherwise acquiring any goods and/or services for public purposes in accordance with laws, regulations, statutes, policies, and approved budgets. Non-inventory purchases up to $2,500 do not require a purchase order. Non-inventory purchases over $2,500 are procured via purchase order and need to follow the procedures and approvals outlined in Table1. All inventory items are procured via purchase order and need to follow the procedures and approvals outlined in Table 1. Within the meaning of the definition of a purchase, the following are purchases that would **NOT** require a purchase order (some examples, not limited to the ones listed, that fall under this situation):

- Non – inventory purchases under $2,500
- Recurring invoices in the normal course of business
- Public communications, i.e. telephone, newspaper ads etc.
- All Costs associated with education, training, workshops and conferences
- Professional Services
- Credit Card purchases (In accordance with the approved credit card policy and budget)
- Tuition reimbursement
- Lawyers (professional services)
- Accountants/Engineers/Consultants
- Healthcare providers (insurance contracts)

Deleted: ,

Recurring purchases – Purchases that recur in the normal course of business that may exceed dollar thresholds require two approvals from within the finance department for payment and do not require a purchase order. These are contractual accounts for services that are approved by the commission as part of the budget process. Some vendors, not limited to the ones listed, that fall under this situation include MMPA, Xcel Energy, PERA, League of MN Cities, health care providers and the State of Minnesota.

Professional services - Shakopee Public Utilities (SPU) is not required to use the competitive bidding process when contracting for professional services, such as those of engineers, lawyers, architects, and accountants, as well as other services requiring technical or professional training like lawn care services and janitorial services. Contracts for professional services will require review and approval by department directors and the general manager, within the dollar thresholds established in Table 1. Professional services do not require a purchase order as they are approved by the commission as part of the budget process.

Insurance contracts - SPU is not required to use the competitive bidding process for insurance contracts; however, SPU must seek requests for proposals for group insurance.

Table 1: Purchase & Bidding Authorizations and Requirements

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Amount of Purchase:	Type of Quote Required:	Approval required by:	Written Specifications:	Sealed Bids Required:	Contract Required:	Purchase Order Required:
Purchases under $2,500	Two telephone quotes are required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration, or in the open market.	Supervisor and above	As required based on type of purchase	No	No	No
Purchases between $2,500 – $25,000	Two written quotes are required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration, or in the open market.	Dept. Director or Superintendent	As required based on type of purchase	No	No	Yes
Purchases between $25,000 – $50,000	Three written quotes required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration or purchases through cooperative purchasing agreement.	Dept. Director or Superintendent	As required based on type of purchase	No	No	Yes
Purchases between $50,000 – $175,000	Three written quotes required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration or purchases through cooperative purchasing agreement.	General Manager provided purchase amount does not exceed amount authorized by CIP (See section D)	As required based on type of purchase	No	Construction Projects: Yes Commodities: At the discretion of General Manager	Yes
Purchases over $175,000	General Manager or designee must advertise in SPU's legal newspaper.	Commission	Required	Yes	Yes	Yes
Capital Improvement Plan (CIP) Purchases – See section C.						

A. Responsible Contractor Compliance:

- A contractor responding to a solicitation document of a contracting authority shall submit to the

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contracting authority a signed statement under oath by an owner or officer verifying compliance with each of the minimum criteria in subdivision 3 of Minnesota Statutes, Section 16C.285 at the time that it responds to the solicitation document, and from subcontractors as provided in Section 16C.285, subdivision 4. A contracting authority may accept a signed statement under oath as sufficient to demonstrate that a contractor is a responsible contractor and shall not be held liable for awarding a contract in reasonable reliance on that statement. A prime contractor, subcontractor, or motor carrier that fails to verify compliance with any one of the required minimum criteria or makes a false statement under oath in a verification of compliance shall be ineligible to be awarded a construction contract on the project for which the verification was submitted. A false statement under oath verifying compliance with any of the minimum criteria may result in termination of a construction contract that has already been awarded to a prime contractor or subcontractor or motor carrier that submits a false statement. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria. A verification of compliance need not be notarized. An electronic verification of compliance made and submitted as part of an electronic bid shall be an acceptable verification of compliance under this section, provided that it contains an electronic signature as defined in Minnesota Statutes, Section 325L.02, paragraph (h).

B. Cooperative Purchasing Contracts:

- For contracts estimated to exceed $25,000, SPU may consider the availability, price, and quality of supplies, materials, or equipment available through the state cooperative purchasing venture before buying through another source.
- If SPU is not utilizing the state's cooperative purchasing venture, SPU may consider another national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

C. Bidding Requirements:

- When supplies or equipment are competitive in nature, specifications cannot exclude all but one type of equipment or supplies. Proposals and specifications must allow free and full competition. Bidding requirements cannot be avoided by splitting a contract into several contracts, each of which is below the minimum amount requiring sealed bids. For example, SPU cannot purchase $200,000 of lumber in several transactions, each involving an expenditure of less than $100,000. However, if materials or work logically fall into two separate contracts because they involve separate transactions, as for the service of contractors specializing in different kinds of work, there is no reason why SPU cannot negotiate the contracts individually without sealed bids if the bids do not exceed the $175,000 minimum.
- Awarding Contract – The Commission will consider the bids based on a variety of factors, including the responsible nature of the bid and bidder experience, and not just the dollar amount of the bid The Commission is not required to award the contract to the lowest bidder if the Commission determines that the public interest will be better served by accepting a higher bid. The Commission may reject all of the bids and re-advertise the contract if it determines that re-advertising the contract is in the public interest.
- Capital Improvement Plan (CIP) purchases – The CIP is approved by the Commission and is an adopted budget document; therefore, the expenditure has been formally authorized.
- Sales tax – Beginning January 1, 2015, purchases made by Shakopee Public Utilities are generally exempt from sales tax. Certain other exclusions are listed in statute and should be reviewed on a regular basis. Bidders should specify whether their bid includes sales tax or not. After the work is completed and a purchase order is processed, if the invoice does not itemize sales tax, you must obtain a corrected invoice from the vendor if sales tax is applicable on the item purchased.
- Consultant services - State law does not require SPU to competitively bid contracts for professional services (i.e. attorney, architect, engineer, accountant, cleaning company, or other person with technical, scientific, or professional training such as refuse hauling).

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- Sealed bids are required for purchases exceeding $175,000, and bids must be advertised by the General Manager or designee in SPU's legal newspaper (Notice to Bidders) and publicly opened and approved by the Commission. In addition to the legal notice, SPU must prepare instructions to bidders and general specifications for sealed bids. Attaching a copy of the proposed contract to the instructions to bidders is required. Sealed bids, including the number of bids received prior to bid opening, are nonpublic. Once opened, the name of the bidder and the dollar amount of the bid are public (all other data is private until completion of the selection process).

- Bids vs. Quotes terminology – always use term quotation unless referring to a sealed bid.

- Bid bond (for sealed bids for purchases over $175,000) in the amount of five percent (5%) of the bid shall be submitted to the General Manager. The Bid bond guarantees that in the event the bidder's offer is accepted, the bidder will enter into a contract in accordance with the proposal and will provide the required payment bond and performance bond (see below) The bid bond of the successful bidder will be returned upon execution of the contract documents and the provision of a performance bond and payment bond. Bid bonds of unsuccessful bidders will be returned within a reasonable time period (Minnesota Statutes § 574.27). Failure of the successful bidder to execute the contract and furnish the applicable bonds within ten (10) days after receiving written notice of the award shall cause the bid bond to be forfeited as liquidated damages to SPU. Failure of the successful bidder to execute the contract and furnish the applicable bonds within ten (10) days after receiving written notice of the award will render the accepted bid void. In that case, the Commission may award the contract to the next lower responsible bidder unless the Commission determines that public interest will be better served by accepting a higher bid, or the contract may be re-advertised.

- Payment and Performance Bonds. A payment bond and a performance bond are required pursuant to statute for any contracts over $175,000 and must be provided within ten (10) days of the acceptance of the Bidder's bid. The payment and performance bonds are paid for by the successful bidder and will not be reimbursed by SPU.

- Rejecting Bids (and related Data Practices laws) - SPU has the right to reject any and all bids (requests for proposals, requests for bids, sealed bids). All data submitted in response to bid requests are private until bids are opened. If bids are rejected prior to the completion of the evaluation or selection process, all data, other than that made public at the bid opening, remain private until a re-solicitation of bids results in completion of the selection process. If the rejection occurs after the completion of the selection process, the data remain public. If a re-solicitation of bids does not occur within one year of the bid opening date, the remaining data become public.

D. Amendment

The contract cost, once established by the Commission, shall represent the maximum obligation to SPU. All change orders that affect the cost of the contract shall be reviewed by the General Manager and SPU representative managing the contract. The General Manager has the authority to authorize an individual change order without Commission approval up to a maximum of 15% of the contract price or $150,000, whichever is less, as long as the sum of all change orders plus the original contract does not exceed the authorized budget. The General Manager may require performance and payment bonds if the contract change order results in the contract exceeding $175,000 and may also request additional bonds in connection with a change order on any contract over $175,000. If Commission approval is required, then the General Manager and SPU representative managing the contract will provide the justification for the change order to the Commission. In no event will payment in excess of the authorized budget be made until such approval has been obtained.

E. Bond Requirements

The vendor must execute to SPU a performance bond and a payment bond for public work over $175,000 (including any increase that the General Manager determines in connection with an authorized change order under Section D) to protect SPU and all people furnishing work, equipment, materials, or supplies. An irrevocable letter of credit may be accepted in lieu of a performance bond. The performance bond and payment bond must be provided before the contract is effective. The vendor's failure to provide the performance bond and payment bond will revoke the bid acceptance and the Commission may award the contract to the next lower responsible

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bidder unless the Commission determines that public interest will be better served by accepting a higher bid, or that the contract should be re-advertised.

No SPU contract is valid, nor may work commence on a bid contract, until the contractor provides a performance bond and a payment bond to SPU in accordance with state statute.

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F. Certificate of Insurance

Before beginning work on a contract, the Contractor must submit to SPU, and obtain SPU's approval, a certificate of insurance. This certificate shall be composed of a Standard Form C.I.C.C.-701 or an ACORD 25 form. The certificate of insurance shall list SPU as an additional insured, and shall be maintained at all times and survive termination or expiration of the contract, and provide for the following minimum coverage, unless mutually agreed otherwise:

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○ *Comprehensive General Liability:*	*$2,000,000.00 per occurrence; $4,000,000 aggregate*
○ *Automobile Liability for All Automobiles:*	*$2,000,000.00 combined single limit*
○ *Workman's Compensation:*	*Statutory Amounts*

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The insurance cancellation language should state that the company will provide SPU 30 days' written notice of cancellation (include this requirement in bid specifications if applicable).

G. Guaranteed Energy Savings Agreements:

State statues authorize SPU to enter into a guaranteed energy savings agreement with a qualified provider for the purpose of implementing comprehensive utility cost-saving measures to improve the energy efficiency of various municipal facilities within SPU so long as the implementation costs will not exceed the amount to be saved in utility and maintenance costs over a twenty year period with said utility and maintenance cost savings guaranteed in writing by the qualified provider. SPU shall follow all requirements as prescribed in statute related to this authority to enter into Guaranteed Energy Savings Agreements.

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Shakopee Public Utilities

Purchasing/Contracts Policy

Adopted by Shakopee Public Utilities Commission on: August 3, 2026

The Operating budget and Capital Improvement Plan (CIP) allocates funds for the purchase or payment of personnel, supplies, material, and contractual services. The Purchasing/Contract Policy is provided to all departments of the utility to provide guidance and direction to employees involved in the purchasing process. It is the policy of the utility to make purchases utilizing a competitive process to receive the best value. The competitive process may include verbal/written quotes, requests for proposals (RFP), and a formal bidding process. Requests cannot be made for items outside the budget except under special circumstances, which must be approved by the General Manager. The General Manager is the Purchasing Agent. Any deviation from this Purchasing and Contracts Policy must be approved by the commission. Purchasing authorization thresholds are summarized below:

- < $2,500 – Supervisors
- < $50,000 – Department Director or Superintendent
- < $175,000 – General Manager
- ≥ $175,000 – Commission (Follow Formal Bid Process)

PURCHASING AUTHORIZATION PROCESS

Purchasing: A purchase is defined as buying, renting, leasing or otherwise acquiring any goods and/or services for public purposes in accordance with laws, regulations, statutes, policies, and approved budgets. Non-inventory purchases up to $2,500 do not require a purchase order. Non-inventory purchases over $2,500 are procured via purchase order and need to follow the procedures and approvals outlined in Table1. All inventory items are procured via purchase order and need to follow the procedures and approvals outlined in Table 1. Within the meaning of the definition of a purchase, the following are purchases that would **NOT** require a purchase order (some examples, not limited to the ones listed, that fall under this situation):

- Non – inventory purchases under $2,500
- Recurring invoices in the normal course of business
- Public communications, i.e., telephone, newspaper ads etc.
- All Costs associated with education, training, workshops and conferences
- Professional Services
- Credit Card purchases (In accordance with the approved credit card policy and budget)
- Tuition reimbursement
- Lawyers (professional services)
- Accountants/Engineers/Consultants
- Healthcare providers (insurance contracts)

Recurring purchases – Purchases that recur in the normal course of business that may exceed dollar thresholds require two approvals from within the finance department for payment and do not require a purchase order. These are contractual accounts for services that are approved by the commission as part of the budget process. Some vendors, not limited to the ones listed, that fall under this situation include MMPA, Xcel Energy, PERA, League of MN Cities, health care providers and the State of Minnesota.

Professional services - Shakopee Public Utilities (SPU) is not required to use the competitive bidding process when contracting for professional services, such as those of engineers, lawyers, architects, and accountants, as well as other services requiring technical or professional training like lawn care services and janitorial services. Contracts for professional services will require review and approval by department directors and the general manager, within the dollar thresholds established in Table 1. Professional services do not require a purchase order as they are approved by the commission as part of the budget process.

Insurance contracts - SPU is not required to use the competitive bidding process for insurance contracts; however, SPU must seek requests for proposals for group insurance.

Table 1: Purchase & Bidding Authorizations and Requirements

Amount of Purchase:	Type of Quote Required:	Approval required by:	Written Specifications:	Sealed Bids Required:	Contract Required:	Purchase Order Required:
Purchases under $2,500	Two telephone quotes are required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration, or in the open market.	Supervisor and above	As required based on type of purchase	No	No	No
Purchases between $2,500 – $25,000	Two written quotes are required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration, or in the open market.	Dept. Director or Superintendent	As required based on type of purchase	No	No	Yes
Purchases between $25,000 – $50,000	Three written quotes required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration or purchases through cooperative purchasing agreement.	Dept. Director or Superintendent	As required based on type of purchase	No	No	Yes
Purchases between $50,000 – $175,000	Three written quotes required when a good or service is available from more than 1 source or supplier, or when standardization or compatibility is not an overriding consideration or purchases through cooperative purchasing agreement.	General Manager provided purchase amount does not exceed amount authorized by CIP (See section D)	As required based on type of purchase	No	Construction Projects: Yes Commodities: At the discretion of General Manager	Yes
Purchases over $175,000	General Manager or designee must advertise in SPU's legal newspaper.	Commission	Required	Yes	Yes	Yes
Capital Improvement Plan (CIP) Purchases – See section C.						

A. Responsible Contractor Compliance:

- A contractor responding to a solicitation document of a contracting authority shall submit to the contracting authority a signed statement under oath by an owner or officer verifying compliance with each of the minimum criteria in subdivision 3 of Minnesota Statutes, Section 16C.285 at the time that it responds to the solicitation document, and from subcontractors as provided in Section 16C..285, subdivision 4. A contracting authority may accept a signed statement under oath as sufficient to demonstrate that a contractor is a responsible contractor and shall not be held liable for awarding a contract in reasonable reliance on that statement. A prime contractor, subcontractor, or motor carrier that fails to verify compliance with any one of the required minimum criteria or makes a false statement under oath in a verification of compliance shall be ineligible to be awarded a construction contract on the project for which the verification was submitted. A false statement under oath verifying compliance with any of the minimum criteria may result in termination of a construction contract that has already been awarded to a prime contractor or subcontractor or motor carrier that submits a false statement. A contracting authority shall not be liable for declining to award a contract or terminating a contract based on a reasonable determination that contractor failed to verify compliance with the minimum criteria or falsely stated that it meets the minimum criteria. A verification of compliance need not be notarized. An electronic verification of compliance made and submitted as part of an electronic bid shall be an acceptable verification of compliance under this section, provided that it contains an electronic signature as defined in Minnesota Statutes, Section 325L.02, paragraph (h).

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- For contracts estimated to exceed $25,000, SPU may consider the availability, price, and quality of supplies, materials, or equipment available through the state cooperative purchasing venture before buying through another source.
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- Capital Improvement Plan (CIP) purchases – The CIP is approved by the Commission and is an adopted budget document; therefore, the expenditure has been formally authorized.
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invoice from the vendor if sales tax is applicable on the item purchased.

- Consultant services - State law does not require SPU to competitively bid contracts for professional services (i.e. attorney, architect, engineer, accountant, cleaning company, or other person with technical, scientific, or professional training such as refuse hauling).

- Sealed bids are required for purchases exceeding $175,000, and bids must be advertised by the General Manager or designee in SPU's legal newspaper (Notice to Bidders) and publicly opened and approved by the Commission. In addition to the legal notice, SPU must prepare instructions to bidders and general specifications for sealed bids. Attaching a copy of the proposed contract to the instructions to bidders is required. Sealed bids, including the number of bids received prior to bid opening, are nonpublic. Once opened, the name of the bidder and the dollar amount of the bid are public (all other data is private until completion of the selection process).

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D. Amendment

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E. Bond Requirements

The vendor must execute to SPU a performance bond and a payment bond for public work over $175,000 (including any increase that the General Manager determines in connection with an authorized change order under

Section D) to protect SPU and all people furnishing work, equipment, materials, or supplies. An irrevocable letter of credit may be accepted in lieu of a performance bond. The performance bond and payment bond must be provided before the contract is effective. The vendor's failure to provide the performance bond and payment bond will revoke the bid acceptance, and the Commission may award the contract to the next lower responsible bidder unless the Commission determines that public interest will be better served by accepting a higher bid, or that the contract should be re-advertised.

No SPU contract is valid, nor may work commence on a bid contract, until the contractor provides a performance bond and a payment bond to SPU in accordance with state statute.

F. Certificate of Insurance

Before beginning work on a contract, the Contractor must submit to SPU, and obtain SPU's approval, a certificate of insurance. This certificate shall be composed of a Standard Form C.I.C.C.-701 or an ACORD 25 form. The certificate of insurance shall list SPU as an additional insured, and shall be maintained at all times and survive termination or expiration of the contract, and provide for the following minimum coverage, unless mutually agreed otherwise:

- *Comprehensive General Liability:* — *$2,000,000.00 per occurrence; $4,000,000 aggregate*
- *Automobile Liability for All Automobiles:* — *$2,000,000.00 combined single limit*
- *Workman's Compensation:* — *Statutory Amounts*

The insurance cancellation language should state that the company will provide SPU 30 days' written notice of cancellation (include this requirement in bid specifications if applicable).

G. Guaranteed Energy Savings Agreements:

State statues authorize SPU to enter into a guaranteed energy savings agreement with a qualified provider for the purpose of implementing comprehensive utility cost-saving measures to improve the energy efficiency of various municipal facilities within SPU so long as the implementation costs will not exceed the amount to be saved in utility and maintenance costs over a twenty year period with said utility and maintenance cost savings guaranteed in writing by the qualified provider. SPU shall follow all requirements as prescribed in statute related to this authority to enter into Guaranteed Energy Savings Agreements.

Shakopee Public Utilities

Proposed As Consent Item 6g

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

TO: Greg Drent, General Manager , SLD

FROM: Joseph D. Adams, Planning & Engineering Director

SUBJECT: Amended Easement Agreement with Reliakor Services Inc.

DATE: July 29, 2026

ISSUE

The existing easement agreement with the adjoining property owner, Reliakor Services, Inc. must be amended to be consistent with the construction plans.

BACKGROUND

The Commission previously purchased the site for the substation and an easement across the Reliakor parcel for the construction of a duct bank for the substation's exit circuits. This easement ran parallel to Hansen Avenue which intersects Stagecoach Road to the west where the various exit circuits will disperse.

DISCUSSION

The Commission's engineering consultant Leidos' Kevn Favero and SPU staff prefer the easement to veer south vs continuing parallel to Hansen Avenue on the west end to avoid having to place the duct bank and it manholes directly under the Xcel Energy transmission lines.

Also, it is desirable to expand the easement area to include area directly adjacent to the west side of the SPU substation parcel to allow the duct bank to be installed outside of the SPU driveway.

Reliakor's owners including Mr. Eugene Hansen are agreeable to amending the easement in exchange for SPU installing a property line fence along the common property line that will provide a physical barrier between the two parcels. This barrier is required under Reliakor's operating permit because it will contain the screening of street sweeping debris keeping it within the Reliakor site.

Shakopee Public Utilities

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The cost of the required fencing installed is approximately equal to the pro rata value of the expanded easement area SPU is requesting.

REQUESTED ACTION

Staff requests the Commission approve the Amendment to the Easement Agreement and authorize its execution.

FIRST AMENDMENT TO ELECTRIC UTILITY EASEMENT AGREEMENT

THIS FIRST AMENDMENT TO ELECTRIC UTILITY EASEMENT AGREEMENT (this "**First Amendment**") is made the ___ day of ______________, 2026 (the "**Effective Date**"), by and between Hansen Avenue, LLC, a Minnesota limited liability company ("**Owner**"), and Shakopee Public Utilities Commission, a municipal utility commission organized under Minnesota law ("**SPUC**"). Owner and SPUC may hereinafter be collectively referred to as the "**Parties**."

Recitals

A. Owner is the fee owner of certain real estate (the "**Owner Parcel**") in Scott County, Minnesota legally described on **Exhibit A** attached hereto and incorporated herein.

B. The Parties entered into that certain Electric Utility Easement Agreement dated November 8, 2023, and filed in the Office of the Scott County Recorder on November 17, 2023, as Document No. A1181693 (the "**Agreement**"), wherein Owner granted to SPUC a perpetual easement for electrical utility purposes over a portion of the Owner Parcel legally described and depicted in Exhibit B to the Agreement.

C. SPUC has requested and Owner has agreed to amend the Agreement to change the location of the Easement Area.

Amendment

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Recitals**. The foregoing recitals are hereby incorporated into this First Amendment as if fully set forth herein.

2. **Definitions**. Except as otherwise defined herein, all capitalized terms shall have the meanings ascribed to them in the Agreement.

3. **Amendment to Easement Area**. The legal description and depiction of the Easement Area referenced in Section 1 of the Agreement and attached to the Agreement as Exhibit B is deleted in its entirety and replaced with the legal description and depiction of the Easement Area in **Exhibit B** attached to this First Amendment.

4. **Amendment to Scope of Easement Rights**. Section 2 of the Agreement is amended to add the following:

> The Easement also includes the right to: (i) remove fill, dirt and earth within the Easement Area and to grade the Easement Area; and (ii) improve and make such changes, alterations, substitutions and additions in and to the grade, slope or topography within the Easement Area as SPUC may deem advisable or expedient.

5. **Temporary Easement**. Owner hereby grants and conveys to SPUC a temporary easement of ten feet (10') in width lying directly adjacent to the Easement Area (i) along the westerly line thereof for a distance of two hundred eighty-five feet (285') and (ii) along the southerly line thereof for a distance of four hundred twenty-five feet (425') commencing at the northeast corner of the Owner Parcel (the "**Temporary Easement**") for the temporary storage of soil excavated by SPUC for its duct bank construction. The Temporary Easement shall expire once the duct bank is fully constructed and storage of the soil is no longer required. As consideration for the Temporary Easement, SPUC will construct an approximately two hundred and twenty-five feet (225') long fence along the westerly property line of SPUC's property (the easterly property line of the Owner Parcel) to the northerly property line of SPUC's property that is adjacent to the Owner Parcel. The fence shall be an eight foot (8') high fabric covered chain link fence and shall connect to the existing fence on the northerly common property line.

6. **Ratification of Agreement**. Except as provided in this First Amendment, all of the provisions of the Agreement are hereby ratified and confirmed and continue in full force and effect without change.

7. **Successors and Assigns**. This First Amendment is binding on and inures to the benefit of Owner and SPUC and their respective successors and assigns.

8. **Exhibits**. All Exhibits to this First Amendment are incorporated herein by reference as if fully set forth herein.

9. **Counterparts**. This First Amendment may be executed in any number of counterparts, each of which is deemed an original and all of which together constitute one document.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, Owner has executed this First Amendment as of the date first set forth above.

OWNER:

HANSEN AVENUE, LLC,
a Minnesota limited liability company

By:____

Its: ____

STATE OF MINNESOTA)
) ss.
COUNTY OF ____________)

The foregoing instrument was acknowledged before me this ____ day of ______________, 2026, by ____________________________, the ____________________ of Hansen Avenue, LLC, a Minnesota limited liability company, on behalf of said limited liability company.

____
Notary Public

SPUC:

SHAKOPEE PUBLIC UTILITIES COMMISSION

By: ____

Its: ____

STATE OF MINNESOTA)
) ss.
COUNTY OF __________)

The foregoing instrument was acknowledged before me this _____ day of ______________, 2026, by ______________________________ the ______________________ of the Shakopee Public Utilities Commission, a municipal utility commission under the laws of Minnesota, by and on behalf of said utility commission.

____
Notary Public

This instrument drafted by:

Barna, Guzy & Steffen, Ltd. (CJP)
200 Coon Rapids Boulevard, Suite 400
Minneapolis, MN 55433
(763) 780-8500

4859164.6

CONSENT

The undersigned, an owner of an encumbrance or encumbrances on the land described in Exhibit A hereto attached, hereby consents and joins in this First Amendment.

STERLING STATE BANK

____

By: ______________________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF ____________)

The foregoing instrument was acknowledged before me this ______ day of ______________, 2026, by __________________________, the _________________________ of Sterling State Bank, by and on behalf of said bank.

____

Notary Public

CONSENT

The undersigned, an owner of an encumbrance or encumbrances on the land described in Exhibit A hereto attached, hereby consents and joins in First Amendment.

____________________, **INC.**

____

By: ____________________________

Its: ____________________________

STATE OF MINNESOTA)
) ss.
COUNTY OF____________)

The foregoing instrument was acknowledged before me this ____ day of ______________, 2026, by ______________________, the ________________ of ______________________, Inc., by and on behalf of said bank.

____

Notary Public

<u>EXHIBIT A</u>

OWNER PARCEL LEGAL DESCRIPTION

Lot 1, Block 2, RELIAKOR FIRST ADDITION, according to the recorded plat thereof, Scott County, Minnesota.

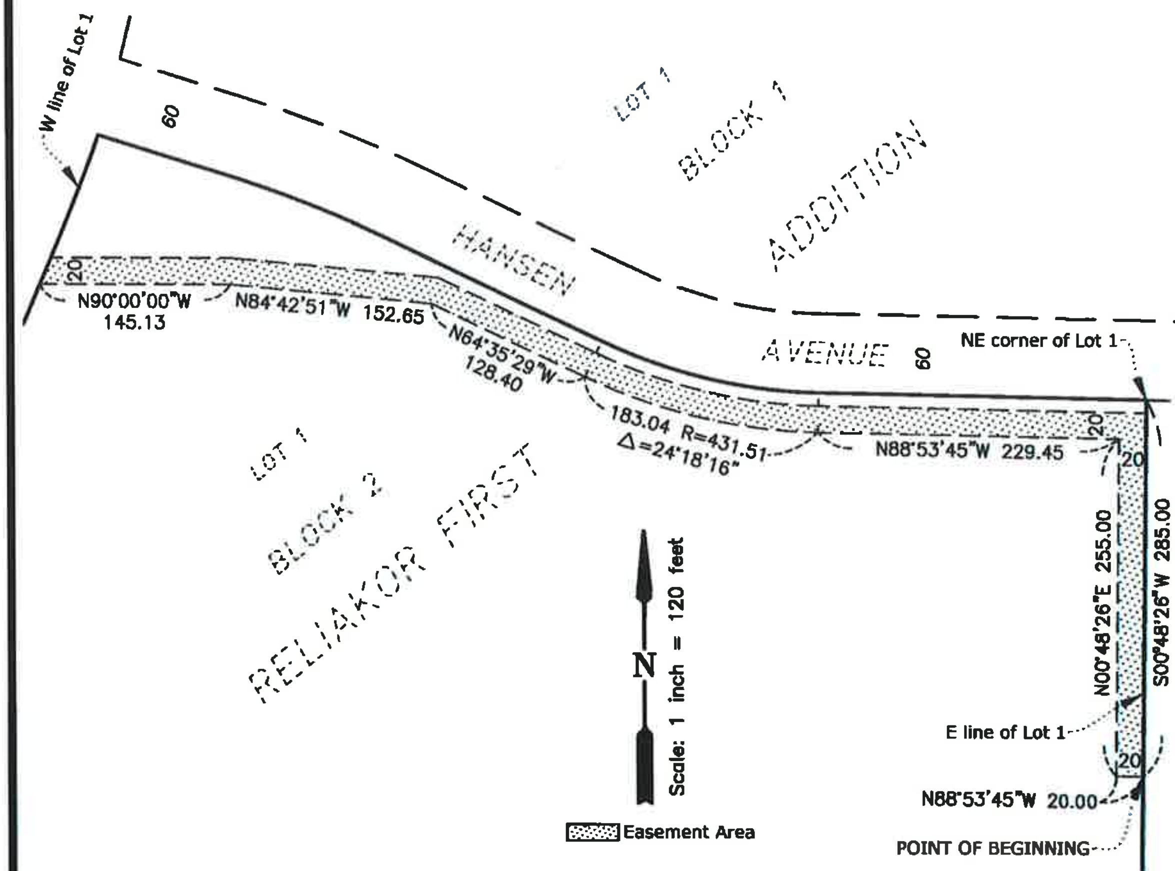
<u>EXHIBIT B</u>

EASEMENT AREA DESCRIPTION AND DEPICTION

[See attached]

Easement Sketch for:

SHAKOPEE PUBLIC UTILITIES



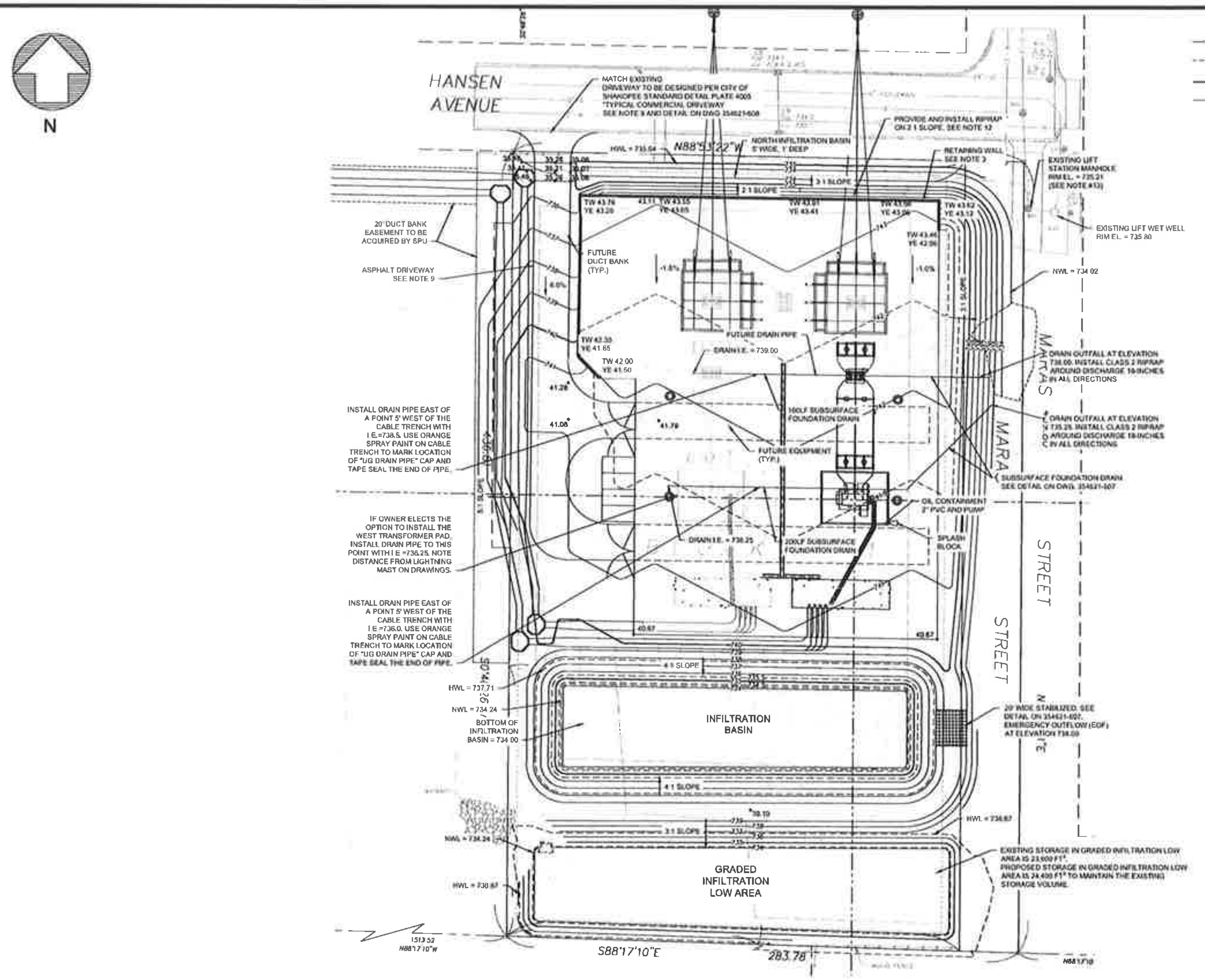
DESCRIPTION

A 20 foot wide easement for utility purposes over, under and across that part of Lot 1, Block 2, RELIAKOR FIRST ADDITION, Scott County, Minnesota, lying east and north of the following described line:

Commencing at the northeast corner of said Lot 1; thence South 00 degrees 48 minutes 26 seconds West, along the east line of the lot, 285.00 feet to the point of beginning of said described line; thence North 88 degrees 53 minutes 45 seconds West 20.00 feet; thence North 00 degrees 48 minutes 26 seconds East 255.00 feet; thence North 88 degrees 53 minutes 45 seconds West 229.45 feet; thence westerly 183.04 feet along a tangential curve concave to the north, having a radius of 431.51 feet and a central angle of 24 degrees 18 minutes 16 seconds; thence North 64 degrees 35 minutes 29 seconds West, tangent to the last described curve, 128.40 feet; thence North 84 degrees 42 minutes 51 seconds West 152.65 feet; thence North 90 degrees 00 minutes 00 seconds West 145.13 feet to the west line of the lot and there terminating.

REHDER & ASSOCIATES, INC.
Civil Engineers & Land Surveyors
3440 Federal Drive, Suite 110
Eagan, MN 55122
Telephone: 651-452-5051
www.rehder.com

JOB: 254–3521.010



LEGEND:

— 740 —	EXISTING MAJOR CONTOUR
— 739 —	EXISTING MINOR CONTOUR
— 740 —	PROPOSED MAJOR CONTOUR
— 739 —	PROPOSED MINOR CONTOUR
TW	TOP OF WALL
YE	YARD ELEVATION

NOTES:

1. EARTHWORK SHALL BE CONDUCTED IN SUCH MANNER AS TO PREVENT RAIN AND/OR DRAINAGE RUNOFF FROM FLOWING UNCONTROLLED ONTO ADJACENT PROPERTIES. USE SEDIMENT BARRIER AS SHOWN ON DRAWING 354621-604 AND 605. EXTEND SEDIMENT BARRIER TO THE LIMITS OF DISTURBANCE. MAINTAIN DURING CONSTRUCTION AND REMOVE AFTER COMPLETION
2. ALL GRADES SHOWN ARE FINISH GRADES, TOP OF CRUSHED ROCK.
3. SEE STRUCTURAL DRAWINGS 354621-401 THROUGH 403 FOR RETAINING WALL DESIGN.
4. ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE CITY OF SHAKOPEE'S GENERAL SPECIFICATIONS AND STANDARD DETAIL PLATES.
5. SUBGRADE COMPACTED TO 95% OF MAXIMUM DENSITY PER ASTM D698.
6. REMOVE ALL TOPSOIL, ORGANICS, SANDY LEAN CLAY, CLAYEY SAND WITH ORGANIC FINES, SILTS (ML), SILTY CLAYS (CL-ML), AND FAT CLAYS (CH), WITHIN LIMITS OF DISTURBANCE. NON-ORGANIC FILL AND COARSE ALLUVIUM SOILS DO NOT NEED TO BE REMOVED UNLESS REQUIRED TO MEET THE SUBSURFACE FILL REQUIREMENTS DESCRIBED UNDER NOTE 1, OR NOTE 18 ON DRAWING 354621-608. STOCKPILE SUITABLE TOPSOIL FOR REUSE. INSTALL AND MAINTAIN A SILT FENCE AROUND ALL STOCKPILED TOPSOIL. MEET THE REQUIREMENTS DESCRIBED ON DRAWINGS 354621-604 AND 605. REMOVE AND PROPERLY DISPOSE OF THE SILT FENCE ONLY AFTER ALL OF THE TOPSOIL HAS EITHER BEEN PLACED ON SITE OR DISPOSED OF OFF SITE AND TURF HAS BEEN ESTABLISHED.
7. MAINTAIN SLOPE INDICATED ACROSS SUBSTATION YARD TO EDGE OF PAD BOUNDARY.
8. INFILTRATION BASIN NWL = 734.24
INFILTRATION BASIN HWL = 737.71
EMERGENCY SPILLWAY INVERT (EOF) = 738.00
TOP OF INFILTRATION BASIN BERM = 739.00
BOTTOM OF INFILTRATION BASIN = 734.00
LOW FLOOR AND LOW OPENING ELEVATION = 742.00

VERTICAL SEPARATION BETWEEN HWL AND LOW FLOOR AND LOW OPENING ELEVATION = 4.29FT.

VERTICAL SEPARATION BETWEEN EOF AND LOW FLOOR AND LOW OPENING ELEVATION = 4.0FT.
9. CONCRETE APRON FOR ACCESS DRIVEWAY SHOWS FINISH GRADE FOR TOP OF CONCRETE. UNTIL ASPHALT IS INSTALLED ON ACCESS ROAD, MAKE SMOOTH TRANSITION BETWEEN CONCRETE APRON AND CLASS 5 AGGREGATE INSTALLED ON ACCESS DRIVEWAY UNDER THIS CONTRACT.
10. DRIVEWAY AND PARKING AREA NOT TO BE PAVED WITH ASPHALT UNTIL AFTER ALL HEAVY EQUIPMENT AND DUCT BANKS ARE IN PLACE AND ANY DUCT BANK CONCRETE TEST CYLINDERS HAVE TESTED AT OR ABOVE THE MINIMUM COMPRESSIVE STRENGTH SHOWN IN 2.04 OF SECTION 03 30 00 CAST-IN PLACE CONCRETE OF THE SPECIFICATIONS.
11. KEEP HEAVY EQUIPMENT OFF INFILTRATION BASINS TO PREVENT COMPACTION.
12. IMMEDIATELY NORTH OF THE NORTH RETAINING WALL, INSTALL CLASS 2 RIPRAP ON 2:1 SLOPE OVER GEOTEXTILE FILTER FABRIC. KEY-IN RIPRAP WITH TOE TRENCH AT BOTTOM OF SLOPE.
13. CONTRACTOR TO REMOVE EXISTING LIFT STATION MANHOLE COVER AND SUPPLY AND INSTALL WATERTIGHT MANHOLE COVER.

REV	DATE	CHK'D	APP'D	REVISION DESCRIPTION
0	06/26/20	CS	KF	ISSUED FOR BIDDING NOT FOR CONSTRUCTION

DESIGNED: LOOS
DRAWN: LOOS

ISSUED FOR BIDDING ONLY. NOT FOR CONSTRUCTION

0 15 30 60
SCALE IN FEET

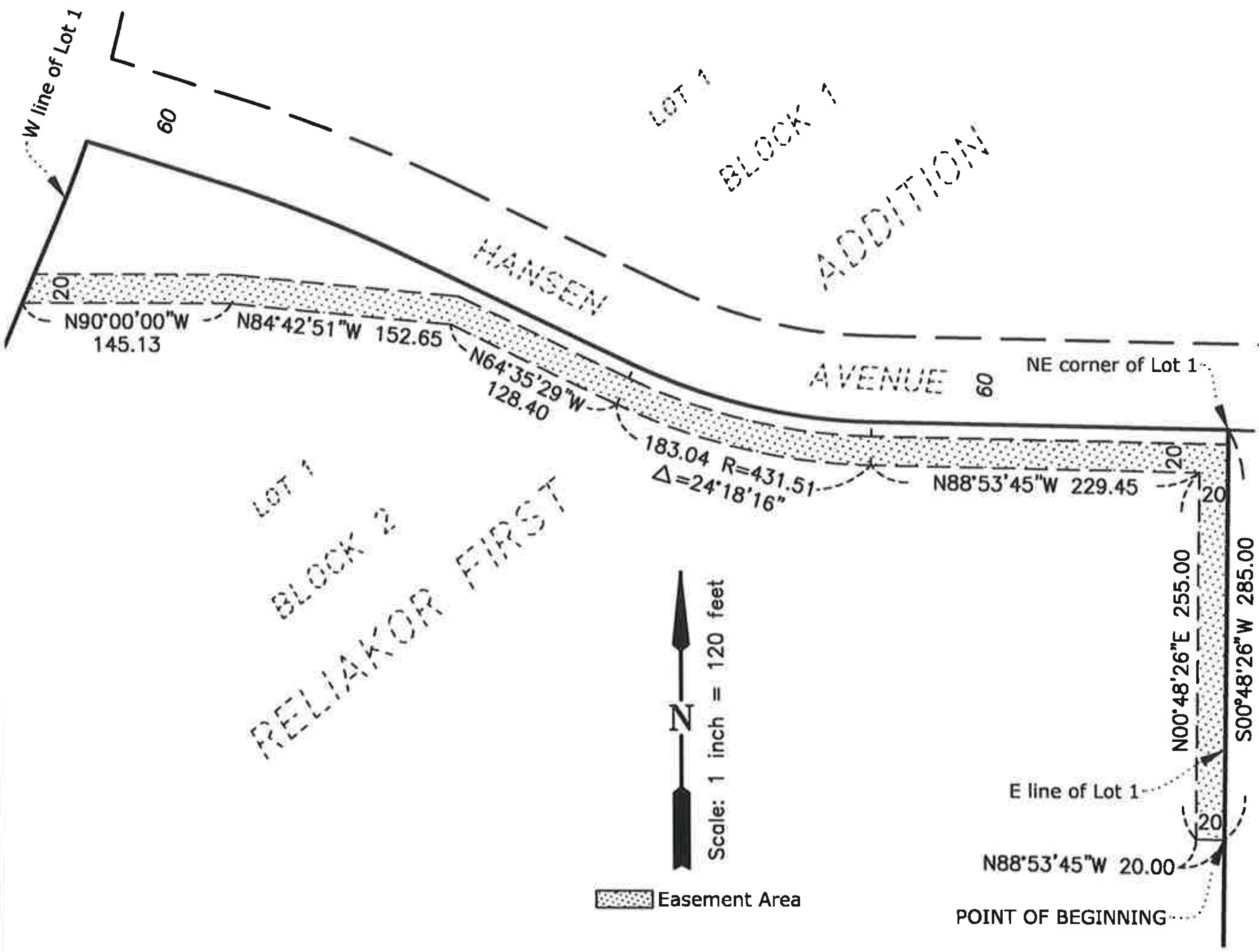
leidos
Leidos Engineering
200 N LaSalle St., Suite 700
Chicago, IL 60601
(312) 605-4400

SHAKOPEE PUBLIC UTILITIES
EAST SHAKOPEE SUBSTATION
GRADING AND DRAINAGE PLAN

PROJECT NUMBER: 354621
SHEET 43 OF: 69
DRAWING NUMBER: 354621-603.0

Easement Sketch for:

SHAKOPEE PUBLIC UTILITIES



DESCRIPTION

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& ASSOCIATES, INC.
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Telephone: 651-452-5051
www.rehder.com

JOB: 254–3521.010

Proposed As Consent Item

6h

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

July 29th, 2026

TO: Greg Drent, General Manager

FROM: Philip Dubbe, IT Director

SUBJECT: SPU AI/LLM Usage Policy

Overview

Attached is the proposed policy for SPU's Artificial Intelligence (AI)/Large Language Model (LLM) Internal Use Policy. This policy will set standards for employee use of AI/LLM platforms, whether integrated with an application or public platforms such as ChatGPT or Claude. This Policy will also set guidelines for IT to review and monitor use of these tools to protect SPU's data.

Action Requested

Staff is requesting commission approval of the attached AI/LLM Usage Policy.

RP3

Shakopee Public Utilities

PO Box 470 · 255 Sarazin Street
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Main 952.445-1988 · Fax 952.445-7767
www.shakopeeutilities.com

AI/LLM Usage Policy

Purpose

The purpose of the Shakopee Public Utilities AI and LLM Usage Policy is to establish the acceptable use of AI (Artificial Intelligence) and LLM (Large Language Models) technologies within the operations of SPU.

Policy

1. Treat all customer information as highly confidential. Do not disclose or share any sensitive customer data during interactions with AI or LLM platforms.

2. Ensure that AI and LLM platform interactions occur over secure channels and on systems with appropriate security measures to protect customer information from unauthorized access or disclosure.

3. Usage must adhere to all relevant laws, regulations, and industry standards, such as data protection and privacy regulations (e.g., HIPAA) and financial industry guidelines (e.g., PCI DSS).

4. AI and LLM platform usage and/or integration into existing tools will require review and approval by the SPU IT Department. All vendors must be reviewed in accordance with SPU Internet Use policy and an impact analysis must be completed before the Department will consider usage.

5. Avoid storing or retaining chat logs longer than necessary. Delete or anonymize customer interactions as per data retention policies and applicable regulations.

6. Exercise caution when relying on AI and LLM responses for critical decisions or actions. Use these models as a support tool rather than a sole source of information.

7. Conduct periodic audits and assessments of AI and LLM usage, including access controls, data handling practices, and compliance with policies and regulations.

8. Implement monitoring mechanisms to track and record interactions with AI and LLM platforms for security, compliance, and quality assurance purposes.

9. Educate employees on the appropriate usage of AI and LLM platforms, including data privacy, security best practices, and the importance of adhering to the established policies.

10. Regularly review and update the policy as needed to address emerging risks, changes in regulations, or advancements in technology.

Enforcement

Personnel found to have violated this policy may be subject to disciplinary action, up to and including termination of employment, and related civil or criminal penalties.

Any vendor, consultant, or contractor found to have violated this policy may be subject to sanctions up to and including removal of access rights, termination of contract(s), and related civil or criminal penalties.

Shakopee Public Utilities

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Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

July 21, 2026

TO: Greg Drent, General Manager

FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects

SUBJECT: "Grandfathered" Exemption for Remaining Non-AMI Customers

---

Overview

Following the completion of SPU's enhanced metering system upgrade, two residential properties retain legacy, non-AMI metering equipment. The two customers at these properties have both appealed to the SPU Commission and have been denied. They have presented multiple times at our commission meetings, and although modified, do not agree with SPU's Meter Exchange Policy (formerly Opt-Outside Policy) due to the cost of manual meter reading fees associated with non-AMI meters. That fee is currently $75 per month to read both meters.

Following months of communications, appeals, policy modifications and staff time, we have been unable to reach an acceptable and mutually satisfactory resolution between parties. For these reasons, staff is proposing a solution that will address both technology and financial concerns for these two customers and is acceptable to SPU staff.

As the only remaining customers with legacy, non-upgraded metering on their properties, staff would like to grandfather these two customers into our standard billing process and discontinue future monthly manual meter reading fees, provided new non-RF metering equipment is installed at these properties*. All previous fees and penalties associated with manual reading would retroactively be removed from the customer accounts, including reconnect fees due to disconnection. This exemption applies to these two account holders (at these properties) only, and upon a change in account holder (at these properties), installation of SPU's upgraded AMI metering equipment is required before a new account holder may connect to SPU's service. This exemption does not and will not apply to any other service address within SPU's service territory.

**Metering equipment currently installed at these two service addresses (both electric and water) are beyond their useful life span. Therefore, SPU will replace existing meters with new non-RF meters.*

Action Requested

Staff recommends commission approval of this exemption as presented. If approved, staff will send the attached customer communication to the two customers impacted.

Shakopee Public Utilities

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

August 4, 2026

Customer
Address
Shakopee, MN 55379

Re: Exemption to manual meter reading fees

Dear Customer:

At the August 3rd regular commission meeting, staff presented the attached recommendation. We are pleased to inform you the Commission approved this recommended exemption.

The Commission approved grandfathering your account to exempt you from the manual meter reading fees you are currently being charged. Any prior fees associated with manual meter reading fees, including reconnect fees, will retroactively be removed from or credited to your account. This exemption requires that SPU remove your existing metering equipment and install updated non-RF equipment. This exemption is limited to the current account holder at this property.

Staff will contact you in the upcoming days to proceed with next steps.

We appreciate the opportunity to resolve this with a mutually satisfactory solution that addresses both radio frequency and financial concerns raised.

Sincerely,

Greg Drent
General Manager

Enclosures: Memo to Greg Drent 07/21/26 and Itron Non-RF Meter documentation

Itron

C1S

CENTRON® Meter

The CENTRON C1S solid-state meter is used for measuring single-phase energy consumption. With this solid-state meter, Itron presents a platform for residential metering with the flexibility to adapt as your needs expand and change.

The CENTRON C1S is available as an energy meter with an LCD register. As an option, the meter is available with interchangeable personality modules, including demand, time-of-use (TOU), load profile and various communication options.

FEATURES

Flexible Platform

- The CENTRON meter can easily be upgraded to any of the option modules available
- All calibration data is permanently stored in the base of the meter on the CENTRON metrology board

Personality Modules

- The interchangeable personality modules are part of a snap-in register assembly
- The personality module houses all register or communication functions

Enhanced Performance

- Low starting watts
- Low burden
- Captures energy that was not monitored in the past by electromechanical meters

Tamper Resistant

- Measures energy even if the meter is inverted

Standard Features

- Electronic LCD register
- Polycarbonate cover
- Test LED Unattended Processing

Option Module Upgrades

- Demand module (C1SD)
- TOU with demand module (C1ST)
- Load profile with TOU and demand module (C1SL)
- R300 900 MHz RF module (C1SR)

Option Availability

- Glass cover
- Electronic detent
- Identification/Accounting aids

Product Availablity

Meter Version	Class	Volts	Wire	Form	Digits/ Mult	Energy Setting	Catalog Number Glass	Catalog Number Poly
C1S	100	120	2	1S	5x1	Undetented	G980225	G980205
C1S	200	240	3	2S	5x1	Undetented	G980194	G980181
C1S	320	240	3	2S	5x1	Undetented	G980236	G980213
C1S	20	120	2	3S	5x1	Undetented	G980247	G980248
C1S	20	240	3	4S	5x1	Undetented	G980255	G980223
CN1S	200	120	3	12S	5x1	Undetented	G980257	G980195
CN1S	200	120	3	25S	5x1	Undetented	G980265	G980266

Technical Data

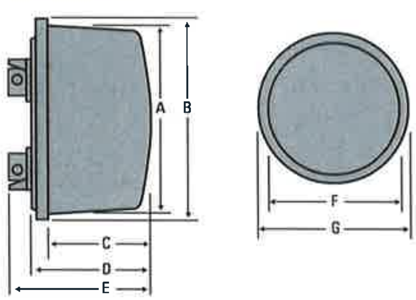
Meets applicable standards:

- ANSI C12.1 - 1995
- ANSI C12.10 - 1997
- ANSI C12.20 (Class 0.5) - 1998
- ANSI C37.90.1 - 1989
- ANSI C62.45 - 1992
- IEC 61000-4-4
- IEC 61000-4-2
- FCC Part 15, Subclass C

Reference Information

- CENTRON Technical Reference Guide
- CENTRON C1SR Specification Sheet
- CENTRON C1SC Specification Sheet
- CENTRON C1SD, T, L Specification Sheet
- Hardware Specification Form
- ZRO-C2A Handheld Meter Resetter Instructions

Dimensions



SPECIFICATIONS

Dimensions

Polycarbonate						
A	B	C	D	E	F	G
6.29"	6.95"	2.7"	3.16"	4.53"	6.29"	6.95"
16 cm	17.7 cm	6.9 cm	8 cm	11.5 cm	16 cm	17.7 cm
Glass						
A	B	C	D	E	F	G
6.42"	6.95"	3.03"	3.55"	4.9"	6.42"	6.95"
16.3 cm	17.7 cm	7.7cm	9 cm	12.5 cm	16.3 cm	17.7 cm

Shipping Weights

Polycarbonate	Pounds (approx)	Kilograms
4 Meter Cartons	8.9	4.04
120 Meter Pallets	260-265	117.936

Glass	Pounds (approx)	Kilograms
4 Meter Cartons	13.96	6.35
120 Meter Pallets	335	151.956

Specifications

Power Requirements	Voltage Rating: 240 Operating Voltage: ± 20% (60 Hz); ±10% (50 Hz)	Frequency: 60Hz, 50hz Operating Range: ± 3 Hz
Operating Environment	Temperature: -40° to +85°C	Humidity: 0% to 95% non-condensing
Transient / Surge Suppression	ANSI C37.90.1-1989 ANSI C62.45-1992	IEC 61000-4-4
Accuracy	ANSI C12.20 0.5 accuracy class	
General LCD Display	Five-digit liquid crystal display Annunciator height: 0.088"	Data digit height: 0.4" Electronic load indicator
Characteristic Data	Starting watts: 5 watts	
Temperature Rise Specifications	Meets ANSI C12.1 section 4.7.2.9	
Burden Data*	Voltage circuit: Voltage: 240 Watts: 0.5 VA: 7.5 Current coil-self contained test amp current: 60 Hz Service: 3-Wire Test current: 30 (amps) VA: <0.50	

At Itron, we're dedicated to delivering end-to-end smart grid and smart distribution solutions to electric, gas and water utilities around the globe. Our company is the world's leading provider of smart metering, data collection and utility software systems, with over 8,000 utilities worldwide relying on our technology to optimize the delivery and use of energy and water.

To realize your smarter energy and water future, start here: **www.itron.com**

ITRON ELECTRIC METERING

313-B North Highway 11
West Union, SC 29696
USA

Phone: 1.877.487.6602
Fax: 1.864.638.4950

CORPORATE HEADQUARTERS

2111 N Molter Road
Liberty Lake, WA 99019
USA

Phone: 1.800.635.5461
Fax: 1.509.891.3355

Centron Hardware Specification

G980176

Item Number	986850000-000	**Description**	C1S
Product Architecture/Type	Centron		
Issue Date	12/20/2002	**Customer**	
Hardware Type	C1S	**Register Type**	RML
Class	200	**Register Configuration**	5 x 1
Dials	5	**Register Divisor**	1
Volts	240	**Multiplier**	1
Wire	3	**Segment Check**	1 Second check
Form	2S	**Initial kWh**	0
Test Amps	30	**Cover**	Polycarbonate (Standard)
Sales Code	0260	**Inner Cover**	Standard
Kh	1.0	**5th Terminal Position**	NA
Potential Links	Yes	**Link/Shunt/Plug/WAN**	1/0/0/0
		Disconnect Counts	
RMR Interval	Default	**Meter Seal**	standard
Metering	Non Detent	**Protocols**	NA
Nameplate Color	White	**Hertz**	60
Class 320 Label Color	not applicable	**Class 320 Keyed Terminal**	No
NET label	No		

RESOLUTION #2026-15

RESOLUTION OF APPRECIATION
TO MARTIN GLYNN

WHEREAS, Mr. Martin (Marty) Glynn joined Shakopee Public Utilities on May 28, 2002, and during his tenure of more than twenty-four years has worked as a Water Operator for the Water Department; and

WHEREAS, Mr. Glynn always strived for excellence in contributing to the efficient operation of Shakopee Public Utilities, has been extremely dependable and responsible in performing his duties, and leaves a lasting positive impact on the utility; and

WHEREAS, Mr. Glynn held a Minnesota Class B Water Supply System Operator License with the Minnesota Department of Health to operate intermediate to advanced public water systems, and a Class A Commercial Driver's License; and

WHEREAS, Mr. Glynn with two others, worked to build and promote MnWARN, a formal emergency response program in Minnesota, to provide mutual aid for other water, wastewater and stormwater utilities sustaining damage from disasters; and

NOW THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, that it does hereby express its sincere and deep appreciation and extends its gratitude to Mr. Glynn for his twenty-four years of dedicated service to Shakopee Public Utilities.

Passed in regular session of the Shakopee Public Utilities Commission this 3rd day of August 2026.

Commission President: BJ Letourneau

ATTEST:

Commission Secretary: Greg Drent

Shakopee Public Utilities

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

DATE: July 27, 2026

TO: Greg Drent, General Manager

FROM: Brad Carlson, Director of Electric Engineering and Operations BJC

Subject: East Shakopee Substation Construction Contract Bid Award

ISSUE:

Bids were opened on Monday, July 27, 2026, for the site work and construction contract for the East Shakopee Substation

BACKGROUND:

The commission previously approved the construction of this new substation to provide additional capacity to the electric distribution system to serve the growing load on the east end of Shakopee.

DISCUSSION:

The approved Capital Projects and CIP have a budget of $9,153,000 for substation construction, including major components under separate contracts. Those include the power transformer ($2,760,921), and the 115 kV breaker ($209,102), and the Switchgear Equipment and Control Building.

Kevin Favero of Leidos, Inc. has submitted the attached bid evaluation and recommendation to award the contract to National Conductor Constructors in the amount of $5,573,202, and under the engineers estimated budget of $5,900,000.

RECOMMENDATION:

Staff concurs with the engineer's recommendation that the Commission award the substation construction site work to National Conductor Constructors in the amount of $5,573,202.

July 30, 2026

leidos

Via email to: BCarlson@ShakopeeUtilities.com

Mr. Brad Carlson
Shakopee Public Utilities
255 Sarazin Street
Shakopee, MN 55379

Subject: **Evaluation of East Shakopee Substation Construction Bids**

Dear Mr. Carlson:

Shakopee Public Utilities (SPU) is developing the East Shakopee Substation (the Substation) at the intersection of Maras Street and Hansen Avenue. The Substation will provide additional electrical capacity to serve existing and future electric loads in the eastern portion of Shakopee.

SPU has on order three power transformers, one of which is for the Substation, and three 115 kV breakers, one of which is for the Substation. SPU will also procure an electric switchgear building for the Substation. The Substation construction will include site civil work, foundations for the above equipment, 115 kV bus, 115 kV switches, 115 kV support structures, a duct bank for 13.8 kV circuits between the power transformer and switchgear building, duct banks and vaults for 13.8 kV exit circuits from the switchgear building to Stagecoach Road, and static masts.

SPU has solicited bids for constructing the Substation. On July 27, SPU received bids from Hooper Corporation and National Conductor.

The bid amounts are summarized in the table below.

Summary of Bid Amounts for Substation Construction Contract			
Item	**Hooper**	**National Conductor**	**Difference**
Base Amount ($)	8,431,793	5,573,202	2,858,591
Additional Power Transformer Foundation ($)	120,609	158,710	(38,101)
Cost per Cubic Yard for Switchgear Building Foundation Change ($)	2,421	3,069 (increase) 1,870 (decrease)	(648) 551
Cost per Cubic Yard for Power Transformer Foundation Change ($)	5,344	3,069 (increase) 1,870 (decrease)	2,275 3,474
Cost per Linear Foot for Additional Ground Grid ($)	19.58	36.98	(17.40)
Cost per Additional Ground Grid Weld ($)	122.00	92.17	29.83

As shown in the above table, the Hooper base amount is $2,858,591 higher than the National Conductor base amount.

The additional power transformer foundation is for temporary placement of one of the three power transformers, if needed.

The additional per cubic yard costs for the power transformer foundation are due to not yet having drawings from the power transformer manufacturer and the potential for the foundation to change.

The additional ground grid costs are due to the large amount of soil that needs to be added to the Substation site and the potential change in soil resistivity that could result in the need for additional ground grid material.

National Conductor has been in business for 49 years and provided construction services for the West Shakopee Substation which was completed in 2022. They performed well with no unresolved issues.

Based on the significant difference in the cost between National Conductor and Hooper, it is recommended that the construction contract for the Substation be awarded to National Conductor with a base amount of $5,573,202 and unit prices as shown in the table above.

Could you let me know if you have any questions on the above? Thanks.

Sincerely,
Leidos Engineering, LLC

Kevin Favero

Kevin Favero, P.E.
Senior Project Manager

BID RESULTS
2026 EAST SHAKOOPEE CONSTRUCTION FORMAL BID
Shakopee Public Utilities
7/27/2026

BIDDER	BID BOND	5.01 MAIN SCOPE	5.02 ADDT'L TRANSFORMER FOUNDATION	5.04 SWITCHGEAR BUILDING FOUNDATION PER CU YRD	5.05 TRANSFORMER FOUNDATION PER CU YRD	5.06 GROUND GRID PER LN FT	5.07 EXOTHERMIC WELD EACH	$ Above Lowest Bid
NATIONAL CONDUCTOR	YES	**5,573,202.00**	**158,710.00**	**3,068.50** 1,870.00	**3,068.50** 1,870.00	**36.98**	**92.17**	
HOOPER	YES	8,431,793.00	120,609.00	2,421.00	5,344.00	19.58	122.00	2,858,591.00