

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
DECEMBER 21, 2020

Following the March 13, 2020 Declaration of Peacetime Emergency by Governor Walz (as amended), the Commission is holding its regular meeting on December 21, 2020 at 5:00pm by telephone or other electronic means (WebEx) according to MN Statutes, Section 13D.021. The Commission President has concluded that an in-person meeting is not practical or prudent because of the health pandemic declared under the Emergency Order and according to current guidance from the MN Department of Health and the CDC. The Commission President will be at the regular meeting location for the Commission. The public may monitor the meeting:

**Call-In Phone Number 1-408-418-9388
Enter Access Code 126 252 9883
When Prompted for Password, enter #**

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.

2. **Communications**

3. **Consent Agenda**
 - C=> 3a) Approval of December 7, 2020 Minutes (JA)
 - C=> 3b) Approval of Agenda
 - C=> 3c) December 4, 2020 Warrant List
Account Credit Request/Deposit Refunds (JM)
 - C=> 3d) December 21, 2020 Warrant List (JM)
 - C=> 3e) Monthly Financial Results – November 2020 (JM)
 - C=> 3f) Water Dashboard (LS)

4. **Liaison Report** (JB)

5. **Utilities Manager Report** (GD)

6. **Reports: Water Items**
 - 6a) Water System Operations Report – Verbal (LS)

7. **Reports: Electric Items**
 - 7a) Electric System Operations Report – Verbal (BC)
 - 7b) MMPA Economic Development Tool (JA)
 - 7c) West Shakopee Substation Update (JA)

8. **Reports: Human Resources**

9. **Reports: General**

- 9a) Investment Policy (JM)
- 9b) Governance Handbook (KB)
- 9c) SPU Commission Secretary (GD)

10. **Items for Future Agendas**

11. **Tentative Dates for Upcoming Meetings**

- Regular Meeting -- January 4, 2021
- Mid Month Meeting -- January 19, 2021 (Tuesday)
- Regular Meeting -- February 1, 2021

12. **Adjourn to 01/04/2021 at the SPUC Service Center, 255 Sarazin Street**

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
December 7, 2020
(Regular Meeting)

1. Call to Order. President Amundson called the December 7, 2020 meeting of the Shakopee Public Utilities Commission to order at the SPU meeting room at 5:00 P.M.
2. Roll Call. President Amundson, Vice President Mocol, Commissioner Brennan, Commissioner Fox, and Commissioner Meyer were present.
3. Approval of Consent Agenda. Commissioner Brennan requested removal of item (3e) Ehlers. Motion by Brennan, seconded by Meyer, to approve the consent agenda, as amended, namely: November 16, 2020 minutes; December 7, 2020 agenda; December 7, 2020 warrant list; warrant list memo; Resolution #1287 (official publication); Resolution #1288 (official depositories); Resolution #1289 (facsimile signature); Resolution #1290 (2021 fees/charges). Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
4. Liaison Report. Commissioner Brennan provided an update as to approval by the Planning Commission of two subdivisions: Summerland and Windermere South 4th Addition. She also complimented Mr. Drent and Ms. Walsh in assisting a small business in arranging a payment plan to address COVID-related issues.
6. Utilities Manager Report. Greg Drent, Interim Utilities Manager, provided his report. He met with City Administrator Reynolds and discussed a joint meeting, as well as shared services with the help of a third-party facilitator. Mr. Drent intends to work with AEM. He noted an initial AMI meeting is planned for January. He also discussed COVID-19 impacts and precautions. Mr. Drent noted a number of current projects. Discussion ensued as to process of hiring a Utilities Manager. Motion by Mocol, seconded by Brennan, to begin the search for a Utilities Manager. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried. Motion by Meyer, seconded by Fox, for President Amundson and Vice President Mocol to form an informal working group to provide guidance in retaining an outside consultant to assist with the recruitment of candidates for Utilities Manager. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.
7. Water Report. Lon Schemel, Water Superintendent, provided the water report, including emergency repairs of a water main leak. He noted that water rebate funds remain, and encouraged customers to participate. Mr. Schemel also provided an update on the bid responses for the observation wells, with the low bid from Traut Companies in the amount of \$35,451.50. Motion by Meyer, seconded by Mocol, to proceed with observation well bid response as presented. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.

8. Ehlers Water Connection Fee Study: Rate Resolutions. Jessica Cook, from Ehlers, presented the study findings and recommendations. Commissioner Brennan requested more information as to multi-family developments with pending certificate of occupancy. Motion by Mocol, seconded by Meyer, to accept the Ehlers study. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried. Joseph Adams, Director of Planning and Engineering presented two resolutions that implement the Ehlers study recommendations. Resolution 1285, concerning water capacity charge, would be effective immediately. Motion Meyer, seconded by Brennan, to adopt Resolution 1285. Ayes: Amundson, Mocol, Brennan, Fox, Meyer Motion carried. Resolution 1286 concerned an increase in water trunk charges of 4.75%, effective January 1, 2021. Motion by Meyer, seconded by Brennan, to adopt Resolution 1286 with the clerical revision in the recital to 4.75% (not 14.75%). Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried.

9. Electric Report. Mr. Drent introduced Brad Carlson, Assistant Electric Superintendent. Mr. Carlson provided the electric report, noting the one outage since the last Commission meeting, as well as on-going projects.

10. 2020 Audit. Jean McGann, Abdo, Eck, & Myers, LLP explained that 2020 represented the third year of a 3-year contract with BerganKDV as auditor for SPU. She noted that if the Commission pursued an RFP, it would be difficult for responders, as most firms have determined their audit schedules. Motion by Mocol, seconded by Meyer, to direct the Interim Utilities Manager to engage BerganKDV for the 2020 audit. Ayes: Amundson, Mocol, Fox, Meyer. Nays: Brennan. Motion carried. Motion by Brennan, seconded by Fox, to issue an RFP for auditor for 2021, with a term consistent with past agreements. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried.

11. 2021-2025 Capital Improvement Plan: 2021 CIP Projects and Equipment: 2021 Budget. Mr. Adams presented the 2021-2025 CIP. Motion by Meyer, seconded by Fox, to accept the 2021 – 2025 Capital Improvement Plan. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried. Mr. Adams presented the 2021 Capital Improvement Projects and Equipment. Motion by Meyer, seconded by Mocol, to approve the 2021 Capital Improvement Projects and Equipment. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried. Ms. McGann presented the final 2021 budget and answered questions. Motion by Meyer, seconded by Mocol, to approve the 2021 budget. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried. Commissioner Brennan suggested working on an economic development policy to attract and retain commercial customers.

12. Compensation and Classification Study Update. Mr. Drent recommended freezing Manager salaries and giving all other employees a 2.5% COLA increase. He recommended further review and refinement of the job descriptions in the study, with Commission review in the third quarter of 2021. Consensus to proceed with Mr. Drent's recommendations.

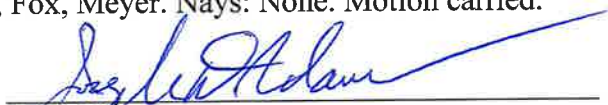
13. SPU Holiday Schedule. Mr. Drent presented the proposed holiday schedule for 2021. Motion by Mocol, seconded by Brennan, to designate the 2021 holidays. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Motion carried.

14. Commission Secretary Position. Mr. Drent presented options for the Secretary position. Commissioners discussed various options and asked questions. Mr. Drent will add this item to the next agenda.

15. LMCIT Collaboration Services. Commissioners expressed a preference to proceed in-person, if possible. Staff will ask whether Ms. Whitmore is available on January 20th or 21st for an in-person session.

16. COVID Relief Fund Update. Sharon Walsh, Director of Marketing and Customer Relations, noted that the agreement with the CAP Agency was signed, the program launched, and information is posted on the SPU website and Facebook. Nine people have applied, and one account has been credited.

17. Adjourn. Motion by Meyer, seconded by Fox, to adjourn to the December 21, 2020 regular meeting. Ayes: Amundson, Mocol, Brennan, Fox, Meyer. Nays: None. Motion carried.



Joseph Adams, Interim Commission Secretary

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
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SHAKOPEE PUBLIC UTILITIES COMMISSION

Warrant List
Account Credit Request/Deposit Refunds
December 4, 2020

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

57231	Ruqiyu Ahmed	\$	19.03
57232	AMFPV White Pines LLC	\$	26.98
57233	Robert Baer	\$	21.39
57234	Casey A Beaton	\$	70.35
57235	Kelsey Beering	\$	32.81
57236	John Beyer	\$	13.72
57237	Thomas M & Olivia E Borden	\$	117.39
57238	Phillip Patrick Brandel	\$	56.93
57239	Grant Bruesch	\$	39.79
57240	Randolph Bryant Jr.	\$	33.45
57241	Buyrite Auto Sales	\$	1,503.76
57242	David & Cheryl Clark	\$	59.22
57243	Theresa M Comes CAP Agency - Nicole Villafana	\$	51.85
57244	Country Village Apartments	\$	10.06
57245	Michael A Danna	\$	10.95
57246	Raul De Quadros	\$	69.52
57247	Kim Desmarais	\$	63.98
57248	Dan & Brita Dietzel	\$	7.31
57249	Joanna & Michael Ebeling	\$	18.26
57250	Jordan Fox	\$	19.09
57251	Frichs Construction	\$	510.88
57252	Megan Giesen	\$	11.35
57253	Terry & Carol Glassel	\$	5.30
57254	Greyhawk Properties LLC	\$	37.73
57255	Hansen Holding LLC	\$	2.73
57256	Shaker Hawari	\$	125.23
57257	Jason Hohag	\$	64.73
57258	Benjamin Hosch	\$	7.95
57259	Lacey Kaare	\$	66.41
57260	Beth & Charles Kastem	\$	36.29
57261	Raymond Kiefer	\$	7.00
57262	Daniel Kirk, Stacy Beckstrom	\$	77.81
57263	Christie & Karl Koester	\$	53.61
57264	Debra M Lewis	\$	22.87
57265	Michael Liero	\$	44.69
57266	Lindah! Properties LP	\$	39.84
57267	Link Construction	\$	53.65
57268	M&I Bank	\$	3,776.86
57269	Kamal Mahmud	\$	108.28
57270	Sally A Masica	\$	13.08
57271	Sheila W Mathu	\$	22.33
57272	Ian McNeil	\$	100.00
57273	Daniel Minea	\$	87.66
57274	Joseph & Brittney Moses	\$	31.60
57275	Amanda Nelson	\$	148.86
57276	Joan Nguyen	\$	70.35
57277	Angela M Nucci	\$	24.86
57278	Stephanie Orłowski	\$	50.40
57279	Martin & Ellen Paulsen	\$	4.65
57280	Jose Luis Pena	\$	9.46
57281	John & Grace Perry	\$	75.23
57282	Precision Auto Body	\$	649.03
57283	Precision Auto Body	\$	299.36
57284	Ryan Prescher, Abby Kirslaar	\$	119.44
57285	Zachary Radosevich	\$	85.95
57286	Brenda & Zenon Real	\$	4.44
57287	George Reisdorff	\$	19.87
57288	Riva Ridge Apartments	\$	14.36
57289	Stephanie Robert	\$	42.17
57290	Marjory Ruble	\$	36.13
57291	Meghan Ryan	\$	137.48
57292	Kelsey Rychter	\$	63.66
57293	Fatoumata Sacko	\$	176.24
57294	Rein Y Salas	\$	36.59
57295	Scott & Susan Saxton	\$	71.53
57296	Ryon Schultz, Hannah Zimmerman	\$	64.88
57297	Shakopee Village Housing Associates	\$	2,604.97
57298	Stephen J Sjolander	\$	54.93
57299	Ramona Kito Stately	\$	1,398.26
57300	Jacob Summerfield	\$	22.72
57301	Summergate Development LLC	\$	40.21
57302	Sustainable 9 Design & Build	\$	68.55
57303	Stephanie Tanler	\$	5.45
57304	Target Corporation c/o Engie Insight MS 4645	\$	7,413.02
57305	Minish Tera	\$	7.95
57306	Anthony Theisen	\$	62.03
57307	Olga Tincovan	\$	22.58
57308	Carol Vonholtum	\$	36.52
57309	Robert Weer	\$	5.30
57310	Robert & Katy Welsch	\$	25.77
57311	Shawn A Withrow	\$	48.30
57312	WOP Addison LLC	\$	3,347.89
TOTAL			<u>24,943.11</u>

Greg Drent

Interim Utilities Manager

Jean D. Madann

Interim Director of Finance & Administration

Commission President

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

December 21, 2020

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:

57321	AEM Workforce Solutions, LLC	\$19,450.00
57322	Amaril Uniform Co.	\$241.82
57323	Arrow Ace Hardware	\$106.11
57324	B & L Truck Repair Inc.	\$11,115.04
57325	John & Colleen Bain	\$200.00
57326	Robert Berndtson	\$283.48
57327	Border States Electric Supply	\$4,237.23
57328	CommScope	\$12,890.00
57329	CAP Agency	\$25,000.00
57330	Jennifer L Carey	\$125.00
57331	Brad Carlson	\$176.18
57332	CDW Government LLC	\$458.11
57333	Centerpoint Energy	\$1,640.88
57334	Choice Electric Inc.	\$3,056.10
57335	Cintas Corp. #754	\$590.29
57336	City of Shakopee	\$2,999.07
57337	City of Shakopee	\$2,015.00
57338	Comcast	\$2.25
57339	Concrete Cutting & Coring Inc.	\$168.03
57340	Crysteel Truck Equipment	\$13,362.11
57341	Customer Contact Services	\$338.88
57342	Pranab Kanti Das	\$125.00
57343	Delta Dental Plan of MN	\$6,324.70
57344	Leanne Dodds	\$150.00
57345	Ehlers Companies	\$2,562.50
57346	Fastenal Ind. & Const. Supplies	\$48.16
57347	Flyte HCM LLC	\$360.00
57348	Further	\$544.95
57349	Hach Company	\$249.22
57350	Hawkins Inc.	\$8,259.84
57351	HealthPartners	\$55,601.53
57352	HELP/Systems LLC	\$1,163.27
57353	Ronald Huntington	\$125.00
57354	Impact Mailing of Minnesota, Inc.	\$12,894.89
57355	Innovative Office Solutions LLC	\$2,362.14
57356	Interstate Companies Inc.	\$1,602.52
57357	Stuart C Irby Co.	\$2,292.09
57358	ISD #720-High School	\$100,256.03
57359	JT Services	\$276.03
57360	Cindy Menke	\$605.62
57361	Midwest Safety Counselors, Inc.	\$91.33
57362	Minn Dept. of Commerce	\$12,306.53
57363	Minn Valley Testing Labs Inc.	\$691.00
57364	MMPA	\$2,257,625.37
57365	MMUA	\$616.00
57366	MN Dept of Revenue	\$199,648.00
57367	Tony Myers	\$744.50
57368	Nagel Companies LLC	\$2,761.00
57369	NAPA Auto Parts	\$81.05
57370	Gerry Neville	\$188.61
57371	Cindy Nickolay	\$292.11
57372	Northern States Power Co.	\$4,056.98
57373	Parrott Contracting, Inc.	\$1,139.06
57374	Paymentus Corporation	\$15,610.40
57375	Duy Pham	\$152.99
57376	Dan Pierre	\$7.51
57377	Printlink Studios, Inc.	\$513.98
57378	Powerplan	\$3,472.37
57379	Reserve Account	\$2,000.00

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

December 21, 2020

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:

57380	Rice Lake Contracting Group	\$13,692.41
57381	Scott County VSQG Collection Program	\$391.06
57382	SuperValu Inc.	\$22,360.00
57383	Sambatek	\$3,528.00
57384	Short Elliott Hendrickson Inc.	\$45,527.12
57385	Southwest News Media	\$5,155.96
57386	St. Louis MRO, Inc.	\$105.00
57387	Gregory Triplett	\$272.56
57388	Uline, Inc.	\$137.02
57389	UPS Store #4009	\$59.51
57390	Verizon Connect NWF Inc.	\$498.70
57391	Water Conservation Service Inc.	\$323.64
57392	WESCO Receivables Corp.	\$1,423.79
57393	Winch, LLC	\$5,329.03

TOTAL

\$2,895,061.66



Interim Commission Secretary

Commission President



Interim Director of Finance & Administration

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

December 21, 2020

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:

57321	AEM Workforce Solutions, LLC	\$19,450.00	2020 Position classification & compensation study
57322	Amaril Uniform Co.	\$241.82	uniform repair, new clothes for B.S.
57323	Arrow Ace Hardware	\$106.11	All water dept. fit reducer/hex nut, blade, heat proof grease, washers, bracket, eye bolt
57324	B & L Truck Repair Inc.	\$11,115.04	DOT inspections for vehicles
57325	John & Colleen Bain	\$200.00	2020 Irrigation controllers rebate
57326	Robert Berndtson	\$283.48	Mileage reimb.
57327	Border States Electric Supply	\$4,237.23	Elbows
57328	CommScope	\$12,890.00	2020 LED lighting retrofit
57329	CAP Agency	\$25,000.00	SPU support grant fund for COVID Relief
57330	Jennifer L. Carey	\$125.00	2020 Star Clothes Washer rebate
57331	Brad Carlson	\$176.18	Irrigation supplies reimb.
57332	CDW Government LLC	\$458.11	Ink for printers at home
57333	Centerpoint Energy	\$1,640.88	Gas usage for SPU & 10th Ave.
57334	Choice Electric Inc.	\$3,056.10	Pumphouse #15 - \$713.26 WO#(2349) run conduit, install switches,, \$461.84-(WO#2349)- 17th Ave. move damper switch to new location, pull beldon cable from load to scale, read out to Scada, \$800.15 - Pumphouse #6-Unit heater, \$1080.85-Pumphouse #20 - Install new door switch.
57335	Cintas Corp. #754	\$590.29	Red shop towels, replenish first aid boxes in lunchroom
57336	City of Shakopee	\$2,999.07	Nov. fuel usage
57337	City of Shakopee	\$2,015.00	Nov. R.O.W. permits - WO#2434=\$440.00, WO#2339 = \$745.00, WO#2440 - \$190.00 the remainder of \$640.00 goes to 593.00 for permits
57338	Comcast	\$2.25	Cable bill for lunchrooms
57339	Concrete Cutting & Coring Inc.	\$168.03	Oil
57340	Crysteel Truck Equipment	\$13,362.11	Elec. Dept. truck - WO#2359
57341	Customer Contact Services	\$338.88	Answering service for 12/15-1/11/21
57342	Pranab Kanti Das	\$125.00	2020 Star Clothes Washer rebate
57343	Delta Dental Plan of MN	\$6,324.70	December Dental Premiums
57344	Leanne Dodds	\$150.00	2020 Water sense toilet rebate
57345	Ehlers Companies	\$2,562.50	Water connection fee study
57346	Fastenal Ind. & Const. Supplies	\$48.16	Water dept. med split, HCS 5/8
57347	Flyte HCM LLC	\$360.00	Plan renewal agreement, COBRA letters for Sept., Oct. and Nov. and Plan changes letters
57348	Further	\$544.95	Flex dental and dependent care reimb.
57349	Hach Company	\$249.22	Chlorine Reagent
57350	Hawkins Inc.	\$8,259.84	Chlorine Cylinder, Roto Meter for well #2, and Cylinders Chlorine & Fluoride
57351	HealthPartners	\$55,601.53	Dec. Premiums for Health Insurance
57352	HELP/Systems LLC	\$1,163.27	Renewal Maintenance agreement 11/1-10/31/21
57353	Ronald Huntington	\$125.00	2020 Star Clothes Washer rebate
57354	Impact Mailing of Minnesota, Inc.	\$12,894.89	Statements & Collection Letters for 10/30-11/26/20
57355	Innovative Office Solutions LLC	\$2,362.14	Office Supplies
57356	Interstate Companies Inc.	\$1,602.52	Pump house #9 Annual PM Service
57357	Stuart C Irby Co.	\$2,292.09	Grounded parking bushing set, hard hats & shields
57358	ISD #720-High School	\$100,256.03	2020 LED Lighting rebate - CIP
57359	JT Services	\$276.03	Med base lamp for pumphouse
57360	Cindy Menke	\$605.62	W-2's for 2020, and job posting for Project Engineer - reimbursements
57361	Midwest Safety Counselors, Inc.	\$91.33	First aid kits in Trk #619 and #651 - Water dept.
57362	Minn Dept. of Commerce	\$12,306.53	Indirect Assessment for 3rd Qtr. Fiscal year 2021
57363	Minn Valley Testing Labs Inc.	\$691.00	Coliform, Nitrate & Nitrite
57364	MMPA	\$2,257,625.37	November Power bill
57365	MMUA	\$616.00	Power delivery program Mod 3 for T.O.
57366	MN Dept of Revenue	\$199,648.00	Sales & Use Tax for Nov.
57367	Tony Myers	\$744.50	U of M Public works org. & Admin. Course reimbursement
57368	Nagel Companies LLC	\$2,761.00	2020 SPUC Vac Locate on Astoria/Attenborough street
57369	NAPA Auto Parts	\$81.05	Elec. Dept. star brite anti freeze
57370	Gery Neville	\$188.61	Mileage reimb.
57371	Cindy Nickolay	\$292.11	Mileage reimb.
57372	Northern States Power Co.	\$4,056.98	November Power bill
57373	Parrott Contracting, Inc.	\$1,139.06	3 tapping saddles in wellhouse on 17th Ave.
57374	Paymentus Corporation	\$15,610.40	Transaction fees for Nov.
57375	Duy Pham	\$152.99	2020 Irrigation controllers rebate
57376	Dan Pierre	\$7.51	reimbursement for 20 padded CD/DVD mailers
57377	Printlink Studios, Inc.	\$513.98	Copy receipt books

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

December 21, 2020

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:

57378	Powerplan	\$3,472.37	Elec. Dept. backhoe joystick not working, pressure washer hose blew-replaced
57379	Reserve Account	\$2,000.00	Replenish postage in meter machine
57380	Rice Lake Contracting Group	\$13,692.41	Pay request #8-Windermere Booster station
57381	Scott County VSQG Collection Program	\$391.06	Hazardous waste disposal
57382	SuperValu Inc.	\$22,360.00	2020 LED Lighting Retrofit
57383	Sambatek	\$3,528.00	Elevated Water tank #8 - professional services
57384	Short Elliott Hendrickson Inc.	\$45,527.12	\$685.00 - WO#2279, Canterbury Southwest Development, \$13,711.10 - WO#2408 - Windermere South, \$5,219.25 - WO#2259- Water Tank #8, \$5,609.90 - WO#2355 - Water Tower #3, \$3,813.45 - WO#2340 - Powers 1st Addition, \$2,555.39 - WO#2432 - Feasibility Study WT, \$13,933.03 - WO#2356-SHPUC Hanson Blvd. WM CIPP
57385	Southwest News Media	\$5,155.96	November Legals and Project Eng. Posting and Water Meter Tech. posting.
57386	St. Louis MRO, Inc.	\$105.00	Drug Testing for 4th Qtr.
57387	Gregory Triplett	\$272.56	Mileage reimb.
57388	Uline, Inc.	\$137.02	Water dept. Tank #7 - Bollard sleeves
57389	UPS Store #4009	\$59.51	Oil samples from Elec. Dept. meter readers radios
57390	Verizon Connect NWF Inc.	\$498.70	Nov. vehicle service
57391	Water Conservation Service Inc.	\$323.64	Water dept. leak locate Shakopee Ave.
57392	WESCO Receivables Corp.	\$1,423.79	Insulating Cap.15kv
57393	Winch, LLC	\$5,329.03	The willy
	TOTAL	<u>\$2,895,061.66</u>	

Interim Commission Secretary

Commission President

Interim Director of Finance & Administration



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

DATE: December 21, 2020
TO: SPU Commissioners
FROM: Jean McGann, Consulting Finance Director
SUBJECT: November financial results

We have compiled the accompanying combined statement of revenue and expenses and net assets for the electric and water funds for Shakopee Public Utilities as of November 30, 2020. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

Management has elected to omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America. If the omitted disclosures and the statement of cash flows were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Future action

AEM is reviewing the format and content of the financial statements to determine an effective way to provide analytics and analysis. In addition, the dashboard metrics that are typically provided with the financial statements are not included with the November information. We will prepare this information for the January meeting.

In addition, we encourage the Commission to let us know if they have recommendations as to additional or different information you would like to review for the financial reports and/or dashboard metrics.



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Recommendation

The Commission is requested to accept the November 2020 financial statements.

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUE & EXPENSE AND NET ASSETS
COMPARATIVE FINANCIAL RESULTS FOR 2019 - 2020

	2020			2019			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	2019 - 2020 B/(W)	%	2019 - 2020 B/(W)	%	2019 - 2020 B/(W)	%
	\$	\$	\$	\$	\$	\$	\$	%	\$	%	\$	%
OPERATING REVENUES	\$ 44,062,536	5,278,823	49,341,359	49,650,814	4,861,369	54,512,183	(5,588,278)	-11.3%	417,454	8.6%	(5,170,824)	-9.5%
OPERATING EXPENSES												
Operation and Maintenance	35,964,764	2,879,062	38,843,826	40,405,851	2,992,000	43,397,851	4,441,088	11.0%	112,938	3.8%	4,554,026	10.5%
Depreciation	2,338,112	1,685,968	4,024,081	2,326,070	1,584,293	3,910,363	(12,042)	-0.5%	(101,676)	-6.4%	(113,718)	-2.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Total Operating Expenses	38,302,876	4,565,030	42,867,907	42,731,922	4,576,293	47,308,214	4,429,045	10.4%	11,262	0.2%	4,440,308	9.4%
Operating Income	5,759,659	713,793	6,473,452	6,918,892	285,076	7,203,968	(1,159,232)	-16.8%	428,716	150.4%	(730,516)	-10.1%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	111,060	154,878	265,938	259,598	268,265	527,864	(148,539)	-57.2%	(113,387)	-42.3%	(261,926)	-49.6%
Interdepartment Rent from Water	82,500	-	82,500	90,000	-	90,000	(7,500)	-8.3%	-	-	(7,500)	-8.3%
Investment Income	560,056	200,841	760,898	980,762	527,645	1,508,407	(420,706)	-42.9%	(326,804)	-61.9%	(747,510)	-49.6%
Interest Expense	(31,811)	(1,371)	(33,182)	(64,280)	(2,295)	(66,574)	32,469	50.5%	923	40.2%	33,392	50.2%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Gain on the Disposition of Property	9,074	-	9,074	138,545	(62,391)	76,154	(129,471)	-	62,391	100.0%	(67,080)	-
Total Non-Operating Revenue (Expense)	730,879	354,348	1,085,227	1,404,626	731,225	2,135,851	(673,747)	-48.0%	(376,877)	-51.5%	(1,050,623)	-49.2%
Income Before Contributions and Transfers	6,490,538	1,068,141	7,558,679	8,323,518	1,016,301	9,339,819	(1,832,979)	-22.0%	51,840	5.1%	(1,781,140)	-19.1%
CAPITAL CONTRIBUTIONS	16,589	3,124,921	3,141,509	759,222	6,922,746	7,681,969	(742,633)	-97.8%	(3,797,826)	-54.9%	(4,540,459)	-59.1%
TRANSFER TO MUNICIPALITY	(1,904,841)	(310,468)	(2,215,309)	(1,424,805)	(999,320)	(2,424,125)	(480,036)	-33.7%	688,852	68.9%	208,816	8.6%
CHANGE IN NET POSITION	4,602,286	3,882,593	8,484,879	7,657,935	6,939,728	14,597,662	(3,055,649)	-39.9%	(3,057,134)	-44.1%	(6,112,783)	-41.9%
TOTAL NET ASSETS - Beginning of Year	84,575,793	75,060,809	159,636,602	76,917,858	68,121,082	145,038,940	7,657,935	10.0%	6,939,728	10.2%	14,597,662	10.1%
PRIOR PERIOD ADJUSTMENT	-	-	-	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Beginning of Year, as Restated	\$ 84,575,793	75,060,809	159,636,602	76,917,858	68,121,082	145,038,940	7,657,935	10.0%	6,939,728	10.2%	14,597,662	10.1%
TOTAL NET ASSETS - END OF YEAR	\$ 89,178,079	78,943,403	168,121,482	84,575,793	75,060,809	159,636,602	4,602,286	5.4%	3,882,593	5.2%	8,484,879	5.3%

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE**

	2020	2019	2019 - 2020 Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 16,755,605	17,314,821	(559,216)	-3.2%
Commercial	26,502,948	31,261,141	(4,758,193)	-15.2%
Uncollectible accounts	-	(61,116)	61,116	100.0%
Total Sales of Electricity	43,258,553	48,514,846	(5,256,293)	-10.8%
Forfeited Discounts	60,835	304,445	(243,610)	-80.0%
Free service to the City of Shakopee	98,004	106,913	(8,909)	-8.3%
Conservation program	645,144	724,610	(79,465)	-11.0%
Total Operating Revenues	44,062,536	49,650,814	(5,588,278)	-11.3%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	30,385,594	34,198,101	3,812,507	11.1%
Distribution operation expenses	481,167	450,752	(30,414)	-6.7%
Distribution system maintenance	615,448	650,200	34,752	5.3%
Maintenance of general plant	227,372	308,833	81,460	26.4%
Total Operation and Maintenance	31,709,581	35,607,886	3,898,305	10.9%
Customer Accounts				
Meter Reading	117,079	127,806	10,728	8.4%
Customer records and collection	588,341	523,715	(64,626)	-12.3%
Energy conservation	324,237	724,610	400,373	55.3%
Total Customer Accounts	1,029,656	1,376,131	346,475	25.2%
Administrative and General				
Administrative and general salaries	607,741	666,835	59,094	8.9%
Office supplies and expense	133,602	173,835	40,233	23.1%
Outside services employed	402,921	133,237	(269,684)	-202.4%
Insurance	118,834	127,006	8,172	6.4%
Employee Benefits	1,712,595	1,953,383	240,788	12.3%
Miscellaneous general	249,833	367,538	117,704	32.0%
Total Administrative and General	3,225,527	3,421,834	196,308	5.7%
Total Operating Expenses	35,964,764	40,405,851	4,441,088	11.0%
Depreciation	2,338,112	2,326,070	(12,042)	-0.5%
Amortization of plant acquisition	-	-	-	#DIV/0!
Total Operating Expenses	\$ 38,302,876	42,731,922	4,429,045	10.4%
OPERATING INCOME	\$ 5,759,659	6,918,892	(1,159,232)	-16.8%

SHAKOPEE PUBLIC UTILITIES WATER OPERATING REVENUE AND EXPENSE

	2020	2019	2019 - 2020 Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 5,275,221	4,827,271	447,950	9.3%
Forfeited Discounts	3,602	42,475	(38,873)	-91.5%
Uncollectible accounts	-	(8,377)	8,377	100.0%
Total Operating Revenues	<u>5,278,823</u>	<u>4,861,369</u>	<u>417,454</u>	<u>8.6%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	552,865	522,704	(30,161)	-5.8%
Pumping and distribution maintenance	371,615	420,452	48,837	11.6%
Power for pumping	260,812	289,410	28,599	9.9%
Maintenance of general plant	47,144	67,722	20,578	30.4%
Total Operation and Maintenance	<u>1,232,435</u>	<u>1,300,288</u>	<u>67,852</u>	<u>5.2%</u>
Customer Accounts				
Meter Reading	63,955	66,830	2,875	4.3%
Customer records and collection	170,663	130,908	(39,755)	-30.4%
Energy conservation	1,169	-	(1,169)	-
Total Customer Accounts	<u>235,788</u>	<u>197,739</u>	<u>(38,049)</u>	<u>-19.2%</u>
Administrative and General				
Administrative and general salaries	392,713	407,966	15,252	3.7%
Office supplies and expense	44,342	61,984	17,643	28.5%
Outside services employed	172,242	76,964	(95,278)	-123.8%
Insurance	39,611	42,335	2,724	6.4%
Employee Benefits	609,546	712,946	103,399	14.5%
Miscellaneous general	152,384	191,778	39,394	20.5%
Total Administrative and General	<u>1,410,839</u>	<u>1,493,973</u>	<u>83,135</u>	<u>5.6%</u>
Total Operating Expenses	<u>2,879,062</u>	<u>2,992,000</u>	<u>112,938</u>	<u>3.8%</u>
Depreciation	1,685,968	1,584,293	(101,676)	-6.4%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>4,565,030</u>	<u>4,576,293</u>	<u>11,262</u>	<u>0.2%</u>
OPERATING INCOME	\$ 713,793	285,076	428,716	150.4%

SHAKOPEE PUBLIC UTILITIES

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

	Year to Date Actual - November 2020			Year to Date Budget - November 2020			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	\$ 44,062,536	5,278,823	49,341,359	46,469,713	5,100,577	51,570,289	(2,407,177)	-5.2%	178,246	3.5%	(2,228,931)	-4.3%
OPERATING EXPENSES												
Operation, Customer and Administrative	35,964,764	2,879,062	38,843,826	38,521,852	3,265,946	41,787,797	2,557,088	6.6%	386,884	11.8%	2,943,971	7.0%
Depreciation	2,338,112	1,685,968	4,024,081	2,316,837	1,712,925	4,029,763	(21,275)	-0.9%	26,957	1.6%	5,682	0.1%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	38,302,876	4,565,030	42,867,907	40,838,689	4,978,871	45,817,560	2,535,813	6.2%	413,841	8.3%	2,949,653	6.4%
Operating Income	5,759,659	713,793	6,473,452	5,631,024	121,706	5,752,730	128,636	2.3%	592,087	-486.5%	720,722	12.5%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	111,060	154,878	265,938	231,986	178,049	410,035	(120,926)	-52.1%	(23,171)	-13.0%	(144,097)	-35.1%
Interdepartment Rent from Water	82,500	-	82,500	82,500	-	82,500	-	0.0%	-	-	-	0.0%
Investment Income	560,056	200,841	760,898	617,272	255,228	872,500	(57,216)	-9.3%	(54,387)	-21.3%	(111,603)	-12.8%
Interest Expense	(31,811)	(1,371)	(33,182)	(59,544)	(2,009)	(61,553)	27,733	46.6%	638	31.7%	28,371	46.1%
Amortization of Debt Issuance Costs and Loss on Refundi	-	-	-	-	-	-	-	#DIV/0!	-	0.0%	-	#DIV/0!
Gain/(Loss) on the Disposition of Property	9,074	-	9,074	-	-	-	9,074	0.0%	-	-	9,074	-
Total Non-Operating Revenue (Expense)	730,879	354,348	1,085,227	872,213	431,269	1,303,482	(141,334)	-16.2%	(76,920)	-17.8%	(218,255)	-16.7%
Income Before Contributions and Transfers	6,490,538	1,068,141	7,558,679	6,503,237	552,975	7,056,212	(12,699)	-0.2%	515,166	93.2%	502,467	7.1%
CAPITAL CONTRIBUTIONS	16,589	3,124,921	3,141,509	-	3,624,993	3,624,993	16,589	-	(500,072)	-13.8%	(483,484)	-13.3%
MUNICIPAL CONTRIBUTION	(1,904,841)	(310,468)	(2,215,309)	(2,019,067)	(189,005)	(2,208,072)	114,226	5.7%	(121,463)	-64.3%	(7,237)	-0.3%
CHANGE IN NET POSITION	\$ 4,602,286	3,882,593	8,484,879	4,484,170	3,988,963	8,473,132	118,116	2.6%	(106,369)	-2.7%	11,747	0.1%

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE**

	YTD Actual		YTD Budget		YTD Actual v. Budget	
	Nov-20		Nov-20		Better/(Worse)	
					\$	%
OPERATING REVENUES						
Sales of Electricity						
Residential	\$	16,755,605		16,242,356	513,248	3.2%
Commercial and Industrial		26,502,948		29,224,715	(2,721,767)	-9.3%
Uncollectible accounts		-		-	-	#DIV/0!
Total Sales of Electricity		43,258,553		45,467,071	(2,208,518)	-4.9%
Forfeited Discounts		60,835		249,906	(189,071)	-75.7%
Free service to the City of Shakopee		98,004		78,370	19,634	25.1%
Conservation program		645,144		674,366	(29,221)	-4.3%
Total Operating Revenues		44,062,536		46,469,713	(2,407,177)	-5.2%
OPERATING EXPENSES						
Operations and Maintenance						
Purchased power		30,385,594		31,874,241	1,488,647	4.7%
Distribution operation expenses		481,167		447,792	(33,374)	-7.5%
Distribution system maintenance		615,448		627,381	11,933	1.9%
Maintenance of general plant		227,372		325,460	98,087	30.1%
Total Operation and Maintenance		31,709,581		33,274,873	1,565,293	4.7%
Customer Accounts						
Meter Reading		117,079		117,342	263	0.2%
Customer records and collection		588,341		546,909	(41,433)	-7.6%
Energy conservation		324,237		664,481	340,244	51.2%
Total Customer Accounts		1,029,656		1,328,731	299,075	22.5%
Administrative and General						
Administrative and general salaries		607,741		701,718	93,976	13.4%
Office supplies and expense		133,602		247,367	113,765	46.0%
Outside services employed		402,921		428,275	25,354	5.9%
Insurance		118,834		153,209	34,375	22.4%
Employee Benefits		1,712,595		1,912,305	199,710	10.4%
Miscellaneous general		249,833		475,374	225,540	47.4%
Total Administrative and General		3,225,527		3,918,247	692,720	17.7%
Total Operation, Customer, & Admin Expenses		35,964,764		38,521,852	2,557,088	6.6%
Depreciation		2,338,112		2,316,837	(21,275)	-0.9%
Amortization of plant acquisition		-		-	-	0.0%
Total Operating Expenses	\$	38,302,876		40,838,689	2,535,813	6.2%
OPERATING INCOME	\$	5,759,659		5,631,022	128,637	2.3%

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE**

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	November-20	November-20	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 5,275,221	5,061,420	213,801	4.2%
Forfeited Discounts	3,602	39,157	(35,555)	-90.8%
Uncollectible accounts	-	-	-	#DIV/0!
Total Operating Revenues	5,278,823	5,100,577	178,246	3.5%
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	552,865	514,122	(38,744)	-7.5%
Pumping and distribution maintenance	371,615	458,300	86,685	18.9%
Power for pumping	260,812	280,904	20,092	7.2%
Maintenance of general plant	47,144	83,268	36,124	43.4%
Total Operation and Maintenance	1,232,435	1,336,593	104,157	7.8%
Customer Accounts				
Meter Reading	63,955	63,576	(379)	-0.6%
Customer records and collection	170,663	150,389	(20,274)	-13.5%
Energy conservation	1,169	9,167	7,997	-
Total Customer Accounts	235,788	223,131	(12,656)	-5.7%
Administrative and General				
Administrative and general salaries	392,713	450,160	57,447	12.8%
Office supplies and expense	44,342	88,064	43,722	49.6%
Outside services employed	172,242	220,137	47,895	21.8%
Insurance	39,611	51,070	11,458	22.4%
Employee Benefits	609,546	702,042	92,495	13.2%
Miscellaneous general	152,384	194,749	42,365	21.8%
Total Administrative and General	1,410,839	1,706,222	295,383	17.3%
Total Operation, Customer, & Admin Expenses	2,879,062	3,265,946	386,884	11.8%
Depreciation	1,685,968	1,712,925	26,957	1.6%

Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 4,565,030</u>	<u>4,978,871</u>	<u>413,841</u>	<u>8.3%</u>
 OPERATING INCOME	 <u>\$ 713,793</u>	 <u>121,706</u>	 <u>592,087</u>	 <u>-486.5%</u>

Monthly Water Dashboard

As of: November 2020

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

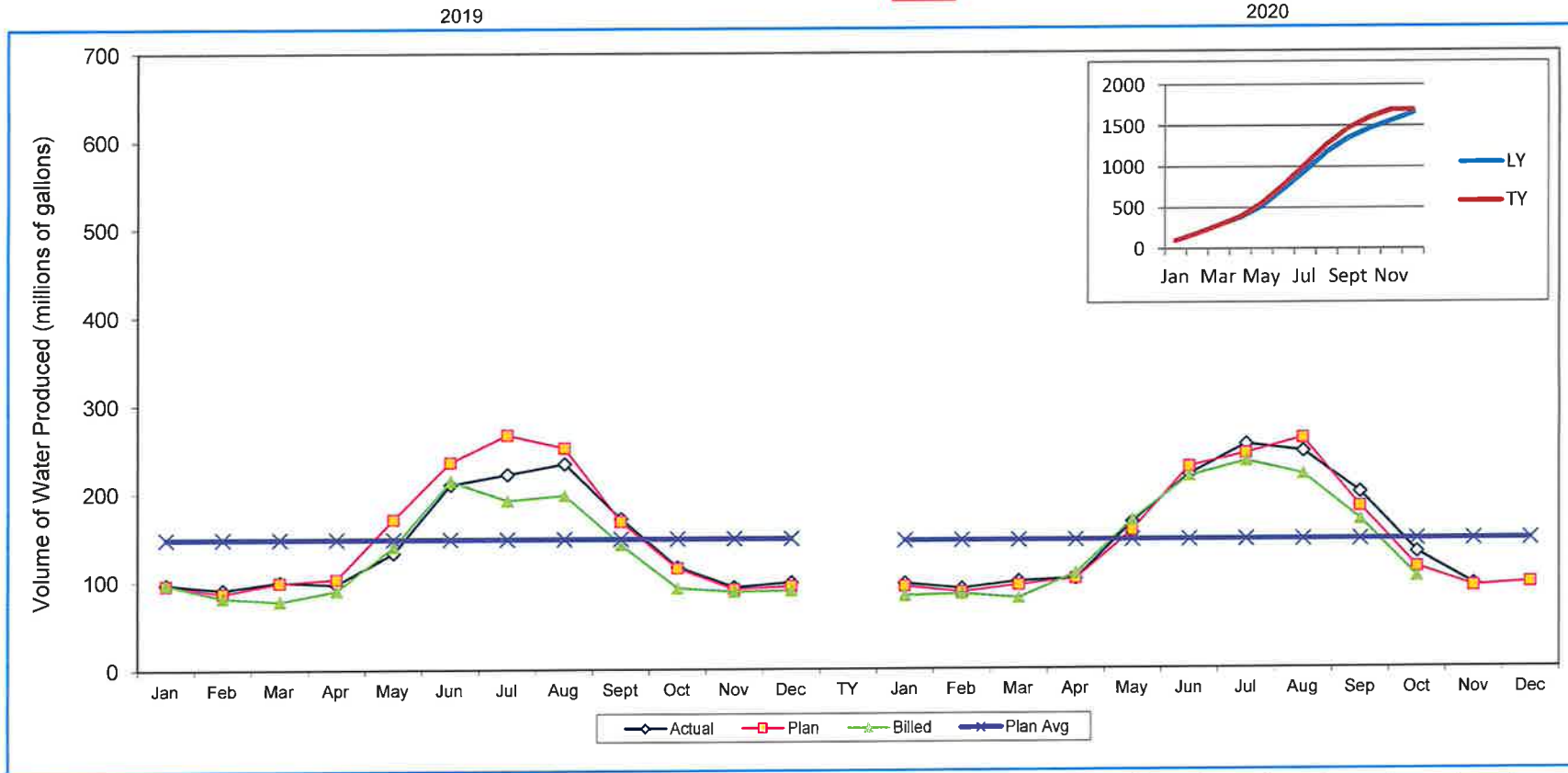
Element/Measure

Water Pumped/Metered

Averages

Last 6 months actuals	220	254	246	199	131	94
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2017	147
2018	153
2019	139





	LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual		97	91	100	97	133	210	222	234	171	116	93	98		97	91	99	102	166	220	254	246	199	131	94	
Plan		96	87	99	103	171	236	267	252	168	115	91	94		94	87	95	102	156	229	244	261	183	114	92	96
YTD % *															103%	104%	104%	103%	104%	102%	102%	101%	102%	103%	103%	
Billed		97	82	78	90	140	214	192	198	142	92	88	89		83	85	80	108	168	218	235	220	168	103		

* Actual gallons pumped vs. Plan



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TO: Greg Drent, Interim Utilities Manager 
FROM: Joseph D. Adams, Planning & Engineering Director 
SUBJECT: MMPA Economic Development Tool
DATE: December 16, 2020

ISSUE

MMPA SPU's wholesale power supplier is promoting to its member utilities a Transmission Transformed Rate for very large electric demand customers as an economic development tool.

BACKGROUND

Customers with very large electric demands, e.g. greater than 5 MW or 5000 KW such as a data center, have certain cost criteria for electric service and to be competitive in attracting these customers MMPA developed the Transmission Transformed rate to meet these customer's needs and expectations.

DISCUSSION

There are no existing SPU customers that have a large enough demand to qualify for this rate.

REQUESTED ACTION

Staff requests the Commission approve the Transmission Transformed Rate as described on the attachment.

Shakopee Public Utilities (SPU)

ELECTRIC RATE SCHEDULE – TRANSMISSION TRANSFORMED SERVICE

Conditions of Service

- Customer must take retail three-phase electric service at a transmission transformed voltage via direct connection to one of SPU's distribution substations.
- Customer must have a minimum annual peak demand of 5,000 kilowatts (kW).
- Customer's annual load factor must be no less than 75%.
- Customers that fail to meet the above criteria shall be moved to another electric rate schedule.
- New customers not yet taking service must demonstrate that they are likely to meet the above criteria prior to taking service under this rate schedule.
- Any Customer taking service under this electric rate schedule must acknowledge that this rate schedule contains market-based pricing that subjects the Customer to certain risks, including fluctuation in rates and prices set by the Midcontinent Independent System Operator (MISO).
- Any Customer desiring to take service under this rate schedule must execute a contract with SPU that commits to a minimum term of service, outlines the expected peak demand and load factor, and acknowledges the risks of market-based pricing.

Billing Determinants

Energy: Actual metered hourly usage

Transmission Demand: Monthly maximum metered 15-minute Customer demand, adjusted for:

- Applicable MISO zone transmission losses

Capacity: Customer shall select one of the options below:

- If Customer has its own generation, then the capacity billing determinant shall be the maximum metered 15-minute demand in excess of Customer's actual generation in a given month. To qualify for the billing determinant in the preceding sentence, Customer's generation must be registered with MISO and comply with all MISO requirements for capacity resources.
- If Customer does not have its own generation, or if Customer fails to register its generation with MISO or fails to comply with all MISO requirements for capacity resource, then the capacity billing determinant shall be monthly maximum metered 15-minute Customer demand.

Rates

The following charges shall apply to all energy quantities:

- MISO Real-Time Locational Marginal Price at the applicable MISO Node
- All applicable MSIO Ancillary Services Charges
- MSIO Multi-Value Project Charges

- A charge of .01 cents per kWh for the cost of compliance with the State of Minnesota's Renewable Energy Standard
- A charge of one cent per kWh to cover all dispatch, billing, and administrative costs. This charge shall be inclusive of all franchise fees and regulatory charges imposed by SPU on all customers.

The following charges shall apply to all transmissions demand quantities:

- All applicable MISO transmission charges, including but not limited to:
 - Schedule 1
 - Schedule 2
 - Schedule 9
 - Schedule 26

The following charges shall apply to all capacity quantities:

- The above-defined billing determinant multiplied by
 - \$9.60 per kW-month for all capacity quantities during the months of June through September
 - \$3.50 per kW-month for all capacity quantities during the months of October through May
- These rates shall apply to any demand provided to a Customer with its own capacity when Customer's capacity does not perform when requested by SPU or SPU's wholesale power provider, or when Customer's generations fails to comply with all MISO requirements for capacity resources.


Customer shall pay a monthly transformation charge based on the cost of providing transmission transformed service to Customer, including recovery of costs for any new substation or related facilities.


Customer is responsible for any new charges or fees imposed by MSIO or any new regulatory or legislative action that results in increase costs to provide power supply to Customer.

All rates in this electric rate schedule are subject to change on an annual basis.



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TO: Greg Drent, Interim Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: West Shakopee Substation Update

DATE: December 15, 2020

ISSUE

Staff would like to update the Utilities Commission on the latest developments for the substation project.

BACKGROUND

The Commission is planning to construct a new electrical substation to serve the growing load on the west side of the existing SPU electric service territory and position itself to be able to also serve newly annexed areas of the city now outside the service territory that are planned to be acquired by SPU.

DISCUSSION

Staff recently submitted a Conditional Use Permit application to the city of Shakopee to begin the city review of the project. The CUP application and city staff comments will be on a future Board of Adjustment and Appeals/Planning Commission meeting agenda along with the property owners' application for a minor subdivision to create the separate parcel that is the subject of a purchase agreement between SPU and the property owners. The tentative Planning Commission meeting date is January 7, 2021.

Staff, with assistance from Leidos, is planning to hold a neighborhood meeting per the city's requirements in advance of the public hearing to gather comments/concerns from surrounding properties.

The next step in the process of securing approvals from the Federal Energy Regulatory Commission (FERC), the Midcontinent Independent System Operator (MISO) of the transmission system and Xcel Energy the transmission system owner is the completion of a Facilities Study by Xcel Energy. While it was initially thought by Xcel Energy staff that an agreement with SPU to cover the cost of the study was necessary, staff has been informed that



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the agreement is no longer necessary and that the cost of the study will be absorbed into the transmission system's cost of service rates.

The study's purpose is:

Transmission owner must determine: (a) the adequacy of the Transmission Owner's distribution and transmission systems to accommodate the Requestor's Project; (b) any required network modifications or upgrades which would be needed to accommodate the Requestor's Project; (c) the estimated costs of direct assignment facilities or network upgrades for the Transmission Owner to perform any such modifications or upgrades.

REQUESTED ACTION

This is an information item and no action is necessary at this time.

NOTICE OF PUBLIC HEARING

Notice is hereby given that the Board of Adjustment and Appeals will meet in the Council Chambers at City Hall, 485 Gorman St., Shakopee, on January 7, 2021, at 7 p.m. or thereafter to consider an application by Ledios Engineering, LLC and Shakopee Public Utilities to allow an over-height electrical substation at 2022 Colburn Drive in the B-1 Highway Business Zone of the City of Shakopee.

Comments from interested citizens concerning this matter will be taken at this public hearing. Any questions concerning this application may be addressed by calling Mark Noble, Senior Planner, at 952-233-9348 or by email at mnoble@shakopeemn.gov prior to the January 7th meeting.

Dated December 10, 2020.

Mark Noble
Senior Planner

Caselog SH104629 – Conditional Use Permit – 2022 Colburn Drive

The following items must be completed prior to the Public Hearing scheduled for January 7, 2021. If any components are not met the Public Hearing will be continued to the next meeting after these things have been addressed.

1. 1 Sign(s) will be installed on your property by the City. This sign will need to be up for 2 weeks prior to the Public Hearing (December 22nd, 2020 - January 7th, 2021).
2. A list of mailing labels for property owners within 500' for your neighborhood meeting are also enclosed for mailing your notices. Please conduct your meeting at least 8 days prior to the January 7th, 2021 meeting in a location that is convenient to the area. Meeting should be after 5:00pm on weekdays or on the weekend. Notices must be mailed by you no later than 5 days prior to the Neighborhood Meeting. Send a copy of the letter sent to neighboring properties and a copy of the sign in sheet from your meeting along with a summary of issues and/or concerns to: Andrew Boucher, 485 Gorman Street, Shakopee, MN 55379 or email to aboucher@shakopeemn.gov

Sample of Potential Places for Neighborhood Meetings:

Many Businesses, Hotels, Restaurants and Churches have space available for a fee. Location needs to be convenient for the residents affected. Your site may also be used if convenient for the public.

Zoom or virtual meetings are acceptable so long as sign-in lists and proof of meeting are provided.

FREE SPACE RENTAL AVAILABLE AT:

Scott County Library, 235 Lewis Street, (952) 233-9390

Shakopee Community Center, 1255 Fuller Street, (952) 233-9500

Shakopee Youth Building, 1099 Adams Street South (952) 233-9500

Shakopee City Hall Campus, 485 Gorman Street (952) 233-9314

School District, 1200 Town Square Mall, (952) (952) 496-5000

If you have any questions, please feel free to contact Andrew Boucher at (952) 233-9347 aboucher@shakopeemn.gov or your Project Manager Mark Noble (952) 233-9348 mnoles@shakopeemn.gov



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DATE: December 21, 2020
TO: SPU Commissioners
FROM: Jean McGann, Consulting Finance Director
SUBJECT: Investment policy and investment management

Background

At the October 30, 2020 Commission meeting Joseph Adams, Planning & Engineering Director, provided the resolutions adopting the Investment policies since 1999. The most recent investment policy was adopted January 17, 2012.

Issue

In reviewing the investment policy there are several areas that should be updated and/or clarified. In addition, the overall investment portfolio needs review to ensure SPU is securing the best possible yield on investments while staying within the statutory requirements.

SPU currently uses Wells Fargo, CDARS and 4M as the primary investment institutions. Outlined below is a summary of investments as of November 30, 2020.

Institution	Amount	Type	Weighted average Yield	Average Maturity
4M	16,750,757	Cash	0.02%	liquid
4M Plus	16,751,033	Cash	0.05%	75.73 days
4M Plus	6,740,045	Treasuries and CD's	0.74%	75.73 days
Old National - CDARS	5,631,047	CD's	0.05%	liquid
American National Bank	6,830,341	Cash	0.00%	liquid
Old National	237,873	Cash	0.01%	liquid
Wells Fargo	1,352,510	Cash	0.07%	liquid
Wells Fargo	18,200,499	Bonds and Notes	1.47%	
	<u>\$ 72,494,105</u>			

As of November 30, 2020 SPU, has \$41.9M in liquid funds and \$30.6M in investments. Although interest on allowable investments is low, it is advisable to invest liquid funds as much as possible.



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Recommendation

In order to ensure SPU receives the highest rate of return possible on liquid funds, I recommend the follow steps are taken:

1. AEM refine the cash flow analysis to indicate a minimum liquid cash availability and develop a laddering for investments
2. AEM to provide recommendations for revisions to the existing Investment Policy
3. SPU/AEM to prepare a request for information for investment brokers and/or professional investment firm.

There are two option for managing investments. The first is to utilize internal staff to determine investments using two or three brokers for assistance. The second option is to utilize a professional investment firm. Given the significant amount of funds available for investment I believe it is advisable to consult with a professional investment firm.

The Commission is requested to provide direction to move forward as indicated above.



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SHAKOPEE PUBLIC UTILITIES INVESTMENT POLICY

As of January 17, 2012

Appendix A to Resolution #1012

I. PURPOSE AND NEED FOR POLICY

It is the policy of the Shakopee Public Utilities Commission to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow requirements of the Shakopee Public Utilities Commission and conforming to all state and local statutes governing the investment of public funds. The purpose of this Policy is to develop an overall program for cash investments, designed and managed with a high degree of professionalism, worthy of the public trust; to establish that appointed officials and employees are custodians of a portfolio which shall be subject to public review; to establish cash investment objectives, delegation of authority, standards of prudence, internal controls, authorized investments, selection process for investments, and broker representations.

II. SCOPE

This Policy applies to the investment and deposit of all funds of the Shakopee Public Utilities Commission.

A. Pooling of Funds

Except for cash in certain restricted and special funds, the Shakopee Public Utilities Commission will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

III. OBJECTIVE

At all times, investments of the Shakopee Public Utilities Commission shall be in accordance with Minnesota Statutes Chapter 118A and amendments thereto. The primary objectives of the Shakopee Public Utilities Commission's investment activities shall be in the following order of priority:

A. Safety

Safety of principal is the foremost objective of the investment portfolio. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk, interest rate risk, and custodial risk.

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Credit Risk: Credit Risk is the risk of loss due to failure of the security issuer or backer. Thus, designated depositories shall have insurance through the FDIC (Federal Insurance) or the SIPC (Securities Investor Protection Corporation). To ensure safety, it is the policy of the Shakopee Public Utilities Commission that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the Shakopee Public Utilities Commission will approve all financial institutions, brokers, and advisers with which the Shakopee Public Utilities Commission will do business.

Interest Rate Risk: Interest Rate Risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. The Shakopee Public Utilities Commission will minimize Interest Rate Risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Custodial Risk: The Shakopee Public Utilities Commission will minimize deposit Custodial Risk, which is the risk of loss due to failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet projected disbursement requirements. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands. Generally, investments shall have “laddered” maturities so that money becomes available on a regular schedule. Liquid funds will allow the Shakopee Public Utilities Commission to meet possible cash emergencies without being penalized on investments.

Duration: The duration of the fixed income portfolio shall remain within 10% of the stated benchmark. The maximum maturity of a holding that may be purchased for the portfolio may not exceed 5 years and no more than 10% of aggregate holdings within the portfolio may exceed the 3 - 5 year maturity level at any time.

C. Yield

The investment portfolio shall be designed to manage the funds to maximize returns consistent with items A and B above and within the requirements set forth in this Policy. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic

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cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal
- A security swap would improve the quality.
- Liquidity needs of the portfolio require that the security be sold.

IV. DELEGATION OF AUTHORITY

Responsibility for the investment program is hereby delegated from the Shakopee Public Utilities Commission to the Utilities Manager and/or the Director of Finance and Administration. Authority to conduct actual investment transactions may be delegated to the Utilities Manager, and/or the Director of Finance and Administration, who shall act in accordance with procedures as established with this investment policy. The authorized individuals, when acting in accordance with this Policy and exercising due diligence, shall not be held responsible for losses, provided that the losses are reported immediately and that appropriate action is taken to control further losses.

V. PRUDENCE

The standard of prudence to be used by investment officials shall be the “prudent investor”, and shall be applied in the context of managing the investments. All investment transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion and intelligence would exercise in the management of their own affairs. This standard of prudence shall mean not for speculation, and with consideration of the probable safety of the capital as well as the probable investment return derived from assets.

VI. INTERNAL CONTROLS

Internal controls are designed to prevent loss of public funds due to fraud, error, misrepresentation, unanticipated market changes, or imprudent actions. Before the Shakopee Public Utilities Commission invests any surplus funds, competitive quotations shall be obtained. Written quotations from local financial institutions shall be obtained via fax, email or other form of written documentation, with all of them receiving the exact same rate request. Verbal quotations shall be received from all other brokers, along with a subsequent confirmation. If a specific maturity date is required, either for cash flow purposes or for conformance to maturity guidelines, quotations will be requested for instruments that meet the maturity requirement. If no specific maturity is required, a yield analysis will be conducted to determine which maturities would be most advantageous. Quotations will be requested from financial institutions for various options with regard to term and investment type. The Shakopee Public Utilities Commission will accept the quotation, which provides the highest rate of return within the maturity required and within the limits of this Policy.



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The Utilities Manager and/or Director of Finance and Administration will report periodically to the Shakopee Public Utilities Commission on the total of all funds invested and the total interest received on all securities year to date.

VII. AUTHORIZED INVESTMENTS AND COLLATERALIZATION

All Shakopee Public Utilities Commission investments and deposits shall be those allowable by Minnesota Statutes Chapter 118A and amendments thereto. In accordance with Minnesota Statutes 118A, collateralization will be required on all demand deposit accounts, including checking, savings, and money market accounts, and non-negotiable certificates of deposit in excess of federal deposit insurance.

State law defines the types of securities that a financial institution may pledge as collateral for public deposits. These securities include:

- United States Treasury Issues
- Issues of US Government Agencies and Instrumentalities
- Obligations of State and Local Governments
- Time Deposits (Certificates of Deposits fully insured by the federal deposit insurance company or federal agency).

Since the amount a public entity has on deposit will vary from time to time, the financial institution needs sufficient amounts of pledged collateral to cover 110% of the uninsured amount on deposit during peak deposit times.

State law permits investment in the following types of securities:

- Federal Securities – Treasury bills, notes and bonds, as well as bonds and notes issued by or guaranteed by U.S. Government Agencies such as the Small Business Administration or GNMA, or by U.S. Government instrumentalities such as FNMA, Federal Home Loan Bank, or Federal Farm Credit Bank or FHLMC (Freddie Mac)
- State and Local Securities – Bonds and other debt instruments issued by cities, counties, states or other governmental units subject to rating requirements as defined under Minnesota Statutes 118A.
- Commercial Paper – Rated short term debt issued by U.S. corporations or their Canadian subsidiaries
- Guaranteed Investment Contracts
- Certificates of Deposit – Issued by U.S. Banks fully insured by FDIC
- Bankers’ Acceptances – Issued by U.S. Banks
- Money Market Mutual Funds – Subject to certain ratings
- Government Investment Pools, including the 4M Funds, the Liquid Asset Fund, MAGIC Fund, and MN Trust

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Additional Portfolio Guidelines:

- Bonds must be rated by at least by one Nationally Recognized Securities Rating Organization (“NRSRO”). If the downgrade of a single bond forces the holding below the lowest rating allowed for that security, the advisor will notify Shakopee Public Utilities within a reasonable timeframe, the holding will be discussed, and a decision made based on valuation by the Advisor whether to hold or sell the bond with consent of Shakopee Public Utilities.
- Individual holdings of obligors other than those backed by the U.S. Government, its agencies, or its instrumentalities are limited to 3% of the total market value of the portfolio at the time of purchase.
- Investment managers shall purchase or sell securities through firm(s) offering the best price and execution, unless otherwise directed by the Client.
- All fixed income investments will be U.S. dollar denominated.

An investment purchased by a public entity can only be held in safekeeping with:

- a Federal Reserve Bank,
- a United States bank with corporate trust powers,
- a primary reporting dealer to the Federal Reserve Bank of New York (primary reporting dealers),
or
- a broker dealer having its principal executive office in Minnesota

VIII. DIVERSIFICATION

The Shakopee Public Utilities Commission will attempt to diversify its investments according to type and maturity. The portfolio, as much as possible, will contain both short-term and long-term investments. The Shakopee Public Utilities Commission will attempt to match its investments with anticipated cash flow requirements. Extended maturities may be utilized to take advantage of higher yields.

IX. REPORTING

A. Methods

Investment Advisors will provide monthly reporting on the status of the current investment portfolio and individual transaction executed over the last month. The report will include the following:

- Listing of individual securities held at the end of the reporting period
- Realized and unrealized gains or losses resulting from appreciation or depreciation by listing the cost and market value of securities one-year duration that are not intended to be held until maturity



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- Average weighted yield to maturity of portfolio on investments as compared to applicable benchmarks.
- Listing of investments by maturity date
- Percentage of the total portfolio which each type of investment represents
- The market value of the portfolio shall be calculated and issued monthly

B. Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Benchmarks shall be established against which portfolio performance shall be compared on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken and the benchmark shall have a similar weighted average maturity as the portfolio.

Stated Benchmark for Fixed Income Portfolio: Barclays Capital 0-3 Government Index (75%)/ Bank of America/Merrill Lynch 3 month T-Bill (25%)

Stated Benchmark for Short Term Cash Portfolio: Barclays 3 Month T-Bill

C. Marking to Market

The market value of the portfolio shall be calculated and updated in the financial reporting for Shakopee Public Utilities at least quarterly.

X. CONFLICT OF INTEREST

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions.

XI. BROKER REPRESENTATIONS

Municipalities must obtain from their brokers certain representations regarding future investments. Pursuant to Minnesota Statutes 118A, the Shakopee Public Utilities Commission shall provide each broker with the Shakopee Public Utilities Commission’s investment policy, and the securities broker shall submit a certification annually to the Shakopee Public Utilities Commission stating that the officer has reviewed the investment policies and objectives, as well as applicable state law, and agrees to disclose potential conflicts of interest or risk to public funds that might arise out of business transactions between the firm and the Shakopee Public Utilities Commission. All financial institutions shall agree to undertake reasonable efforts to preclude imprudent transactions involving the Shakopee Public Utilities Commission’s funds.




RESOLUTION #1017

A RESOLUTION ADOPTING A REVISED INVESTMENT POLICY

BE IT RESOLVED, the Shakopee Public Utilities Commission, in the meeting duly assembled on May 7, 2012 that the Shakopee Public Utilities Commission does adopt the Investment Policy dated May 7, 2012 as represented in Appendix "A" to this Resolution, which supersedes, Resolution #1012, Appendix "A".

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

Adopted in adjourned regular session of the Shakopee Public Utilities Commission this 7th day of May, 2012.



Commission President: Joseph Helkamp

ATTEST:



Commission Secretary: John R. Crooks

MCGRANN SHEA CARNIVAL STRAUGHN & LAMB, CHARTERED

MEMORANDUM

To: Shakopee Public Utilities Commissioners
From: Kaela Brennan
Date: December 16, 2020
Re: Governance Handbook Review

As you know, the Commission requested legal review of the Governance Handbook. I have reviewed the document, and I enclose my recommended changes, as well as a clean version, for your review and comment. I wanted to note a few items, in particular:

1. I recommend separating the Governance Handbook from the Social Media Policy, which should be a separate policy. I understand that this policy will be on a future Commission agenda.
2. Commissioner contact information should be kept separate from the Governance Handbook, to avoid posting of non-public or protected information.
3. I have suggested changes that seek to provide clarity, and that reflect the practices of the Commission that I have observed over the past six or so months, including as to informal working groups on specific topics.
4. The Commission has the right to modify the Governance Handbook at any time.

Recommended Action: Adopt the Governance Handbook, as revised.

Please feel free to contact me if you have any questions. I look forward to the discussion at the December 21, 2020 meeting.



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GOVERNANCE HANDBOOK

**SHAKOPEE PUBLIC UTILITIES COMMISSION 255
SARAZIN STREET
SHAKOPEE, MN 55379**

TABLE OF CONTENTS

GOVERNANCE PRINCIPALS	3
<u>COMMISSION MEETINGS</u>	<u>4</u>
ROLE OF THE SPUC BOARD	4 <u>COMMISSION</u>
.....	<u>5</u>
ROLE OF AN INDIVIDUAL SPUC COMMISSION MEMBER	5 <u>COMMISSIONER</u>
.....	<u>6</u>
ROLE OF THE SPUC PRESIDENT	6 <u>ROLE OF SPU PRESIDENT</u>
.....	<u>7</u>
ROLE OF THE SPUC VICE PRESIDENT	7 <u>ROLE OF SPU VICE PRESIDENT</u>
.....	<u>8</u>
ROLE OF THE SPUC COMMISSION <u>SPU</u> SECRETARY	8 <u>9</u>
ROLE OF THE WAGE AND BENEFITS COMMITTEE <u>ROLE OF THE WAGE AND BENEFITS</u> <u>INFORMAL WORKING GROUP</u>	9 <u>10</u>
<u>SPU ROLES IN MMPA</u>	<u>10</u>
COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICER ELECTIONS	10 <u>11</u>
<u>LIST OF</u> CURRENT COMMISSIONERS AND THEIR TERMS	11 <u>12</u>

GOVERNANCE ~~PRINCIPALS~~ PRINCIPLES

1. The Commission governs ~~SPUC~~SPU with the best interests of all customers as its first priority in the spirit of the ~~SPUC~~SPU mission:

Shakopee Public Utilities delivers on a fundamental promise; to provide our customers with reliable electric and water service at affordable rates, as we have done for over 100 years.
2. The Commission shall govern ~~SPUC~~SPU for long term sustainability, reliability, safety, and regulatory compliance.
3. The Commission conducts its business according to the highest ethical, legal, and fiduciary standards.
4. The Commission treats all customers and staff with courtesy and respect.
5. Although independently governed from the City of Shakopee, ~~SPUC~~SPU is part of our local government and the Commission shall coordinate and collaborate with the City to promote improved value to our community and increase economies of scale.
6. The Commission understands that diversity of opinion is inevitable and shall respect the opinions and privacy of all other Commissioners, staff, and customers.
7. Regular meetings of the Commission shall be open and accessible to the public.
8. The Commission is responsible for the hiring and is ultimately accountable for the performance of the Utilities Manager. The Commission is responsible to ensure that the Utilities Manager implements Commission direction and policy to ensure long term sustainability, reliability, safety, and regulatory compliance.
9. The Commission governs ~~the organization~~SPU; the Commission does not manage it. Management of ~~the organization~~SPU is the role of the Utilities Manager and staff that serve in a management or supervisory role.

COMMISSION MEETINGS

1. The Commission shall hold regular meetings pursuant to a schedule adopted by the Commission, typically the first and third Mondays of the month, unless that day falls on a legal holiday, then the meeting will be held the following day. A schedule of the regular meetings of the Commission shall be kept on file at its primary office. Unless otherwise designated, regular meetings shall begin at 5:00 PM in the Commission meeting room at 255 Sarazin Street, Shakopee, Minnesota 55379.

2. Meetings of the Commission and any formal, standing committee or subcommittee of the Commission are subject to the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. SPU is a government entity for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.

3. Special meetings of the Commission may be called by: (a) the President, or (b) upon written request of any two (2) or more Commissioners. Emergency meetings may be called by the President.

4. ~~10.~~ The Commission has officially adopted Robert's Rules of Order Revised as ~~their~~its rules of parliamentary procedure.

5. ~~11.~~ Meeting protocol: no sidebar discussions; no interruptions; Commission meeting protocols: come prepared; ensure all are heard; state your concern; ensure you understand; no sidebar discussions; no interruptions; don't take things personally; adhere to time limits; come prepared; ensure all are heard.

ROLE OF THE ~~SPUC~~ COMMISSION

1. The Commission engages in ongoing planning activities as necessary to determine the mission and strategic direction of ~~SPUC~~SPU, to define specific goals and objectives related to the mission, and to evaluate the success of ~~the organization's~~SPU's efforts toward achieving the mission.
2. The Commission approves the policies for the effective, efficient, and cost-effective operation of ~~SPUC~~SPU.
3. The Commission approves ~~SPUC's~~SPU's annual budget and assesses ~~the organization's~~its financial performance in relation to the budget on a regular basis.
4. The Commission hires the Utilities Manager, sets the compensation ~~for~~, and provides for an annual evaluation of the performance of the Utilities Manager.
5. The Commission establishes and evaluates compensation for employees to ensure value to the customers and competitiveness within appropriate markets.
6. The Commission approves written policies governing the work and actions of ~~SPUC's~~SPU's employees and committees.
7. The Commission ensures that an internal review of ~~SPUC's~~SPU's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Commission.
8. The Commission develops, monitors, and strengthens ~~SPUC's~~SPU's services.
- ~~9. The Commission assesses the Commission's~~its performance.
- ~~10. Special Meetings of the Commission may be called by the SPUC President or by the act of at least 2 SPU Commissioners.~~

ROLE OF AN INDIVIDUAL ~~SPUC~~ COMMISSIONER

1. The authority of an individual Commissioner resides in the ability to vote. Each Commissioner is entitled to cast one vote for every action item unless prohibited by law, ordinance, or policy (for example, conflicts of interest).
2. Make every effort to attend all ~~SPUC~~ Commission meetings. Review the agenda and supporting materials prior to Commission meetings.
3. Stay informed about ~~SPUC's~~SPU's mission, services, policies, and programs. Participate in ~~SPUC~~SPU events, programs, and services as often as possible. Inform others about ~~SPUC~~SPU and its programs and services. Be stewards for municipal public power and water.
4. Discharge the duties of the position of Commissioner in good faith, in a manner the Commissioner reasonably believes to be in the best interests of SPU, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.
5. ~~4-~~ Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Commission discussions and deliberations.
6. ~~5-~~ Assist the Commission in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
7. ~~6-~~ Be actively involved in Commission discussions, ~~express~~, Express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
8. ~~7-~~ Endeavor to make decisions based upon the common interests of all customers rather than the interests of ~~the~~a particular organization or individual customer. Serve the organization as a whole rather than any particular interest group or constituency.
8. ~~Serve on Committees as required and offer to take on special assignments when appropriate.~~
9. Serve on informal working groups or committees of not more than two Commissioners, as appropriate, including: wage and benefits, SPU director interview, hiring of Utilities Manager. Offer to take on special assignments when appropriate.
10. ~~9-~~ Seek feedback from customers regarding ~~SPUC's~~SPU's priorities, activities, programs, and services.
11. ~~10-~~ Avoid conflicts of interest and maintain confidentiality of information when appropriate.
12. ~~11-~~ Refrain from attempting to direct the activities of staff or making special requests of the staff.
13. ~~12-~~ Adhere to the ~~SPUC~~SPU Social Media Policy, as adopted. A copy of the adopted

Policy is attached at the end of this Handbook.

ROLE OF ~~THE SPUC~~SPU PRESIDENT

1. Ensure that the Commission and individual Commissioners fulfill their responsibilities for the governance of ~~SPUC~~SPU and adhere to the Commission's Governance Principles.
2. Ensure that Commission actions are effectively communicated.
3. Serve as a lead spokesperson for the Commission and serve as appropriate as the organization's representative to government, media, other industry organizations, and the ~~Utilities~~-public.
4. ~~To seek~~Seek direction from the ~~SPUC~~-Commission on matters of policy and procedure.
5. Support the efforts of the Utilities Manager to achieve ~~SPUC's~~SPU's mission.
6. Facilitate an annual review of the Utilities Manager's performance and compensation.
7. Facilitate productive and mutually respectful relationships among the Commission, staff, customers, and the City.
8. Chair meetings of the Commission, ensuring that the Commission functions effectively and fulfills all of its duties. Encourage all ~~commissioners to~~Commissioners participate in discussion and ensure that all points of view are fully expressed before a vote is taken. Work with the Utilities Manager regarding development of the agenda for Commission meetings.
- ~~9. Appoint the Wage and Benefits Committee and report to the Commission on Wage and Benefits Committee activities and recommendations. The appointment is then voted upon by the Commission members.~~
- ~~10. Appoint other Committees as deemed. Those Committees may consist of, but are not limited to, the following; SPU Director Interview Committee, City Council SPU Commissioner Interview Committee, Utilities Manager's Hiring Committee, etc...The appointments are then voted upon by the members of the Commission.~~
9. ~~11.~~ Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy, and performance of the organization.
10. ~~12.~~ Fulfill such other roles as the President and Utilities Manager agree are appropriate and desirable for the President to perform, consistent with Commission policy or directions.

ROLE OF ~~THE~~ SPUCSPU VICE PRESIDENT

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPUCSPU programs, services, and activities in preparation for fulfilling the duties of SPUCSPU President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPUCSPU and serve as a spokesperson for the organization in the absence of the President.

ROLE OF ~~THE SPUC~~SPU COMMISSION SECRETARY

1. ~~Keeping all~~Keep records ~~for~~Commission actions. Be responsible for documents and records of the Commission on file ~~and keeping~~. Keep an up-to-date list of all Commissioners, past and present.
2. ~~Notifying~~Notify Commissioners of their election to office ~~or appointment to Committees~~.
3. ~~Signing~~Sign all minutes and certified acts of the Commission.
4. ~~Maintaining~~Maintain the official documents of the organization.
5. ~~Providing the~~Provide Commissioners with a notice and materials for each upcoming meeting.
6. ~~Taking~~Provide minutes ~~at all of each~~ Commission ~~meetings, handling correspondence, preparing the agenda with~~meeting, for review and approval by the Commission ~~President~~.
7. In the event of the absence of the President and Vice President, ~~must~~ call a meeting of the Commission to order until the Commission elects, by vote, a temporary President to ~~officiate~~preside at the meeting.

ROLE OF THE WAGE AND BENEFITS ~~COMMITTEE~~INFORMAL WORKING GROUP

The Wage and Benefits ~~Committee exists to help~~informal working group helps the Commission develop and maintain a pay plan structure and benefits package that are market competitive, promotes employee retention, and provides value to the customers through fair labor costs. The ~~Committee shall be comprised of the two appointed~~group may include, unless otherwise determined by the Commission, no more than two Commissioners, the Utilities Manager, and the Finance Director.

~~Specific~~The duties of the ~~Committee shall~~group may include:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. ~~The Committee shall present~~Present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for ~~their~~its consideration and approval.
3. Review health and dental insurance policies and evaluate policy renewals. ~~The Committee shall present~~Present options and make recommendations regarding insurance policies to the Commission for ~~their~~its consideration and approval.
4. Review submittal information pertaining to pay equity compliance requirements and present options and make recommendations to the Commission as appropriate.

SPU ROLES IN MMPA

1. SPU must designate its Representative and Alternate to Minnesota Municipal Power Agency (MMPA). The MMPA Representative is a voting member of the MMPA Board of Directors and attends monthly Board meetings. The MMPA Alternate also may attend MMPA Board meetings, but is not eligible to vote. The term of service for the Representative and Alternate is one year.
2. Unless determined otherwise by the Commission, the Utilities Manager shall serve as the MMPA Representative, and the President shall serve as the MMPA Alternate.

COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICERS

The City of Shakopee City Council is responsible for the appointment of Commissioners ~~to the SPUC Board~~. Persons interested in being considered for appointment to the ~~SPUC~~ Commission shall complete an "Application For Council Advisory Board and/or Commissions" form furnished by the City.

- ~~3.~~ 3. Ninety days ~~prior to~~before the expiration of ~~Commission terms each year~~the term of any Commissioner, the Council shall be advised of the pending vacancies and those individuals eligible for reappointment.
- ~~4.~~ 4. Thirty days ~~prior to~~before the expiration of ~~Commission terms, a committee~~the term of any Commissioner, an informal working group comprised of two City Council ~~members~~Members and the SPU Vice-President ~~of the SPUC Commission~~ will meet to review all applications and interview applicants.
- ~~5.~~ 5. The ~~Committee~~group shall recommend all qualified candidates per position to the City Council for consideration.
- ~~6.~~ 6. Pursuant to City of Shakopee Resolution 2559, appointments to Shakopee Public Utilities Commission shall be made in January and shall become effective April 1st.
- ~~7.~~ 7. A ~~Commission~~Commissioner term of service is for 3 years. A Commissioner is eligible and encouraged to serve three consecutive ~~three year terms~~three-year-terms. If a Commissioner ~~was~~were appointed to serve ~~a~~the remainder of an open term, after April ~~1st~~, the appointment period will not affect the maximum service term of three consecutive ~~three year terms~~three-year-terms.
- ~~8.~~ 8. At the first Commission meeting in April, the election of officers will take place, if officer terms are expiring. The officers are the Commission President, Vice-President, and the Secretary. Each office has a term of one year.

~~7. At the first meeting in April, the appointment of a MMPA Representative and Alternant is to take place. The MMPA Representative is a voting member of the MMPA Board of Directors and is to attend monthly Board meetings. The MMPA Alternant also may attend the MMPA Board meeting but is not eligible to vote. The term of service for the Representative and alternant is one year.~~

LIST OF CURRENT COMMISSIONERS

**Deb Amundson - President
Mathew Meyer
Kathi Mocol - Vice President
Jody Brennan
Kayden Fox**

		Non-Public E-Mail		
EMail	Amundson	damundson@shakopeeutilities.com	damund1281@hotmail.com	
	Meyer	mmeyer@shakopeeutilities.com	mathew@mathewmmeyer.com	
	Mocol	kmocol@shakopeeutilities.com	kathimocol@shakopeeutilities.com	
	Brennan	Amundson	952-445-7091	612-411-15 - 810-6678 3/31/21
	Fox	Meyer	952-233-108-7	612-411-18 - 741-4732 3/31/21
		Mocol	612-716-0375	4/1/19 - 3/31/22
		Brennan		4/1/20 - 3/31/23
		Fox		4/1/20 - 3/31/23

Address	Amundson	1281 Jefferson Street South
	Meyer	437 4 th Avenue East
	Mocol	7636 Oak Ridge Trail
	Brennan	
	Fox	
Terms	Amundson	4/1/15 - 3/31/21
	Meyer	4/1/18 - 3/31/21
	Mocol	4/1/19 - 3/31/22
	Brennan	4/1/20 - 3/31/23
	Fox	4/1/20 - 3/31/23
Effective	4/1/20	12/20

[Different first page setting changed from off in original to on in modified.]

SHAKOPEE PUBLIC UTILITIES COMMISSION

COMMISSIONER ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the Shakopee Public Utilities Commission Governance Handbook. I understand that the contents of this Handbook are for general information and guidance and it does not constitute a contract between myself and the Shakopee Public Utilities Commission.

I understand it is my responsibility to read and understand the contents of this Governance Handbook. If I do not understand any provision of the Handbook, I shall contact the Utilities Manager for clarification.

~~I understand that no person other than the Utilities Manager, as directed by the Shakopee Public Utilities Commission, has the authority to change any policy, rule or procedure as stated in the Governance Handbook.~~

Commissioner Signature _____

Print Name _____ Date _____

NOTE: Commissioners will be required to acknowledge receipt of the Governance Handbook by signing this acknowledgement.

This copy is to remain in the Handbook

[Different first page setting changed from off in original to on in modified.]

Summary report:	
Litera® Change-Pro for Word 10.8.2.11 Document comparison done on 12/17/2020 9:44:50 AM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original filename: 1324096v1.DOCX	
Modified filename: 1324096v5.DOCX	
Changes:	
Add	146
Delete	134
Move From	0
Move To	0
Table Insert	1
Table Delete	5
Table moves to	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	286



SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

GOVERNANCE HANDBOOK

**SHAKOPEE PUBLIC UTILITIES COMMISSION 255
SARAZIN STREET
SHAKOPEE, MN 55379**

TABLE OF CONTENTS

GOVERNANCE PRINCIPALS	3
COMMISSION MEETINGS	4
ROLE OF THE COMMISSION	5
ROLE OF AN INDIVIDUAL COMMISSIONER	6
ROLE OF SPU PRESIDENT	7
ROLE OF SPU VICE PRESIDENT	8
ROLE OF SPU SECRETARY	9
ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP	10
SPU ROLES IN MMPA	10
COMMISSION APPOINTMENT PROCESS, TERMS, AND OFFICER ELECTIONS	11
LIST OF CURRENT COMMISSIONERS AND THEIR TERMS	12

GOVERNANCE PRINCIPLES

1. The Commission governs SPU with the best interests of all customers as its first priority in the spirit of the SPU mission:

Shakopee Public Utilities delivers on a fundamental promise: to provide our customers with reliable electric and water service at affordable rates, as we have done for over 100 years.
2. The Commission shall govern SPU for long term sustainability, reliability, safety, and regulatory compliance.
3. The Commission conducts its business according to the highest ethical, legal, and fiduciary standards.
4. The Commission treats all customers and staff with courtesy and respect.
5. Although independently governed from the City of Shakopee, SPU is part of our local government and the Commission shall coordinate and collaborate with the City to promote improved value to our community and increase economies of scale.
6. The Commission understands that diversity of opinion is inevitable and shall respect the opinions and privacy of all other Commissioners, staff, and customers.
7. Regular meetings of the Commission shall be open and accessible to the public.
8. The Commission is responsible for the hiring and is ultimately accountable for the performance of the Utilities Manager. The Commission is responsible to ensure that the Utilities Manager implements Commission direction and policy to ensure long term sustainability, reliability, safety, and regulatory compliance.
9. The Commission governs SPU; the Commission does not manage it. Management of SPU is the role of the Utilities Manager and staff that serve in a management or supervisory role.

COMMISSION MEETINGS

1. The Commission shall hold regular meetings pursuant to a schedule adopted by the Commission, typically the first and third Mondays of the month, unless that day falls on a legal holiday, then the meeting will be held the following day. A schedule of the regular meetings of the Commission shall be kept on file at its primary office. Unless otherwise designated, regular meetings shall begin at 5:00 PM in the Commission meeting room at 255 Sarazin Street, Shakopee, Minnesota 55379.
2. Meetings of the Commission and any formal, standing committee or subcommittee of the Commission are subject to the Minnesota Open Meeting Law, Minnesota Statutes Chapter 13D. SPU is a government entity for purposes of the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13.
3. Special meetings of the Commission may be called by: (a) the President, or (b) upon written request of any two (2) or more Commissioners. Emergency meetings may be called by the President.
4. The Commission has officially adopted Robert's Rules of Order Revised as its rules of parliamentary procedure.
5. Commission meeting protocols: come prepared; ensure all are heard; state your concern; ensure you understand; no sidebar discussions; no interruptions; don't take things personally.

ROLE OF THE COMMISSION

1. The Commission engages in ongoing planning activities as necessary to determine the mission and strategic direction of SPU, to define specific goals and objectives related to the mission, and to evaluate the success of SPU's efforts toward achieving the mission.
2. The Commission approves the policies for the effective, efficient, and cost-effective operation of SPU.
3. The Commission approves SPU's annual budget and assesses its financial performance in relation to the budget on a regular basis.
4. The Commission hires the Utilities Manager, sets the compensation, and provides for an annual evaluation of the performance of the Utilities Manager.
5. The Commission establishes and evaluates compensation for employees to ensure value to the customers and competitiveness within appropriate markets.
6. The Commission approves written policies governing the work and actions of SPU's employees and committees.
7. The Commission ensures that an internal review of SPU's compliance with known existing legal, regulatory, and financial reporting requirements is conducted annually and that a summary of the results of the review is provided to the entire Commission.
8. The Commission develops, monitors, and strengthens SPU's services. The Commission assesses its performance.

ROLE OF AN INDIVIDUAL COMMISSIONER

1. The authority of an individual Commissioner resides in the ability to vote. Each Commissioner is entitled to cast one vote for every action item unless prohibited by law, ordinance, or policy (for example, conflicts of interest).
2. Make every effort to attend all Commission meetings. Review the agenda and supporting materials prior to Commission meetings.
3. Stay informed about SPU's mission, services, policies, and programs. Participate in SPU events, programs, and services as often as possible. Inform others about SPU and its programs and services. Be stewards for municipal public power and water.
4. Discharge the duties of the position of Commissioner in good faith, in a manner the Commissioner reasonably believes to be in the best interests of SPU, and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances.
5. Endeavor to keep up-to-date on developments in the industry and provide the benefit of that knowledge and insight in Commission discussions and deliberations.
6. Assist the Commission in carrying out its fiduciary responsibilities by reviewing the organization's interim and annual financial statements.
7. Be actively involved in Commission discussions. Express one's opinion, and make an effort to see an issue from the perspective of others who may have other views of the issue.
8. Endeavor to make decisions based upon the common interests of all customers rather than the interests of a particular organization or individual customer. Serve the organization as a whole rather than any particular interest group or constituency.
9. Serve on informal working groups or committees of not more than two Commissioners, as appropriate, including: wage and benefits, SPU director interview, hiring of Utilities Manager. Offer to take on special assignments when appropriate.
10. Seek feedback from customers regarding SPU's priorities, activities, programs, and services.
11. Avoid conflicts of interest and maintain confidentiality of information when appropriate.
12. Refrain from attempting to direct the activities of staff or making special requests of the staff.
13. Adhere to the SPU Social Media Policy, as adopted. A copy of the adopted Policy is attached at the end of this Handbook.

ROLE OF SPU PRESIDENT

1. Ensure that the Commission and individual Commissioners fulfill their responsibilities for the governance of SPU and adhere to the Commission's Governance Principles.
2. Ensure that Commission actions are effectively communicated.
3. Serve as a lead spokesperson for the Commission and serve as appropriate as the organization's representative to government, media, other industry organizations, and the public.
4. Seek direction from the Commission on matters of policy and procedure.
5. Support the efforts of the Utilities Manager to achieve SPU's mission.
6. Facilitate an annual review of the Utilities Manager's performance and compensation.
7. Facilitate productive and mutually respectful relationships among the Commission, staff, customers, and the City.
8. Chair meetings of the Commission, ensuring that the Commission functions effectively and fulfills all of its duties. Encourage all Commissioners participate in discussion and ensure that all points of view are fully expressed before a vote is taken. Work with the Utilities Manager regarding development of the agenda for Commission meetings.
9. Ensure that appropriate processes are in place to review and evaluate the mission, direction, strategy, and performance of the organization.
10. Fulfill such other roles as the President and Utilities Manager agree are appropriate and desirable for the President to perform, consistent with Commission policy or directions.

ROLE OF SPU VICE PRESIDENT

1. Fulfill any delegable roles and responsibilities of the President as requested by the President.
2. Act as President in the absence of the President.
3. Assume the office of President if the President leaves office prior to the expiration of the President's term of office.
4. Commit significant effort to becoming familiar with SPU programs, services, and activities in preparation for fulfilling the duties of SPU President if required.
5. Fulfill all roles and responsibilities established for individual Commissioners in an exemplary manner.
6. Be willing to serve in a leadership role in SPU and serve as a spokesperson for the organization in the absence of the President.

ROLE OF SPU COMMISSION SECRETARY

1. Keep records Commission actions. Be responsible for documents and records of the Commission on file. Keep an up-to-date list of all Commissioners, past and present.
2. Notify Commissioners of their election to office.
3. Sign all minutes and certified acts of the Commission.
4. Maintain the official documents of the organization.
5. Provide Commissioners with a notice and materials for each upcoming meeting.
6. Provide minutes of each Commission meeting, for review and approval by the Commission.
7. In the event of the absence of the President and Vice President, call a meeting of the Commission to order until the Commission elects, by vote, a temporary President to preside at the meeting.

ROLE OF THE WAGE AND BENEFITS INFORMAL WORKING GROUP

The Wage and Benefits informal working group helps the Commission develop and maintain a pay plan structure and benefits package that are market competitive, promotes employee retention, *and* provides value to the customers through fair labor costs. The group may include, unless otherwise determined by the Commission, no more than two Commissioners, the Utilities Manager, and the Finance Director.

The duties of the group may include:

1. At the request of the Commission, research and analyze topics related to employee compensation and benefits.
2. Annually perform market benchmarking and evaluate wages. Present options and make recommendations regarding cost of living adjustments and pay plan structure modifications to the Commission for its consideration and approval.
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SPU ROLES IN MMPA

1. SPU must designate its Representative and Alternate to Minnesota Municipal Power Agency (MMPA). The MMPA Representative is a voting member of the MMPA Board of Directors and attends monthly Board meetings. The MMPA Alternate also may attend MMPA Board meetings, but is not eligible to vote. The term of service for the Representative and Alternate is one year.
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3. Ninety days before the expiration of the term of any Commissioner, the Council shall be advised of the pending vacancies and those individuals eligible for reappointment.
4. Thirty days before the expiration of the term of any Commissioner, an informal working group comprised of two City Council Members and the SPU Vice-President will meet to review all applications and interview applicants.
5. The group shall recommend all qualified candidates per position to the City Council for consideration.
6. Pursuant to City of Shakopee Resolution 2559, appointments to Shakopee Public Utilities Commission shall be made in January and shall become effective April 1st.
7. A Commissioner term of service is for 3 years. A Commissioner is eligible and encouraged to serve three consecutive three-year-terms. If a Commissioner were appointed to serve the remainder of an open term, after April 1st, the appointment period will not affect the maximum service term of three consecutive three-year-terms.
8. At the first Commission meeting in April, the election of officers will take place, if officer terms are expiring. The officers are the Commission President, Vice-President, and the Secretary. Each office has a term of one year.

LIST OF CURRENT COMMISSIONERS

Deb Amundson - President
Mathew Meyer
Kathi Mocol - Vice President
Jody Brennan
Kayden Fox

	Terms
Amundson	4/1/15 – 3/31/21
Meyer	4/1/18 – 3/31/21
Mocol	4/1/19 – 3/31/22
Brennan	4/1/20 – 3/31/23
Fox	4/1/20 – 3/31/23

Effective 12/20

SHAKOPEE PUBLIC UTILITIES COMMISSION

COMMISSIONER ACKNOWLEDGEMENT

I hereby acknowledge that I have received a copy of the Shakopee Public Utilities Commission Governance Handbook. I understand that the contents of this Handbook are for general information and guidance and it does not constitute a contract between myself and the Shakopee Public Utilities Commission.

I understand it is my responsibility to read and understand the contents of this Governance Handbook. If I do not understand any provision of the Handbook, I shall contact the Utilities Manager for clarification.

Commissioner Signature _____


Print Name _____ Date _____

NOTE: Commissioners will be required to acknowledge receipt of the Governance Handbook by signing this acknowledgement.

This copy is to remain in the Handbook



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

DATE: December 15, 2020
TO: SPU Commissioners
FROM: Greg Drent, Interim Utilities Manager 
Subject: Commission Secretary Position

Background:

During the last commission meeting, we discussed the commission secretary position at length. I said that I would get more information on the commission secretary position and bring it back to the next meeting. We could not find a job description but in the governance handbook, we found the responsibilities of the commission secretary position and they are as follows:

ROLE OF SPU COMMISSION SECRETARY

1. Keep records Commission actions. Be responsible for documents and records of the Commission on file. Keep an up-to-date list of all Commissioners, past and present.
2. Notify Commissioners of their election to office.
3. Sign all minutes and certified acts of the Commission.
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5. Provide Commissioners with a notice and materials for each upcoming meeting.
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7. In the event of the absence of the President and Vice President, call a meeting of the Commission to order until the Commission elects, by vote, a temporary President to preside at the meeting.



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In, reviewing the duties of the commission secretary it seems that the Utilities Manager would be the one to hold this position. The current pay for commission secretary is \$200 per month. Joe Adams is the interim commission secretary without commission secretary pay.

SPU has a couple of options to consider:

1. Commission appoints the utilities manager as the commission secretary and assumes the responsibilities as commission secretary.
2. Commission appoints utilities manager as commission secretary. Administrative assistant is the recording secretary and prepares the minutes. Utilities manager would be responsible for the duties of commission secretary.
3. SPU appoints a Commissioner as the commission secretary. Administrative assistant is the recording secretary and prepares the minutes. The appointed commissioner would be responsible for the duties of commission secretary.

Recommendation:

I feel the best option for the utility would be #2 and appoint the Utilities Manager as the commission secretary. SPU administrative assistant would be the recording secretary.