

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
FEBRUARY 18, 2020

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communication**
4. **Approve the Agenda**
5. **Approval of Consent Business**
6. **Bills: Approve Warrant List**
7. **Liaison Report**
8. **Reports: Water Items**
  - 8a) Water System Operations Report – Verbal
  - 8b) Fence Issue / Encroachment Agreement for 1369 Danita Drive
  - C=> 8c) Monthly Water Production Dashboard
9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal
  - 9b) 2018 SCIP Results and 2020 Plan Approval
10. **Reports: Human Resources**
11. **Reports: General**
  - 11a) Financial Results for December 2019, Year to Date 2019 and 2018-2019 Comparative Financial Results
  - 11b) 2020 Tom Bovitz Scholarship Award
  - 11c) SPU / Council Joint Meeting Update
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	March 2
- Mid Month Meeting	--	March 16
- Regular Meeting	--	April 6
- Mid Month Meeting	--	April 20
14. **Adjourn** to 3/2/20 at the SPUC Service Center, 255 Sarazin Street

MINUTES  
OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
(Regular Meeting)

President Joos called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., February 3, 2020.

MEMBERS PRESENT: Commissioners Joos, Amundson, Meyer, Clay and Mocol. Also present, Liaison Lehman, Utilities Manager Crooks, Finance Director Schmid, Planning & Engineering Director Adams, Electric Superintendent Drent, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh.

Motion by Amundson, seconded by Clay to approve the minutes of the January 21, 2020 Commission meeting. Motion carried.

There were four Communication items to report. Thank you letters from the Shakopee Educational Endowment Foundation and the Southern Valley Alliance for Battered Women were received in regards to SPU donations to their organizations. The latest issue of the SPU Focus newsletter was presented. Commissioner Mocol stated that she had been contacted by Nick Atkinson regarding his fence installation on a city easement. Utilities Manager Crooks responded saying a Thursday meeting had already been scheduled with Mr. Atkinson.

President Joos offered the agenda for approval.

Motion by Meyer, seconded by Mocol to approve the agenda as presented. Motion carried.

There were no Consent Items.

The warrant listing for bills paid December 16, 2019 was presented.

Motion by Mocol, seconded by Meyer to approve the warrant listing dated December 16, 2019 as presented. Motion carried.

The warrant listing for bills paid February 3, 2020 was presented.

Motion by Clay, seconded by Amundson to approve the warrant listing dated February 3, 2020 as presented. Motion carried.

Liaison Lehman presented his report. He stated he had also been contacted by Mr. Atkinson. Liaison Lehman asked about the status of the SPU WCC and TWC study. Mr. Crooks stated that staff was waiting for the Council approved AUAR, before beginning the work.

Water Superintendent Schemel provided a report of current water operations. Even though it is the middle of winter, Water Staff is planning and preparing hydrant flushing GIS diagrams to be used in the 2020 flushing program. The test well on the LaTour property has been drilled to 410'. Water quality sampling will take place within the next day or two.

Mr. Schemel reviewed the Minnesota Department of Health's 2019 Lead and Copper sampling results for the water system. No action levels for either Lead or Copper were exceeded at any of the sampling points.

Electric Superintendent Drent provided a report of current electric operations. Two electric outages were reviewed. Work continues on the preliminary portion of the new circuit coming from the South Shakopee Substation. Maintenance has begun on the Pike Lake Substation. Crews repaired a streetlight that was hit during the recent snow and two other power poles were replaced.

Mr. Crooks read the MMPA Board Meeting Public Summary for January 2020.

Motion by Meyer, seconded by Mocol to offer Resolution #1266. A Resolution Regulating Wage and Contract Terms. Ayes: Commissioners Clay, Joos, Amundson, Mocol and Meyer. Nay: none. Motion carried. Resolution passed.

An Advanced Metering Infrastructure (AMI) Presentation was given by Mr. Drent. Prior history on the project was provided as well as funding for the project.

Motion by Meyer, seconded by Mocol to direct Staff to prepare a Request for Proposal for consulting work on the Advanced Metering Infrastructure (AMI) project starting in 2020 and ending in 2023. Motion carried.

Mr. Crooks presented the City Council Joint Meeting request. The proposed agenda was discussed. Staff was given direction by the Commission in setting up a mutually agreed upon meeting date. Mr. Crooks will reach out to the City Administrator.

Mr. Crooks discussed a SPU response to the City Council agenda item 7.A.2 from January 21, 2020. The Council agenda item was a legal opinion regarding SPU's ability to modify their contribution to the City of Shakopee. The SPU response also included a formal request to meet with the City Administrator.

Motion by Meyer, seconded by Mocol to send the memo and all attached information to the City Council. Motion carried.

Mr. Crooks reviewed a meeting he had with Rep. Brad Tabke. Rep. Tabke stated that he had drafted legislation that would amend MN State Statute 412.391 which requires the decision as to the transfer of governance or abolishment of a municipal utility from the voting public to the majority of a sitting City Council. Rep. Tabke also stated that he had authored two other pieces of legislation that involves the dissolution of a public utilities in Minnesota.

Motion by Meyer, seconded by Clay that the sense of the Commission is that we do not agree with the proposed legislation as proposed by Rep. Tabke and believe that the Shakopee Public Utilities Commission should remain an independent policy making body to manage and provide utilities to the City of Shakopee and to its ratepayers. Motion carried 4-1, with Commissioner Mocol dissenting due to motion being based upon legislation that is proposed and not being publically released as to what the exact language is within the bill.

Interviews for SPU Commission openings have been scheduled for February 12<sup>th</sup>. Commission Vice President Amundson will not be able to attend the interviews. President Joos appointed Commission Meyer to represent SPU at the interviews. One position is to replace President Joos as his term limit is up and the second position is for a first term for Commission Clay.

The tentative commission meeting dates of February 18 (Tuesday) and March 2 were noted.

Motion by Mocol, seconded by Meyer to adjourn to the February 18, 2020 meeting. Motion carried.



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Commission Secretary: John R. Crooks

**Crooks, John**

**From:** Atkinson, Nicholas <[REDACTED]>  
**Sent:** Friday, February 7, 2020 10:02 AM  
**To:** Adams, Joe; Crooks, John  
**Subject:** RE: [EXTERNAL] FW: Encroachment Agreement - Fence Installation at 1369 Danita Drive Shakopee MN 55379

Dear Mr. Adams and Mr. Crooks,

I want to thank you again for your time yesterday and for helping my wife and I obtain the encroachment agreement. We are very appreciative of your support and willingness to grant us permission to leave the fence in the easement and help us keep our son (Atlee) safe.

I hope you both have a wonderful weekend!

Best Regards,  
 Nick



**NICK ATKINSON & ASSOCIATES, INC.**

**NICK ATKINSON, AGENT | AMERICAN FAMILY INSURANCE**

14180 Commerce Ave Ne | Prior Lake, MN 55372  
 124 Lewis St S | Shakopee, MN 55379  
 Office: 952.226.6999

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**From:** Adams, Joe <jadams@shakopeeutilities.com>  
**Sent:** Friday, February 7, 2020 8:12 AM  
**To:** 'Steve Lillehaug' <Slillehaug@shakopeemn.gov>; Saeed Kanwar <SKanwar@ShakopeeMN.gov>; 'Micah Heckman' <mheckman@shakopeemn.gov>  
**Cc:** Crooks, John <jcrooks@shakopeeutilities.com>; Atkinson, Nicholas <[REDACTED]>  
**Subject:** [EXTERNAL] FW: Encroachment Agreement - Fence Installation at 1369 Danita Drive Shakopee MN 55379

Steve –

Mr. and Mrs. Atkinson met with John Crooks and myself yesterday to discuss their December 17<sup>th</sup> appeal to the City Council to either keep their fence on their west property line or move it to only five feet from the property line (a ten foot encroachment). Mr. Atkinson stated he received direction from the City Council to seek permission from SPU to allow the fence closer to the property line than previously agreed to by both of us (ten feet from the property line).

After considering the terms of the attached draft encroachment agreement provided by Saeed, those terms being that the property owners would be responsible for all costs associated with removing the fence should the water main require maintenance, repair or replacement John and I conclude that it makes no difference to SPU if the fence is left on the property line or moved five feet over, as anything less than a ten foot offset will require the fence to be removed to

access the water main even when using a trench box. Consequently, John has asked that I communicate this information to you as the city makes its decision on the final terms of the encroachment agreement. SPU is okay with the fence remaining in place on the property line provided the terms of the encroachment agreement are as stated, the property owner is financially responsible for removing the fence should it be necessary to access the water main in the future.

Please contact me if you have any questions.

Thanks,

Joe

Joseph D. Adams  
SPU Planning & Engineering Director  
[jadams@shakopeeutilities.com](mailto:jadams@shakopeeutilities.com)  
952-233-1501

**From:** Saeed Kanwar [<mailto:SKanwar@ShakopeeMN.gov>]  
**Sent:** Thursday, December 12, 2019 2:08 PM  
**To:** Atkinson, Nicholas <[REDACTED]>  
**Cc:** Adams, Joe <[jadams@shakopeeutilities.com](mailto:jadams@shakopeeutilities.com)>; Micah Heckman <[mheckman@shakopeemn.gov](mailto:mheckman@shakopeemn.gov)>; Crooks, John <[jcrooks@shakopeeutilities.com](mailto:jcrooks@shakopeeutilities.com)>; Dave Kriesel <[DKriesel@ShakopeeMN.gov](mailto:DKriesel@ShakopeeMN.gov)>  
**Subject:** Re: Encroachment Agreement - Fence Installation at 1369 Danita Drive Shakopee MN 55379

Good Afternoon Nick and Lacy Atkinson:

I am following up on my email below. I will need a signed encroachment agreement to keep moving forward in this matter. Please let me know if you have any questions.



## Saeed Kanwar

Senior Engineer Technician, City of Shakopee  
485 Gorman St., Shakopee MN 55379  
(952) 233-9375 (Office) | 952-378-7207 (Cellular) | [www.ShakopeeMN.gov](http://www.ShakopeeMN.gov)

**From:** Saeed Kanwar  
**Sent:** Thursday, December 5, 2019 9:10 AM  
**To:** Atkinson, Nicholas <[REDACTED]>  
**Cc:** Adams, Joe <[jadams@shakopeeutilities.com](mailto:jadams@shakopeeutilities.com)>; Micah Heckman <[mheckman@shakopeemn.gov](mailto:mheckman@shakopeemn.gov)>; Crooks, John <[jcrooks@shakopeeutilities.com](mailto:jcrooks@shakopeeutilities.com)>; Dave Kriesel <[DKriesel@ShakopeeMN.gov](mailto:DKriesel@ShakopeeMN.gov)>  
**Subject:** Encroachment Agreement - Fence Installation at 1369 Danita Drive Shakopee MN 55379

Dear Nick and Lacy Atkinson:

The City of Shakopee and Shakopee Public Utilities staff have come to an agreement that a 5-ft encroachment will be allowed in the western easement which contains the watermain. You will be allowed to place your fence on the rear property line which represents a 10-ft encroachment. Please find the encroachment agreement that is required for placing your fencing in the drainage and utility easement. Please review this agreement and return an original signed and notarized version along with the \$150 fee to the City of Shakopee. Once the signed document and fee is received, the City bring it to the Council for approval and collect the necessary City signatures. Please note the \$150 fee is to prepare and record this encroachment agreement with Scott County property records. The City can assist with notarizing your signatures if you choose to stop by at the City Hall to make the payment.

Moreover, the City's Building Official, Dave Kriesel had sent out a notice to remove the unauthorized fence on November 5, 2019. I understand that fence may have to stay in place through the winter months. The City will extend the 30-day notice of fence removal and relocation to the permitted encroachment area to no later than May 1<sup>st</sup>, 2020.

Please let me know if you have any questions. Thank you.



**Saeed Kanwar**

Senior Engineer Technician, City of Shakopee

485 Gorman St., Shakopee MN 55379

(952) 233-9375 (Office) | 952-378-7207 (Cellular) | [www.ShakopeeMN.gov](http://www.ShakopeeMN.gov)

American Family Insurance Company | American Family Life Insurance Company | American Family Mutual Insurance Company, S.I. | American Standard Insurance Company of Ohio  
American Standard Insurance Company of Wisconsin | Home Office - 6000 American Parkway | Madison, WI 53783

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\*If you are not the intended recipient, please contact the sender and delete this e-mail, any attachments and all copies.

# Monthly Water Dashboard

As of: **January 2020**

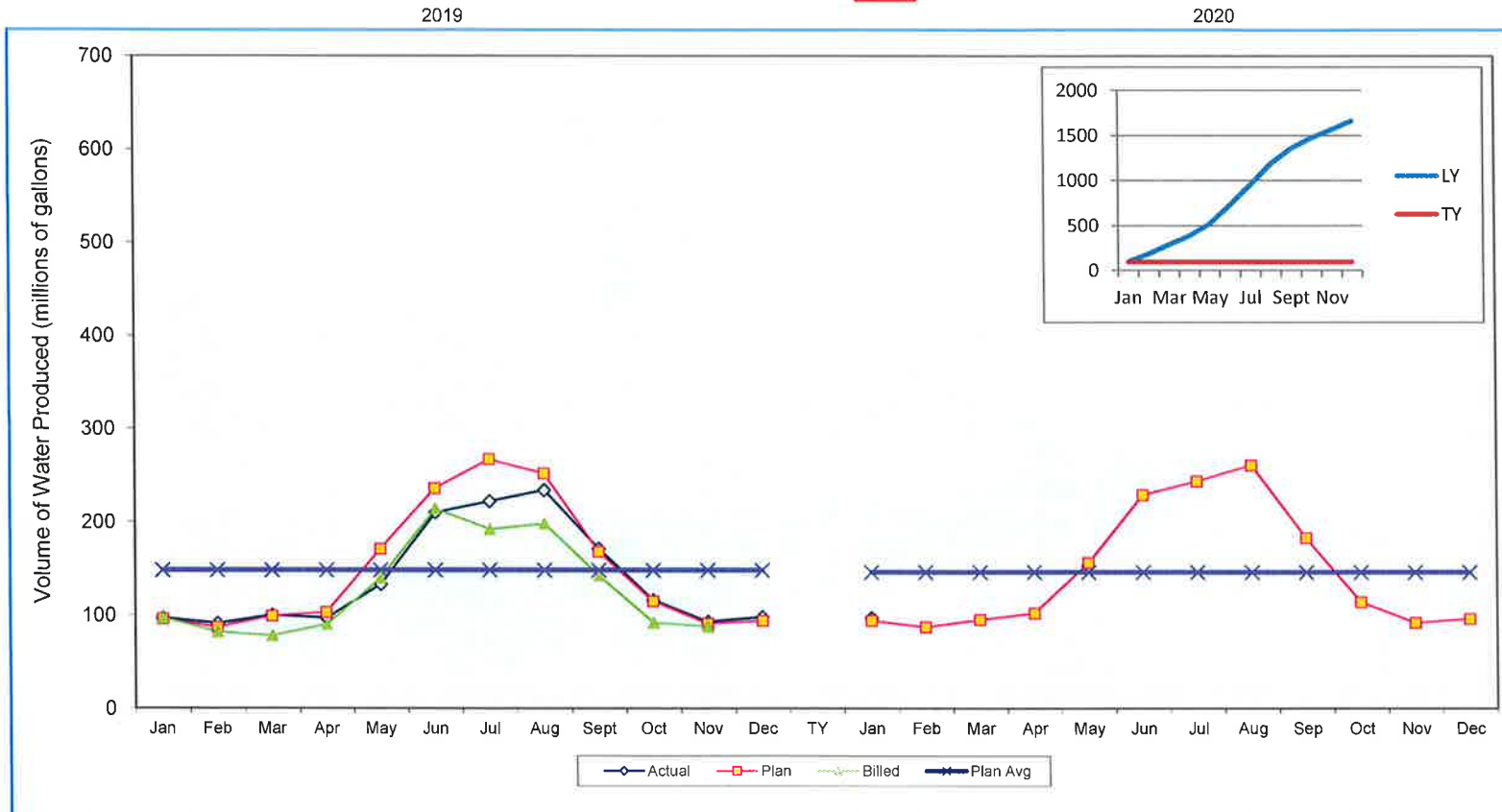
**Shakopee Public Utilities Commission**

ALL VALUES IN MILLIONS OF GALLONS

## Element/Measure Water Pumped/Metered

Averages	
2017	147
2018	153
2019	<b>139</b>

Last 6 months actuals	234	171	116	93	98	97
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	LY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	TY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	
Actual	97	91	100	97	133	210	222	234	171	116	93	98		97													
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%													
Billed	97	82	78	90	140	214	192	198	142	92	88																

\* Actual gallons pumped vs. Plan



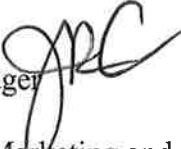



9b

# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

February 11, 2020

TO: John Crooks, Utilities Manager 

FROM: Sharon Walsh, Director of Marketing and Customer Relations 

SUBJECT: 2018 CIP Results and 2020 Plan Approval

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## Overview

Attached is the Final Compliance Letter issued by the MN Commerce Department. This letter provides 2018 CIP results and awards approval of the 2020 Conservation Plan.

In 2018, SPU exceeded the state savings goal of 1.5% by over 55% with a total energy savings of 2.33%. This is driven by residential, commercial, load management, behavioral science and EUI conservation efforts. We are fortunate to have a significant commercial/industrial base that contributes a large portion of the kWh savings.

In 2018, conservation spend was \$1.06MM with energy savings equaling 7.37MM kWh. It was in 2018 that SPU replaced city street lighting with LED fixtures, utilizing carry-over CIP dollars, thus driving up both annual spend and savings.

SPU passed in every measurable category, with the exception of Low-Income Spend. The goal of .2% was not achieved, but we have since learned a portion of general residential spending can be allocated to this category, which we have not historically recorded. However, without this allocation, we were still able to achieve .11% with direct spending in this area by working with CAP Agency, a local community partner.

Looking at the 2020 plan, spending will need to be scaled back as there is no carryover from 2019. All funding was utilized and the program closed for the year in Q3. Based on annual revenues, conservation spend should be closer to \$725k.



# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

The 2020 Conservation Program is comprised of the following individual programs with estimated spend per category.

**RESIDENTIAL – \$94,850**

Energy Star Appliances  
Recycling – Refrigerators/Freezers/Window AC  
Cooling Systems – Seer Ratings of 14.5-16.0+  
LED Lighting (Bulbs and Strings)

**LOW INCOME - \$34,000**

Appliance Replacement  
Home Audits

**COMMERCIAL/INDUSTRIAL - \$273,750**

Custom  
Cooling/VFD

**SOLAR - \$89,500**

Residential  
Commercial

**RETROCOMMISSIONING - \$55,250**

**LOAD MANAGEMENT - \$66,000**

SmartSwitch

**OPOWER – \$135,000**

**QUARTERLY NEWSLETTERS - \$6,500**

All rebate forms and instructions can be found at [www.spucweb.com](http://www.spucweb.com)

Action Requested

At this time there is no requested action.

January 17, 2020

Sharon Walsh  
Shakopee Public Utilities  
PO Box 470  
Shakopee, MN 55379-0470

RE: Electric Conservation Improvement Program (CIP) 2018 Results and 2020 Plan

Dear Sharon Walsh:

Thank you very much for Shakopee Public Utilities' (Shakopee) efforts to report 2018 Conservation Improvement Program (CIP) results and a 2020 CIP plan in ReportingESP. My Staff at the Minnesota Department of Commerce, Division of Energy Resources (Department) have finished reviewing this information.

## 2018 CIP RESULTS

The CIP accomplishments for Shakopee for 2018 are summarized in the graphs and tables below. The statutory energy savings goal and spending amounts are outlined in Table 1.

**Table 1. Minnesota Utility Energy Savings Goal and Spending Amounts**

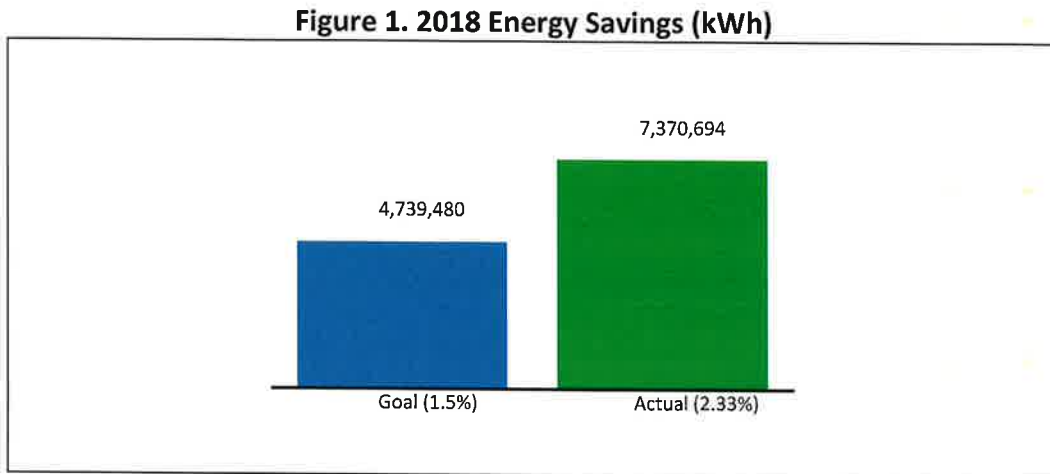
Metric	Amount	Baseline Year(s)	Citation
Energy Savings (kWh)	1.5% of average weather-normalized retail sales at the generator, less sales to CIP exempt customers	2014-2016	Minn. Stat. § 216B.241 subd. 1c(b)
Total Spending (\$)	1.5% of retail gross operating revenue, less revenues from exempt customers	2016	Minn. Stat. § 216B.241 subd. 1b
Low-Income Spending (\$)	0.2% of average residential gross operating revenue	2014-2016	Minn. Stat. § 216B.241 subd. 1(l) Minn. Stat. § 216B.241 subd. 7(a)

Additionally, my Staff have provided an [appendix](#) at the end of this letter summarizing these and additional components of the CIP statute.

## 2018 Energy Savings Results

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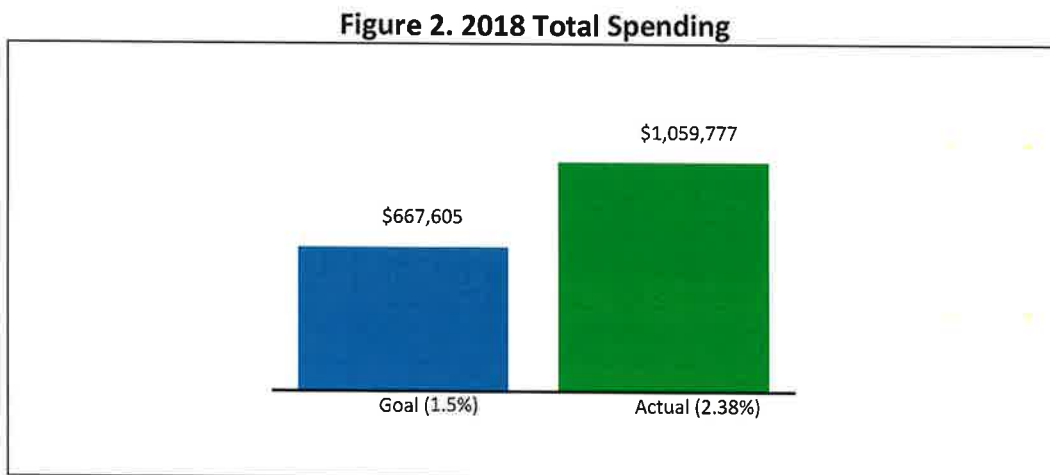
Figure 1 shows Shakopee's CIP energy savings for 2018.



## 2018 Total Spending Results

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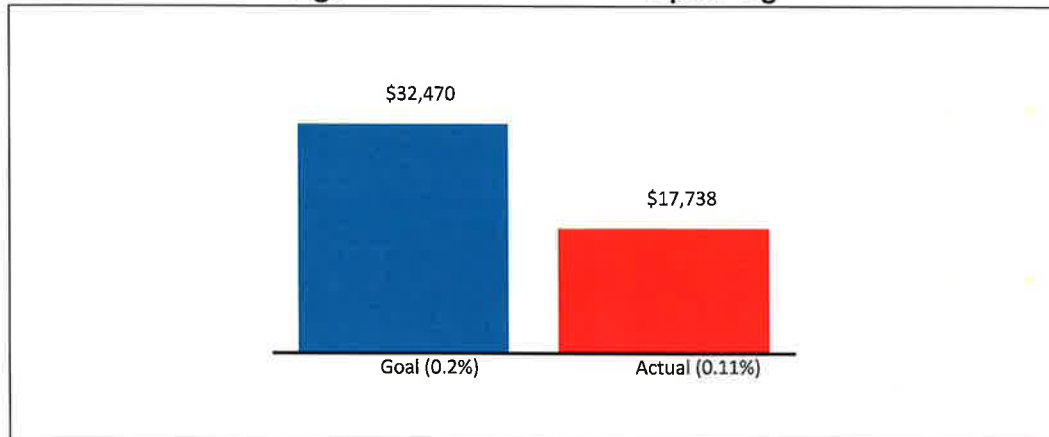
Figure 2 shows Shakopee's CIP spending for 2018.



## 2018 Low-Income Spending Results

While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as spending on low-income customers, the Department strongly encourages all utilities to meet their low-income spending amounts through programs that directly serve the needs of low-income persons. Figure 3 shows Shakopee's low-income CIP spending for 2018.

**Figure 3. 2018 Low-Income Spending**



## 2018 Spending Caps on Optional Investments

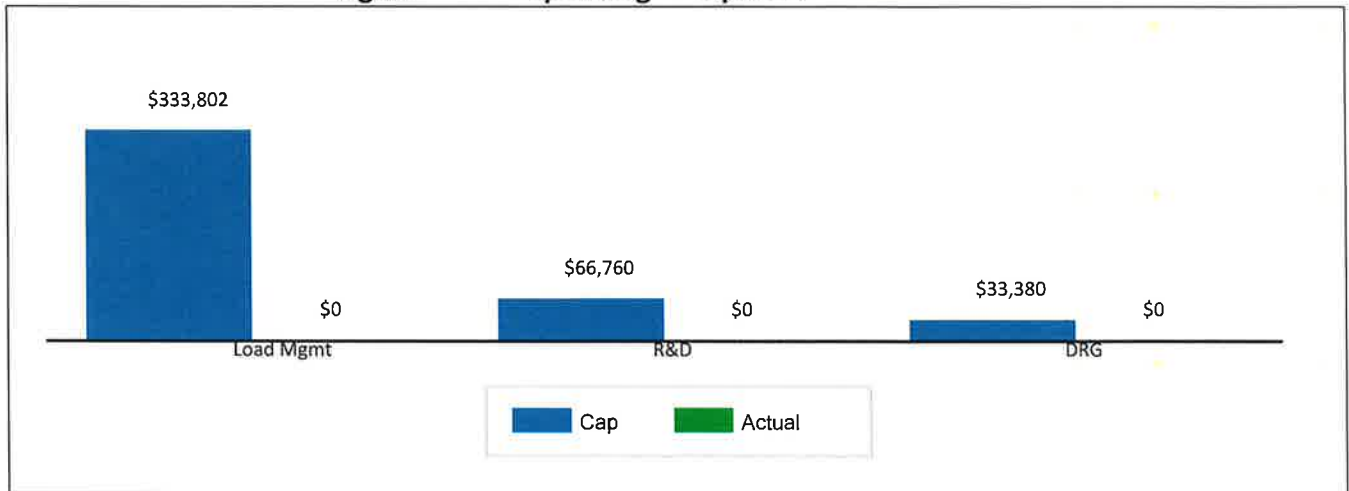
In addition to the energy savings goal, and the total and low-income spending amounts, there are some caps on spending amounts for certain optional investments. These spending caps are listed in Table 2.

**Table 2. CIP Spending Caps on Optional Investments**

Optional Investment	Spending Cap	Citation
Load Management Programs	Up to 50% of minimum spending	Minn. Stat. § 216B.241 subd. 1(k) Minn. Stat. § 216B.241 subd. 1b(e)
R&D Activities	10% of minimum spending	Minn. Stat. § 216B.241 subd. 2(c)
Distributed and Renewable Generation (DRG) Programs	5% of minimum spending	Minn. Stat. § 216B.2411 subd. 1

Figure 4 shows Shakopee's spending on load management, research and development, and distributed and renewable generation investments.

**Figure 4. 2018 Spending on Optional Investments**



## 2018 Summary of Results

Table 3 provides a summary of Shakopee's accomplishments concerning the components of the CIP statute.

**Table 3. Summary of 2018 Results Compliance**

Metric	Passed
Energy Savings (kWh)	Yes
Total Spending (\$)	Yes
Low-Income Spending (\$)	No
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

## 2020 PLAN REVIEW

The CIP plan for 2020 presented by Shakopee is summarized in the graphs and tables below.

### 2020 Energy Savings Goal

Figure 5 shows Shakopee's planned CIP energy savings for 2020.

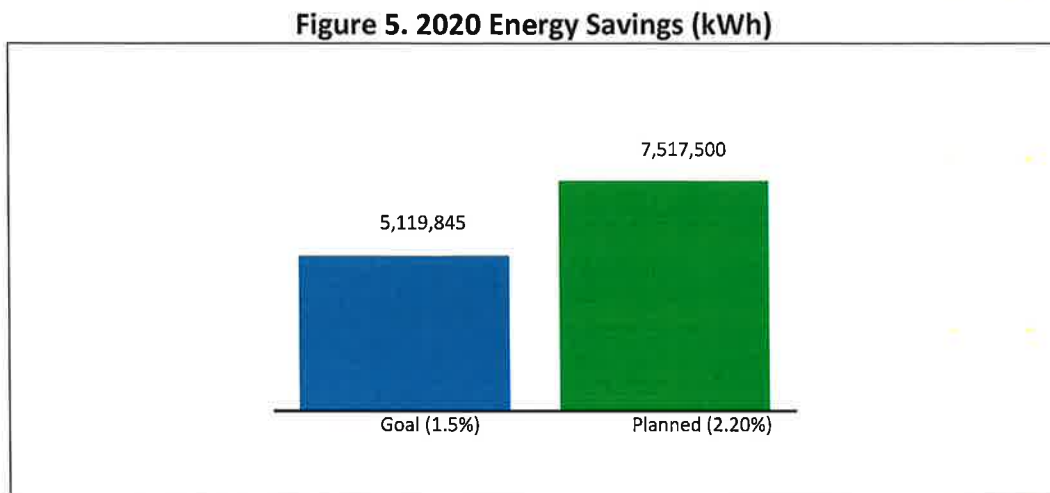


Figure 5 reflects 750,000 kWh that Shakopee plans to achieve from Electric Utility Infrastructure (EUI) projects. Note, spending from EUI projects may not be applied towards CIP spending. The table below outlines the guidelines for including Electric Utility Infrastructure (EUI) projects in a utility's CIP portfolio.

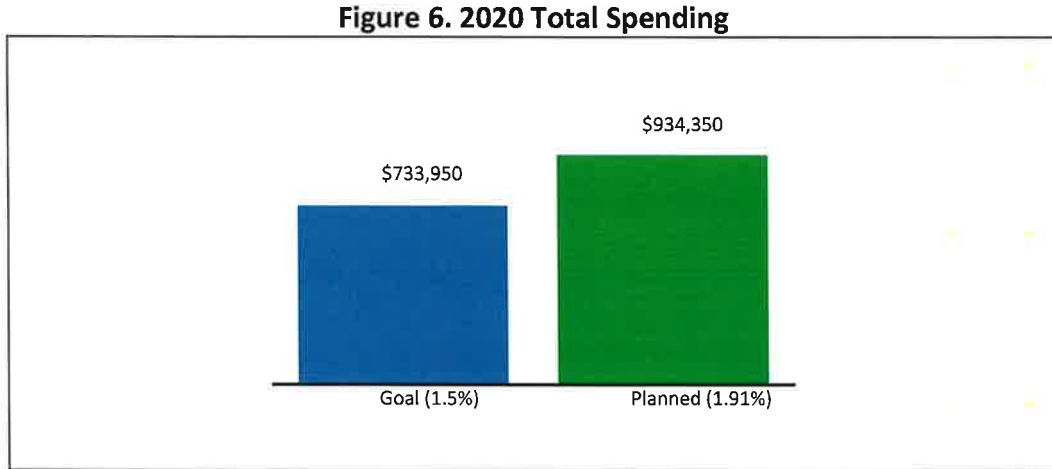
#### CIP EUI Guidelines

Definition	Project must result in energy efficiencies greater than what would occur through normal maintenance activity	Minn. Stat. §216B.241 subd. 1c (d)
Energy Savings	Energy savings may be claimed when 1% of the energy savings goal has been met from conservation programs	Minn. Stat. §216B.241 subd. 1c (d)
Spending	Spending may not be claimed because EUI projects are excluded from energy conservation spending by the statutory definition	Minn. Stat. §216B.241 subd. 1b (b) Minn. Stat. §216B.241 subd. 1(e)

## 2020 Total Spending Amount

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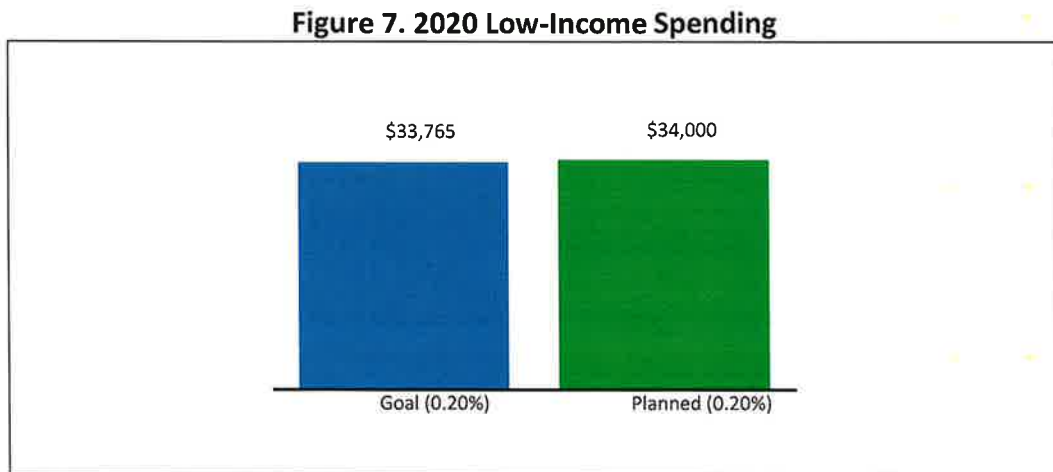
Figure 6 shows Shakopee's planned CIP spending for 2020.



## 2020 Low-Income Spending Amounts

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Figure 7 shows Shakopee's planned low-income CIP spending for 2020.

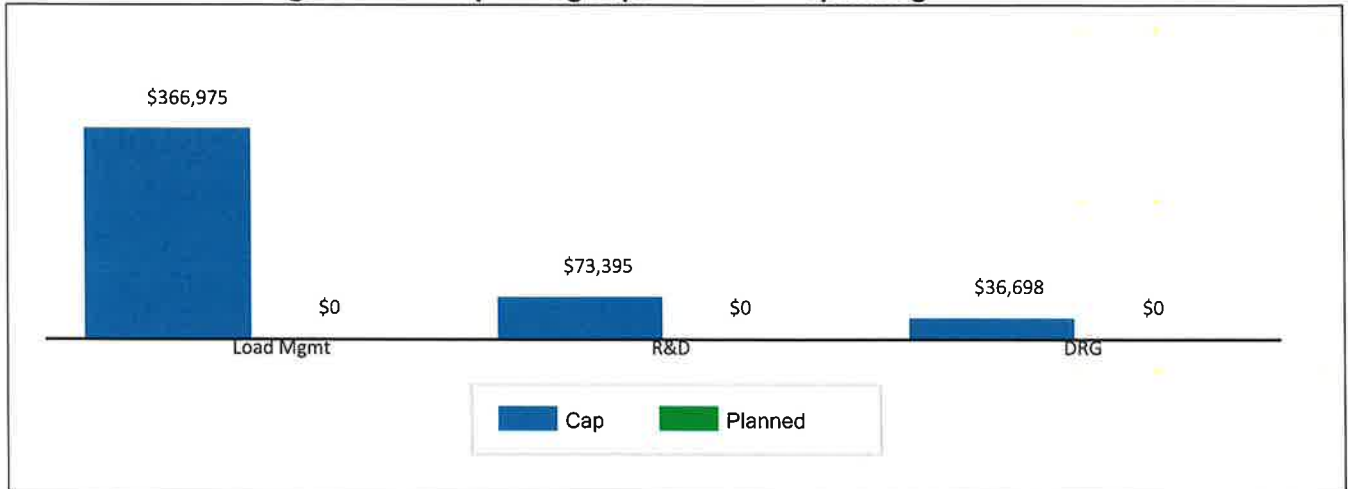




## 2020 Spending Caps on Optional Investments

Figure 8 shows Shakopee's planned spending on load management, research and development, and distributed and renewable generation investments.

**Figure 8. 2020 Spending Caps v. Planned Spending Amounts**



## 2020 Summary of Plan

Table 4 provides a summary of Shakopee's plan concerning the components of the CIP statute.

**Table 4. Summary of 2020 Plan Compliance**

Metric	Passed
Energy Savings (kWh)	Yes
Total Spending (\$)	Yes
Low-Income Spending (\$)	Yes
R&D Spending Cap (\$)	Yes
Distributed and Renewable Generation Spending Cap (\$)	Yes
Load Management Spending (\$)	Yes

## Green Building Standards

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Each utility and association must offer one or more programs that meet the following provisions to support green building standards.

Facilitate professional engineering verification to qualify a building for green building certification	§ 216B.241 subd. 1f(c)
Support goals consistent with Sustainable Buildings 2030 (SB 2030) performance standards	§ 216B.241 subd. 9(e)

My Staff recommend that utilities offer a subsidy for design assistance and/or certification expenses on a case by case basis within their commercial and industrial program(s).

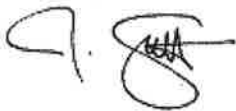
## FUTURE REPORTING

The next scheduled report will be on June 1, 2020, when Shakopee will need to report expenditures and energy savings for 2019, budgets and energy savings goals for 2021, and updated program designs for 2021.

## DECISION

With this letter, I accept Shakopee's reporting of results for the 2018 CIP program year, noting that Shakopee did not meet all the components of the statutes, and approve Shakopee's CIP plan for 2020. Thank you for Shakopee's continued contributions to Minnesota's energy efficiency and conservation goals. Please contact Anthony Fryer at [anthony.fryer@state.mn.us](mailto:anthony.fryer@state.mn.us) or 651-539-1858 or Laura Silver at [laura.silver@state.mn.us](mailto:laura.silver@state.mn.us) or 651-539-1873 with any questions or concerns.

Sincerely,



Joseph Sullivan,  
Deputy Commissioner,  
Minnesota Department of Commerce,  
Division of Energy Resources

JS/LNS

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## SUMMARY OF CIP FOR ELECTRIC UTILITIES<sup>1</sup>

Minnesota Statutes § 216B.241 apply to municipal electric utilities that provide electric service to more than 1,000 retail customers and to cooperative electric associations that provide retail service to more than 5,000 members.

### Energy Savings

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- *Minimum Annual Energy Savings Goals:* Minnesota Statutes § 216B.241 subd. 1c(b) requires each non-exempt utility and association to have an annual energy savings goal equal to 1.5% percent of gross annual retail sales. The energy savings goal should be calculated using the most recent 3-year weather-normalized average. Please refer to the [summary table in the section below](#) for the 3-year average used to calculate the savings requirement.
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1c(d) allows a utility or association to claim energy savings resulting from EUI projects on top of a minimum energy savings goal of 1 percent from energy conservation improvements, provided the EUI projects result in energy efficiencies greater than what would occur through normal maintenance activity. For further information, please review the Department's Decision filed on February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#).
- *Carry Forward Provision:* Minnesota Statutes § 216B.241 Subd. 1c(b) allows a utility or association to elect to carry forward energy savings in excess of 1.5 percent for a year to the succeeding three calendar years, except that savings from EUI projects may be carried forward for five years. For further information, please review the Department's Decision filed on February 20, 2018 in docket 17-856 in the matter of [Claiming Energy Savings through Electric Utility Infrastructure Improvements and the Carry Forward Provision](#).

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<sup>1</sup> The statutes are available at the website for the Office of the Revisor of Statutes:  
<https://www.revisor.mn.gov/statutes/?id=216B.241>.

## CIP Spending

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- *Minimum Spending:* Minnesota Statutes § 216B.241 subd. 1b requires each non-exempt cooperative electric association and municipality utility to invest a minimum of 1.5% percent of its Minnesota gross operating revenues (GOR), excluding revenue from any CIP-exempt customers, on CIP. Please refer to the [summary table in the section below](#) for the baseline year used to calculate the spending requirement.
- *Low-Income Spending:* Minnesota Statutes § 216B.241 subd. 7(a) and (c) require each non-exempt electric utility and natural gas municipal utility to invest a minimum of 0.2% percent of its residential Minnesota GOR on CIP programs that directly serve the needs of low-income persons, including renters. Please refer to the [summary table in the section below](#) for the baseline years used to calculate the low-income spending requirement.<sup>2</sup>
- *Electric Utility Infrastructure (EUI) Projects:* Minnesota Statutes § 216B.241 subd. 1(e) does not allow spending on EUI projects to count towards the CIP spending requirement.

## Spending Caps on Optional Investments

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- *Research and Development (R&D) Spending Cap:* Minnesota Statutes § 216B.241 subd. 2(c) allows each utility and association to spend up to 10 percent of a utility's minimum spending requirement on R&D projects.
- *Distributed and Renewable Generation (DRG) Cap:* Minnesota Statutes § 216B.2411 subd. 1 allows each utility and association to spend up to 5 percent of a utility's minimum spending requirement on DRG.<sup>3</sup>
- *Load-Management Activities:* Minnesota Statutes § 216B.241 subd. 1b(e) allows each utility and association to use load-management activities to achieve up to 50 percent of a utility's minimum spending requirement.

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<sup>2</sup> While Department policy currently allows cooperatives and municipalities to count a portion of general residential spending as low-income, the Department strongly encourages all utilities to meet their low-income spending requirements through programs that directly serve the needs of low-income persons, including renters.

<sup>3</sup> Utilities may not use green pricing programs to achieve CIP requirements.

## Green Building Standards

- *Green Building Standards:* Minnesota Statutes § 216B.241 subd. 1f(c) and § 216B.241 subd. 9(e) require that each non-exempt utility and association offer one or more programs that support green building certification of commercial buildings and that support goals consistent with Sustainable Buildings 2030 standards.

## BASE YEARS FOR CIP CALCULATIONS


Specific base years are used to calculate the statutory minimum requirements for the energy savings, total spending, and low-income spending goals. The table below summarizes the base years to be used to calculate the minimum requirements for CIP results and plans reviewed in this letter.

**Base Years for CIP Minimum Requirements Calculations**


<b>Filing Type</b>	<b>Minimum Energy Savings Rqmt 1.5% of:</b>	<b>Minimum Spending Rqmt 1.5% of:</b>	<b>Minimum Low-Income Spending Rqmt 0.2% of:</b>
2018 Results	2014-2016 average retail sales	2016 gross operating revenues	2014-2016 residential gross operating revenues
2020 Plan	2016-2018 average retail sales	2018 gross operating revenues	2016-2018 average residential gross operating revenues

February 12, 2020

11a

TO: John Crooks, Utilities Manager 

CC: Joe Adams  
Greg Drent  
Lon Schemel  
Sharon Walsh  
Sherri Anderson  
Tyra Kratochvil  
Kelley Willemsen

FROM:  Renee Schmid, Director of Finance and Administration

SUBJECT: Financial Results for December 2019, Year to Date 2019 & 2018 – 2019 Comparative Financial Results

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The following financial statements are attached for your review and approval.

- 1) Month to Date Financial Results – December, 2019
- 2) Year to Date Financial Results – December, 2019
- 3) 2018 – 2019 Comparative Financial Results

Key items to note:

Month to Date Financial Results – December, 2019

- Total Utility Operating Revenues for the month of December totaled \$3.8 million and were unfavorable to budget by \$168k or 4.3%. Electric revenues were unfavorable to budget by \$175k or 4.8% and water revenues were favorable to budget by \$7k or 2.7%.
- Total operating expenses were \$3.6 million and were favorable to budget by \$639k or 15.0%. Total purchased power costs in December totaled \$2.5 million and were \$346k or 12.2% favorable to budget for the month.
- Total Operating Expenses for electric totaled \$3.3 million including purchased power and was favorable to budget by \$522k or 13.8% due to lower than planned expenses in purchased power of \$346k, lower than plan administrative and general expenses of \$163k driven by lower than plan year end pension and benefit costs of \$101k, other net expenses of \$5k, and lower than plan depreciation expense of \$143k reflecting yearend adjustments for capitalized assets, that were partially offset by higher than plan expenses in energy conservation of \$135k due to timing.
- Total Operating Expense for Water totaled \$357k and was favorable to budget by \$117k or 24.6% due to lower than plan depreciation expense of \$63k reflecting yearend adjustments for capitalized assets, lower than plan administrative and general expenses of \$54k also due to lower yearend pension and benefit costs of

- \$29k, and lower than plan expenses in customer service of \$22k, partially offset by higher than plan operation maintenance expenses of \$22k.
- Total Utility Operating Income totaled \$155k and was \$471k favorable to plan due to lower than plan operating expenses of \$639k and was partially offset by lower than planned operating revenues of \$168k.
  - Total Utility Non-Operating income was \$185k and was favorable to budget by \$119k due to higher than plan investment income of \$166k, and was partially offset by lower than plan rental and miscellaneous income of \$22k, and a net loss on the disposition of property of \$26k. The net loss on the disposition of property in water of \$62k was due to the early retirement of water main related to a project on Canterbury/Shenandoah of \$46k and other various retirements of \$18k. Electric recognized a gain of \$36k on the disposition of miscellaneous property.
  - Capital Contributions for December totaled \$2.7 million and were favorable to budget by \$2.4 million due to higher than plan capital contributions of \$2.5 million for developer constructed water main projects of \$2.2 million, and other paid in capital project contributions of \$0.3 million in electric, that were partially offset by lower than plan Water Connection and Trunk Water fees of \$0.1 million.
  - Municipal contributions to the City of Shakopee totaled a \$113k and were lower than plan by \$97k due to lower sales in electric and water year over year. December includes the year end true up for payments due to or from the city for free service and city transfer fees.
  - Change in Net Position was \$2.9 million and was favorable to budget by \$3.1 million primarily due to higher than plan capital contributions of \$2.4 million, higher than plan operating income of \$0.5 million, higher than plan non-operating income of \$0.1 million, and lower than plan municipal contributions to the City of Shakopee of \$0.1 million reflecting the year end true up for free service and municipal contributions.

#### Year to Date Financial Results - 2019

- Total Utility Operating Revenue year to date December was \$54.5 million and is unfavorable to budget by \$1.9 million or 3.4%. Electric revenues were unfavorable to budget by \$1.5 million or 3.0% and water revenues were also unfavorable to budget by \$0.4 million or 7.4%. 2019 is on record as one of the highest for precipitation levels which impacted customer usage and sales. In addition, a large electric customer discontinued operations in the fourth quarter of 2019 resulting in an impact of a decrease of approximately of \$177k in fourth quarter revenues. This loss will offset growth and will continue to be a factor in 2020.
- The lower than plan revenues of \$1.5 million in electric were driven by lower than plan energy sales in the residential and industrial revenue groups of \$0.6 million, and lower than plan power cost adjustment income of \$1.0 million also driven by lower sales and lower than plan purchased power costs/kWh. Total kWh sales in 2019 were 446.2 million kwh compared to a plan of 452.9 million kwh or 1.5% lower than plan. Fixed fees were favorable to plan by \$35k driven primarily by residential account growth. Bad Debt expense was lower than plan by \$24k at \$61k and 0.12% of total revenues.
- Water sales volume in all revenue groups also were lower than planned projections for the year which is driving the unfavorable revenue variance for the year. Total water sales gallons for 2019 were 1.508 billion gallons (not including



hydrant sales) which was 136.9 billion gallons lower than planned sales volume of 1.644 billion gallons or 8.3% lower than plan.

- Total Utility Operating Expenses year to date December were \$47.3 million and were **favorable to budget by \$3.6 million** or 7.0%. Electric Operating expense totaled \$42.7 million and was favorable to plan by \$3.1 million or 6.7%. Water operating expense totaled \$4.6 million and was also favorable to plan by \$0.5 million or 10.2%.
- **Purchased power costs** totaled \$34.2 million and were **lower than plan by \$2.0 million** or 5.6%, driven by lower sales resulting in lower kwh purchases, and lower than plan purchased power costs per kWh. The 2019 purchased power cost/kwh was 7.449 cents versus a planned cost/kwh of 7.668 cents or 2.86% lower than plan.
- **Operation and maintenance expenses were lower than plan in electric and water by \$0.2 million.**
- Administrative and general expenses were favorable to plan by **\$1.1 million** driven by lower than planned expenditures in outsides services of \$0.4 million due to delay in implementation of planned spending for legal fees for territory acquisition and other legal fees, Web Site design, project costs for the security assessment and disaster recovery project, and lower than planned spending on other consulting expense , lower than plan employee benefits and pension expenses of \$0.4 million due to lower than plan PERA pension fund liability costs of \$0.2 million, medical insurance expense of \$0.1 million, and other employee benefit costs of \$0.1 million, office supplies/computer software and hardware maintenance of \$0.1, lower than plan insurance expenses of \$0.1 million due to lower rates and claims activity, **and other miscellaneous expenses \$0.1 million.**
- **Depreciation expense was lower than plan by \$0.2 million** due to the decision to move the construction of the Windermere Well to 2020, lower than plan water main costs for the 2019 street reconstruction project, and timing of other water and electric projects.
- Total Utility Operating Income was \$7.2 million and was favorable to budget by \$1.7 million driven lower than plan operating expenses of \$3.6 million and partially offset by lower than plan operating revenues of \$1.9 million.
- Total Utility Non-Operating Income was \$2.1 million and was favorable to budget by \$1.2 million due to higher than planned rental and miscellaneous income of \$0.1 million, higher than plan investment income of \$1.0 million, and gains on the disposition of property of \$0.1 million for various electric equipment of \$139k that was offset by a loss of \$62k in water due to early retirement of water main for projects in the Canterbury/Shenandoah area.
- YTD Capital Contributions were \$7.7 million and were favorable to budget by \$4.6 million due to higher than plan collection of water connection fees of \$1.7 million, and capital contributions of \$3.0 million for electric and water projects, that was partially offset by lower than plan trunk water fees of \$0.1 million. Connection fees included several large projects related to new commercial and residential development in Shakopee during the year. Capital contributions include \$2.2 million in developer constructed water main projects and \$0.8 million in paid in capital for electric projects.
- YTD Municipal Contributions to the City of Shakopee were \$2.4 million and are favorable to budget by \$0.1 million or 4.0% driven by lower than plan electric and water sales. The \$2.424 million contribution includes \$104k for free service for energy for street lighting and \$2.32 million in payments to the city of Shakopee. Under the new Resolution #1261, the amount of the transfer in 2019 would be



\$2.312 million, a difference of \$8k or 0.35%. SPU also provides maintenance of street lighting as a free service at a cost of \$159k in 2019 for a total municipal contribution of \$2.583 million in 2019 or 4.88% of sales. The chart below shows the history of SPU's contributions to the City of Shakopee for the last six years and estimated transfer based on the 2020 Budget.

	Per Resolution #672						Res #1261
	2014	2015	2016	2017	2018	2019	2020 Budget
Electric Revenues	41,348	42,160	45,009	45,983	49,448	48,733	48,116
	2.71%	2.71%	2.71%	2.71%	2.71%	2.71%	4.40%
Electric Transfer	1,121	1,143	1,220	1,246	1,340	1,321	2,117
Water Revenues	3,629	3,551	3,748	4,215	4,593	4,204	4,686
	23.77%	23.77%	23.77%	23.77%	23.77%	23.77%	4.40%
Water Transfer	862	844	891	1,002	1,092	999	206
Total Electric & Water Revenues	44,977	45,710	48,758	50,198	54,042	52,937	52,803
Total Transfer to the City	\$ 1,983	\$ 1,987	\$ 2,111	\$ 2,248	\$ 2,432	\$ 2,320	\$ 2,323
Transfer as a % of Sales	4.41%	4.35%	4.33%	4.48%	4.50%	4.38%	4.40%
Total Transfer to the City under Resolution #1261	\$ 1,963	\$ 1,998	\$ 2,130	\$ 2,195	\$ 2,363	\$ 2,312	\$ 2,323
Difference from #672	\$ (20)	\$ 12	\$ 20	\$ (53)	\$ (69)	\$ (8)	\$ -
Free Service Expense - Energy for Street Lighting	169	172	168	165	169	104	85
Total Municipal Contribution with Free Service	2,152	2,158	2,278	2,413	2,601	2,424	2,409
Street Lighting Expense/Maintenance	87	115	116	135	830	159	113
Total Municipal Contribution with Free Service & Maintenance	2,239	2,273	2,394	2,549	3,431	2,583	2,521
Total Electric & Water Revenues	44,977	45,710	48,758	50,198	54,042	52,937	52,803
Total Transfer to the City with Free Service & Maintenance	2,239	2,273	2,394	2,549	3,431	2,583	2,521
Transfer to the City with Free Service as a % of Sales	4.98%	4.97%	4.91%	5.08%	6.35%	4.88%	4.78%

- The YTD Change in Net Position is \$14.6 million and is favorable to budget by \$7.5 million primarily due to higher than planned operating income of \$1.7 million, higher than plan miscellaneous and investment income of \$1.2 million, and higher than planned capital contributions of \$4.6 million driven by capital contributions and water connection fees.

### 2018 – 2019 Comparative Financial Results

- Total Utility Operating Revenue was \$54.5 million in 2019 compared to \$56.0 million in 2018, a decrease of \$1.5 million or 2.7%. Electric revenues decreased from \$50.4 million in 2018 to \$49.7 million in 2019 by \$0.7 million or 1.5% reflecting a decrease in total kWh sales volume of 1.8%, and a decrease in power cost adjustment revenue of \$0.4 million from \$7.5 million 2018 to \$7.1 million in 2019 driven lower sales and decreased costs of purchased power per kWh of 1.7%. Water revenues also decreased from \$5.6 million in 2018 to \$4.9 million in 2019 by \$0.7 million or 13.3% driven by a decrease in water revenues of \$0.4 million and a decrease in water reconstruction revenues of \$0.3 million due to a rate decrease and lower sales. Total water gallons sold decreased 9.0% from 1.661 billion gallons to 1.511 billion gallons in 2019. The utility experienced account growth in 2019 but was impacted by reduced sales, the result of a record year for precipitation which impacted customer usage.
- Total Utility Operating Expenses were \$47.3 million in 2019 compared to \$48.2 million in 2018, a decrease of \$0.9 million or 1.8% driven primarily by lower purchased power costs of \$1.4 million due to lower sales and decreased costs of purchased power per kWh of 1.7%, lower electric operation and maintenance expenses of \$0.2 due to lower street light maintenance costs for the LED

streetlight project completed in 2018, **higher water and operation and maintenance expense of \$0.1 million** due to hydrant maintenance costs, **higher administrative and general expenses of \$0.4 million** due to a increases in pension and benefits expenses of \$0.2 million for pension liability expenses and other benefits costs increases due to staff additions, increases of \$0.1 million for meter reading and customer service expenses, increases of \$0.1 in administrative salaries for a staff addition in finance and other labor increases, increases of \$0.1 million in miscellaneous general expense for staff training, lower outside services expense and insurance expenses of \$0.1 million, and **higher depreciation expense of \$0.2 million** reflecting new infrastructure investments of \$2.0 million in electric and \$7.0 million in water.

- Major electric infrastructure investments include numerous underground and feeder extension projects of \$1.0 million, substation improvements of \$0.3 million, metering of \$0.1 million, transformers of \$0.4 million, and equipment of \$0.2 million. Major water infrastructure investments include the addition of the Windermere Booster station at \$3.4 million, developer constructed water main of \$2.2 million, 2019 water main reconstruction project of \$0.2 million, completion of the Rahr water main project of \$0.5 million, and \$0.7 million in water main oversizing.
- Total Utility Operating Income was \$7.2 million in 2019 as compared to \$7.8 million in 2018, a decrease of \$0.6 million or 7.7% driven by lower operating revenues of \$1.5 million and partially offset by decreased operating expense of \$0.9 million.
- Total Utility Non-Operating Income was \$2.1 million in 2019 compared to \$1.2 million in 2018, an increase of \$1.0 million. The increase in 2019 from 2018 included higher investment income of \$0.9 million, lower amortization of debt issuance costs of \$0.2 million related to the defeasance of the remaining bond issue in 2018, and partially offset by lower rental and miscellaneous income of \$0.1 million due to a onetime payment of \$0.2 from MMPA for transformation services recognized in 2018 in electric and partially offset by increases in water for by \$0.1 million from 2018 to 2019 due to more projects in water main plan review and inspection.
- Capital Contributions totaled \$7.7 million in 2019 as compared to \$6.6 million in 2018, an increase of \$1.1 million. The increase is attributable to an increase in the collection of water connection fees of \$1.4 year over year, that are partially offset by decreased capital contributions of \$0.1 million, and decreases in the collection of trunk water fees of \$0.2 million.

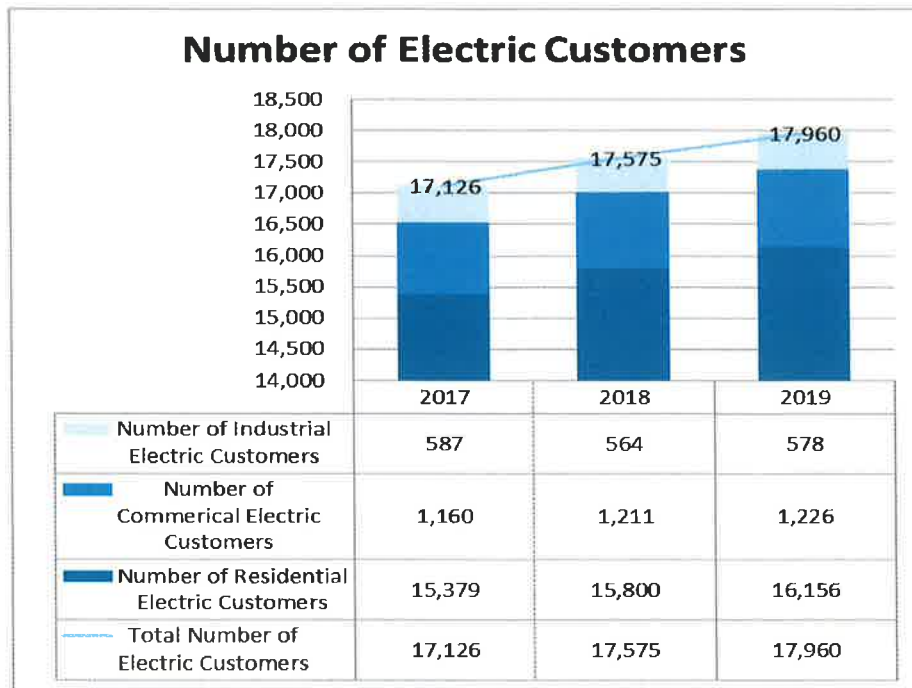
- The transfer to the City of Shakopee was \$2.4 million in 2019 as compared to \$2.6 million for 2018, a decrease of \$0.2 million or 6.8% driven by revenue decreases year to year, and lower cost of free service for energy for street lighting due to SPU's investment to convert street lighting to LED. The water net operating income after the municipal transfer in 2019 is a negative \$0.7 million. The water fund cannot sustain a 23.77% transfer percentage without an increase in customer water rates. This is the primary reason why the municipal contribution calculation has been adjusted from 23.77% for water and 2.71% in electric to 4.4% for both utilities in 2020. The city will continue to receive a similar contribution in total as it has in the past subject to fluctuation in sales.

\$ in Thousands	2019			2018		
	Electric	Water	Total Utility	Electric	Water	Total Utility
Operating Revenues	49,651	4,861	54,512	50,393	5,608	56,002
Operating Expenses	42,732	4,576	47,308	43,935	4,261	48,196
<b>Operating Income</b>	<b>6,919</b>	<b>285</b>	<b>7,204</b>	<b>6,459</b>	<b>1,347</b>	<b>7,806</b>
Municipal Contribution	(1,321)	(999)	(2,320)	(1,340)	(1,092)	(2,432)
Free Service for Street Lighting	(104)		(104)	(169)		(169)
<b>Total Transfer to Municipality</b>	<b>(1,425)</b>	<b>(999)</b>	<b>(2,424)</b>	<b>(1,509)</b>	<b>(1,092)</b>	<b>(2,601)</b>
<b>Net Operating Income after Transfer</b>	<b>5,494</b>	<b>(714)</b>	<b>4,780</b>	<b>4,949</b>	<b>255</b>	<b>5,205</b>

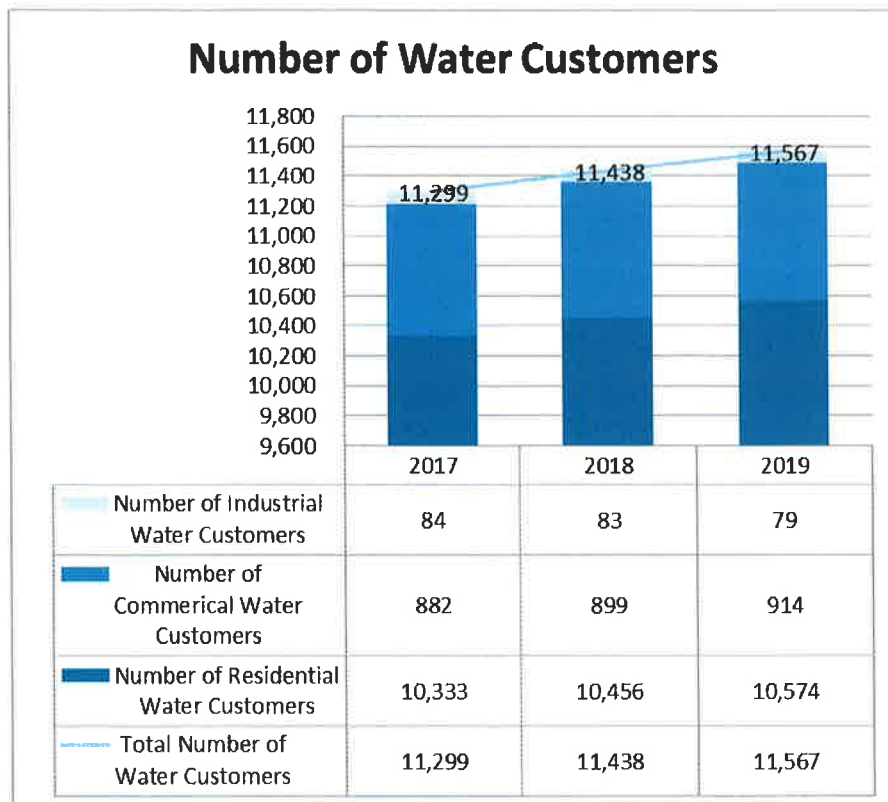
- The Change in Net Position is \$14.6 million in 2019 compared to \$13.0 million in 2018, is an increase of \$1.6 million year over year. Electric Net Position in 2019 increased \$1.2 million from 2018 and Water Net Position in 2019 increased \$0.4 million from 2018. This increase in net position is primarily due to increased non-operating revenues of \$1.0 million, increased capital contributions of \$1.1 million, decreased transfer expense of \$0.2 million to the City of Shakopee in 2019 as compared to 2018 driven by lower revenues, and partially offset by decreased operating income of \$0.6 million driven by lower revenues.

Account Growth

- The number of electric customers billed in December, 2019 totaled 17,960 as compared to 17,575 as of December 2019, reflecting an increase of 385 customers or 2.2% for the year 2019.

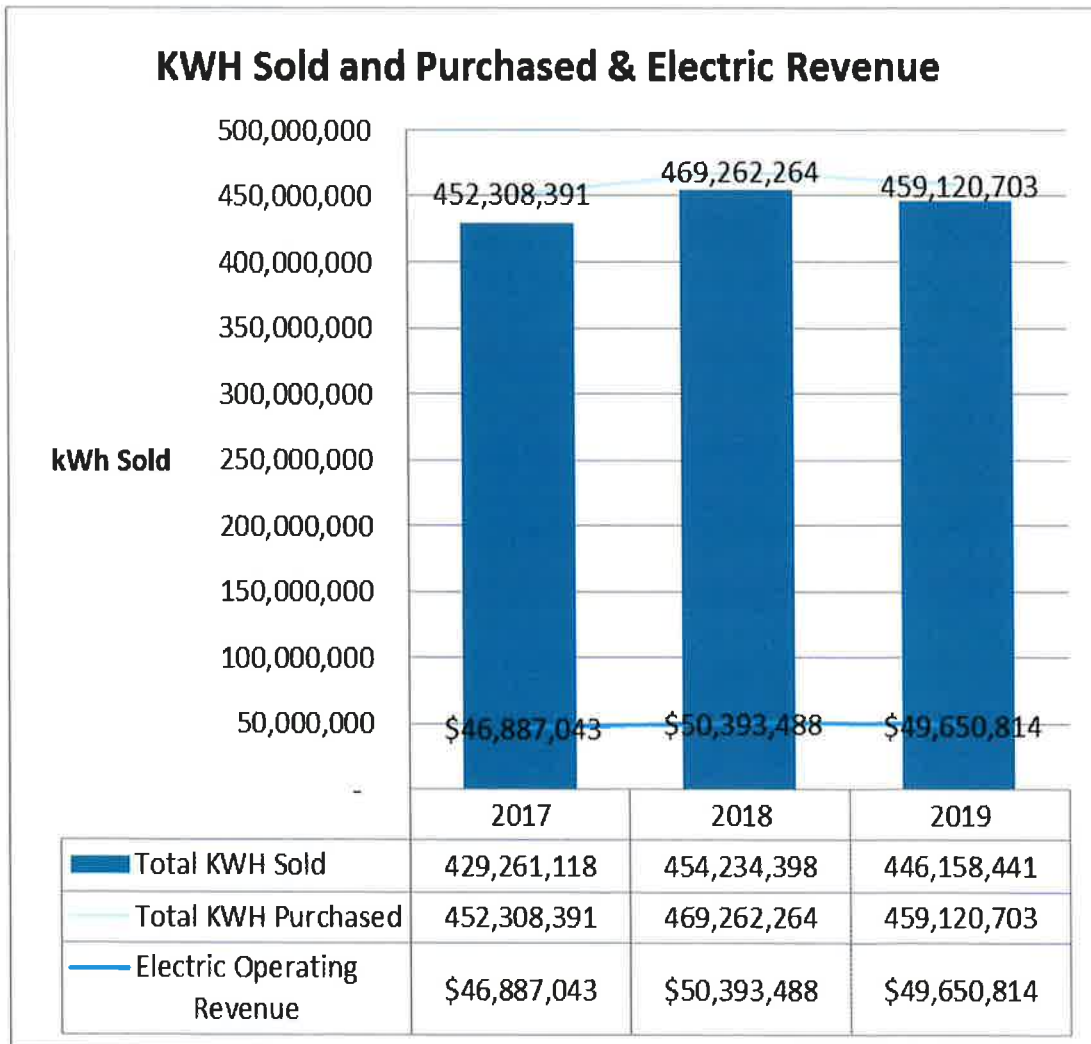


- The number of water customers billed in December, 2019 was 11,567 as compared to 11,438 as of December 2018, reflecting an increase of 129 customers or 1.13% for the year 2019.



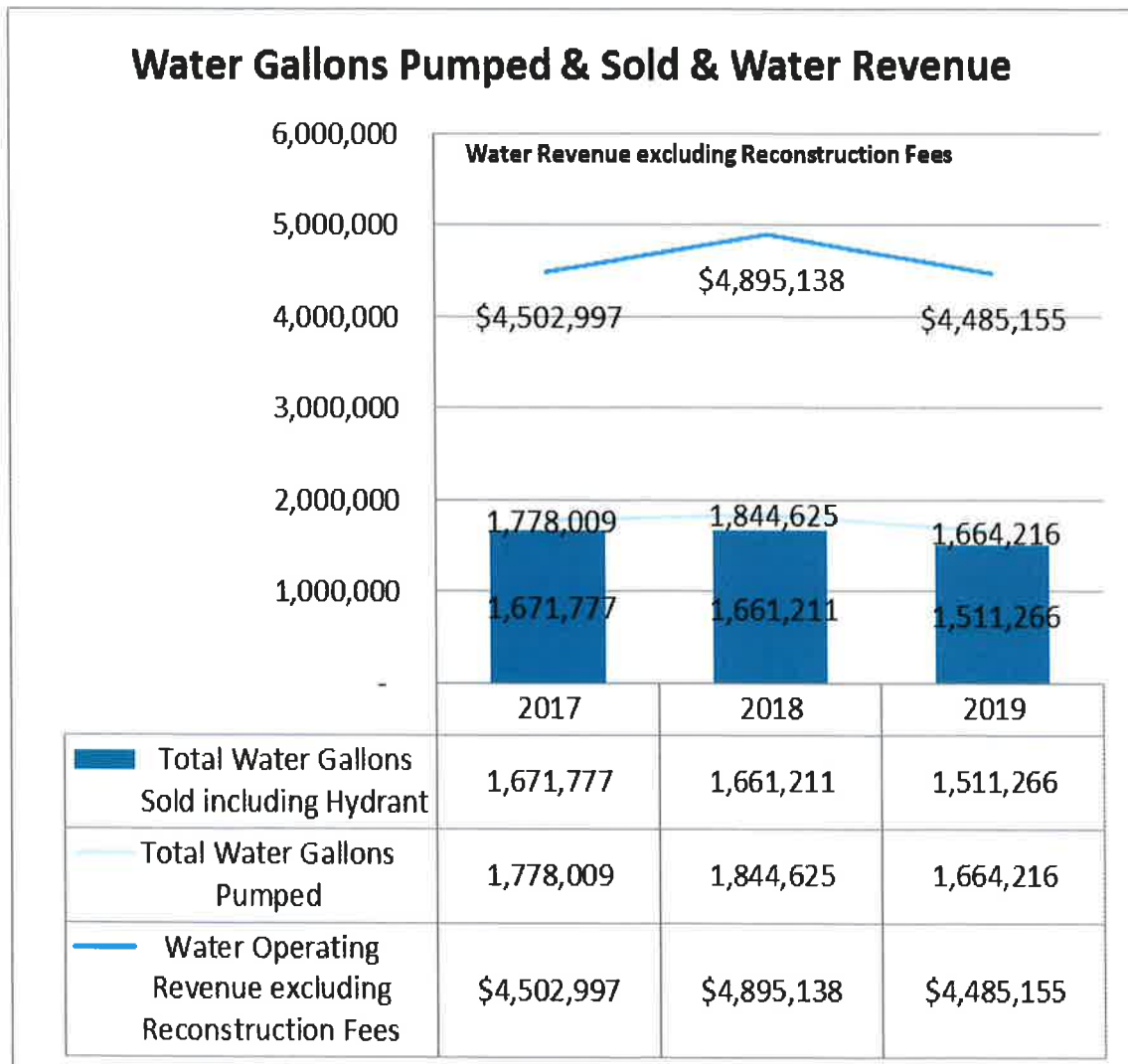
## KWH Purchased and Sold

- Total kWh purchased in 2019 was 459,120,703 compared to 469,262,264 in 2018, reflecting a decrease of 2.2% year over year. Total kWh sold in 2019 was 446,158,441 as compared to 454,234,398 in 2018, reflecting a decrease of 1.8% for the year 2019. Electric Operating revenues totaled \$49.7 million in 2019 compared to \$50.4 million in 2018, a decrease of \$0.7 million or 1.5% driven by lower kWh sales, and lower power cost adjustment revenue due to lower sales and lower costs/kWh purchased. Power costs per kWh purchased decreased from 7.557 cents per kWh in 2018 to 7.449 cents per kWh in 2019, a decrease of 1.69%.
- Unaccounted for kWh, commonly referred to as “line loss”, which is the difference between purchased and sold kWh with adjustments for free or other known usage was at 2.21% in 2019 as compared to 2.45% in 2018. This metric is used in tracking the performance of our distribution system.



Water Gallons Pumped, Sold and Water Revenue

- Water Gallons pumped in 2019 totaled 1.664 billion gallons as compared to 1.885 billion gallons in 2018, reflecting a decrease of 9.8% for the year 2019 from 2018. Water Gallons sold including hydrant sales in 2019 totaled 1.511 billion gallons as compared to 1.661 billion gallons in 2018, reflecting a decrease of 9.0% for the year 2019 from 2018. Water operating revenues excluding Reconstruction Fees totaled \$4.5 million in 2019 as compared to \$4.9 million in 2018, a decrease of \$0.4 million or 8.4%. 2019 recorded one of the highest years on record for precipitation which impacted customer usage and water sales. The water rate structure aligns with conservation based rate structure as required by the DNR.
- Unaccounted for water gallons which is the difference between water gallons pumped and billed with adjustments for free or other known usage was at 7.3% in 2019 as compared to 9.4% in 2018. This metric is used in tracking the performance of our distribution system.



**SHAKOPEE PUBLIC UTILITIES**  
**MONTH TO DATE FINANCIAL RESULTS**  
**DECEMBER 2019**



**SHAKOPEE PUBLIC UTILITIES**  
"Lighting the Way – Yesterday, Today and Beyond"

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

	Month to Date Actual - December 2019			Month to Date Budget - December 2019			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %	MTD Actual v. Budget B/(W) \$ %			
<b>OPERATING REVENUES</b>	\$ 3,488,599	283,125	3,771,725	3,663,580	275,683	3,939,264	(174,981) -4.8%	7,442 2.7%	(167,539) -4.3%			
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	3,199,818	279,152	3,478,969	3,578,472	332,827	3,911,299	378,655 10.6%	53,675 16.1%	432,330 11.1%			
Depreciation	59,290	78,242	137,532	202,651	141,094	343,745	143,362 70.7%	62,851 44.5%	206,213 60.0%			
Amortization of Plant Acquisition	-	-	-	-	-	-	- 0.0%	- -	- 0.0%			
Total Operating Expenses	3,259,108	357,394	3,616,501	3,781,124	473,921	4,255,044	522,016 13.8%	116,527 24.6%	638,543 15.0%			
Operating Income	229,492	(74,268)	155,224	(117,543)	(198,237)	(315,781)	347,035 295.2%	123,969 62.5%	471,004 149.2%			
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	(35,010)	32,577	(2,433)	16,968	2,105	19,073	(51,978) -306.3%	30,472 1447.7%	(21,506) -112.8%			
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	- 0.0%	- -	- 0.0%			
Investment Income	66,119	145,035	211,154	26,983	18,126	45,109	39,136 145.0%	126,909 700.1%	166,045 368.1%			
Interest Expense	(5,083)	(222)	(5,305)	(6,327)	(162)	(6,489)	1,244 19.7%	(60) -37.3%	1,184 18.2%			
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	- #DIV/0!	- -	- #DIV/0!			
Gain/(Loss) on the Disposition of Property	36,036	(62,391)	(26,355)	-	-	-	36,036 -	(62,391) -	(26,355) 0.0%			
Total Non-Operating Revenue (Expense)	69,562	114,999	184,561	45,124	20,070	65,193	24,438 54.2%	94,930 473.0%	119,368 183.1%			
Income Before Contributions and Transfers	299,054	40,731	339,785	(72,420)	(178,168)	(250,587)	371,473 512.9%	218,899 122.9%	590,372 235.6%			
<b>CAPITAL CONTRIBUTIONS</b>	330,408	2,330,958	2,661,366	-	260,029	260,029	330,408 -	2,070,929 796.4%	2,401,337 923.5%			
<b>TRANSFER TO MUNICIPALITY</b>	(115,094)	1,649	(113,445)	(120,539)	(89,882)	(210,420)	5,445 4.5%	91,531 101.8%	96,975 46.1%			
<b>CHANGE IN NET POSITION</b>	\$ 514,367	2,373,338	2,887,705	(192,959)	(8,020)	(200,979)	707,326 366.6%	2,381,358 29691.8%	3,088,684 1536.8%			



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

	MTD Actual December 2019	MTD Budget December 2019	MTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 1,259,058	1,354,748	(95,690)	-7.1%
Commercial and Industrial	2,185,968	2,311,453	(125,485)	-5.4%
Uncollectible accounts	(61,116)	(85,506)	24,390	-
Total Sales of Electricity	<u>3,383,910</u>	<u>3,580,695</u>	<u>(196,784)</u>	<u>-5.5%</u>
Forfeited Discounts	24,599	21,498	3,101	14.4%
Free service to the City of Shakopee	28,544	7,002	21,542	307.7%
Conservation program	51,547	54,386	(2,839)	-5.2%
Total Operating Revenues	<u>3,488,599</u>	<u>3,663,580</u>	<u>(174,981)</u>	<u>-4.8%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	2,488,417	2,834,761	346,344	12.2%
Distribution operation expenses	57,479	39,408	(18,071)	-45.9%
Distribution system maintenance	110,273	61,384	(48,889)	-79.6%
Maintenance of general plant	23,721	27,396	3,675	13.4%
Total Operation and Maintenance	<u>2,679,891</u>	<u>2,962,949</u>	<u>283,058</u>	<u>9.6%</u>
Customer Accounts				
Meter Reading	10,647	10,979	332	3.0%
Customer records and collection	(24,389)	43,775	68,164	155.7%
Energy conservation	197,821	62,382	(135,439)	-217.1%
Total Customer Accounts	<u>184,079</u>	<u>117,136</u>	<u>(66,943)</u>	<u>-57.1%</u>
Administrative and General				
Administrative and general salaries	48,893	57,362	8,469	14.8%
Office supplies and expense	6,762	18,853	12,091	64.1%
Outside services employed	9,292	36,989	27,697	74.9%
Insurance	6,684	14,963	8,279	55.3%
Employee Benefits	236,577	337,513	100,936	29.9%
Miscellaneous general	27,639	32,708	5,068	15.5%
Total Administrative and General	<u>335,848</u>	<u>498,387</u>	<u>162,539</u>	<u>32.6%</u>
Total Operation, Customer, & Admin Expenses	<u>3,199,818</u>	<u>3,578,472</u>	<u>378,655</u>	<u>10.6%</u>
Depreciation	59,290	202,651	143,362	70.7%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 3,259,108</u>	<u>3,781,124</u>	<u>522,016</u>	<u>13.8%</u>
<b>OPERATING INCOME</b>	<u>\$ 229,492</u>	<u>(117,543)</u>	<u>347,035</u>	<u>295.2%</u>

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

	MTD Actual	MTD Budget	MTD Actual v. Budget	
	December 2019	December 2019	Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 290,200	284,898	5,303	1.9%
Forfeited Discounts	1,304	1,905	(601)	-31.5%
Uncollectible accounts	(8,379)	(11,119)	2,740	-
<b>Total Operating Revenues</b>	<u>283,125</u>	<u>275,683</u>	<u>7,442</u>	<u>2.7%</u>
<b>OPERATING EXPENSES</b>				
<b>Operations and Maintenance</b>				
Pumping and distribution operation	48,641	43,902	(4,739)	-10.8%
Pumping and distribution maintenance	71,173	39,937	(31,236)	-78.2%
Power for pumping	13,482	26,001	12,520	48.2%
Maintenance of general plant	3,195	4,683	1,487	31.8%
<b>Total Operation and Maintenance</b>	<u>136,491</u>	<u>114,523</u>	<u>(21,968)</u>	<u>-19.2%</u>
<b>Customer Accounts</b>				
Meter Reading	4,761	5,784	1,023	17.7%
Customer records and collection	(8,964)	12,148	21,112	173.8%
Energy conservation	-	-	-	-
<b>Total Customer Accounts</b>	<u>(4,203)</u>	<u>17,932</u>	<u>22,135</u>	<u>123.4%</u>
<b>Administrative and General</b>				
Administrative and general salaries	29,115	37,906	8,791	23.2%
Office supplies and expense	2,737	5,766	3,029	52.5%
Outside services employed	11,207	16,411	5,204	31.7%
Insurance	2,228	4,988	2,760	55.3%
Employee Benefits	88,326	117,133	28,807	24.6%
Miscellaneous general	13,251	18,170	4,919	27.1%
<b>Total Administrative and General</b>	<u>146,863</u>	<u>200,372</u>	<u>53,509</u>	<u>26.7%</u>
<b>Total Operation, Customer, &amp; Admin Expenses</b>	<u>279,152</u>	<u>332,827</u>	<u>53,675</u>	<u>16.1%</u>
Depreciation	78,242	141,094	62,851	44.5%
Amortization of plant acquisition	-	-	-	-
<b>Total Operating Expenses</b>	<u>357,394</u>	<u>473,921</u>	<u>116,527</u>	<u>24.6%</u>
<b>OPERATING INCOME</b>	<u>\$ (74,268)</u>	<u>(198,237)</u>	<u>123,969</u>	<u>62.5%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**YEAR TO DATE FINANCIAL RESULTS**  
**DECEMBER 2019**



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

	Year to Date Actual - December 2019			Year to Date Budget - December 2019			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) \$ %			
<b>OPERATING REVENUES</b>	\$ 49,650,814	4,861,369	54,512,183	51,175,939	5,249,603	56,425,542	(1,525,125)	-3.0%	(388,234)	-7.4%	(1,913,359)	-3.4%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	40,405,851	2,992,000	43,397,851	43,364,627	3,400,431	46,765,058	2,958,775	6.8%	408,432	12.0%	3,367,207	7.2%
Depreciation	2,326,070	1,584,293	3,910,363	2,431,817	1,693,123	4,124,940	105,747	4.3%	108,831	6.4%	214,577	5.2%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	42,731,922	4,576,293	47,308,214	45,796,444	5,093,555	50,889,999	3,064,522	6.7%	517,262	10.2%	3,581,784	7.0%
Operating Income	6,918,892	285,076	7,203,968	5,379,495	156,049	5,535,543	1,539,397	28.6%	129,028	82.7%	1,668,425	30.1%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	259,598	268,265	527,864	203,616	184,772	388,388	55,982	27.5%	83,494	45.2%	139,476	35.9%
Interdepartment Rent from Water	90,000	-	90,000	90,000	-	90,000	-	0.0%	-	-	-	0.0%
Investment Income	980,762	527,645	1,508,407	323,792	217,518	541,310	656,970	202.9%	310,127	142.6%	967,097	178.7%
Interest Expense	(64,280)	(2,295)	(66,574)	(75,925)	(1,942)	(77,867)	11,646	15.3%	(353)	-18.2%	11,293	14.5%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	#DIV/0!	-	0.0%	-	#DIV/0!
Gain/(Loss) on the Disposition of Property	138,545	(62,391)	76,154	-	-	-	138,545	0.0%	(62,391)	-	76,154	-
Total Non-Operating Revenue (Expense)	1,404,626	731,225	2,135,851	541,483	400,348	941,831	863,143	159.4%	330,877	82.8%	1,194,020	126.8%
Income Before Contributions and Transfers	8,323,518	1,016,301	9,339,819	5,920,978	556,396	6,477,374	2,402,540	40.6%	459,905	82.7%	2,862,444	44.2%
<b>CAPITAL CONTRIBUTIONS</b>	759,222	6,922,746	7,681,969	-	3,120,347	3,120,347	759,222	-	3,802,399	121.9%	4,561,621	146.2%
<b>MUNICIPAL CONTRIBUTION</b>	(1,424,805)	(999,320)	(2,424,125)	(1,446,467)	(1,078,578)	(2,525,046)	21,662	1.5%	79,258	7.3%	100,920	4.0%
<b>CHANGE IN NET POSITION</b>	\$ 7,657,935	6,939,728	14,597,662	4,474,510	2,598,166	7,072,676	3,183,424	71.1%	4,341,562	167.1%	7,524,986	106.4%

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

	YTD Actual December 2019	YTD Budget December 2019	YTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 17,314,821	18,214,510	(899,690)	-4.9%
Commercial and Industrial	31,261,141	31,956,352	(695,211)	-2.2%
Uncollectible accounts	(61,116)	(85,506)	24,390	28.5%
Total Sales of Electricity	48,514,846	50,085,357	(1,570,511)	-3.1%
Forfeited Discounts	304,445	257,978	46,467	18.0%
Free service to the City of Shakopee	106,913	84,019	22,894	27.2%
Conservation program	724,610	748,585	(23,975)	-3.2%
Total Operating Revenues	49,650,814	51,175,939	(1,525,125)	-3.0%
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	34,198,101	36,220,560	2,022,459	5.6%
Distribution operation expenses	450,752	472,900	22,148	4.7%
Distribution system maintenance	650,200	736,608	86,408	11.7%
Maintenance of general plant	308,833	328,752	19,919	6.1%
Total Operation and Maintenance	35,607,886	37,758,821	2,150,934	5.7%
Customer Accounts				
Meter Reading	127,806	131,749	3,943	3.0%
Customer records and collection	523,715	525,301	1,585	0.3%
Energy conservation	724,610	748,585	23,975	3.2%
Total Customer Accounts	1,376,131	1,405,634	29,503	2.1%
Administrative and General				
Administrative and general salaries	666,835	688,338	21,503	3.1%
Office supplies and expense	173,835	226,231	52,396	23.2%
Outside services employed	133,237	443,869	310,632	70.0%
Insurance	127,006	179,557	52,551	29.3%
Employee Benefits	1,953,383	2,269,686	316,302	13.9%
Miscellaneous general	367,538	392,491	24,953	6.4%
Total Administrative and General	3,421,834	4,200,172	778,338	18.5%
Total Operation, Customer, & Admin Expenses	40,405,851	43,364,627	2,958,775	6.8%
Depreciation	2,326,070	2,431,817	105,747	4.3%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 42,731,922	45,796,444	3,064,522	6.7%
<b>OPERATING INCOME</b>	<b>\$ 6,918,892</b>	<b>5,379,495</b>	<b>1,539,397</b>	<b>28.6%</b>

# SHAKOPEE PUBLIC UTILITIES

## WATER OPERATING REVENUE AND EXPENSE

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	December 2019	December 2019	Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 4,827,271	5,237,867	(410,596)	-7.8%
Forfeited Discounts	42,475	22,855	19,620	85.8%
Uncollectible accounts	(8,377)	(11,119)	2,742	24.7%
Total Operating Revenues	<u>4,861,369</u>	<u>5,249,603</u>	<u>(388,234)</u>	<u>-7.4%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	522,704	526,821	4,117	0.8%
Pumping and distribution maintenance	420,452	479,245	58,793	12.3%
Power for pumping	289,410	312,016	22,605	7.2%
Maintenance of general plant	67,722	56,190	(11,531)	-20.5%
Total Operation and Maintenance	<u>1,300,288</u>	<u>1,374,272</u>	<u>73,984</u>	<u>5.4%</u>
Customer Accounts				
Meter Reading	66,830	69,408	2,578	3.7%
Customer records and collection	130,908	145,774	14,865	10.2%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>197,739</u>	<u>215,182</u>	<u>17,443</u>	<u>8.1%</u>
Administrative and General				
Administrative and general salaries	407,966	454,867	46,901	10.3%
Office supplies and expense	61,984	69,191	7,207	10.4%
Outside services employed	76,964	196,934	119,969	60.9%
Insurance	42,335	59,852	17,517	29.3%
Employee Benefits	712,946	812,099	99,153	12.2%
Miscellaneous general	191,778	218,035	26,257	12.0%
Total Administrative and General	<u>1,493,973</u>	<u>1,810,978</u>	<u>317,004</u>	<u>17.5%</u>
Total Operation, Customer, & Admin Expenses	<u>2,992,000</u>	<u>3,400,431</u>	<u>408,432</u>	<u>12.0%</u>
Depreciation	1,584,293	1,693,123	108,831	6.4%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 4,576,293</u>	<u>5,093,555</u>	<u>517,262</u>	<u>10.2%</u>
<b>OPERATING INCOME</b>	<u>\$ 285,076</u>	<u>156,049</u>	<u>129,028</u>	<u>82.7%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**COMPARATIVE FINANCIAL RESULTS**  
**2018 - 2019**



**SHAKOPEE PUBLIC UTILITIES**  
“Lighting the Way – Yesterday, Today and Beyond”

**SHAKOPEE PUBLIC UTILITIES**  
**COMBINED STATEMENT OF REVENUE & EXPENSE AND NET ASSETS**  
**COMPARATIVE FINANCIAL RESULTS FOR 2018 - 2019**

	2019			2018			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	2018 - 2019 \$	2018 - 2019 B/(W) %	2018 - 2019 \$	2018 - 2019 B/(W) %	2018 - 2019 \$	2018 - 2019 B/(W) %
<b>OPERATING REVENUES</b>	\$ 49,650,814	4,861,369	54,512,183	50,393,488	5,608,128	56,001,616	(742,675)	-1.5%	(746,759)	-13.3%	(1,489,434)	-2.7%
<b>OPERATING EXPENSES</b>												
Operation and Maintenance	40,405,851	2,992,000	43,397,851	41,697,429	2,846,004	44,543,434	1,291,578	3.1%	(145,996)	-5.1%	1,145,582	2.6%
Depreciation	2,326,070	1,584,293	3,910,363	2,237,527	1,415,037	3,652,564	(88,544)	-4.0%	(169,255)	-12.0%	(257,799)	-7.1%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	#DIV/0!	-	-	-	#DIV/0!
Total Operating Expenses	42,731,922	4,576,293	47,308,214	43,934,956	4,261,042	48,195,998	1,203,034	2.7%	(315,251)	-7.4%	887,783	1.8%
Operating Income	6,918,892	285,076	7,203,968	6,458,532	1,347,086	7,805,618	460,360	7.1%	(1,062,010)	-78.8%	(601,650)	-7.7%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	259,598	268,265	527,864	430,798	184,856	615,654	(171,200)	-39.7%	83,409	45.1%	(87,791)	-14.3%
Interdepartment Rent from Water	90,000	-	90,000	90,000	-	90,000	-	0.0%	-	-	-	0.0%
Investment Income	980,762	527,645	1,508,407	449,019	219,864	668,883	531,743	118.4%	307,782	140.0%	839,524	125.5%
Interest Expense	(64,280)	(2,295)	(66,574)	(65,609)	(989)	(66,599)	1,330	2.0%	(1,305)	-131.9%	25	0.0%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	(216,694)	-	(216,694)	216,694	100.0%	-	#DIV/0!	216,694	100.0%
Gain on the Disposition of Property	138,545	(62,391)	76,154	59,601	5,536	65,138	78,944	-	(67,928)	1226.9%	11,016	-
Total Non-Operating Revenue (Expense)	1,404,626	731,225	2,135,851	747,115	409,267	1,156,382	657,511	88.0%	321,958	78.7%	979,469	84.7%
Income Before Contributions and Transfers	8,323,518	1,016,301	9,339,819	7,205,648	1,756,353	8,962,000	1,117,870	15.5%	(740,052)	-42.1%	377,819	4.2%
<b>CAPITAL CONTRIBUTIONS</b>	759,222	6,922,746	7,681,969	730,662	5,868,217	6,598,879	28,560	3.9%	1,054,530	18.0%	1,083,090	16.4%
<b>TRANSFER TO MUNICIPALITY</b>	(1,424,805)	(999,320)	(2,424,125)	(1,509,222)	(1,091,814)	(2,601,036)	84,417	5.6%	92,494	8.5%	176,911	6.8%
<b>CHANGE IN NET POSITION</b>	7,657,935	6,939,728	14,597,662	6,427,087	6,532,756	12,959,843	1,230,847	19.2%	406,972	6.2%	1,637,819	12.6%
<b>TOTAL NET ASSETS - Beginning of Year</b>	76,917,858	68,121,082	145,038,940	70,490,771	61,588,326	132,079,097	6,427,087	9.1%	6,532,756	10.6%	12,959,843	9.8%
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	-	-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
<b>Beginning of Year, as Restated</b>	\$ 76,917,858	68,121,082	145,038,940	70,490,771	61,588,326	132,079,097	6,427,087	9.1%	6,532,756	10.6%	12,959,843	9.8%
<b>TOTAL NET ASSETS - END OF YEAR</b>	\$ 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%



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

	2019	2018	2018 - 2019	
			Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 17,314,821	17,891,566	(576,746)	-3.2%
Commercial	31,261,141	31,414,833	(153,693)	-0.5%
Uncollectible accounts	(61,116)	(71,802)	10,687	14.9%
Total Sales of Electricity	48,514,846	49,234,598	(719,752)	-1.5%
Forfeited Discounts	304,445	252,538	51,907	20.6%
Free service to the City of Shakopee	106,913	170,988	(64,075)	-37.5%
Conservation program	724,610	735,365	(10,755)	-1.5%
Total Operating Revenues	49,650,814	50,393,488	(742,675)	-1.5%
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	34,198,101	35,555,031	1,356,930	3.8%
Distribution operation expenses	450,752	417,657	(33,096)	-7.9%
Distribution system maintenance	650,200	942,150	291,950	31.0%
Maintenance of general plant	308,833	258,740	(50,092)	-19.4%
Total Operation and Maintenance	35,607,886	37,173,577	1,565,691	4.2%
Customer Accounts				
Meter Reading	127,806	115,910	(11,896)	-10.3%
Customer records and collection	523,715	467,845	(55,871)	-11.9%
Energy conservation	724,610	735,365	10,755	1.5%
Total Customer Accounts	1,376,131	1,319,119	(57,012)	-4.3%
Administrative and General				
Administrative and general salaries	666,835	610,512	(56,323)	-9.2%
Office supplies and expense	173,835	139,740	(34,095)	-24.4%
Outside services employed	133,237	186,004	52,767	28.4%
Insurance	127,006	129,290	2,284	1.8%
Employee Benefits	1,953,383	1,830,931	(122,453)	-6.7%
Miscellaneous general	367,538	308,256	(59,281)	-19.2%
Total Administrative and General	3,421,834	3,204,732	(217,102)	-6.8%
Total Operating Expenses	40,405,851	41,697,429	1,291,578	3.1%
Depreciation	2,326,070	2,237,527	(88,544)	-4.0%
Amortization of plant acquisition	-	-	-	#DIV/0!
Total Operating Expenses	\$ 42,731,922	43,934,956	1,203,034	2.7%
<b>OPERATING INCOME</b>	<b>\$ 6,918,892</b>	<b>6,458,532</b>	<b>460,360</b>	<b>7.1%</b>

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

	2019	2018	2018 - 2019	
			Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 4,827,271	5,568,252	(740,981)	-13.3%
Forfeited Discounts	42,475	38,380	4,095	10.7%
Uncollectible accounts	(8,377)	1,496	(9,873)	660.0%
Total Operating Revenues	<u>4,861,369</u>	<u>5,608,128</u>	<u>(746,759)</u>	<u>-13.3%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	522,704	474,523	(48,182)	-10.2%
Pumping and distribution maintenance	420,452	427,410	6,958	1.6%
Power for pumping	289,410	300,400	10,990	3.7%
Maintenance of general plant	67,722	37,283	(30,439)	-81.6%
Total Operation and Maintenance	<u>1,300,288</u>	<u>1,239,615</u>	<u>(60,672)</u>	<u>-4.9%</u>
Customer Accounts				
Meter Reading	66,830	61,848	(4,982)	-8.1%
Customer records and collection	130,908	129,395	(1,513)	-1.2%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>197,739</u>	<u>191,243</u>	<u>(6,496)</u>	<u>-3.4%</u>
Administrative and General				
Administrative and general salaries	407,966	397,716	(10,249)	-2.6%
Office supplies and expense	61,984	47,746	(14,238)	-29.8%
Outside services employed	76,964	72,615	(4,349)	-6.0%
Insurance	42,335	43,097	761	1.8%
Employee Benefits	712,946	666,998	(45,948)	-6.9%
Miscellaneous general	191,778	186,974	(4,804)	-2.6%
Total Administrative and General	<u>1,493,973</u>	<u>1,415,146</u>	<u>(78,828)</u>	<u>-5.6%</u>
Total Operating Expenses	<u>2,992,000</u>	<u>2,846,004</u>	<u>(145,996)</u>	<u>-5.1%</u>
Depreciation	1,584,293	1,415,037	(169,255)	-12.0%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>4,576,293</u>	<u>4,261,042</u>	<u>(315,251)</u>	<u>-7.4%</u>
<b>OPERATING INCOME</b>	<u>\$ 285,076</u>	<u>1,347,086</u>	<u>(1,062,010)</u>	<u>-78.8%</u>





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# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

February 11, 2020

TO: John Crooks, Utilities Manager 

FROM: Sharon Walsh, Director of Marketing and Customer Relations 

SUBJECT: 2020 Tom Bovitz Scholarship Award

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## Overview

Each year, SPU partners with the MMUA to sponsor the Tom Bovitz Memorial Scholarship. The SPU scholarship is offered to high school seniors who have plans to attend a post-secondary educational institution and who are, or have legal guardians who are, customers of SPU. Students participate in an essay competition interpreting one or more aspects of the theme, “Municipal Utilities: Good For All of Us.”

SPU will award a first place scholarship in the amount of \$1000 and a second place scholarship in the amount of \$500. The first place winner will have their essay submitted to the MMUA to compete at the state level. This winner will have the opportunity to earn an additional scholarship of \$500, \$1000, \$1500 or \$2000, depending on their placement in the state competition.


I am gaining traction with the three high schools (SHS, PLHS and HFCHS) as each have acknowledged my email and were anticipating the information I sent. The information is currently on the SPU website. Facebook will also be utilized.

Submissions are due March 30<sup>th</sup>. For your planning purposes, I will present these to the Commission for review and voting at the April 6<sup>th</sup> meeting. Finalist is due to MMUA no later than April 15.

## Action Requested

At this time there is no requested action.

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**FROM: JOHN R. CROOKS, UTILITIES MANAGER**   
**SUBJECT: SPU / CITY COUNCIL JOINT MEETING UPDATE**  
**DATE: FEBRUARY 13, 2020**

Attached is the email sent to the City Administrator in regards to the direction Staff received during the February 3 Commission meeting.

As of Thursday February 13, no response has been provided from the City.

## Crooks, John

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**From:** Crooks, John  
**Sent:** Tuesday, February 11, 2020 12:55 PM  
**To:** 'Bill Reynolds'  
**Subject:** RE: Proposed Joint Meeting Date

Good Afternoon Bill,

I have followed up with the SPU Commission regarding the joint meeting dates and location. I was asked by the SPU Commission to have the Council again consider the February 18 date. The meeting could be held at the SPU Commission Room at 500pm, before the City Council meeting. Historically the meetings have rotated between City Hall and the SPU Service Center. Since the agenda appears to be only 2 issues, the meeting would not be expected to last long. I realize from the email below the position of the City, which was shared at the Feb. 3 Commission meeting, however I am following the direction that I received from my Board.

It was also directed by the Commission to request a meeting with you to agree to the framework for the joint meeting and agree with the proposed agenda. Please let me know if you have any questions.

Regards,  
John

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**From:** Bill Reynolds <BReynolds@ShakopeeMN.gov>  
**Sent:** Tuesday, January 28, 2020 1:49 PM  
**To:** Crooks, John <jcrooks@shakopeeutilities.com>; William Mars <WMars@ShakopeeMN.gov>; William.Mars <William.Mars@target.com>; Joos, Terry <TJoos@MNSupply.com>; Terry Joos <terryjoos@gmail.com>  
**Subject:** RE: Proposed Joint Meeting Date

Unfortunately this date will not work. It is the night of a City Council meeting. Also, after consultation with the City Council, the meeting will be held here at city hall. The meeting was called by the City Council in regards to the highly unusual SPUC transfer adjustment. In the future, I would suggest that there be an agreement as to the meeting location as opposed to demanding where it is to be held.

I suggest the 17<sup>th</sup> or 19<sup>th</sup> of March for a meeting date.



**William H. Reynolds**  
City Administrator, City of Shakopee  
952-233-9311  
[www.ShakopeeMN.gov](http://www.ShakopeeMN.gov)



**2019 AWARD RECIPIENT**

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**From:** Crooks, John <jcrooks@shakopeeutilities.com>  
**Sent:** Tuesday, January 28, 2020 11:08 AM  
**To:** Bill Reynolds <BReynolds@ShakopeeMN.gov>; William Mars <WMars@ShakopeeMN.gov>; William.Mars

<[William.Mars@target.com](mailto:William.Mars@target.com)>; Joos, Terry <[TJoos@MNSupply.com](mailto:TJoos@MNSupply.com)>; Terry Joos <[terryjoos@gmail.com](mailto:terryjoos@gmail.com)>

**Subject:** Proposed Joint Meeting Date

Good Morning,

While somewhat preliminary, I would propose a date of Tuesday, February 18 for the Joint Meeting. This date would need to be accepted by the SPU Commission at their February 3 Commission meeting. As previously provided, This Joint Meeting would be held in the Shakopee Public Utilities Commission Room. Please let me know if you have any questions.

Regards,  
John

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

**TO: SHAKOPEE PUBLIC UTILITIES COMMISSION**

**FROM: JOHN R. CROOKS, UTILITIES MANAGER**

**SUBJECT: SPU / CITY COUNCIL JOINT MEETING**

**DATE: FEBRUARY 1, 2020**

An email was sent to Commissioners and myself requesting a joint meeting between the SPU Commission and the City Council. There are two issues that the Council would like to discuss; those being notification of rate increases and the SPU contribution to the City of Shakopee.

Would there be other issues that the SPU Commission would like placed on a joint meeting agenda?

Attached are emails between the City Administrator and myself to attempt setting an agreed upon date and location.