

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
APRIL 16, 2018

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
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) Resn. #1194 – Setting the Amount of the Trunk Water Charge, Approving Of Its Collection and Authorizing Water Service to Certain Property Described as: Windermere Second Addition
 - 8c) Resn. #1195 – Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Windermere Second Addition
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) March 2018 MMPA Board Meeting Public Summary
10. **Reports: Human Resources**
11. **Reports: General**
 - C=> 11a) February 2018 Financial Results
 - 11b) March 2018 Financial Results
 - 11c) Insurance Liability Coverage - Waiver
 - C=> 11d) Front Lobby Remodeling Update
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Regular Meeting	--	May 7
- Mid Month Meeting	--	May 21
- Regular Meeting	--	June 4
- Mid Month Meeting	--	June 18
14. **Adjourn** to 5/7/18 at the SPUC Service Center, 255 Sarazin Street

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Amundson called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., April 2, 2018.

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

New SPU Commissioner Mathew Meyer was welcomed to the Board.

Motion by Weyer, seconded by Hennen to approve the minutes of the March 19, 2018 Commission meeting. Motion carried.

There were no Communication items to report.

President Amundson offered the agenda for approval.

Motion by Joos, seconded by Hennen to approve the agenda as presented. Motion carried.

Motion by Joos, seconded by Weyer to approve the Consent Business agenda as presented. Motion carried.

President Amundson stated that the Consent Items were: Item 8d: Quarterly Nitrate Report; Item 11f: January 2018 Financial Results; Item 11g: Tom Bovitz Scholarship Essays and Item 11h: Website Analytics.

The warrant listing for bills paid April 2, 2018 was presented.

Motion by Joos, seconded by Hennen to approve the warrant listing dated April 2, 2018 as presented. Motion carried.

Liaison Mocol presented her report. Items discussed were the April 28 citywide Spring Clean Up, the Met Council's Livable Cities Program and transferring city owned property from the HRA to the EDA.

Water Superintendent Schemel provided a report of current water operations. A water service leak and repair on Shakopee Avenue East was reviewed.

The 2018 City of Shakopee Street Reconstruction Project update was provided by Mr. Schemel.

Motion by Weyer, seconded by Hennen to offer Resolution #1193. A Resolution Approving Plans and Specifications for Watermain Replacement with the 2018 City of Shakopee Street Reconstruction. Ayes: Commissioners Hennen, Joos, Meyer, Weyer and Amundson. Nay: none. Motion carried. Resolution passed.

Item 8d: Quarterly Nitrate Report was received under Consent Business.

Line Superintendent Drent provided a report of current electric operations. One electric outage was reviewed. The underground inspection program is continuing for electric lines. An update was provided for construction projects.

The 2018 Reliability and Outage Report was presented by Mr. Drent.

Utilities Manager Crooks reviewed the 2018 Commission/Staff Goals and Objectives.

The SPU Governance Handbook was discussed and reviewed by Mr. Crooks. No changes to the existing document were made by the Board.

SPU Commission meeting protocol information was provided by Mr. Crooks.

President Amundson announced the 2018 election for officers and officials to the Shakopee Public Utilities Commission. Each officer; President, Vice President and Secretary, are to be elected to a 1-year term.

Mr. Crooks called for nominations for the office of President of the Shakopee Public Utilities Commission.

Motion by Joos, seconded by Hennen to nominate Commissioner Weyer for the office of President of the Shakopee Public Utilities Commission. There were no further nominations.

Mr. Crooks moved to close the nominations and move to Commission vote. Vote was unanimous. Motion carried.

Mr. Crooks acknowledged the vote and Commissioner Weyer was elected unanimously to the office of President of the Shakopee Public Utilities Commission.

Mr. Crooks called for nominations for the office of Vice President of the Shakopee Public Utilities Commission.

Motion by Amundson, seconded by Weyer to nominate Commissioner Hennen for the office of Vice President of the Shakopee Public Utilities Commission. There were no other nominations.

Mr. Crooks moved to close the nominations and move to Commission vote. Vote was unanimous. Motion carried.

Mr. Crooks acknowledged the vote and Commissioner Hennen was elected unanimously to the office of Vice President of the Shakopee Public Utilities Commission.

President Amundson called for nominations for the office of Secretary to the Shakopee Public Utilities Commission.

Motion by Weyer, seconded by Joos to nominate Utilities Manager Crooks for the office of Secretary to the Shakopee Public Utilities Commission. There were no further nominations.

Mr. Crooks moved to close the nominations and move to Commission vote. Vote was unanimous. Motion carried

The vote was acknowledged and Mr. Crooks was elected unanimously for the office of Secretary to the Shakopee Public Utilities Commission.

President Amundson moved to appoint Utilities Manager Crooks as the Representative to the Minnesota Municipal Power Agency (MMPA) for the Shakopee Public Utilities Commission.

President Amundson moved to appoint Commissioner Amundson as the Alternate Representative to MMPA for the Shakopee Public Utilities Commission.

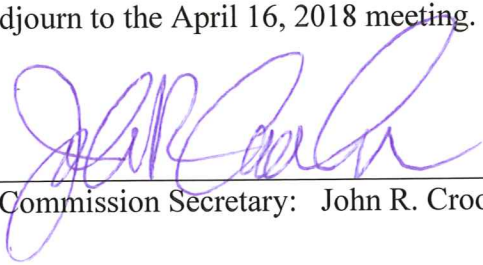
Item 11f: January 2018 Financial Results was received under Consent Business.

Item 11g: Tom Bovitz Scholarship Essays was received under Consent Business.

Item 11h: Website Analytics was received under Consent Business.

The tentative commission meeting dates of April 16 and May 7 were noted.

Motion by Joos, seconded by Weyer to adjourn to the April 16, 2018 meeting. Motion carried.



Commission Secretary: John R. Crooks

RESOLUTION #1194

A RESOLUTION SETTING THE AMOUNT
OF THE TRUNK WATER CHARGE, APPROVING OF ITS COLLECTION
AND AUTHORIZING WATER SERVICE TO CERTAIN PROPERTY
DESCRIBED AS:

WINDERMERE SECOND ADDITION

WHEREAS, a request has been received for City water service to be made available to certain property, and

WHEREAS, the collection of the Trunk Water Charge is one of the standard requirements before City water service is newly made available to an area, and

WHEREAS, the standard rate to be applied for the Trunk Water Charge has been set by separate Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$27,817.58 based on 7.42 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

Lots 1-9, Block 1; Lots 1-18, Block 2 WINDERMERE SECOND ADDITION

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

Passed in regular session of the Shakopee Public Utilities Commission, this 16th day of April, 2018.

Commission President: Aaron Weyer

ATTEST:

Commission Secretary: John R. Crooks

RESOLUTION #1195

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

WINDERMERE SECOND ADDITION

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

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

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

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

WHEREAS, the pipes considered oversized are listed on an attachment to this Resolution,

NOW THEREFORE, BE IT RESOLVED, that the amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$8,294.13, and

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

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

Passed in regular session of the Shakopee Public Utilities Commission, this 16th day of April, 2018.

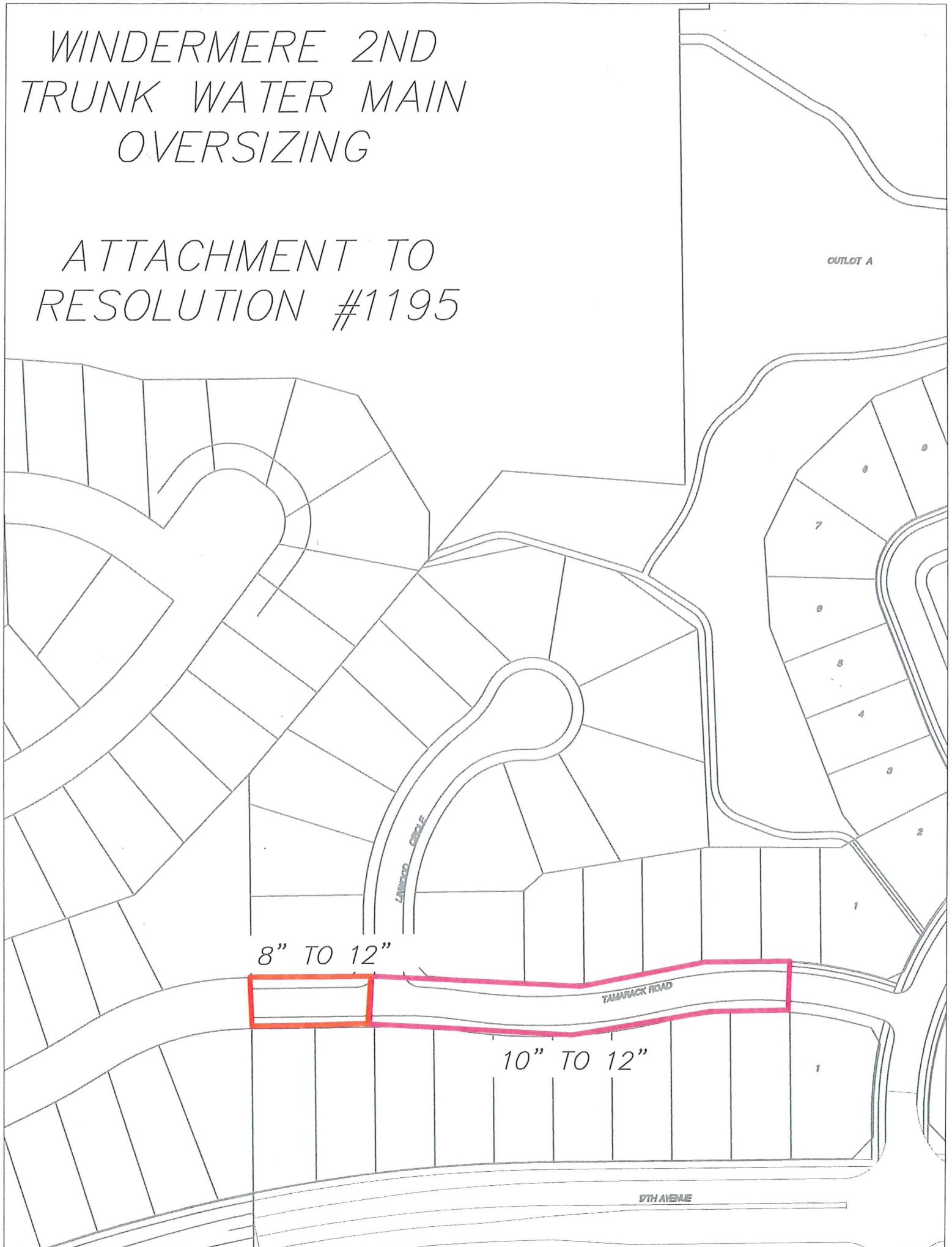
Commission President: Aaron Weyer

ATTEST:


Commission Secretary: John R. Crooks

WINDERMERE 2ND TRUNK WATER MAIN OVERSIZING

ATTACHMENT TO
RESOLUTION #1195



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: MARCH 2018 MMPA BOARD MEETING SUMMARY
DATE: APRIL 13, 2018

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on March 27, 2018 at the offices of Shakopee Public Utilities in Shakopee, Minnesota.

The Board approved an updated Distributed Generation tariff to be implemented by MMPA member's governing bodies.

The Board approved Clover Ridge Elementary School in Chaska as a Hometown Solar Grant recipient.

Participation in MMPA's Residential Clean Energy Choice program increased over February, with seven different MMPA members having new customer signups during the month. Customer penetration of MMPA's Clean Energy Choice program for residential customers is at 2.6%, with a range of market penetration by members of 1.5% to 5.6%.

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



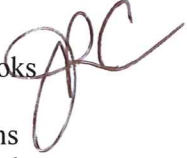
SHAKOPEE PUBLIC UTILITIES


"Lighting the Way – Yesterday, Today and Beyond"

April 5, 2018

PROPOSE AS CONSENT

11a

TO: John Crooks 

CC: Joe Adams
Sherri Anderson
Greg Drent
Lon Schemel
Sharon Walsh 

FROM: Renee Schmid, Director of Finance and Administration

SUBJECT: Financial Results for February, 2018

The following Financial Statements are attached for your review and approval.

Month to Date and Year to Date Financial Results – February, 2018

- Combined Statement of Revenue & Expense and Net Assets – Electric, Water and Total Utility
- Electric Operating Revenue & Expense Detail
- Water Operating Revenue & Expense Detail

Key items to note:

Month to Date Results – February, 2018

- Total Utility Operating Revenues for the month of February totaled \$4.1 million and were favorable to budget by \$651k or 18.7%. Electric revenues were favorable to budget by \$620k or 19.2% driven by higher than plan sales volume in all revenue groups. Water revenues were favorable to budget by \$31k or 12.1%.
- Total operating expenses were \$3.4 million and were slightly unfavorable to budget by \$5k or 0.2%. Total purchased power in February was \$2.5 million and was \$202k or 9.0% higher than budget for the month due to higher sales. Total Operating Expense for electric including purchased power was unfavorable to budget by \$50k or 1.7% due to higher than plan purchased power costs and partially offset by timing of expenditures in conservation expense and administrative and general expense. Total Operating Expense for Water was also favorable to budget by \$45k or 11.6% due to timing of expenditures in outside services, and system operation and maintenance.
- Total Utility Operating Income was \$726k and was \$646k favorable to budget due to higher than plan operating revenues.
- Total Utility Non-Operating Revenue was \$35k and was unfavorable to budget by \$10k due to lower than plan investment income and partially offset by the gain on the disposition of an electric truck and salt spreader.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Capital Contributions for the month of February were \$85k and were unfavorable to budget by \$82k due to timing of collection of water connection and trunk fees.
- Municipal contributions to the City of Shakopee totaled \$213k and were at higher than plan by \$2.9k or 1.4%.
- Change in Net Position was \$633k and was favorable to budget by \$551k due to higher than plan operating revenue and was partially offset by lower than plan capital contributions.
- Electric usage billed to customers in February was 35,592,040 kWh, a decrease from January usage billed at 37,729,402 kWh.
- Water usage billed to customers in February was 84.9 million gallons, a decrease from January usage billed at 89.8 million gallons.

Year to Date Financial Results – February, 2018

- Total Utility Operating Revenue year to date February was \$8.4 million and was favorable to budget by \$852k or 11.3%. Electric revenues were favorable to budget by \$819k or 11.8% driven by higher than plan energy sales in all revenue groups. Water revenues were also favorable to budget by \$33k or 7.5% driven by higher than plan sales volumes in all revenue groups as well.
- Total Utility Operating Expenses year to date February were \$7.0 million and were favorable to budget by \$0.2 million or 2.9% primarily due to timing of expenditures in energy conservation of \$0.5 million, and administrative and general expense \$0.1 million, and were partially offset by higher than plan purchased power costs of \$0.4 million driven by higher sales. Total Operating Expense for electric including purchased power was \$6.3 million and was favorable to budget by \$0.2 million or 2.6%. Total Operating Expense for Water was \$0.8 million and was also favorable to budget by \$41k or 5.1%.
- Total Utility Operating Income was \$1.3 million and was favorable to budget by \$1.1 million, driven by higher than planned operating revenues of \$0.9 million and lower than planned operating expenses of \$0.2 million.
- Total Utility Non-Operating expense was \$96k and was unfavorable to budget by \$38k due to lower than planned investment income of \$57k, that was partially offset by \$9k net gain on the sale of an electric truck and salt spreader and higher than plan rental and miscellaneous income of \$10k. Non-operating expense includes the write down of \$217k in amortization of debt issuance and loss on refunding costs reflecting the redemption of the final outstanding debt issue.
- YTD Capital Contributions were \$232k and are unfavorable to budget by \$100k due to lower than planned collection of trunk fees of \$103k.
- Municipal contributions to the City of Shakopee totaled \$403k year to date and is lower than plan by \$16k or 4.0%. The actual estimated payment throughout the year is based on prior year results and will be trued up at the end of the year.
- YTD Change in Net Position is \$1.1 million and is favorable to budget by \$0.9 million reflecting higher than plan operating revenues and lower than operating expense.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
FEBRUARY 2018



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 - February 2018			Month to Date Budget - February 2018			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)	%
	\$						\$		\$		\$	
OPERATING REVENUES	3,849,954	290,564	4,140,518	3,230,317	259,270	3,489,586	619,637	19.2%	31,294	12.1%	650,932	18.7%
OPERATING EXPENSES												
Operation, Customer and Administrative	2,873,311	215,683	3,088,994	2,819,551	261,294	3,080,844	(53,760)	-1.9%	45,610	17.5%	(8,150)	-0.3%
Depreciation	196,268	129,257	325,525	199,558	128,912	328,470	3,290	1.6%	(344)	-0.3%	2,945	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	3,069,579	344,940	3,414,519	3,019,108	390,206	3,409,315	(50,471)	-1.7%	45,266	11.6%	(5,205)	-0.2%
 Operating Income	 780,375	 (54,376)	 725,999	 211,208	 (130,937)	 80,272	 569,166	 269.5%	 76,561	 58.5%	 645,727	 804.4%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	13,210	863	14,073	15,783	1,390	17,173	(2,574)	-16.3%	(527)	-37.9%	(3,100)	-18.1%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	2,116	1,945	4,061	16,940	5,511	22,451	(14,824)	-87.5%	(3,566)	-64.7%	(18,389)	-81.9%
Interest Expense	(70)	(6)	(76)	(1,805)	(29)	(1,834)	1,735	96.1%	23	78.6%	1,757	95.8%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	9,320	-	9,320	-	-	-	9,320	-	-	-	9,320	0.0%
Total Non-Operating Revenue (Expense)	32,076	2,802	34,878	38,418	6,872	45,290	(6,342)	-16.5%	(4,070)	-59.2%	(10,413)	-23.0%
 Income Before Contributions and Transfers	 812,450	 (51,574)	 760,876	 249,626	 (124,064)	 125,562	 562,824	 225.5%	 72,491	 58.4%	 635,314	 506.0%
CAPITAL CONTRIBUTIONS	-	84,838	84,838	-	166,373	166,373	-	-	(81,535)	-49.0%	(81,535)	-49.0%
TRANSFER TO MUNICIPALITY	(119,692)	(92,987)	(212,678)	(122,048)	(87,715)	(209,763)	2,356	1.9%	(5,272)	-6.0%	(2,916)	-1.4%
 CHANGE IN NET POSITION	 \$ 692,758	 (59,722)	 633,036	 127,579	 (45,406)	 82,173	 565,180	 443.0%	 (14,316)	 -31.5%	 550,863	 670.4%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	MTD Actual February 2018	MTD Budget February 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 1,365,310	1,159,965	205,345	17.7%
Commercial and Industrial	2,397,223	1,985,321	411,902	20.7%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	3,762,533	3,145,286	617,247	19.6%
Forfeited Discounts	17,278	20,453	(3,175)	-15.5%
Free service to the City of Shakopee	14,003	13,853	150	1.1%
Conservation program	56,140	50,724	5,416	10.7%
Total Operating Revenues	3,849,954	3,230,317	619,637	19.2%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	2,456,477	2,254,302	(202,175)	-9.0%
Distribution operation expenses	(9,385)	37,222	46,608	125.2%
Distribution system maintenance	82,356	69,157	(13,199)	-19.1%
Maintenance of general plant	23,684	21,340	(2,344)	-11.0%
Total Operation and Maintenance	2,553,132	2,382,021	(171,111)	-7.2%
Customer Accounts				
Meter Reading	9,931	9,133	(798)	-8.7%
Customer records and collection	43,334	50,754	7,420	14.6%
Energy conservation	8,399	59,003	50,604	85.8%
Total Customer Accounts	61,665	118,890	57,225	48.1%
Administrative and General				
Administrative and general salaries	52,750	51,183	(1,566)	-3.1%
Office supplies and expense	7,145	15,839	8,695	54.9%
Outside services employed	7,117	26,316	19,198	73.0%
Insurance	10,602	12,164	1,563	12.8%
Employee Benefits	147,140	175,315	28,175	16.1%
Miscellaneous general	33,761	37,822	4,061	10.7%
Total Administrative and General	258,515	318,640	60,125	18.9%
Total Operation, Customer, & Admin Expenses	2,873,311	2,819,551	(53,760)	-1.9%
Depreciation	196,268	199,558	3,290	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 3,069,579	3,019,108	(50,471)	-1.7%
OPERATING INCOME	\$ 780,375	211,208	569,166	269.5%

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

	MTD Actual February 2018	MTD Budget February 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 288,955	257,405	31,550	12.3%
Forfeited Discounts	1,610	1,865	(255)	-13.7%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	290,564	259,270	31,294	12.1%
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	21,674	42,942	21,268	49.5%
Pumping and distribution maintenance	39,994	28,572	(11,423)	-40.0%
Power for pumping	23,702	23,949	247	1.0%
Maintenance of general plant	1,479	5,221	3,743	71.7%
Total Operation and Maintenance	86,849	100,684	13,834	13.7%
Customer Accounts				
Meter Reading	5,347	5,160	(187)	-3.6%
Customer records and collection	12,273	13,203	930	7.0%
Energy conservation	-	-	-	-
Total Customer Accounts	17,620	18,363	743	4.0%
Administrative and General				
Administrative and general salaries	35,164	32,157	(3,007)	-9.4%
Office supplies and expense	3,175	7,174	3,999	55.7%
Outside services employed	-	13,483	13,483	100.0%
Insurance	3,534	4,055	521	12.8%
Employee Benefits	50,378	63,870	13,492	21.1%
Miscellaneous general	18,963	21,508	2,545	11.8%
Total Administrative and General	111,214	142,247	31,033	21.8%
Total Operation, Customer, & Admin Expenses	215,683	261,294	45,610	17.5%
Depreciation	129,257	128,912	(344)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	344,940	390,206	45,266	11.6%
OPERATING INCOME	\$ (54,376)	(130,937)	76,561	58.5%

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
FEBRUARY 2018



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

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

	Year to Date Actual - February 2018			Year to Date Budget - February 2018			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	\$ 7,779,066	596,460	8,375,527	6,960,005	563,096	7,523,101	819,061	11.8%	33,364	5.9%	852,425	11.3%
OPERATING EXPENSES												
Operation, Customer and Administrative	5,878,109	518,077	6,396,186	6,041,674	560,253	6,601,927	163,565	2.7%	42,176	7.5%	205,741	3.1%
Depreciation	392,536	258,513	651,049	399,115	257,825	656,940	6,579	1.6%	(688)	-0.3%	5,891	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	6,270,646	776,590	7,047,235	6,440,790	818,077	7,258,867	170,144	2.6%	41,488	5.1%	211,632	2.9%
Operating Income	1,508,421	(180,130)	1,328,291	519,216	(254,982)	264,234	989,205	190.5%	74,852	29.4%	1,064,057	402.7%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	42,968	96,811	139,779	31,567	98,020	129,587	11,402	36.1%	(1,209)	-1.2%	10,193	7.9%
Interdepartment Rent from Water	15,000	-	15,000	15,000	-	15,000	-	0.0%	-	-	-	0.0%
Investment Income	(16,233)	3,719	(12,514)	33,879	11,022	44,901	(50,112)	-147.9%	(7,303)	-66.3%	(57,415)	-127.9%
Interest Expense	(30,795)	(77)	(30,872)	(30,974)	(57)	(31,031)	179	0.6%	(20)	-34.3%	159	0.5%
Amortization of Debt Issuance Costs and Loss on Refunding	(216,694)	-	(216,694)	(216,694)	-	(216,694)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	9,320	-	9,320	-	-	-	9,320	0.0%	-	-	9,320	-
Total Non-Operating Revenue (Expense)	(196,434)	100,453	(95,981)	(167,222)	108,985	(58,238)	(29,212)	-17.5%	(8,531)	-7.8%	(37,743)	-64.8%
Income Before Contributions and Transfers	1,311,987	(79,676)	1,232,311	351,993	(145,997)	205,997	959,993	272.7%	66,320	45.4%	1,026,314	498.2%
CAPITAL CONTRIBUTIONS	(10,709)	243,062	232,353	-	332,747	332,747	(10,709)	-	(89,684)	-27.0%	(100,394)	-30.2%
MUNICIPAL CONTRIBUTION	(235,695)	(166,987)	(402,682)	(244,095)	(175,430)	(419,526)	8,400	3.4%	8,443	4.8%	16,844	4.0%
CHANGE IN NET POSITION	\$ 1,065,583	(3,601)	1,061,982	107,898	11,320	119,218	957,685	887.6%	(14,920)	-131.8%	942,764	790.8%

SHAKOPEE PUBLIC UTILITIES

ELECTRIC OPERATING REVENUE AND EXPENSE

	YTD Actual February 2018	YTD Budget February 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 2,825,168	2,539,380	285,788	11.3%
Commercial and Industrial	4,771,650	4,243,104	528,547	12.5%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	7,596,818	6,782,484	814,335	12.0%
Forfeited Discounts	40,884	40,906	(22)	-0.1%
Free service to the City of Shakopee	28,006	27,707	299	1.1%
Conservation program	113,358	108,909	4,449	4.1%
Total Operating Revenues	7,779,066	6,960,005	819,061	11.8%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	5,202,057	4,798,181	(403,876)	-8.4%
Distribution operation expenses	64,656	74,445	9,789	13.1%
Distribution system maintenance	171,664	138,313	(33,351)	-24.1%
Maintenance of general plant	46,572	42,681	(3,892)	-9.1%
Total Operation and Maintenance	5,484,950	5,053,620	(431,330)	-8.5%
Customer Accounts				
Meter Reading	18,916	18,266	(650)	-3.6%
Customer records and collection	86,285	101,508	15,223	15.0%
Energy conservation	(347,286)	118,006	465,291	394.3%
Total Customer Accounts	(242,085)	237,779	479,864	201.8%
Administrative and General				
Administrative and general salaries	100,548	102,367	1,819	1.8%
Office supplies and expense	42,623	31,678	(10,945)	-34.5%
Outside services employed	17,523	52,632	35,109	66.7%
Insurance	21,204	24,329	3,125	12.8%
Employee Benefits	388,247	463,626	75,379	16.3%
Miscellaneous general	65,099	75,644	10,544	13.9%
Total Administrative and General	635,244	750,275	115,031	15.3%
Total Operation, Customer, & Admin Expenses	5,878,109	6,041,674	163,565	2.7%
Depreciation	392,536	399,115	6,579	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 6,270,646	6,440,790	170,144	2.6%
OPERATING INCOME	\$ 1,508,421	519,216	989,205	190.5%

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

	YTD Actual February 2018	YTD Budget February 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 593,531	559,366	34,165	6.1%
Forfeited Discounts	2,929	3,729	(800)	-21.5%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>596,460</u>	<u>563,096</u>	<u>33,364</u>	<u>5.9%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	73,025	85,883	12,859	15.0%
Pumping and distribution maintenance	65,450	57,144	(8,307)	-14.5%
Power for pumping	47,535	47,898	363	0.8%
Maintenance of general plant	11,884	10,443	(1,441)	-13.8%
Total Operation and Maintenance	<u>197,894</u>	<u>201,368</u>	<u>3,474</u>	<u>1.7%</u>
Customer Accounts				
Meter Reading	10,185	10,320	135	1.3%
Customer records and collection	24,006	26,406	2,400	9.1%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>34,191</u>	<u>36,726</u>	<u>2,535</u>	<u>6.9%</u>
Administrative and General				
Administrative and general salaries	65,545	64,313	(1,232)	-1.9%
Office supplies and expense	15,693	14,348	(1,345)	-9.4%
Outside services employed	4,135	26,966	22,832	84.7%
Insurance	7,068	8,110	1,042	12.8%
Employee Benefits	133,765	165,406	31,641	19.1%
Miscellaneous general	59,786	43,016	(16,770)	-39.0%
Total Administrative and General	<u>285,992</u>	<u>322,159</u>	<u>36,167</u>	<u>11.2%</u>
Total Operation, Customer, & Admin Expenses	<u>518,077</u>	<u>560,253</u>	<u>42,176</u>	<u>7.5%</u>
Depreciation	258,513	257,825	(688)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 776,590</u>	<u>818,077</u>	<u>41,488</u>	<u>5.1%</u>
OPERATING INCOME	<u>\$ (180,130)</u>	<u>(254,982)</u>	<u>74,852</u>	<u>29.4%</u>




SHAKOPEE PUBLIC UTILITIES


"Lighting the Way – Yesterday, Today and Beyond"

11b

April 12, 2018

TO: John Crooks 

CC: Joe Adams
Sherri Anderson
Greg Drent
Lon Schemel
Sharon Walsh

FROM: Renee Schmid, Director of Finance and Administration 

SUBJECT: Financial Results for March, 2018

The following Financial Statements are attached for your review and approval.

Month to Date and Year to Date Financial Results – March, 2018

- Combined Statement of Revenue & Expense and Net Assets – Electric, Water and Total Utility
- Electric Operating Revenue & Expense Detail
- Water Operating Revenue & Expense Detail

Key items to note:

Month to Date Results – March, 2018

- Total Utility Operating Revenues for the month of March totaled \$4.2 million and were favorable to budget by \$483k or 13.1%. Electric revenues were favorable to budget by \$457k or 13.4% driven by higher than plan sales volume in all revenue groups. Water revenues were favorable to budget by \$26k or 9.5% driven by higher than plans sales volume in all revenue groups.
- Total operating expenses were \$3.5 million and were favorable to budget by \$30k or 0.8%. Total purchased power in March was \$2.5 million and was \$93k or 3.9% higher than budget for the month due to higher sales. Total Operating Expense for electric including purchased power was \$3.1 million and was favorable to budget by \$12k or 0.4% due to timing of expenditures in conservation expense and administrative and general expense and were partially offset by higher than plan purchased power costs. Total Operating Expense for Water was \$373k and was also favorable to budget by \$17k or 4.4%.
- Total Utility Operating Income was \$665k and was \$513k favorable to budget due to higher than plan operating revenues.
- Total Utility Non-Operating Revenue was \$159k and was favorable to budget by \$87k due to higher than plan investment income.
- Capital Contributions for the month of March were \$171k and were favorable to budget by \$5k due to of collection of trunk fees and partially offset by lower than water connection fees.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Municipal contributions to the City of Shakopee totaled \$202k and were at lower than plan by \$8.3k or 3.9%.
- Change in Net Position was \$794k and was favorable to budget by \$613k due to higher than plan operating revenue and investment income.
- Electric usage billed to customers in March was 37,315,439 kWh, an increase from February usage billed at 35,592,040 kWh.
- Water usage billed to customers in March was 90.2 million gallons, an increase from February usage billed at 84.9 million gallons.

Year to Date Financial Results – March, 2018

- Total Utility Operating Revenue year to date March was \$12.5 million and was favorable to budget by \$1.3 million or 11.9%. Electric revenues were favorable to budget by \$1.3 million or 12.3% driven by higher than plan energy sales in all revenue groups. Water revenues were also favorable to budget by \$60k or 7.1% also driven by higher than plan sales volumes in all revenue groups.
- Total Utility Operating Expenses year to date March were \$10.6 million and were favorable to budget by \$0.2 million or 2.2% primarily due to timing of expenditures in energy conservation of \$0.5 million, and administrative and general expense \$0.2 million, and were partially offset by higher than plan purchased power costs of \$0.5 million driven by higher sales. Total Operating Expense for electric including purchased power was \$9.4 million and was favorable to budget by \$0.2 million or 2.2%. Total Operating Expense for Water was \$1.1 million and was also favorable to budget by \$58k or 4.9%.
- Total Utility Operating Income was \$2.0 million and was favorable to budget by \$1.5 million driven by higher than planned operating revenues of \$1.3 million and lower than planned operating expenses of \$0.2 million.
- Total Utility Non-Operating expense was \$64k and was favorable to budget by \$50k due to higher than planned investment income of \$35k, higher than plan rental and miscellaneous income of \$10k, and a \$9k net gain on the sale of an electric equipment, and was partially offset by higher than plan interest expense of \$4k due to an increase in interest rates paid customers for utility deposits. Non-operating expense includes the write down of \$217k in amortization of debt issuance and loss on refunding costs reflecting the redemption of the final outstanding debt issue.
- YTD Capital Contributions were \$403k and are unfavorable to budget by \$96k due to lower than planned collection of water connection and trunk fees.
- Municipal contributions to the City of Shakopee totaled \$604k year to date and are lower than plan by \$25k or 4.0%. The actual estimated payment throughout the year is based on prior year results and will be trued up at the end of the year.
- YTD Change in Net Position is \$1.9 million and is favorable to budget by \$1.6 million reflecting higher than plan operating revenues and lower than plan operating expense.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
MARCH 2018



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 - March 2018			Month to Date Budget - March 2018			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) \$ %	
OPERATING REVENUES	\$ 3,864,164	305,967	4,170,131	3,407,521	279,361	3,686,881	456,644	13.4%	26,606	9.5%	483,250	13.1%
OPERATING EXPENSES												
Operation, Customer and Administrative	2,936,274	243,822	3,180,095	2,945,463	261,294	3,206,756	9,189	0.3%	17,472	6.7%	26,661	0.8%
Depreciation	196,268	129,257	325,525	199,558	128,912	328,470	3,290	1.6%	(344)	-0.3%	2,945	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	3,132,542	373,078	3,505,620	3,145,020	390,206	3,535,227	12,478	0.4%	17,128	4.4%	29,606	0.8%
Operating Income	731,622	(67,112)	664,511	262,500	(110,846)	151,655	469,122	178.7%	43,734	39.5%	512,856	338.2%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	13,239	29,890	43,128	15,783	28,339	44,122	(2,545)	-16.1%	1,551	5.5%	(994)	-2.3%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	62,308	52,940	115,249	16,940	5,511	22,451	45,369	267.8%	47,429	860.6%	92,798	413.3%
Interest Expense	(6,242)	(135)	(6,378)	(1,805)	(29)	(1,834)	(4,437)	-245.8%	(107)	-372.1%	(4,544)	-247.8%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Non-Operating Revenue (Expense)	76,804	82,695	159,499	38,418	33,821	72,239	38,386	99.9%	48,874	144.5%	87,260	120.8%
Income Before Contributions and Transfers	808,427	15,583	824,010	300,918	(77,024)	223,894	507,508	168.7%	92,608	120.2%	600,116	268.0%
CAPITAL CONTRIBUTIONS	-	171,058	171,058	-	166,373	166,373	-	-	4,684	2.8%	4,684	2.8%
TRANSFER TO MUNICIPALITY	(118,003)	(83,500)	(201,503)	(122,048)	(87,715)	(209,763)	4,045	3.3%	4,215	4.8%	8,260	3.9%
CHANGE IN NET POSITION	\$ 690,424	103,141	793,564	178,871	1,634	180,504	511,553	286.0%	101,507	6212.3%	613,060	339.6%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	MTD Actual March 2018	MTD Budget March 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 1,352,814	1,138,971	213,843	18.8%
Commercial and Industrial	2,403,230	2,181,627	221,603	10.2%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	3,756,044	3,320,598	435,446	13.1%
Forfeited Discounts	38,074	20,453	17,621	86.2%
Free service to the City of Shakopee	14,003	13,853	150	1.1%
Conservation program	56,043	52,616	3,427	6.5%
Total Operating Revenues	3,864,164	3,407,521	456,644	13.4%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	2,472,989	2,380,214	(92,775)	-3.9%
Distribution operation expenses	38,151	37,222	(929)	-2.5%
Distribution system maintenance	75,655	69,157	(6,498)	-9.4%
Maintenance of general plant	27,113	21,340	(5,772)	-27.0%
Total Operation and Maintenance	2,613,907	2,507,933	(105,974)	-4.2%
Customer Accounts				
Meter Reading	10,699	9,133	(1,566)	-17.1%
Customer records and collection	45,745	50,754	5,009	9.9%
Energy conservation	10,423	59,003	48,580	82.3%
Total Customer Accounts	66,867	118,890	52,022	43.8%
Administrative and General				
Administrative and general salaries	55,586	51,183	(4,403)	-8.6%
Office supplies and expense	7,932	15,839	7,907	49.9%
Outside services employed	13,832	26,316	12,484	47.4%
Insurance	10,602	12,164	1,563	12.8%
Employee Benefits	146,672	175,315	28,643	16.3%
Miscellaneous general	20,875	37,822	16,947	44.8%
Total Administrative and General	255,499	318,640	63,141	19.8%
Total Operation, Customer, & Admin Expenses	2,936,274	2,945,463	9,189	0.3%
Depreciation	196,268	199,558	3,290	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 3,132,542	3,145,020	12,478	0.4%
OPERATING INCOME	\$ 731,622	262,500	469,122	178.7%

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

	MTD Actual March 2018	MTD Budget March 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 304,708	277,496	27,212	9.8%
Forfeited Discounts	1,259	1,865	(606)	-32.5%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>305,967</u>	<u>279,361</u>	<u>26,606</u>	<u>9.5%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	40,559	42,942	2,382	5.5%
Pumping and distribution maintenance	37,262	28,572	(8,690)	-30.4%
Power for pumping	24,206	23,949	(257)	-1.1%
Maintenance of general plant	3,441	5,221	1,780	34.1%
Total Operation and Maintenance	<u>105,468</u>	<u>100,684</u>	<u>(4,784)</u>	<u>-4.8%</u>
Customer Accounts				
Meter Reading	5,483	5,160	(324)	-6.3%
Customer records and collection	12,665	13,203	538	4.1%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>18,148</u>	<u>18,363</u>	<u>215</u>	<u>1.2%</u>
Administrative and General				
Administrative and general salaries	36,937	32,157	(4,780)	-14.9%
Office supplies and expense	3,269	7,174	3,905	54.4%
Outside services employed	4,611	13,483	8,873	65.8%
Insurance	3,534	4,055	521	12.8%
Employee Benefits	50,674	63,870	13,196	20.7%
Miscellaneous general	21,181	21,508	327	1.5%
Total Administrative and General	<u>120,205</u>	<u>142,247</u>	<u>22,042</u>	<u>15.5%</u>
Total Operation, Customer, & Admin Expenses	<u>243,822</u>	<u>261,294</u>	<u>17,472</u>	<u>6.7%</u>
Depreciation	129,257	128,912	(344)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>373,078</u>	<u>390,206</u>	<u>17,128</u>	<u>4.4%</u>
OPERATING INCOME	<u>\$ (67,112)</u>	<u>(110,846)</u>	<u>43,734</u>	<u>39.5%</u>

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
MARCH 2018



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

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

	Year to Date Actual - March 2018			Year to Date Budget - March 2018			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	\$ 11,643,231	902,427	12,545,657	10,367,526	842,456	11,209,982	1,275,705	12.3%	59,970	7.1%	1,335,675	11.9%
OPERATING EXPENSES												
Operation, Customer and Administrative	8,814,383	761,898	9,576,281	8,987,137	821,546	9,808,683	172,754	1.9%	59,648	7.3%	232,402	2.4%
Depreciation	588,805	387,770	976,574	598,673	386,737	985,410	9,869	1.6%	(1,032)	-0.3%	8,836	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	9,403,188	1,149,668	10,552,856	9,585,810	1,208,284	10,794,094	182,622	1.9%	58,616	4.9%	241,238	2.2%
Operating Income	2,240,043	(247,241)	1,992,802	781,716	(365,827)	415,889	1,458,327	186.6%	118,586	32.4%	1,576,913	379.2%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	56,207	126,701	182,908	47,350	126,359	173,709	8,857	18.7%	342	0.3%	9,199	5.3%
Interdepartment Rent from Water	22,500	-	22,500	22,500	-	22,500	-	0.0%	-	-	-	0.0%
Investment Income	46,075	56,660	102,735	50,819	16,533	67,352	(4,744)	-9.3%	40,126	242.7%	35,383	52.5%
Interest Expense	(37,037)	(212)	(37,250)	(32,779)	(86)	(32,865)	(4,258)	-13.0%	(126)	-146.9%	(4,385)	-13.3%
Amortization of Debt Issuance Costs and Loss on Refunding	(216,694)	-	(216,694)	(216,694)	-	(216,694)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	9,320	-	9,320	-	-	-	9,320	0.0%	-	-	9,320	-
Total Non-Operating Revenue (Expense)	(119,629)	183,148	63,519	(128,804)	142,806	14,002	9,175	7.1%	40,342	28.2%	49,517	353.6%
Income Before Contributions and Transfers	2,120,414	(64,093)	2,056,321	652,912	(223,021)	429,890	1,467,502	224.8%	158,928	71.3%	1,626,430	378.3%
CAPITAL CONTRIBUTIONS												
MUNICIPAL CONTRIBUTION	(10,709)	414,120	403,411	-	499,120	499,120	(10,709)	-	(85,000)	-17.0%	(95,709)	-19.2%
	(353,698)	(250,487)	(604,185)	(366,143)	(263,145)	(629,288)	12,445	3.4%	12,658	4.8%	25,104	4.0%
CHANGE IN NET POSITION	\$ 1,756,006	99,540	1,855,547	286,769	12,954	299,722	1,469,238	512.3%	86,586	668.4%	1,555,824	519.1%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	YTD Actual March 2018	YTD Budget March 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 4,177,982	3,678,351	499,631	13.6%
Commercial and Industrial	7,174,880	6,424,730	750,150	11.7%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	11,352,863	10,103,082	1,249,781	12.4%
Forfeited Discounts	78,958	61,359	17,599	28.7%
Free service to the City of Shakopee	42,009	41,560	449	1.1%
Conservation program	169,401	161,525	7,876	4.9%
Total Operating Revenues	11,643,231	10,367,526	1,275,705	12.3%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	7,675,046	7,178,395	(496,651)	-6.9%
Distribution operation expenses	102,807	111,667	8,860	7.9%
Distribution system maintenance	247,319	207,470	(39,849)	-19.2%
Maintenance of general plant	73,685	64,021	(9,664)	-15.1%
Total Operation and Maintenance	8,098,857	7,561,553	(537,305)	-7.1%
Customer Accounts				
Meter Reading	29,615	27,399	(2,217)	-8.1%
Customer records and collection	132,030	152,262	20,232	13.3%
Energy conservation	(336,863)	177,008	513,871	290.3%
Total Customer Accounts	(175,217)	356,669	531,886	149.1%
Administrative and General				
Administrative and general salaries	156,134	153,550	(2,584)	-1.7%
Office supplies and expense	50,555	47,517	(3,038)	-6.4%
Outside services employed	31,354	78,947	47,593	60.3%
Insurance	31,806	36,493	4,688	12.8%
Employee Benefits	534,920	638,941	104,022	16.3%
Miscellaneous general	85,974	113,465	27,491	24.2%
Total Administrative and General	890,743	1,068,915	178,172	16.7%
Total Operation, Customer, & Admin Expenses	8,814,383	8,987,137	172,754	1.9%
Depreciation	588,805	598,673	9,869	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 9,403,188	9,585,810	182,622	1.9%
OPERATING INCOME	\$ 2,240,043	781,716	1,458,327	186.6%

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

	YTD Actual March 2018	YTD Budget March 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 898,239	836,862	61,377	7.3%
Forfeited Discounts	4,188	5,594	(1,406)	-25.1%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	902,427	842,456	59,970	7.1%
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	113,584	128,825	15,241	11.8%
Pumping and distribution maintenance	102,712	85,715	(16,997)	-19.8%
Power for pumping	71,741	71,847	106	0.1%
Maintenance of general plant	15,325	15,664	339	2.2%
Total Operation and Maintenance	303,362	302,051	(1,310)	-0.4%
Customer Accounts				
Meter Reading	15,668	15,480	(188)	-1.2%
Customer records and collection	36,671	39,609	2,938	7.4%
Energy conservation	-	-	-	-
Total Customer Accounts	52,339	55,089	2,750	5.0%
Administrative and General				
Administrative and general salaries	102,482	96,470	(6,012)	-6.2%
Office supplies and expense	18,962	21,523	2,560	11.9%
Outside services employed	8,745	40,450	31,704	78.4%
Insurance	10,602	12,164	1,562	12.8%
Employee Benefits	184,439	229,276	44,837	19.6%
Miscellaneous general	80,967	64,524	(16,443)	-25.5%
Total Administrative and General	406,197	464,406	58,209	12.5%
Total Operation, Customer, & Admin Expenses	761,898	821,546	59,648	7.3%
Depreciation	387,770	386,737	(1,032)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	\$ 1,149,668	1,208,284	58,616	4.9%
OPERATING INCOME	\$ (247,241)	(365,827)	118,586	32.4%




SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

April 12, 2018

11c

TO: John Crooks, Utilities Manager 
FROM: Renee Schmid, Director of Finance and Administration
SUBJECT: Insurance Liability Coverage - Waiver

Overview

- Staff is in the process of renewing the Utilities Property and Liability Insurance Coverage for the coming year. In order to extend coverage, the Commission is required to make a decision to either "waive" or "not waive" the monetary limits on municipal tort liability. More information regarding the implications of this decision is included in the attached waiver form from the League of Minnesota Cities.

Recommendation

- Staff recommends the commission elect to "not waive" the monetary limits as a measure to limit any future claims exposure.

Requested Action by Commission

The Commission is asked to make a decision on tort liability limits and select one option below:

- The Commission **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04
- The Commission **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limit on the liability coverage obtained from LMCIT.



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LIABILITY COVERAGE – WAIVER FORM

LMCIT members purchasing coverage must complete and return this form to LMCIT before the effective date of the coverage. Please return the completed form to your underwriter or email to ps tech@lmc.org

This decision must be made by the member's governing body every year. You may also wish to discuss these issues with your attorney.

League of Minnesota Cities Insurance Trust (LMCIT) members that obtain liability coverage from LMCIT must decide whether to waive the statutory tort liability limits to the extent of the coverage purchased. The decision has the following effects:

- ☐ *If the member does not waive the statutory tort limits*, an individual claimant would be able to recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000. These statutory tort limits apply regardless of whether the city purchases the optional excess liability coverage.
- ☐ *If the member waives the statutory tort limits and does not purchase excess liability coverage*, a single claimant could potentially recover up to \$2,000,000 for a single occurrence. (Under this option, the tort cap liability limits are waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2 million.) The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- ☐ *If the member waives the statutory tort limits and purchases excess liability coverage*, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants would be able to recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Claims to which the statutory municipal tort limits do not apply are not affected by this decision.

LMCIT Member Name

Check one:

☐

The member **DOES NOT WAIVE** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04.

☐

The member **WAIVES** the monetary limits on municipal tort liability established by Minnesota Statutes, Section 466.04 to the extent of the limits of the liability coverage obtained from LMCIT.

Date of city council/governing body meeting _____

Signature _____

Position _____



SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

11d

April 13, 2018

TO: John Crooks, Utilities Manager 
FROM: Sharon Walsh, Director of Marketing and Customer Relations 
SUBJECT: Front Desk Construction Schedule

Overview

This memo is to inform the Commission we will be starting the construction phase of the new front desk remodel project on Monday, April 23rd.

The SPU Service Center will remain open and plans have been made to minimize the inconvenience to our customers during this two week project. A temporary desk site will be constructed at the opening of the Commission Meeting Room doors. This area will be cordoned off to keep customers safe and out of the construction activity, which is limited to the current front desk area behind the security gate.

"Loud" construction activities, such as tile removal and concrete floor jackhammering, will be conducted outside of normal business hours. Crews are scheduled to come in early morning hours prior to 7:30 a.m. and/or to begin after 4:00 p.m. This activity will be limited to the first three days of the construction project timeline.

The new front desk will be staffed and operational by Monday, May 7th or earlier.

Action Requested

No action is requested of the Commission.