

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
AUGUST 6, 2018

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
 - 3a) Resn. #1203 – In Appreciation of Kent Sanders
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) Windermere Booster Station Preliminary Design
 - 8c) Windermere Production Test Well
 - 8d) Riverview Booster Station Generator Bid Result
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Electric Usage Summer Trends - Overview
 - 9c) LED Street Light - Post Top Bid Results
 - 9d) MMPA Board Meeting Public Summary - July
10. **Reports: Human Resources**
 - 10a) Proposed 2019 Budget Planning Schedule
11. **Reports: General**
 - C=> 11a) Financial Results for June 2018
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Mid Month Meeting	--	August 20
- Regular Meeting	--	September 4 (Tuesday)
- Mid Month Meeting	--	September 17
- Regular Meeting	--	October 1
14. **Adjourn** to 8/20/18 at the SPUC Service Center, 255 Sarazin Street

MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Weyer called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., July 16, 2018.

MEMBERS PRESENT: Commissioners Joos, Amundson, Meyer and Weyer. Also present, Liaison Mocol, Utilities Manager Crooks, Planning & Engineering Director Adams, Electric Superintendent Drent, Water Superintendent Schemel and Marketing/Customer Relations Director Walsh. Commissioner Hennen was absent as previously advised.

Motion by Joos, seconded by Amundson to approve the minutes of the June 18, 2018 Commission meeting. Motion carried.

There were 3 Communication items to present. A thank you letter was received from Mayor Mars for the donation to the Reverend Pond Statue. An acknowledgement letter was received from APPA informing SPU on the Lineworker's Rodeo results. A thank you letter was received from APPA thanking Utilities Manager Crooks for his presentation at the National Conference.

President Weyer offered the agenda for approval.

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

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

President Weyer stated that the Consent Items were: Item 8b: Quarterly Nitrate Results and Item 11a: Quarterly Website Analytics.

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

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

The warrant listing for bills paid July 16, 2018 was presented.

Motion by Joos, seconded by Meyer to approve the warrant listing dated July 16, 2018 as presented. Motion carried.

Liaison Mocol presented her report. The City Council will be addressing a rezoning for the development on Stagecoach Rd. The Capital Improvement Plan will be reviewed and there will be an opportunity for public comment for the Envision Shakopee Project.

Water Superintendent Schemel provided a report of current water operations. A watermain break and repair that took place on July 13 was reviewed. Summer water production has increased month over month and from last year.

Item 8b: Quarterly Nitrate Results was received under Consent Business.

Electric Superintendent Drent provided a report of current electric operations. Summer electric demand was reviewed. Two 100 MW days have occurred this summer. Seven outages were reviewed. Two were caused by trees, three were caused by squirrels, one was from a bad transformer and one a burned cutout.

Kevin Favero, SPU's long time Engineering Consultant from Leidos, presented the SPU Long Range Planning Study. Growth trends within the SPU service territory, territory acquisitions and infrastructure to serve the anticipated growth were discussed.

Motion by Amundson, seconded by Joos to accept the SPU Long Range Plan as presented. Motion carried.

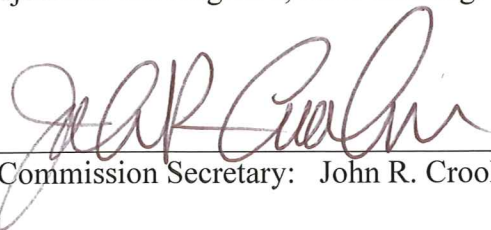
The LED Streetlight bid results were presented by Electric Superintendent Drent. Nine different bids were received. The low bid meeting the SPU specifications was from Irby, with a American Electric Lighting fixture at \$251.29/fixture plus tax. The bid was for 475 fixtures.

Motion by Amundson, seconded by Joos to enter into a purchase agreement with Irby for 475 American Lighting fixtures, model #ATB2-40LEDE10, at a total cost of \$128,165.75. Motion carried.

Item 11a: Quarterly Website Analytics was received under Consent Business.

The tentative commission meeting dates of August 6 and August 20 were noted.

Motion by Joos, seconded by Meyer to adjourn to the August 6, 2018 meeting. Motion carried.



Commission Secretary: John R. Crooks

RESOLUTION #1203**A RESOLUTION OF APPRECIATION
TO KENT SANDERS**

WHEREAS, Mr. Kent Sanders joined Shakopee Public Utilities on June 1st, 1979 and during his extensive tenure of more than thirty-nine years has worked in the Electric Department; and

WHEREAS, Mr. Sanders always strived for excellence in contributing to the efficient operation of Shakopee Public Utilities and has been extremely dependable and responsible in performing his duties; and

WHEREAS, Mr. Kent Sanders will retire from his position as Assistant Electric Superintendent with Shakopee Public Utilities on August 17, 2018; and

NOW THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, that it does hereby express its sincere and deep appreciation to Mr. Kent Sanders for his thirty-nine plus years of dedicated service to Shakopee Public Utilities.

BE IT FURTHER RESOLVED that the Shakopee Public Utilities Commission extends its best wishes and congratulations to Mr. Kent Sanders.

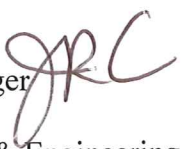

Passed in regular session of the Shakopee Public Utilities Commission this sixth day of August, 2018.

Commission President: Aaron Weyer

ATTEST:

Commission Secretary: John R. Crooks

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager 
FROM: Joseph D. Adams, Planning & Engineering Director 
SUBJECT: Windermere Booster Station Update
DATE: July 31, 2018

ISSUE

Staff would like to update the Commission on the Windermere Booster Station project.

BACKGROUND

The Commission previously approved the terms of a purchase agreement with DR Horton, Inc. (DRH) in March, 2018 for the site and the closing of that purchase is now scheduled for on or shortly after August 7, 2018. Under its terms, DRH will be responsible to provide site grading, access to a public street and other infrastructure to support the booster station and well site development, i.e. utility services for sanitary sewer, water main stubs and storm water management facilities with development of their plat.

DISCUSSION

Staff has been working with John Karwacki of Sambatek and Jay Nelson the architect used for the Riverview Booster Station to develop a design for these facilities and a submittal package to the city for approval of a Conditional Use Permit for the site. Sambatek has also been soliciting input from the MN Department of Health on the well site. We have met with and received input from DRH who is developing a single family home plat to be called Windermere South and the Benedictine Health System who is proposing to build an Assisted Living Community both adjacent to the site and the city's staff.

Jay Nelson and John Karxacki will be present at the next Commission meeting on August 6th to present the current plans for Commission review.

At this point we plan to drill a test/monitoring well on the site immediately after taking possession of the site, so as to further determine the water supply quality to aid in completing the final design of the well house and potential treatment addition should one be necessary in the future.

REQUESTED ACTION

Staff requests the Commission review and provide comments on the preliminary design prior to submittal to the city for approvals.



WINDERMERE BOOSTER STATION/PUMP HOUSE



Windermere Booster Station/ Pump House

Shakopee, MN 55379

PRELIMINARY ONLY
8- 2- 2018

IMAGE-
LOOKING
SOUTHEAST

JAY P. NELSON
ARCHITECT
AIA, LEED AP, NCARB, CID

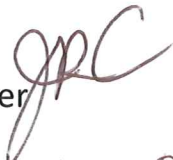



7805 WATZATA BOULEVARD
SUITE 250
ST. LOUIS, PARK, MO. 63126
jay@jpnelsonarchitect.com



Engineering | Surveying | Planning | Environmental

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John R. Crooks, Utilities Manager 
FROM: Lon R. Schemel, Water Superintendent 
SUBJECT: Windermere Test Well Contractor - Informational
DATE: August 1, 2018

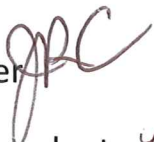

A test well is to be drilled at the Windermere Booster Station site. The well will initially be used for water quality testing to determine if treatment in addition to chlorination and fluoridation is necessary.

Staff received 3 quotes for the work to be performed:

- | | |
|----------------------------|-------------|
| • Bergerson Caswell, Inc. | \$56,974.00 |
| • E.H. Renner & Sons, Inc. | \$47,939.00 |
| • Keys Well Drilling | \$40,893.00 |

Our Consultant for the project, John Karwacki of Sambatek, has reviewed the quotes. Staff will be using Keys Well Drilling of St. Paul, MN for the test well. Funding is from the Connection Fund – Wells.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John R. Crooks, Utilities Manager 
FROM: Lon R. Schemel, Water Superintendent 
SUBJECT: Portable Standby Power System – Bid Result
DATE: August 1, 2018

On July 10th, 2018, the bid for a portable standby generator for the Riverview Booster Station was opened.

Ziegler Power Systems was the only bidder. Their bid was in the amount of \$149,841.98. The amount budgeted in the CIP is \$200,000.00.

Funding for this item is the Operating Fund – Vehicles Equipment.

Staff requests that the Commission accepts the bid from Ziegler Power Systems in the amount of \$149,841.98.

Date: July 10, 2018

Proposal by

ZIEGLER
Power Systems



Proposal No. EPG235084r1

8050 State Highway 101
Shakopee, MN 55379
952-887-4574

To: Shakopee Public Utilities

Re: CAT PORTABLE GENERATOR

Attn: Mr. Tony Myers

"Riverview Booster Station"

WE PROPOSE TO FURNISH IN ACCORDANCE WITH THE FOLLOWING SPECIFICATIONS, TERMS AND CONDITIONS

QUANTITY: One (1) CATERPILLAR XQ230 portable generator set in outdoor insulated/sound Attenuated enclosure rated 72dBA @ 23 feet.

MODEL: XQ230 -Tier 4 Final

RATING: 200kW - Stand-by Power / 182kW Prime Power

VOLTAGES: Selectable voltage from 480/277V 3 phase to 240/139V 3 phase (can be adjusted down to 208/120V 3 Phase), 240/120V 1 phase.

RECEPTACLES: Main bus bar with hinged cover door
3 - 240V, 50A California style twist lock receptacle
2 - 120V/208V, 20A twist lock
2 - 120V, 20A duplex receptacles with GFI
CamLock distribution system

BREAKER: 800 amp 4 pole LS/I circuit breaker, 100% rated, electronic trip, 12V shunt trip

TRAILER: Dual axle trailer with electronic brakes, LED trailer lights, pintle hitch, 7 pin round Connector, locking cable storage box (front mount), safety chains, mounted spare tire, Rear stabilizing jacks, front drop leg jack stand, powder coat - Black

CABLES: (1) set of 25 FT 480VAC output power cables with camlock connectors
(1) 25 FT - 50 amp 120/240VAC shore power inlet cable w/connector

EQUIPMENT PRICE: \$ 140,665.00
TAX, TITLE, LICENSE: \$ 9,176.98
TOTAL BID PRICE: \$ 149,841.98

APPROXIMATE SHIPPING DATE: December 2018

F.O.B Jobsite on truck

TERMS: Net 20 days

THIS PROPOSAL SUBJECT TO ALL PROVISIONS OF THE CONTRACT AND WARRANTY ON REVERSE SIDE

ACCEPTED:

Respectfully submitted,
ZIEGLER INC.

By

By: Logan Cameron
Logan Cameron, Sales Engineer

Its

Subject to approval by

APPROVED:

ZIEGLER INC.

By

BILL OF MATERIAL

EPG235084r1

-1 -

EMCP 4.2B DIGITAL CONTROL PANEL

EMCP 4.2B genset mounted controller

Automatic start/stop with cool down timer

Idle/rated switch

Generator Protection features: 32, 32RV, 46, 50/51, 27/59, 81 O/U

Metering display: voltage, current, frequency, power factor, kW, WHM, and kVAR

EMCP 4.2B GENERATOR PROTECTIVE RELAYING

Generator protective features provided by EMCP 4.2B

Generator phase sequence

Over/Under voltage (27/59)

Over/Under frequency (81 O/U)

Reverse Power (kW) (32)

Reverse Reactive Power (kVAR) (32RV)

Over current (50/51)

COOLING SYSTEM

Package mounted radiator with vertical air discharge provides 43° C ambient capability at standby rating

120VAC coolant heater, thermostatically controlled, automatically disconnected on start-up

Coolant drain line with internal control valve piped to base-frame

Coolant sight gauge, level switch and shutdown

50% Coolant antifreeze with corrosion inhibitor

FUEL SYSTEM

350 gallon fuel tank, UL listed, double wall, 24 hour runtime @ 75% prime rating

Fuel cooler, primary fuel filters with integral water separator, and engine mounted secondary

Switch operated electric priming pump

Interconnected three way fuel for switching between remote and integral tank

CAT GENERATOR

Three-phase, random wound, 12-lead design, 0.667 pitch

Screen protected and self-regulating, brushless generator with fully interconnected damper windings

IC06 cooling system

Class H insulation

Permanent magnet generator (PMG)

120VAC anti-condensation heater

Cat digital voltage regulator (Cat DVR) with VAR/PF control

STARTING SYSTEM

Single 12V electric starting motor on engine

One 12V-1000 CCA Cat brand maintenance free battery with disconnect switch, battery rack, and cables

Glow plugs fitted on the engine

LUBE SYSTEM

Lubricating oil system including pump, integral oil cooler, open crankcase breather w/ filter

Oil drain line with internal valve routed to connection point accessible from exterior

500 hour oil change intervals

BILL OF MATERIAL

EPG235084r1

-2 -

EXHAUST SYSTEM

CAT Selective Catalyst Reduction (SCR) module with integrated silencer with flexible connectors
Remote DEF fill port

OUTDOOR INSULATED/SOUND ATTENUATED ENCLOSURE

Sound attenuating, 12-gauge galvanealed sheet metal enclosure limits overall noise to 72dBA @ 7m
Interior walls and ceilings insulated with sound attenuating foam
Black stainless steel pad-lockable latches, doorkeepers on all doors and zinc die-cast hinges/grab handles
All components are pretreated for anti-corrosive protection prior to painting with polyester powder coat
LED convenience lights with timer
Color – CAT white

AIR INLET

Air cleaner, two stage cyclonic/paper with dust cup and service indicator
Series turbocharger and air-to-air aftercooler

CABLES

Set of 25 FT - 480VAC output power cables with camlock connectors
25 FT – 50 amp, 120/240VAC shore power inlet cable w/connector

PACKAGE DIMENSIONS

237.00” Length x 92.00” Width x 88.50” Height

*Dimensions are approximate, engineered drawings will be provided

GENERAL

Submittal drawings

Technical data, engine, generator, radiator, ancillary equipment

Drawings, schematics, wiring diagrams

Supervision by project management

Startup testing by Ziegler technician

24-hour parts and emergency service

Two (2) years, unlimited hour warranty

Delivery to jobsite on Ziegler CAT truck

O & M manuals

Training of owners personnel – at time of start up

Three (3) hour load bank test on site

Two (2) sets of OSHA approved ear protectors

COMMENTS AND CLARIFICATIONS

Initial fuel fill provided by Ziegler CAT

Electrical & mechanical installation provided by others

Delivery to jobsite by Ziegler CAT

Unable to provide 5% bid security at time of bid, due to late bid date notice (Available upon request)

BILL OF MATERIAL

EPG235084r1

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NOTES

Ziegler limits the scope of supply for this quotation to the equipment and services listed.

Equipment not listed is assumed to be provided by others.

Ziegler cannot provide air emission permits for customers. We will provide emission information on the Caterpillar engine to the owner to aid in the permitting process.

Orders are subject to re-stocking charges if cancelled after release for production.

Mechanical and electrical installation provided by others.

State and local permits for fire, air, fuel tanks or building permits are not included and provided by others.

Start-up labor is to be performed during normal business hours, Monday through Friday 7:30 am to 4:00 pm. Training is to be performed at the end of start-up. Additional trips or delays required or requested due to contractor delay and/or issues with equipment not provided from Ziegler Power Systems will be billed at published field service rates.

Terms:

- Extension of contract beyond term must be at the mutual agreement of the parties.
- Ziegler Inc. shall not be liable for consequential damages or damages beyond our control.
- This quotation is subject to availability at time of order
- Customer is responsible for adequate site conditions and security.
- Customer is responsible for scheduled maintenance and fuel costs.
- Customer must provide adequate insurance to cover equipment damage or loss.
- Price(s) include state or local sales and/or use taxes.
- Quotation is valid for 90 days.

PROVISIONS OF THE CONTRACT AND WARRANTY

The prices quoted are current and are subject to change to those in effect at the time of shipment. Caterpillar products are sold subject to the terms of the applicable Caterpillar warranty. Copies of the warranties applicable to this purchase are attached hereto, and the purchaser by signing this order acknowledges receipt of the Caterpillar warranties on Forms.

The Purchaser agrees to pay any and all taxes, assessments, licenses, and government charges of every kind and nature whatsoever upon said equipment which may be imposed or assessed against or resulting to the Seller on account of the possession or use of said equipment by Purchaser. All provisions hereof are contingent upon government restrictions, strikes, and accidents, delays of carrier and other delays unavoidable and beyond Seller's control.

It is intended and understood that title and ownership of said equipment is and shall remain vested in the Seller, notwithstanding delivery or possession, until the entire price is paid in full.



9b

SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

August 1, 2018

TO: John Crooks, Utilities Manager *JRC*

FROM: Greg Drent, Electric Superintendent *G.D.*

Subject: SPU Electric Peak loading report

We have had a great first half of the year for SPU as we have gone over 100 MW (Demand) three times this year and are on pace to sell more kwhrs in 2018 than in 2017.

At our last commission meeting, we talked about getting you a report on peak loading, load profile of SPU system and understanding our electric purchase power needs from MMPA (our power supplier). There are several parts to the bill including Demand, Rate A weekday's on-peak (7a to 10p), Rate B Sat/Sun/Holiday on-peak (7a-10p), Rate C 7-day off peak (10p-7a) and an EAC charge per kwhr. We monitor the usage monthly and finance puts it in a spreadsheet to show all rate classes, street lighting, pumping kwhrs and line loss. The energy we sell goes to three different classes residential, commercial under 15KW and industrial accounts over 15KW.

In 2017, 52% of our power needs are Rate A weekday's on-peak (7a to 10p) followed by 28% is Rate C 7-day off peak (10p-7a) and the remaining 20% is Rate B Sat/Sun/Holiday on-peak (7a-10p). As you can see from the percentages, we are a well-balanced utility with load in all rate classes and on and off-peak loads.

SPU smart switch is used when to get near our monthly peak. The smart switch lowers our demand and gives us savings on our power bill. There is also additional kwhr savings on the conservation improvement program that we are able to claim.

I will have a power point presentation showing these points with the different customers and SPU peak loading information.



9c

SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

August 1, 2018

TO: John Crooks, Utilities Manager *JPC*
FROM: Greg Drent, Electric Superintendent *GD*
Subject: LED Street Light Post Top Street Lights

Overview:

As part of the 2018 budget, we are scheduled to change out the streetlights in Shakopee. We had DGR Engineers assist us in providing a bid document and evaluations for the lights. The sealed bids were publicly opened in the commission room on Monday July 9 at 1:30p.m. We are pleased with the number of bids that came in as we had four bidders on the post top streetlights bidding seven different bid packages. The low bidder that meets our specs is from Border States Electric with Cooper Eaton fixtures at a cost of \$283.73 per fixture. We had a budget of \$325.00 for each fixture so we are pleased with the bids for the lights are under budget. The conservation fund is approved by the state to pay 75% of the cost of the fixture and install cost. We have set up a work order and are tracking all expenses for this project.

Attached is the bid tabulation sheet for these fixtures.

Action requested:


Purchase 900 Cooper Eaton Fixtures model #LXF-AF24-37-D-U-T3-10K-4N7-S-BZ-U from Border States Electric at a cost of \$255,364.59

Supplier	Manufacturer	Model	Standard Wattage	Wattage @ 4000LM	LPW	LUM	LEAD TIME	Purchase Price (each)	Total Bid Price (900 Fixtures)	Life Running Cost (\$9.95 per W)	TOC @ Standard	TOC Rank @ Standard	TOC @ 4000LM	TOC Rank @ 4000LM	Comments
BORDER STATES	EATON/COOPER	LXF-AF24-50-D-U-T3-10K-4N7-7030-TL-S-BZ-U79982	40	37.0	105	4201	6 WKS	\$264.25	\$ 237,825.00	\$ 298.19	\$562.44	1	\$ 540.08	1	Reduced Wattage Model: LXF-AF24-37-D-U-T3-10K-4N7-S-BZ-U
BORDER STATES	GE	EPIT-01-0-04-A-N-30-AP-DKBZ-LPR	44	37.0	117	5140	14 WKS	\$269.43	\$ 242,487.00	\$ 328.01	\$597.44	3	\$ 545.26	2	
WESCO	EATON/COOPER	LXF-AF24-50-D-U-T3-10K-4N7-7030-TL-S-BZ-U79982	40	37.0	105	4201	6 WKS	\$272.73	\$ 245,457.00	\$ 298.19	\$570.92	2	\$ 548.56	3	
IRBY	AEL	247CL-20LEDE70-MVOLT-4K-R3-DOB7NLXL-RFD276051	46	34.0	111	5094	4-6 WKS	\$302.57	\$ 272,313.00	\$ 342.92	\$645.49	4	\$ 556.03	4	
BORDER STATES	AEL	247CL-20LEDE70-MVOLT-4K-R3-DOB7NLXL-RFD276051	46	34.0	111	5094	6 WKS	\$320.98	\$ 288,882.00	\$ 342.92	\$663.90	6	\$ 574.44	5	
RESCO	AEL	247CL-20LEDE70-MVOLT-4K-R3-DOB7NLXL	46	34.0	111	5094	5-8 WKS	\$326.05	\$ 293,445.00	\$ 342.92	\$668.97	7	\$ 579.51	6	
RESCO	GE	EPIT-01-0-04-A-N-30-AP-DKBZ-LPR	44	37.0	117	5140	10-12 WKS	\$330.45	\$ 297,405.00	\$ 328.01	\$658.46	5	\$ 606.28	7	

DISQUALIFIED
LOW BID

4380 hrs
\$ 0.0740 per kwh
23 Yrs (100,000 hrs)
\$ 7.45 Lifetime Energy Cost per W

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER 
SUBJECT: JULY 2018 MMPA BOARD MEETING SUMMARY
DATE: AUGUST 2, 2018

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on July 24, 2018 at the offices of Elk River Municipal Utilities.

Fitch Ratings upgraded MMPA's bond rating from "A" to "A+", citing the Agency's strong financial performance, effective management and competitive rates.

The Board was informed that the Manitoba Hydro Board of Directors approved the capacity agreement in which MMPA will purchase between 65 MW and 105 MW over the period 2020 to 2030.

Participation in MMPA's residential Clean Energy Choice program increased over June, with four different MMPA members having new customer signups during the month. Customer penetration of MMPA's Clean Energy Choice program for residential customers increased to 2.9%.

Following the Board meeting, MMPA hosted its annual dinner meeting with city officials at the Rockwoods Event Center in Otsego, Minnesota, located in Elk River Municipal Utilities' service territory.

The MMPA annual report for 2017 was released. It can be found on MMPA's website, www.mmpa.org





10a

SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

July 30, 2018

TO: John Crooks, Utilities Manager 
FROM: Renee Schmid, Director of Finance and Administration 
SUBJECT: Proposed 2019 Budget Planning Schedule

Attached is a proposed 2019 Budget Planning Schedule. The items highlighted in yellow indicate the dates that commission participation/action is required.

Overview of Key Dates for Commission

- 8/06/18 Request Commission direction on wage planning
- 10/01/18 Commission Decision on General Wage Range Increases
- 11/05/18 Commission Review of Draft CIP, Cash flow, and budget
- 11/19/18 Final Budget Approval by Commission
- 12/03/18 Commission adoption of various fee/rate resolutions as needed

Requested Action for 8/06/18 Commission Meeting


In prior years, the commission has designated a sub-committee to address wage planning. Staff is looking for direction on the approach the commission would like to take for 2019 wage planning.




SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

July 25, 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 June, 2018

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

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

- Total Utility Operating Revenues for the month of June totaled \$5.1 million and were favorable to budget by \$1.0 million or 25.8%. Electric revenues were favorable to budget by \$968k or 26.9% driven by higher than plan sales volume and power cost adjustment revenue in all revenue groups. Water revenues were favorable to budget by \$84k or 17.1% also driven by higher than plans sales volume in all revenue groups.
- Total operating expenses were \$4.9 million and were unfavorable to budget by \$116k or 2.4%. Total purchased power expense in June was \$3.7 million and was \$95k or 2.6% higher than budget for the month due to higher sales and power costs per kwh purchased. Total Operating Expense for electric including purchased power was \$4.5 million and was unfavorable to budget by \$118k due to higher than plan purchased power costs of \$95k and timing of expenditures in conservation expense and distribution system maintenance that were partially offset by lower than plan administrative and general expenses. Total Operating Expense for Water was \$388k and was favorable to budget by \$2k or 0.5%.
- Total Utility Operating Income was \$234k and was \$936k favorable to budget primarily due to higher than plan electric operating revenues.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Total Utility Non-Operating Revenue was \$44k and was unfavorable to budget by \$1k due to lower than plan rental and miscellaneous income and higher than plan interest expense and partially offset by higher than plan investment income.
- Capital Contributions for the month of June were \$575k and were favorable to budget by \$408k due to collection of water connection fees. The month of June included connection fees for a new apartment development within the City of Shakopee in addition to several other smaller projects.
- Municipal contributions to the City of Shakopee totaled \$202k and were higher than plan by \$8.3k or 3.9%.
- Change in Net Position was an increase of \$652k and was favorable to budget by \$1.4 million due to higher than plan operating revenues and capital contributions.
- Electric usage billed to customers in June was 38,989,645 kWh, a 23.7% increase from May usage billed at 31,529,864 kWh.
- Water usage billed to customers in June was 173.6 million gallons, a 91.5% increase from May usage billed at 90.6 million gallons.

Year to Date Financial Results – June, 2018

- Total Utility Operating Revenue year to date June was \$24.9 million and was favorable to budget by \$2.9 million or 13.0%. Electric revenues totaled \$22.9 million and were favorable to budget by \$2.7 million or 13.4% driven by higher than plan energy sales in all revenue groups and higher power cost adjustment revenues. Water revenues totaled \$2.1 million and were also favorable to budget by \$167k or 8.8% also driven by higher than plan sales volumes in all revenue groups.
- Total Utility Operating Expenses year to date June were \$23.1 million and were unfavorable to budget by \$0.3 million or 1.5% primarily due to higher than plan purchased power costs of \$1.3 million driven by higher sales and cost of purchased power per kwh that were partially offset by timing of expenditures in energy conservation of \$0.5 million, and administrative and other general expense of \$0.5 million. Total Operating Expense for electric including purchased power was \$20.8 million and was unfavorable to budget by \$0.5 million or 2.4%. Total Operating Expense for Water was \$2.2 million and was favorable to budget by \$0.1 million or 6.0% due to lower than plan administrative and general expenses and partially offset by higher than plan distribution maintenance expenses.
- Total Utility Operating Income was \$1.9 million and was favorable to budget by \$2.5 million driven by higher than planned operating revenues of \$2.8 million and partially offset by higher than planned operating expenses of \$0.3 million.
- Total Utility Non-Operating expense was \$302k and was favorable to budget by \$125k due to higher than planned investment income of \$61k, higher than plan rental and miscellaneous income of \$38k, and a \$34k net gain on the sale of electric equipment, and was partially offset by higher than plan interest expense of \$9k due to an increase in interest rates paid customers for utility deposits. Year to date 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 \$1.4 million and are favorable to budget by \$0.4 million due to higher than planned collection of water connection fees driven by new development and partially offset by lower than plan trunk water fees.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Municipal contributions to the City of Shakopee totaled \$1.2 million year to date and are lower than plan by \$50k 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 \$2.3 million and is favorable to budget by \$3.1 million reflecting higher than plan operating income, non-operating revenues, and capital contributions.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
JUNE 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 - June 2018			Month to Date Budget -June 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	\$ 4,560,925	577,097	5,138,022	3,592,912	492,888	4,085,800	968,013	26.9%	84,209	17.1%	1,052,223	25.8%
OPERATING EXPENSES												
Operation, Customer and Administrative	4,319,177	258,891	4,578,068	4,197,660	261,294	4,458,954	(121,518)	-2.9%	2,403	0.9%	(119,115)	-2.7%
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	4,515,446	388,148	4,903,593	4,397,217	390,206	4,787,424	(118,228)	-2.7%	2,059	0.5%	(116,170)	-2.4%
Operating Income	45,480	188,949	234,429	(804,305)	102,682	(701,624)	849,785	105.7%	86,268	84.0%	936,053	133.4%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	14,172	393	14,565	15,783	1,390	17,173	(1,611)	-10.2%	(997)	-71.7%	(2,608)	-15.2%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	18,169	6,862	25,031	16,940	5,511	22,451	1,229	7.3%	1,351	24.5%	2,581	11.5%
Interest Expense	(3,079)	(71)	(3,150)	(1,805)	(29)	(1,834)	(1,274)	-70.6%	(42)	-146.8%	(1,316)	-71.8%
Amortization of Debt Issuance Costs and Loss on Refunding	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Gain/(Loss) on the Disposition of Property	134	-	134	-	-	-	134	-	-	-	134	0.0%
Total Non-Operating Revenue (Expense)	36,896	7,184	44,081	38,418	6,872	45,290	(1,522)	-4.0%	312	4.5%	(1,210)	-2.7%
Income Before Contributions and Transfers	82,376	196,134	278,510	(765,887)	109,554	(656,333)	848,263	110.8%	86,580	79.0%	934,843	142.4%
CAPITAL CONTRIBUTIONS	61,310	513,249	574,559	-	166,373	166,373	61,310	-	346,875	208.5%	408,186	245.3%
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	\$ 25,683	625,883	651,566	(887,935)	188,212	(699,723)	913,618	102.9%	437,670	232.5%	1,351,289	193.1%

SHAKOPEE PUBLIC UTILITIES

ELECTRIC OPERATING REVENUE AND EXPENSE

	MTD Actual June 2018	MTD Budget June 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 1,538,654	1,175,230	363,424	30.9%
Commercial and Industrial	2,925,553	2,329,906	595,647	25.6%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	4,464,207	3,505,136	959,071	27.4%
Forfeited Discounts	16,177	20,453	(4,276)	-20.9%
Free service to the City of Shakopee	14,003	13,853	150	1.1%
Conservation program	66,538	53,470	13,068	24.4%
Total Operating Revenues	4,560,925	3,592,912	968,013	26.9%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	3,727,875	3,632,411	(95,464)	-2.6%
Distribution operation expenses	49,590	37,222	(12,367)	-33.2%
Distribution system maintenance	72,776	69,157	(3,619)	-5.2%
Maintenance of general plant	21,897	21,340	(556)	-2.6%
Total Operation and Maintenance	3,872,137	3,760,130	(112,007)	-3.0%
Customer Accounts				
Meter Reading	9,550	9,133	(417)	-4.6%
Customer records and collection	46,578	50,754	4,176	8.2%
Energy conservation	184,191	59,003	(125,188)	-212.2%
Total Customer Accounts	240,319	118,890	(121,429)	-102.1%
Administrative and General				
Administrative and general salaries	51,627	51,183	(444)	-0.9%
Office supplies and expense	6,485	15,839	9,354	59.1%
Outside services employed	1,456	26,316	24,860	94.5%
Insurance	10,602	12,164	1,563	12.8%
Employee Benefits	131,918	175,315	43,398	24.8%
Miscellaneous general	4,633	37,822	33,188	87.7%
Total Administrative and General	206,721	318,640	111,919	35.1%
Total Operation, Customer, & Admin Expenses	4,319,177	4,197,660	(121,518)	-2.9%
Depreciation	196,268	199,558	3,290	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 4,515,446	4,397,217	(118,228)	-2.7%
OPERATING INCOME	\$ 45,480	(804,305)	849,785	105.7%

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

	MTD Actual June 2018	MTD Budget June 2018	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 575,917	491,023	84,894	17.3%
Forfeited Discounts	1,180	1,865	(685)	-36.7%
Uncollectible accounts	1	-	1	-
Total Operating Revenues	577,097	492,888	84,209	17.1%
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	48,663	42,942	(5,722)	-13.3%
Pumping and distribution maintenance	59,625	28,572	(31,053)	-108.7%
Power for pumping	26,235	23,949	(2,286)	-9.5%
Maintenance of general plant	4,528	5,221	693	13.3%
Total Operation and Maintenance	139,051	100,684	(38,368)	-38.1%
Customer Accounts				
Meter Reading	5,142	5,160	18	0.3%
Customer records and collection	13,091	13,203	112	0.8%
Energy conservation	-	-	-	-
Total Customer Accounts	18,233	18,363	130	0.7%
Administrative and General				
Administrative and general salaries	35,145	32,157	(2,988)	-9.3%
Office supplies and expense	2,879	7,174	4,295	59.9%
Outside services employed	2,775	13,483	10,708	79.4%
Insurance	3,534	4,055	521	12.8%
Employee Benefits	44,101	63,870	19,769	31.0%
Miscellaneous general	13,172	21,508	8,336	38.8%
Total Administrative and General	101,607	142,247	40,640	28.6%
Total Operation, Customer, & Admin Expenses	258,891	261,294	2,403	0.9%
Depreciation	129,257	128,912	(344)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	388,148	390,206	2,059	0.5%
OPERATING INCOME	\$ 188,949	102,682	86,268	84.0%

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
JUNE 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 - June 2018			Year to Date Budget - May 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	\$ 22,893,710	2,059,498	24,953,207	20,182,496	1,892,522	22,075,018	2,711,214	13.4%	166,975	8.8%	2,878,189	13.0%
OPERATING EXPENSES												
Operation, Customer and Administrative	19,667,564	1,461,674	21,129,238	19,161,042	1,605,428	20,766,469	(506,522)	-2.6%	143,754	9.0%	(362,769)	-1.7%
Depreciation	1,177,609	775,539	1,953,148	1,197,346	773,475	1,970,821	19,737	1.6%	(2,065)	-0.3%	17,672	0.9%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	20,845,173	2,237,213	23,082,386	20,358,388	2,378,902	22,737,290	(486,785)	-2.4%	141,689	6.0%	(345,096)	-1.5%
Operating Income	2,048,537	(177,715)	1,870,821	(175,892)	(486,380)	(662,272)	2,224,429	1264.7%	308,664	63.5%	2,533,093	382.5%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	117,135	173,117	290,251	94,700	157,301	252,001	22,435	23.7%	15,816	10.1%	38,250	15.2%
Interdepartment Rent from Water	45,000	-	45,000	45,000	-	45,000	-	0.0%	-	-	-	0.0%
Investment Income	116,452	79,112	195,564	101,638	33,066	134,704	14,814	14.6%	46,045	139.3%	60,859	45.2%
Interest Expense	(46,480)	(428)	(46,909)	(38,194)	(172)	(38,366)	(8,286)	-21.7%	(256)	-149.0%	(8,542)	-22.3%
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	34,369	-	34,369	-	-	-	34,369	0.0%	-	-	34,369	-
Total Non-Operating Revenue (Expense)	49,781	251,800	301,581	(13,550)	190,195	176,645	63,331	467.4%	61,605	32.4%	124,936	70.7%
Income Before Contributions and Transfers	2,098,318	74,084	2,172,402	(189,442)	(296,185)	(485,627)	2,287,760	1207.6%	370,269	125.0%	2,658,029	547.3%
CAPITAL CONTRIBUTIONS	50,601	1,310,240	1,360,841	-	998,240	998,240	50,601	-	312,000	31.3%	362,601	36.3%
MUNICIPAL CONTRIBUTION	(707,708)	(500,987)	(1,208,694)	(732,286)	(526,290)	(1,258,577)	24,579	3.4%	25,304	4.8%	49,882	4.0%
CHANGE IN NET POSITION	\$ 1,441,212	883,337	2,324,549	(921,729)	175,765	(745,963)	2,362,940	256.4%	707,572	402.6%	3,070,513	411.6%

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

	YTD Actual June 2018	YTD Budget June 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 7,917,634	6,897,801	1,019,832	14.8%
Commercial and Industrial	14,430,099	12,768,566	1,661,533	13.0%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	22,347,733	19,666,367	2,681,366	13.6%
Forfeited Discounts	128,679	122,717	5,961	4.9%
Free service to the City of Shakopee	84,019	83,121	898	1.1%
Conservation program	333,279	310,290	22,989	7.4%
Total Operating Revenues	22,893,710	20,182,496	2,711,214	13.4%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	17,024,318	15,656,553	(1,367,765)	-8.7%
Distribution operation expenses	216,407	223,334	6,927	3.1%
Distribution system maintenance	402,477	414,939	12,463	3.0%
Maintenance of general plant	147,509	128,042	(19,467)	-15.2%
Total Operation and Maintenance	17,790,711	16,422,868	(1,367,842)	-8.3%
Customer Accounts				
Meter Reading	59,450	54,797	(4,653)	-8.5%
Customer records and collection	267,851	304,524	36,674	12.0%
Energy conservation	(111,907)	354,017	465,924	131.6%
Total Customer Accounts	215,393	713,338	497,945	69.8%
Administrative and General				
Administrative and general salaries	316,586	307,100	(9,486)	-3.1%
Office supplies and expense	74,591	95,035	20,444	21.5%
Outside services employed	97,628	157,895	60,267	38.2%
Insurance	63,612	72,987	9,375	12.8%
Employee Benefits	936,818	1,164,888	228,070	19.6%
Miscellaneous general	172,225	226,931	54,705	24.1%
Total Administrative and General	1,661,460	2,024,835	363,375	17.9%
Total Operation, Customer, & Admin Expenses	19,667,564	19,161,042	(506,522)	-2.6%
Depreciation	1,177,609	1,197,346	19,737	1.6%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 20,845,173	20,358,388	(486,785)	-2.4%
OPERATING INCOME	\$ 2,048,537	(175,892)	2,224,429	1264.7%

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

	YTD Actual June 2018	YTD Budget June 2018	YTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 2,052,072	1,881,334	170,738	9.1%
Forfeited Discounts	7,425	11,188	(3,763)	-33.6%
Uncollectible accounts	0	-	0	-
Total Operating Revenues	2,059,498	1,892,522	166,975	8.8%
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	247,555	257,650	10,094	3.9%
Pumping and distribution maintenance	216,579	171,431	(45,148)	-26.3%
Power for pumping	144,518	143,694	(824)	-0.6%
Maintenance of general plant	22,966	31,328	8,362	26.7%
Total Operation and Maintenance	631,618	604,103	(27,515)	-4.6%
Customer Accounts				
Meter Reading	31,655	30,959	(696)	-2.2%
Customer records and collection	74,124	79,218	5,094	6.4%
Energy conservation	-	-	-	-
Total Customer Accounts	105,779	110,178	4,398	4.0%
Administrative and General				
Administrative and general salaries	208,220	192,939	(15,281)	-7.9%
Office supplies and expense	27,708	43,045	15,337	35.6%
Outside services employed	27,446	80,899	53,453	66.1%
Insurance	21,204	24,329	3,125	12.8%
Employee Benefits	322,389	420,888	98,499	23.4%
Miscellaneous general	117,309	129,047	11,738	9.1%
Total Administrative and General	724,276	891,147	166,871	18.7%
Total Operation, Customer, & Admin Expenses	1,461,674	1,605,428	143,754	9.0%
Depreciation	775,539	773,475	(2,065)	-0.3%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	\$ 2,237,213	2,378,902	141,689	6.0%
OPERATING INCOME	\$ (177,715)	(486,380)	308,664	63.5%