

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
December 18, 2017

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
 - C=> 8b) Monthly Water Production Dashboard
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
10. **Reports: Human Resources**
11. **Reports: General**
 - 11a) 2017 SPU Donations Review
 - 11b) Front Counter Redesign
 - 11c) Public Agenda Packet via Website
 - 11d) E-Billing Update and Schedule
 - C=> 11e) November 2017 Financial Results
 - 11f) Designation of MMPA Alternate Representative
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

| | | | |
|---------------------|----|-----------------------|----------|
| - Regular Meeting | -- | January 2 (Tuesday) | Canceled |
| - Mid Month Meeting | -- | January 16 (Tuesday) | |
| - Regular Meeting | -- | February 5 | |
| - Mid Month Meeting | -- | February 20 (Tuesday) | |
14. **Adjourn to 1/16/18** 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., December 4, 2017.

MEMBERS PRESENT: Commissioners Joos, Amundson, Hennen 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.

Motion by Weyer, seconded by Hennen to approve the minutes of the November 20, 2017 Commission meeting. Motion carried.

Under Communications, Utilities Manager Crooks shared a thank you note from Shakopee Community Assistance for the recent SPU donation.

President Amundson offered the agenda for approval.

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

The warrant listing for bills paid December 4, 2017 was presented.

Motion by Weyer, seconded by Joos to approve the warrant listing dated December 4, 2017 as presented. Motion carried.

Liaison Mocol presented her report. On the agenda for the December 5 City Council meeting, the Chamber of Commerce will provide their annual review and the proposed City Budget will have a public hearing. Appointments to Committees and Commissions will proceed after the application period expires.

Water Superintendent Schemel provided a report of current water operations. Updates were provided for construction projects and the Riverview Booster Station.

Finance Director Schmid presented and reviewed Resolution #1176 – Establishing Water Rates In and For the City of Shakopee

Motion by Joos, seconded by Hennen to offer Resolution #1176. A Resolution Establishing Water Rates In and For the City of Shakopee. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed.

Ms. Schmid presented and reviewed Resolution #1177 – Adjusting the Fees Applied Under the Reconstruction Fund Charge Resolution

Motion by Joos, seconded by Hennen to offer Resolution #1177. A Resolution Adjusting Fees Applied Under the Reconstruction Fund Charge Resolution. Ayes: Commissioners Hennen, Joos, Weyer and Amundson. Nay: none. Motion carried. Resolution passed.

Planning and Engineering Director Adams presented and reviewed Resolution #1178 – Adjusting the Fees Applied Under the Water Connection Charge Policy Resolution

Motion by Weyer, seconded by Joos to offer Resolution #1178. A Resolution Adjusting Fees Applied Under the Water Connection Charge Policy Resolution. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed

Mr. Adams presented and reviewed Resolution #1179 – Adjusting the Fees Applied Under the Trunk Water Charge Policy Resolution

Motion by Joos, seconded by Hennen to offer Resolution #1179. A Resolution Adjusting Fees Applied Under the Trunk Water Charge Policy Resolution. Ayes: Commissioners Hennen, Joos, Weyer and Amundson. Nay: none. Motion carried. Resolution passed.

Line Superintendent Drent provided a report of current electric operations. One electric outage was reviewed. Construction projects were updated.

Mr. Adams presented and reviewed Resolution #1180 – Modifying a Policy With Reference to Underground Electrical Distribution Systems

Motion by Joos, seconded by Hennen to offer Resolution #1180. A Resolution Modifying a Policy With Reference to Underground Electrical Distribution Systems. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed.

Mr. Crooks read the November 2017 MMPA Board Meeting Public Summary.

The Utilities Manager's annual review will take place after the Regular Commission meeting on February 5, 2018.

Ms. Schmid presented and reviewed Resolution #1181 – Bond Redemption Proposal

Motion by Joos, seconded by Weyer to offer Resolution #1181. A Resolution Authorizing the Redemption of the Shakopee Public Utilities Commission Public Utilities Crossover Refunding Revenue Bonds, Series 2006A. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed.

Motion by Weyer, seconded by Hennen to direct Staff to pursue redemption of the 2006A Crossover Revenue Bonds. Motion carried.

Ms. Schmid presented and reviewed Resolution #1182 – Adopting Fees and Charges For 2018

Motion by Weyer, seconded by Hennen to offer Resolution #1182. A Resolution Adopting Fees and Charges for 2018. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed.

Ms. Schmid presented and reviewed Resolution #1183 – Designating an Official Means of Publication

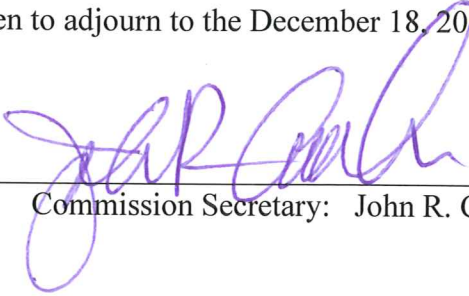
Motion by Joos, seconded by Weyer to offer Resolution #1183. A Resolution Designating an Official Means of Publication. Ayes: Commissioners Hennen, Joos, Weyer and Amundson. Nay: none. Motion carried. Resolution passed.

Ms. Schmid presented and reviewed Resolution #1184 – Designation of Official Depositories of the Shakopee Public Utilities Commission Funds

Motion by Weyer, seconded by Hennen to offer Resolution #1184. A Resolution Designating Official Depositories of the Shakopee Public Utilities Commission Funds. Ayes: Commissioners Weyer, Joos, Hennen and Amundson. Nay: none. Motion carried. Resolution passed.

The tentative commission meeting dates of December 18 and January 2 (Tuesday) were noted. The January 2 Commission meeting was canceled.

Motion by Weyer, seconded by Hennen to adjourn to the December 18, 2017 meeting. Motion carried.



Commission Secretary: John R. Crooks

Monthly Water Dashboard

As of: November 2017

Shakopee Public Utilities Commission

8b

ALL VALUES IN MILLIONS OF GALLONS

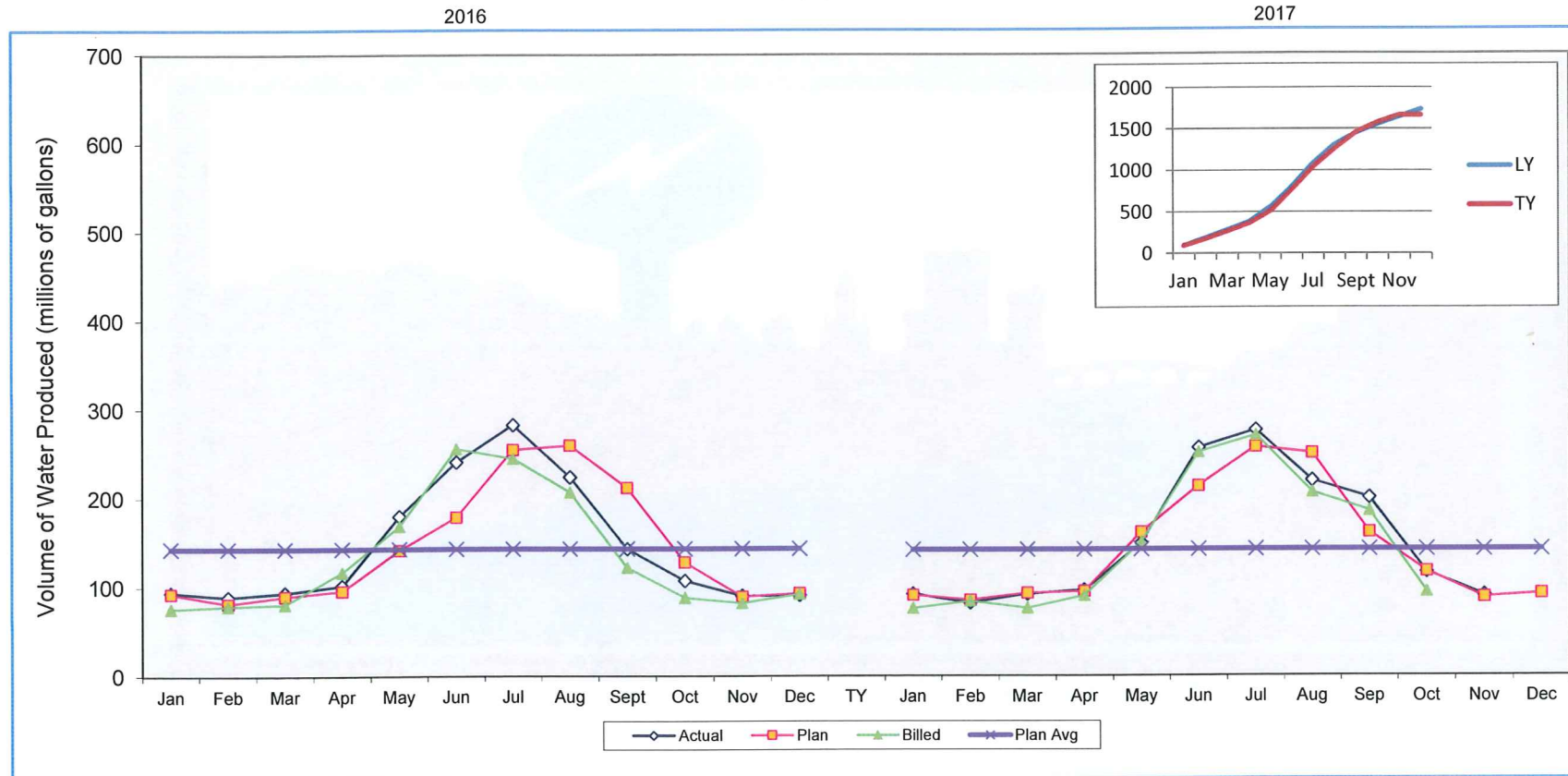
Element/Measure

Water Pumped/Metered

Averages

| | | | | | | |
|-----------------------|-----|-----|-----|-----|-----|----|
| Last 6 months actuals | 256 | 276 | 219 | 200 | 116 | 90 |
|-----------------------|-----|-----|-----|-----|-----|----|

| | |
|------|-----|
| 2014 | 140 |
| 2015 | 138 |
| 2016 | 145 |



| | LY | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec | TY | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec |
|---------|----|-----|-----|-----|-----|-----|-----|-----|-----|------|-----|-----|-----|----|------|-----|-----|-----|-----|------|------|------|------|------|------|-----|
| Actual | | 94 | 89 | 94 | 102 | 180 | 241 | 283 | 224 | 143 | 107 | 90 | 91 | | 92 | 82 | 92 | 96 | 149 | 256 | 276 | 219 | 200 | 116 | 90 | |
| Plan | | 93 | 82 | 90 | 96 | 142 | 179 | 255 | 260 | 212 | 128 | 89 | 93 | | 91 | 85 | 93 | 95 | 161 | 213 | 257 | 250 | 161 | 117 | 88 | 92 |
| YTD % * | | | | | | | | | | | | | | | 101% | 99% | 99% | 99% | 97% | 104% | 105% | 101% | 104% | 104% | 104% | |
| Billed | | 76 | 79 | 81 | 117 | 169 | 256 | 245 | 207 | 122 | 88 | 82 | 92 | | 76 | 84 | 76 | 90 | 150 | 251 | 270 | 206 | 185 | 94 | | |

* Actual gallons pumped vs. Plan

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: 2017 CHARITABLE DONATIONS REVIEW
DATE: DECEMBER 14, 2017

With the adoption of the Donation Policy on November 5, 2012, the Commission agreed that we as Shakopee Public Utilities have a goal to engage, support and improve the programs that foster growth and development of youth, provide sponsorship of causes that help the underprivileged and those that concentrate on civic and community development.

The policy states *"the Utilities Manager will present the yearly donation recipients and their donation amounts to the Commission in January of each year."*

Attached is the list of monetary donations made in the Commission's behalf for the calendar year 2017.

Thank You.

**Shakopee Public Utilities Commission
Charitable Donations - 2017**

| | ORGANIZATION | DOLLARS |
|-----------|-------------------------------------------|-----------------|
| February | City of Shakopee Annual Tree Sale | 5000 |
| April | SCVB Downtown Flower Baskets | 1000 |
| May | Saints Foundation | 4000 |
| May | Esperanza | 1000 |
| May | Shakopee Diversity Alliance | 1000 |
| May | Shakopee Heritage Society | 1000 |
| August | ALS Walk | 250 |
| September | Canterbury/Chinese Lantern Light Festival | 5000 |
| November | Shakopee Community Assistance | 750 |
| December | Shakopee Dollars For Scholars | 1000 |
| | TOTAL | \$20,000 |

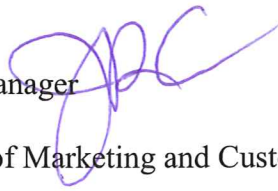



SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

11b

December 15, 2017

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

I am in the process of working with Linner Morschen Architects on a new front desk/lobby redesign. The driving factors behind this remodel are increased customer foot traffic, customer privacy, employee safety and enhanced customer service.

The staffing model in Customer Service has not increased with the growth of the SPU customer base, which is now nearly 17,000 active customers. Our CS coverage during breaks, meetings or staff absences is not adequate with only one CSR. As a result the CS Coordinator needs to backfill, thus resulting in other tasks being delayed or compromised.

To achieve an enhanced and engaging exchange with our customers, while providing consistent deliverables, I have budgeted for the hiring of a third CSR in 2018. This will allow us to not only assist our customers in a timely manner, but it will improve the customer experience. We will have the ability to discuss in more detail such things as the SPU billing process, privacy laws, new programs, auto bill pay, and other important information relative to being an SPU customer. Time and volume of customers currently limits us from this level of interaction and the current desk configuration does not offer functionality for increased staff.

The current desk configuration also lacks in customer or employee privacy. The continuous counter surface invites group gatherings with little to no privacy between customers. The split counter height between customer and SPU staff results in customers looming over the CSR's. Additionally, the half door access affords full access to the entire SPU office.

This new design will offer three payment/CS stations and one ADA accessible payment plan station. The staggered stations will offer customer privacy, and CSR's will now be at the same height as customers. Bids will begin in the upcoming weeks with construction to begin in Q1 2018.

ACTION: No action is required by the Commission.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

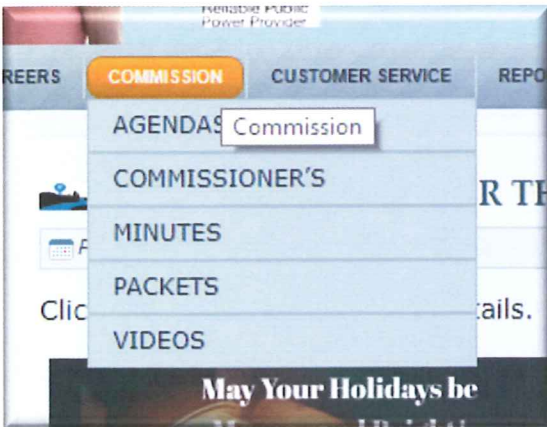
11c

TO: John R. Crooks, Utilities Manager *JRC*

FROM: Lon R. Schemel, Water Superintendent *LS*

SUBJECT: **Public Packet Webpage**


DATE: December 13th, 2017



The PACKETS page of our website is now accessible to the public. This is where the materials for our Commissioners is located. There is now a page titled COMMISSIONER'S where sensitive material can be accessed by our Commission members as needed via password.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: E-BILLING STATUS UPDATE
DATE: DECEMBER 14, 2017



With the Commission Goals and Objectives being set at the June 5 Commission Work Session, I will update the status of the E-Billing Project, one of the Goals identified.

The project was to be restarted in March, 2017. The initial work had taken place during 2016. I made a decision to prioritize the work needed for the Daffron iXP upgrade, which had been delayed for several years. Therefore the E-Billing project was set aside. Once the iXP upgrade was completed and 'bugs' worked out after implementation, the work would restart on the E-Billing project

I have met with our Finance Director and Customer Relations Director to understand exactly where the project was left last March. A detailed outline has been developed identifying the next steps involved.

We will meet to identify the schedule of events, with dates, required before the E-Bill roll-out would take place. Those meetings will be set up in March, 2018. Once the work and the testing completed, the E-Bill should go-live in early summer.





SHAKOPEE PUBLIC UTILITIES

"Lighting the Way – Yesterday, Today and Beyond"

December 12, 2017

PROPOSE AS CONSENT

11e

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 November, 2017

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

Month to Date and Year to Date Financial Results – November, 2017

- 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 – November, 2017

- Total Utility Operating Revenues for the month of November totaled \$3.6 million and were unfavorable to budget by \$19k or 0.5%. Electric revenues were unfavorable to budget by \$48k or 1.4% driven by lower than plan energy sales in all revenue groups and lower than plan power cost adjustment revenue due to lower than plan purchased power costs. Water revenues were favorable to budget by \$29k or 10.3% driven by higher than plan sales volumes in all revenue groups.
- Total operating expenses were \$3.3 million and were favorable to budget by \$0.3 million or 8.5%. Total purchased power costs in November were \$2.4 million and were \$61k or 2.4% lower than plan for the month. Total Operating Expense for electric including purchased power was \$3.0 million and was favorable to budget by \$245k or 7.5% primarily due to lower than plan expenses in operation and maintenance, administrative and general, and depreciation. Total Operating Expense for Water was \$0.3 million was favorable to budget by \$62k or 16.4% due to lower than plan expenditures in system operation and maintenance, administrative and general, and depreciation.
- Total Utility Operating Income was \$325k and was \$287k favorable to budget due to lower than plan operating expenses and partially offset by lower than plan operating revenues.



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

- Total Utility Non-Operating Expense was \$15k and was unfavorable to budget by \$32k due to lower than plan investment income of \$26k and lower than plan rental and miscellaneous income of \$6k.
- Capital Contributions for the month of November totaled \$186k and were favorable to budget by \$37k due to higher than plan capital contributions.
- Municipal contributions to the City of Shakopee totaled \$190k and were lower than plan by \$10k.
- Change in Net Position was \$307k and was favorable to budget by \$302k primarily due to lower than plan operating expenses.
- Electric usage billed to customers in November was 31,149,672 kWh, a decrease from October usage billed at 39,640,217 kWh.
- Water usage billed to customers in November was 93.7 million gallons, a decrease from October usage billed at 184.9 million gallons.

Year to Date Financial Results – November, 2017

- Total Utility Operating Revenue year to date November was \$48.0 million and was unfavorable to budget by \$1.5 million or 3.1%. Electric revenues totaled \$43.2 million and were unfavorable to budget by \$1.8 million or 3.9% driven by lower than plan sales in the residential and industrial revenue groups and lower than plan power cost adjustment revenue in all revenue groups driven by lower than plan purchased power costs. Water revenues totaled \$4.9 million and were favorable to budget by \$256k or 5.5% driven by higher than plan sales volumes in the all revenue groups.
- Total Utility Operating Expenses year to date November were \$40.7 million and were favorable to budget by \$3.4 million or 7.6% primarily due to lower than plan purchased power costs of \$1.3 million, timing of expenditures in energy conservation of \$0.5 million, administrative and general expense of \$0.9 million in outside services and employee benefit expenses, electric and water operation and maintenance expense of \$0.4 million, and depreciation expense of \$0.3 million. Total Operating Expense for electric including purchased power was \$37.0 million and was favorable to budget by \$2.9 million or 7.2%. Total Operating Expense for Water was \$3.7 million and was also favorable to budget by \$0.4 million or 11.3%.
- Total Utility Operating Income was \$7.3 million and was favorable to budget by \$1.8 million driven by lower than plan operating expenses of \$3.3 million and partially offset by lower than planned operating revenues \$1.5 million.
- Total Utility Non-Operating Income was \$395k and was favorable to budget by \$57k due to higher than planned investment income of \$64k that was partially offset by lower than plan rental and miscellaneous income.
- YTD Capital Contributions were \$3.4 million and are favorable to budget by \$1.8 million due to higher than plan collection of water connection fees of \$1.5 million and higher than planned capital contributions of \$0.3 million.
- Municipal contributions to the City of Shakopee totaled \$2.1 million year to date and are lower than plan by \$114k or 5.2%. 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 \$9.0 million and is favorable to budget by \$3.8 million reflecting higher than plan operating income of \$1.8 million, higher than plan capital contributions of \$1.8 million, higher than plan investment income of \$0.1 million and lower than plan municipal contributions of \$0.1 million.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
NOVEMBER 2017



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 - November 2017 | | | Month to Date Budget - November 2017 | | | 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 | \$ 3,332,572 | 306,059 | 3,638,631 | 3,380,481 | 277,547 | 3,658,029 | (47,910) | -1.4% | 28,512 | 10.3% | (19,398) | -0.5% |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Operation, Customer and Administrative | 2,826,811 | 200,907 | 3,027,718 | 3,055,642 | 250,376 | 3,306,017 | 228,830 | 7.5% | 49,469 | 19.8% | 278,299 | 8.4% |
| Depreciation | 173,238 | 112,404 | 285,642 | 189,194 | 124,473 | 313,667 | 15,956 | 8.4% | 12,069 | 9.7% | 28,025 | 8.9% |
| Amortization of Plant Acquisition | - | - | - | - | - | - | - | 0.0% | - | - | - | 0.0% |
| Total Operating Expenses | 3,000,049 | 313,311 | 3,313,360 | 3,244,835 | 374,848 | 3,619,684 | 244,786 | 7.5% | 61,537 | 16.4% | 306,324 | 8.5% |
| Operating Income | 332,523 | (7,252) | 325,271 | 135,646 | (97,301) | 38,345 | 196,877 | 145.1% | 90,049 | 92.5% | 286,926 | 748.3% |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | | | | | |
| Rental and Miscellaneous | 10,487 | 7,815 | 18,302 | 22,173 | 2,068 | 24,241 | (11,686) | -52.7% | 5,748 | 278.0% | (5,939) | -24.5% |
| Interdepartment Rent from Water | 7,500 | - | 7,500 | 7,500 | - | 7,500 | - | 0.0% | - | - | - | 0.0% |
| Investment Income | (10,626) | 679 | (9,947) | 12,951 | 3,002 | 15,954 | (23,577) | -182.0% | (2,324) | -77.4% | (25,901) | -162.4% |
| Interest Expense | (28,959) | (31) | (28,990) | (28,769) | (19) | (28,788) | (191) | -0.7% | (12) | -61.9% | (202) | -0.7% |
| Amortization of Debt Issuance Costs and Loss on Refunding | (1,484) | - | (1,484) | (1,484) | - | (1,484) | - | 0.0% | - | - | - | 0.0% |
| Gain/(Loss) on the Disposition of Property | - | - | - | - | - | - | - | - | - | - | - | 0.0% |
| Total Non-Operating Revenue (Expense) | (23,082) | 8,463 | (14,619) | 12,372 | 5,051 | 17,423 | (35,454) | -286.6% | 3,412 | 67.6% | (32,042) | -183.9% |
| Income Before Contributions and Transfers | 309,441 | 1,211 | 310,652 | 148,018 | (92,250) | 55,768 | 161,423 | 109.1% | 93,461 | 101.3% | 254,884 | 457.0% |
| CAPITAL CONTRIBUTIONS | 148,047 | 38,198 | 186,245 | - | 149,395 | 149,395 | 148,047 | - | (111,197) | -74.4% | 36,850 | 24.7% |
| MUNICIPAL CONTRIBUTION | (116,223) | (74,000) | (190,223) | (121,398) | (79,192) | (200,590) | 5,175 | 4.3% | 5,192 | 6.6% | 10,368 | 5.2% |
| CHANGE IN NET POSITION | \$ 341,266 | (34,591) | 306,675 | 26,620 | (22,047) | 4,573 | 314,645 | 1182.0% | (12,543) | -56.9% | 302,102 | 6606.7% |

SHAKOPEE PUBLIC UTILITIES

ELECTRIC OPERATING REVENUE AND EXPENSE

| | MTD Actual November 2017 | MTD Budget November 2017 | MTD Actual v. Budget Better/(Worse) | |
|---------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|---------------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Electricity | | | | |
| Residential | \$ 1,074,194 | 1,076,071 | (1,877) | -0.2% |
| Commercial and Industrial | 2,174,012 | 2,217,225 | (43,213) | -1.9% |
| Uncollectible accounts | - | - | - | - |
| Total Sales of Electricity | 3,248,207 | 3,293,296 | (45,090) | -1.4% |
| Forfeited Discounts | 21,738 | 21,016 | 722 | 3.4% |
| Free service to the City of Shakopee | 14,223 | 14,223 | 0 | 0.0% |
| Conservation program | 48,404 | 51,946 | (3,542) | -6.8% |
| Total Operating Revenues | 3,332,572 | 3,380,481 | (47,910) | -1.4% |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Purchased power | 2,449,455 | 2,510,059 | 60,604 | 2.4% |
| Distribution operation expenses | 26,650 | 39,436 | 12,786 | 32.4% |
| Distribution system maintenance | 32,485 | 55,428 | 22,943 | 41.4% |
| Maintenance of general plant | 11,557 | 35,652 | 24,094 | 67.6% |
| Total Operation and Maintenance | 2,520,148 | 2,640,575 | 120,427 | 4.6% |
| Customer Accounts | | | | |
| Meter Reading | 8,326 | 9,810 | 1,484 | 15.1% |
| Customer records and collection | 28,625 | 44,751 | 16,126 | 36.0% |
| Energy conservation | 41,874 | 58,828 | 16,954 | 28.8% |
| Total Customer Accounts | 78,825 | 113,389 | 34,564 | 30.5% |
| Administrative and General | | | | |
| Administrative and general salaries | 46,024 | 49,969 | 3,945 | 7.9% |
| Office supplies and expense | 11,405 | 15,471 | 4,066 | 26.3% |
| Outside services employed | 6,154 | 40,959 | 34,806 | 85.0% |
| Insurance | 14,368 | 15,727 | 1,359 | 8.6% |
| Employee Benefits | 135,747 | 143,488 | 7,741 | 5.4% |
| Miscellaneous general | 14,140 | 36,063 | 21,923 | 60.8% |
| Total Administrative and General | 227,839 | 301,678 | 73,839 | 24.5% |
| Total Operation, Customer, & Admin Expenses | 2,826,811 | 3,055,642 | 228,830 | 7.5% |
| Depreciation | 173,238 | 189,194 | 15,956 | 8.4% |
| Amortization of plant acquisition | - | - | - | 0.0% |
| Total Operating Expenses | \$ 3,000,049 | 3,244,835 | 244,786 | 7.5% |
| OPERATING INCOME | \$ 332,523 | 135,646 | 196,877 | 145.1% |

SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

| | MTD Actual November 2017 | MTD Budget November 2017 | MTD Actual v. Budget Better/(Worse) | |
|---------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|--------------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Water | \$ 303,808 | 275,816 | 27,992 | 10.1% |
| Forfeited Discounts | 2,249 | 1,731 | 518 | 29.9% |
| Uncollectible accounts | 2 | - | 2 | - |
| Total Operating Revenues | 306,059 | 277,547 | 28,512 | 10.3% |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Pumping and distribution operation | 28,534 | 39,294 | 10,760 | 27.4% |
| Pumping and distribution maintenance | 26,088 | 33,731 | 7,643 | 22.7% |
| Power for pumping | 23,479 | 23,252 | (226) | -1.0% |
| Maintenance of general plant | 1,817 | 2,342 | 525 | 22.4% |
| Total Operation and Maintenance | 79,918 | 98,620 | 18,703 | 19.0% |
| Customer Accounts | | | | |
| Meter Reading | 4,440 | 7,592 | 3,152 | 41.5% |
| Customer records and collection | 8,540 | 11,996 | 3,456 | 28.8% |
| Energy conservation | - | - | - | - |
| Total Customer Accounts | 12,980 | 19,588 | 6,608 | 33.7% |
| Administrative and General | | | | |
| Administrative and general salaries | 28,071 | 31,460 | 3,390 | 10.8% |
| Office supplies and expense | 4,836 | 5,926 | 1,091 | 18.4% |
| Outside services employed | 2,051 | 17,377 | 15,326 | 88.2% |
| Insurance | 4,789 | 5,242 | 453 | 8.6% |
| Employee Benefits | 53,478 | 52,190 | (1,288) | -2.5% |
| Miscellaneous general | 14,784 | 19,971 | 5,187 | 26.0% |
| Total Administrative and General | 108,009 | 132,167 | 24,158 | 18.3% |
| Total Operation, Customer, & Admin Expenses | 200,907 | 250,376 | 49,469 | 19.8% |
| Depreciation | 112,404 | 124,473 | 12,069 | 9.7% |
| Amortization of plant acquisition | - | - | - | - |
| Total Operating Expenses | 313,311 | 374,848 | 61,537 | 16.4% |
| OPERATING INCOME | \$ (7,252) | (97,301) | 90,049 | 92.5% |

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
NOVEMBER 2017



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 - November 2017 | | | Year to Date Budget - November 2017 | | | 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 | \$ 43,154,737 | 4,902,815 | 48,057,552 | 44,926,758 | 4,646,718 | 49,573,476 | (1,772,021) | -3.9% | 256,096 | 5.5% | (1,515,924) | -3.1% |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Operation, Customer and Administrative | 35,113,367 | 2,463,279 | 37,576,646 | 37,824,830 | 2,800,131 | 40,624,961 | 2,711,462 | 7.2% | 336,852 | 12.0% | 3,048,315 | 7.5% |
| Depreciation | 1,905,615 | 1,236,447 | 3,142,061 | 2,081,132 | 1,369,201 | 3,450,333 | 175,517 | 8.4% | 132,755 | 9.7% | 308,272 | 8.9% |
| Amortization of Plant Acquisition | - | - | - | - | - | - | - | 0.0% | - | - | - | 0.0% |
| Total Operating Expenses | 37,018,982 | 3,699,725 | 40,718,708 | 39,905,961 | 4,169,333 | 44,075,294 | 2,886,979 | 7.2% | 469,607 | 11.3% | 3,356,586 | 7.6% |
| Operating Income | 6,135,755 | 1,203,089 | 7,338,844 | 5,020,796 | 477,386 | 5,498,182 | 1,114,959 | 22.2% | 725,704 | 152.0% | 1,840,662 | 33.5% |
| NON-OPERATING REVENUE (EXPENSE) | | | | | | | | | | | | |
| Rental and Miscellaneous | 221,937 | 177,840 | 399,777 | 243,905 | 171,316 | 415,220 | (21,968) | -9.0% | 6,525 | 3.8% | (15,443) | -3.7% |
| Interdepartment Rent from Water | 82,500 | - | 82,500 | 82,500 | - | 82,500 | - | 0.0% | - | - | - | 0.0% |
| Investment Income | 175,534 | 63,534 | 239,068 | 142,466 | 33,024 | 175,489 | 33,069 | 23.2% | 30,510 | 92.4% | 63,579 | 36.2% |
| Interest Expense | (319,570) | (280) | (319,850) | (317,964) | (210) | (318,173) | (1,606) | -0.5% | (70) | -33.4% | (1,676) | -0.5% |
| Amortization of Debt Issuance Costs and Loss on Refunding | (16,319) | - | (16,319) | (16,319) | - | (16,319) | - | 0.0% | - | 0.0% | - | 0.0% |
| Gain/(Loss) on the Disposition of Property | 6,934 | 3,362 | 10,296 | - | - | - | 6,934 | 0.0% | 3,362 | - | 10,296 | - |
| Total Non-Operating Revenue (Expense) | 151,016 | 244,456 | 395,472 | 134,588 | 204,129 | 338,717 | 16,428 | 12.2% | 40,327 | 19.8% | 56,755 | 16.8% |
| Income Before Contributions and Transfers | 6,286,771 | 1,447,545 | 7,734,317 | 5,155,384 | 681,515 | 5,836,899 | 1,131,387 | 21.9% | 766,030 | 112.4% | 1,897,417 | 32.5% |
| CAPITAL CONTRIBUTIONS | 242,301 | 3,175,072 | 3,417,373 | - | 1,643,347 | 1,643,347 | 242,301 | - | 1,531,724 | 93.2% | 1,774,025 | 108.0% |
| MUNICIPAL CONTRIBUTION | (1,277,742) | (814,503) | (2,092,245) | (1,335,378) | (871,116) | (2,206,494) | 57,636 | 4.3% | 56,614 | 6.5% | 114,250 | 5.2% |
| CHANGE IN NET POSITION | \$ 5,251,331 | 3,808,114 | 9,059,445 | 3,820,006 | 1,453,746 | 5,273,752 | 1,431,324 | 37.5% | 2,354,368 | 162.0% | 3,785,693 | 71.8% |

SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE

| | YTD Actual November 2017 | YTD Budget November 2017 | YTD Actual v. Budget Better/(Worse) | |
|---------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|--------------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Electricity | | | | |
| Residential | \$ 15,194,257 | 15,836,848 | (642,591) | -4.1% |
| Commercial and Industrial | 26,942,220 | 28,048,635 | (1,106,415) | -3.9% |
| Uncollectible accounts | - | - | - | - |
| Total Sales of Electricity | 42,136,476 | 43,885,483 | (1,749,007) | -4.0% |
| Forfeited Discounts | 233,569 | 231,177 | 2,393 | 1.0% |
| Free service to the City of Shakopee | 156,450 | 156,450 | 0 | 0.0% |
| Conservation program | 628,241 | 653,648 | (25,407) | -3.9% |
| Total Operating Revenues | 43,154,737 | 44,926,758 | (1,772,021) | -3.9% |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Purchased power | 30,466,586 | 31,721,416 | 1,254,830 | 4.0% |
| Distribution operation expenses | 359,727 | 433,796 | 74,070 | 17.1% |
| Distribution system maintenance | 584,863 | 609,710 | 24,847 | 4.1% |
| Maintenance of general plant | 229,860 | 392,169 | 162,310 | 41.4% |
| Total Operation and Maintenance | 31,641,036 | 33,157,092 | 1,516,056 | 4.6% |
| Customer Accounts | | | | |
| Meter Reading | 93,147 | 107,906 | 14,759 | 13.7% |
| Customer records and collection | 468,167 | 492,265 | 24,098 | 4.9% |
| Energy conservation | 171,466 | 647,109 | 475,643 | 73.5% |
| Total Customer Accounts | 732,780 | 1,247,280 | 514,501 | 41.2% |
| Administrative and General | | | | |
| Administrative and general salaries | 517,815 | 549,663 | 31,848 | 5.8% |
| Office supplies and expense | 123,273 | 170,180 | 46,907 | 27.6% |
| Outside services employed | 123,102 | 450,554 | 327,452 | 72.7% |
| Insurance | 144,771 | 172,998 | 28,227 | 16.3% |
| Employee Benefits | 1,484,518 | 1,680,373 | 195,856 | 11.7% |
| Miscellaneous general | 346,074 | 396,690 | 50,616 | 12.8% |
| Total Administrative and General | 2,739,552 | 3,420,458 | 680,905 | 19.9% |
| Total Operation, Customer, & Admin Expenses | 35,113,367 | 37,824,830 | 2,711,462 | 7.2% |
| Depreciation | 1,905,615 | 2,081,132 | 175,517 | 8.4% |
| Amortization of plant acquisition | - | - | - | 0.0% |
| Total Operating Expenses | \$ 37,018,982 | 39,905,961 | 2,886,979 | 7.2% |
| OPERATING INCOME | \$ 6,135,755 | 5,020,796 | 1,114,959 | 22.2% |


SHAKOPEE PUBLIC UTILITIES

WATER OPERATING REVENUE AND EXPENSE

| | YTD Actual November 2017 | YTD Budget November 2017 | YTD Actual v. Budget Better/(Worse) | |
|---------------------------------------------|-----------------------------|-----------------------------|----------------------------------------|---------------|
| | | | \$ | % |
| OPERATING REVENUES | | | | |
| Sales of Water | \$ 4,880,058 | 4,627,674 | 252,385 | 5.5% |
| Forfeited Discounts | 22,755 | 19,045 | 3,710 | 19.5% |
| Uncollectible accounts | 2 | - | 2 | - |
| Total Operating Revenues | 4,902,815 | 4,646,718 | 256,096 | 5.5% |
| OPERATING EXPENSES | | | | |
| Operations and Maintenance | | | | |
| Pumping and distribution operation | 407,614 | 432,238 | 24,623 | 5.7% |
| Pumping and distribution maintenance | 273,667 | 371,042 | 97,375 | 26.2% |
| Power for pumping | 262,651 | 255,777 | (6,874) | -2.7% |
| Maintenance of general plant | 31,291 | 25,766 | (5,526) | -21.4% |
| Total Operation and Maintenance | 975,224 | 1,084,822 | 109,599 | 10.1% |
| Customer Accounts | | | | |
| Meter Reading | 51,863 | 83,510 | 31,648 | 37.9% |
| Customer records and collection | 127,270 | 131,960 | 4,691 | 3.6% |
| Energy conservation | 1,834 | 12,000 | 10,166 | - |
| Total Customer Accounts | 180,966 | 227,470 | 46,504 | 20.4% |
| Administrative and General | | | | |
| Administrative and general salaries | 328,880 | 346,064 | 17,185 | 5.0% |
| Office supplies and expense | 57,477 | 65,189 | 7,712 | 11.8% |
| Outside services employed | 110,509 | 191,146 | 80,637 | 42.2% |
| Insurance | 48,257 | 57,666 | 9,409 | 16.3% |
| Employee Benefits | 542,867 | 608,093 | 65,226 | 10.7% |
| Miscellaneous general | 219,099 | 219,680 | 581 | 0.3% |
| Total Administrative and General | 1,307,089 | 1,487,838 | 180,750 | 12.1% |
| Total Operation, Customer, & Admin Expenses | 2,463,279 | 2,800,131 | 336,852 | 12.0% |
| Depreciation | 1,236,447 | 1,369,201 | 132,755 | 9.7% |
| Amortization of plant acquisition | - | - | - | - |
| Total Operating Expenses | \$ 3,699,725 | 4,169,333 | 469,607 | 11.3% |
| OPERATING INCOME | \$ 1,203,089 | 477,386 | 725,704 | 152.0% |

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: INTERIM MMPA REPRESENTATIVE ALTERNATE
DATE: DECEMBER 14, 2017



ISSUE –

The Shakopee Public Utilities Commission should appoint an interim Alternate to the MMPA Board.

BACKGROUND –

Our wholesale power provider, Minnesota Municipal Power Agency (MMPA), is governed by a Board of Directors. The Board consists of voting members, referred to as Representatives and non-voting members, referred to as Alternates. These members are made up of both technical staff and policy makers from each member Utility. Each member Utility is allowed one Representative and one Alternate.

DISCUSSION –

Presently, the Utilities Manager is appointed as the SPU Representative. Commissioner Helkamp was appointed as our Alternate. Therefore the Alternate position has been open since early November. Even as the Utilities Manager also currently serves as the Chair of the MMPA Board, it is important to have a person assigned as Alternate.

The reasons for the Alternate is two-fold. The first being this person attends the monthly Board meetings and is therefore up-to-date on the issues and information before the MMPA Board. This provides the opportunity to have two points of view concerning the issues. The second reason is more obvious; to be present when the Utilities Manager is unable to attend.

RECOMMENDATION –

With the Utilities Manager being the voting Representative on the MMPA Board, an appointment should be made to fill the Alternate position on an interim basis. Official annual appointments are made during the first Commission meeting in April.

There would be two options in filling the interim position. One option would be to appoint a Staff member. Electric Superintendent Greg Drent has served on the MMPA Board during his employment with the City of LeSueur. Greg therefore has experience with MMPA issues and has experience with current Board members. The second option would be to appoint a Commissioner as the interim Alternate. This allows for experience as a policy maker to serve on the Board. This second option has been the past practice of SPU Commissions.

REQUEST –

To make an interim appointment to the MMPA Board of Directors as the SPU Alternate. This would be an interim position until the first Commission meeting in April.