

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
MAY 2, 2016

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 #1123 – Adopting the Bid Amount and Contract Award for the Watermain Replacement in the 2016 City of Shakopee Street Reconstruction Project
 - C=> 8c) Monthly Water Production Dashboard
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Radio Meter Reading Project – Update
 - 9c) April 2016 MMPA Board Meeting Public Summary
 - 9d) Undergrounding of Electric Lines - Hilldale Project
10. **Reports: Human Resources**
 - 10a) Electric Superintendent Position - Verbal
11. **Reports: General**
 - 11a) Financials – March 2016
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Mid Month Meeting	--	May 16
- Regular Meeting	--	June 6
- Mid Month Meeting	--	June 20
- Regular Meeting	--	July 5 (Tuesday)
14. **Adjourn** to 5/16/16 at the SPUC Service Center, 255 Sarazin Street



MINUTES
OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
(Regular Meeting)

President Joos called the regular session of the Shakopee Public Utilities Commission to order at the Shakopee Public Utilities meeting room at 5:00 P.M., April 18, 2016.

MEMBERS PRESENT: Commissioners Joos, Amundson, Helkamp, Olson and Weyer. Also present, Liaison Whiting, Utilities Manager Crooks, Planning & Engineering Director Adams and Marketing/Customer Relations Director Walsh.

Motion by Amundson, seconded by Weyer to approve the minutes of the April 4, 2016 Commission meeting. Motion carried.

There were no communication items.

President Joos offered the agenda for approval.

Motion by Amundson, seconded by Helkamp to approve the agenda as presented. Motion carried.

There was no Consent Business.

The warrant listing for bills paid April 18, 2016 was presented.

Motion by Helkamp, seconded by Weyer to approve the warrant listing dated April 18, 2016 as presented. Motion carried.

Liaison Whiting reviewed the upcoming City Council meeting agenda.

Utilities Manager Crooks provided a report of current water operations. The rehabilitations to Well 6 and Well 16 were discussed.

Motion by Helkamp, seconded by Amundson to offer Resolution #1121. A Resolution Setting The Amount Of The Trunk Water Charge, Approving Of Its Collection And Authorizing Water Service To Certain Property Described As: Hilldale Drive (Zoschke's Addition). Ayes: Commissioners Weyer, Helkamp, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Motion by Amundson, seconded by Olson to offer Resolution #1122. A Resolution Approving Of The Estimated Cost Of Pipe Oversizing On The Watermain Project: Hilldale Drive (Zoschke's Addition). Ayes: Commissioners Weyer, Helkamp, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.



The Water Engineering Consultant selection process was reviewed by Mr. Crooks. Two categories of General Engineering Services and Technical/Specialty Engineering Services were discussed. The firms selected were Sambatek, SEH, WSB, PCE, AE2S, BSI and Wunderlich-Malec.

Motion by Olson, seconded by Amundson to direct Staff to proceed with professional service agreements with the Engineering firms as presented. Motion carried.

Mr. Crooks provided a report of current electric operations. An outage was caused by a falling tree on Marystown Road. Another outage was caused by a bad transformer on First Avenue. Three new breakers are being installed at the Pike Lake Substation.

Mr. Crooks updated the Commission on the selection process for the Electric Superintendent position

Mr. Crooks reviewed the Quarterly Schedules and Priorities spreadsheet.

Motion by Helkamp, seconded by Amundson to adjourn to Closed Session to discuss employee wage ranges. Motion carried.

Motion by Helkamp, seconded by Amundson to adjourn the Closed Session. Motion carried.

Motion by Helkamp, seconded by Amundson to reconvene to Regular Session. Motion carried.

President Joos stated that no official business took place during the Closed Session.

The tentative commission meeting dates of May 2 and May 16 were noted.

Motion by Helkamp, seconded by Amundson to adjourn to the May 2, 2016 meeting. Motion carried.



Commission Secretary: John R. Crooks



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

April 28, 2016

TO: John Crooks, Utilities Manager *JPC*

FROM: Sharon Walsh, Director of Marketing and Customer Relations

SUBJECT: AWWA Drinking Water Week 2016

Overview

May 1-7, 2016 is AWWA’s Drinking Water Week.

This year SPU is taking the opportunity to promote Drinking Water Week and Auto Bill Pay by tying the two together with a water-related promotional incentive.

The first 100 customers who enroll in ACH Auto Bill Pay during Drinking Water Week will receive a 1L Camelbak® Chute water bottle. Based on current water rates this bottle can be filled with our great tasting and refreshing water nearly 200 times for only \$1.00 (\$0.00054 per fill).

This event was communicated to all of our residential customers via an insert mailed with the April billing statements.

Action Requested

No action is requested.

Post Office Box 470 • 255 Sarazin Street • Shakopee, Minnesota 55379-0470
 (952) 445-1988 • Fax (952) 445-7767 • www.spucweb.com



Shakopee Energy Park



Technology:

Natural Gas-Fired Reciprocating Engines

Capacity:

46 MW

Location:

Shakopee, MN

In April, ground was broken to begin construction of MMPA's Shakopee Energy Park - a local electric generation facility located near Canterbury Park. Site work has commenced and work for the building foundations will soon be completed.

In May, you can expect to see walls begin to go up for the Engine Hall and Administration Building. We will provide continued updates as construction progresses.

MMPA - Who We Are

The Minnesota Municipal Power Agency, or MMPA, is comprised of municipal utilities in Anoka, Arlington, Brownton, Buffalo, Chaska, East Grand Forks, Elk River, Le Sueur, North St. Paul, Olivia, Shakopee and Winthrop. Locally, MMPA provides power to Shakopee Public Utilities.

MMPA provides wholesale electricity to its member communities who in turn deliver and sell that electricity to the residential and business customers in their communities. MMPA generates electricity and also purchases electricity from other generators and from the Midcontinent Independent System Operator (MISO). The Agency's mission is to provide reliable, competitively-priced power to its members and to create value for both the Agency and its members.



For more information, please visit mmpa.org.

**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John R. Crooks, Utilities Manager 
FROM: Lon R. Schemel, Water Superintendent 
SUBJECT: **2016 City of Shakopee Street Reconstruction**
DATE: April 29, 2016

BACKGROUND

Resolution #262 defines the sequences involved in coordinating construction projects between the City of Shakopee and SPU. We are now at step 19 of that process which is the adoption of the bid amount and contract award.

ISSUE

On March 17, 2016 the SPU Commission adopted Resolution #1119 which ordered the project from the City of Shakopee for the areas involved to receive new watermain and appurtenances. In addition to this contract cost, other project costs include engineering and administration costs of 17% estimated at \$71,790 and inspection costs to be determined. The amount approved in the 2016 budget for Reconstruction Projects is \$577,000.

ACTION REQUESTED

Staff requests that the Commission adopt Resolution #1123 that approves the bid amount of \$422,294 and contract award to Ryan Contracting for the 2016 City of Shakopee Street Reconstruction.



RESOLUTION #1123

A RESOLUTION TO ADOPT THE BID AMOUNT AND CONTRACT AWARD FOR THE
WATERMAIN REPLACEMENT IN THE 2016 CITY OF SHAKOPEE STREET
RECONSTRUCTION PROJECT

WHEREAS, the Shakopee City Council has accepted bids for the areas defined in the 2016 Street Reconstruction Project for street, sidewalk, sanitary sewer, storm sewer, curb and gutter, and

WHEREAS, the Shakopee Public Utilities Commission desires to replace the existing watermain, valves, hydrants, and service lines to the curb stop valve at cost to the Shakopee Public Utilities Commission, and

WHEREAS, the Shakopee Public Utilities Commission on March 17, 2016 ordered the project for watermain replacement, and

THEREFORE BE IT FURTHER RESOLVED, the funding for this project comes from the Commission approved reconstruction fund, and

WHEREAS, no costs for the street restoration are applied to the Shakopee Public Utilities Commission on this project.

NOW, THEREFORE BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION THAT, in consideration of the savings and coordination the Shakopee Public Utilities Commission adopts the bid amount of \$422,294.00 and contract award to Ryan Contracting for the 2016 City of Shakopee Street Reconstruction Project.

Adopted in regular session of the Shakopee Public Utilities Commission, this 2nd day of May, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

Monthly Water Dashboard

As of: **March 2016**

Shakopee Public Utilities Commission



ALL VALUES IN MILLIONS OF GALLONS

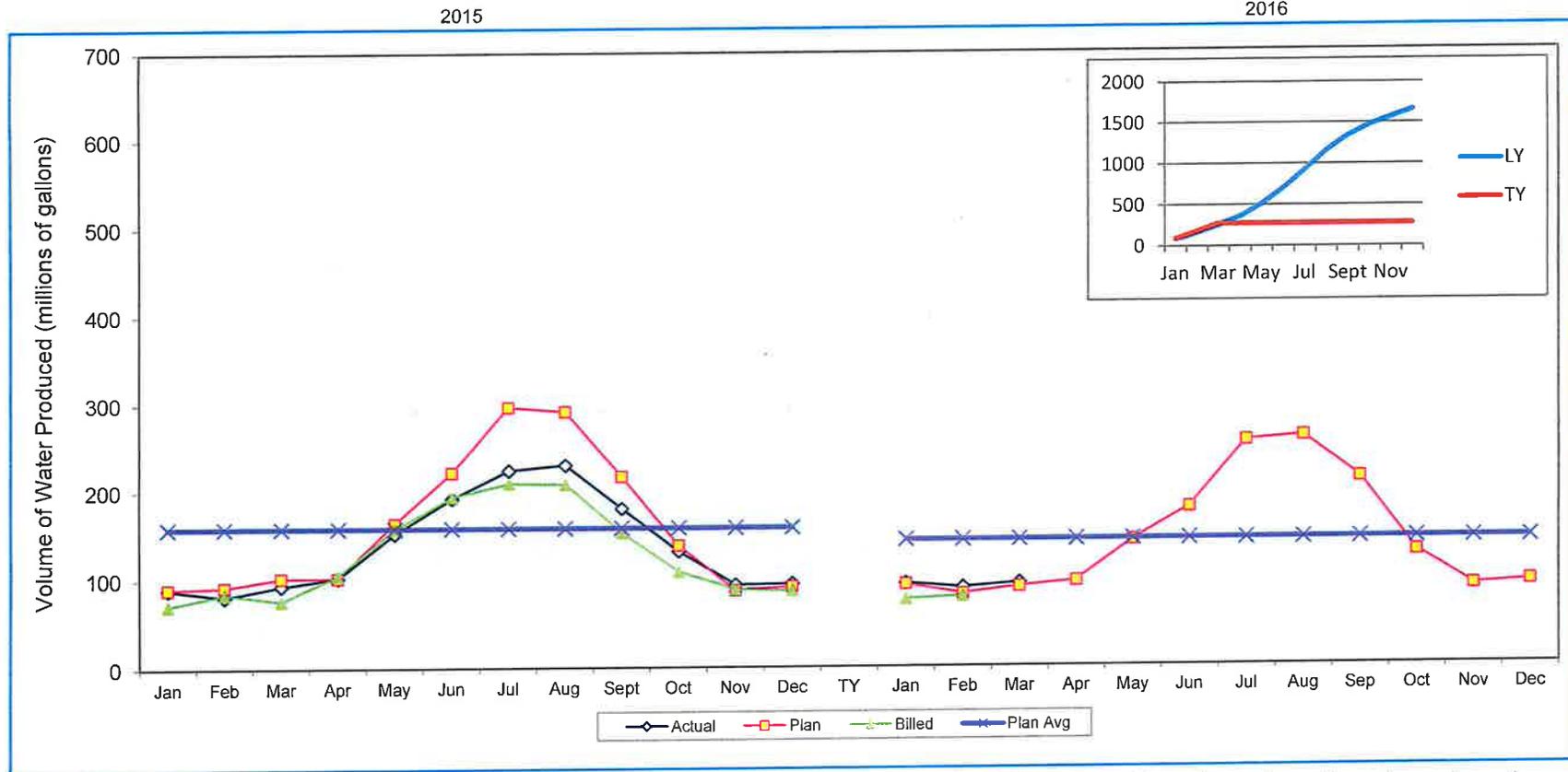
Element/Measure

Water Pumped/Metered

Averages

Last 6 months actuals	131	93	94	94	89	94
-----------------------	-----	----	----	----	----	----

2013	150
2014	140
2015	138



	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		89	81	93	102	152	192	224	230	180	131	93	94		94	89	94										
Plan		90	92	102	102	164	222	297	292	217	138	87	91		93	82	90	96	142	179	255	260	212	128	89	93	
YTD % *															101%	105%	105%										
Billed		71	84	76	105	157	194	209	208	152	108	88	86		76	79											

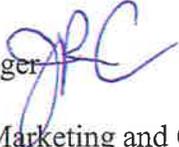
* Actual gallons pumped vs. Plan



SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

April 29, 2016

TO: John Crooks, Utilities Manager 

FROM: Sharon Walsh, Director of Marketing and Customer Relations

SUBJECT: Radio Read Installation Update

Overview

Since our last update on this project we have successfully installed and read approximately 175 homes with radio read technology.

The April billing cycle was the first of the readings obtained with this technology and were recorded successfully.

We currently have about 30 water ERTs and 60 electric radio read meters to install before the May billing cycle. Upon completion, we will be reading approximately 350 homes in the Pheasant Run neighborhood with this technology.

Action Requested

No action is requested.



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: SHAKOPEE PUBLIC UTILITIES COMMISSION
FROM: JOHN R. CROOKS, UTILITIES MANAGER
SUBJECT: APRIL 2016 MMPA BOARD MEETING SUMMARY
DATE: APRIL 29, 2016

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on April 26, 2016 in Faribault, Minnesota.

Construction has begun on the 46MW distributed generation project in Shakopee.

MMPA's auditors presented the Agency's 2015 audited financial statements to the Board. The information can be found on MMPA's website www.mmpa.org

The Board approved a standard interconnection agreement for distributed generation projects in Member communities.

Construction activities are underway for the Black Oak Wind Farm. MMPA has a contract to purchase all of the output of the facility.



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: John Crooks, Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Hilldale Drive Electric Distribution System OH to UG

DATE: April 14, 2016

ISSUE

City Public Works Director Bruce Loney has requested a cost estimate to relocate the existing overhead distribution system along Hilldale Drive underground.

BACKGROUND

The city is reconstructing Hilldale Drive and converting it from a rural road section to an urban section with the addition of sanitary sewer and water main. The residents have expressed a desire for the existing overhead electric lines to be relocated underground with the project. The project improvements do not impact the existing line so as to require relocation, thus the City's right of way management ordinance does not allow the Council to order the undergrounding.

DISCUSSION

We have estimated the cost to convert to an underground system at approximately \$24,150 plus \$4,350 for three new street lights.

The Commission could choose to relocate the existing overhead and justify absorbing most of the expense due to the age of the facilities. This is a system inherited from MVEC due its location in the acquisition territory back in 1992. The facilities have almost reached the end of their useful life and will need to be rebuilt within the next 10 years. Also, due to this being a mature neighborhood there is some tree trimming from time to time required to keep the lines clear and that is a maintenance cost that could be avoided with conversion to underground.

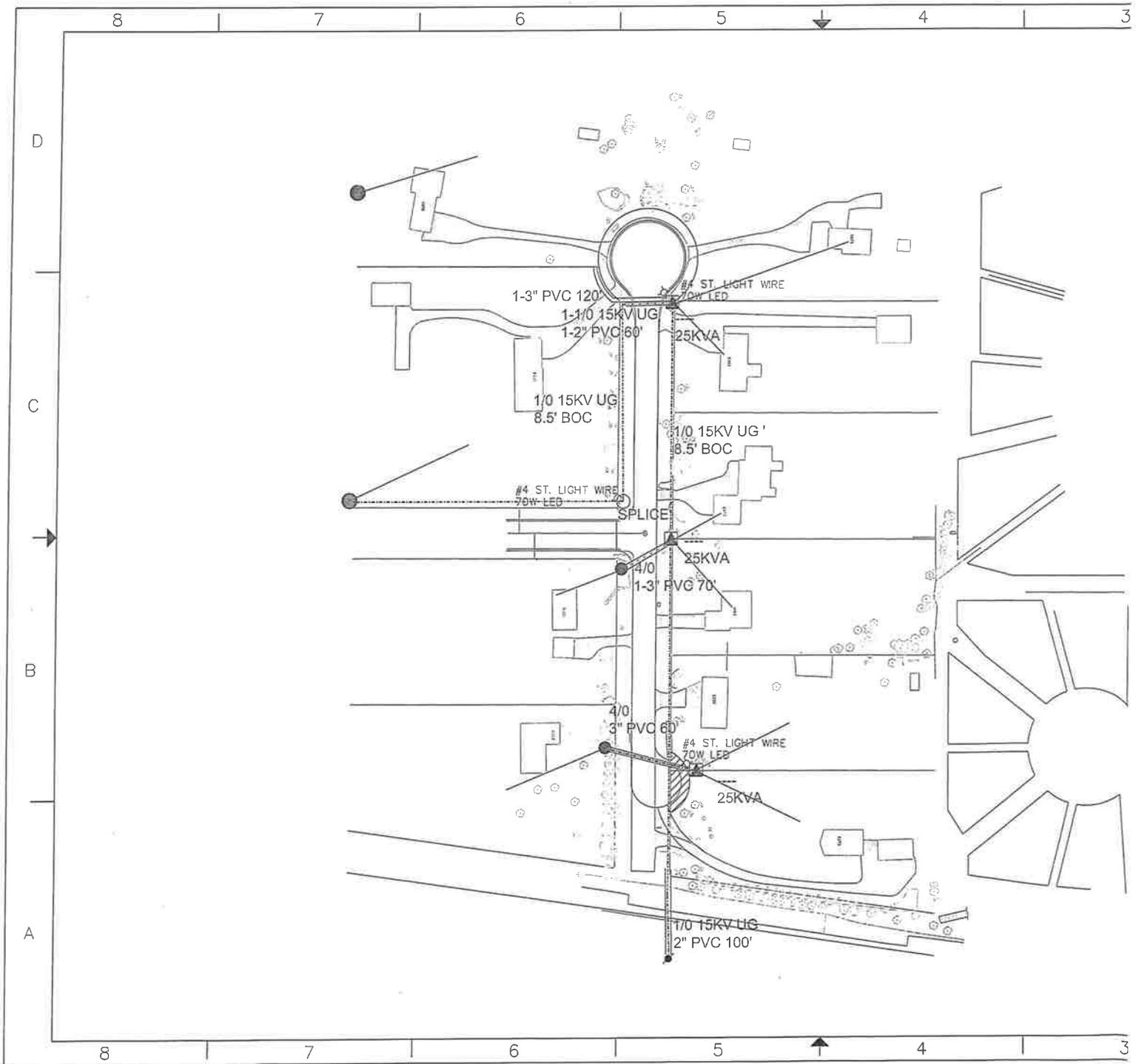
In a similar situation along Beach Street in Prior Lake the Commission absorbed the majority of the cost to relocate its facilities underground with the condition that all of the customers had to also agree to underground their service lines and to pay the standard underground fee required of new developments. In the case of single family residential lots the 2016 fee is \$586.00 per lot.



So, if the residents or the Council on their behalf were willing to pay the underground fees totaling 10 lots times \$586.00 each or \$5,860.00 plus the \$4,350 cost for the 3 new street lights, the Commission could justify absorbing the balance of the costs or approximately \$18,290 based on avoiding replacement of the overhead system and ongoing tree trimming.

REQUESTED ACTION

Direct staff to provide this information to City staff in response to their request and offer to relocate the existing overhead facilities along Hilldale Drive underground providing the standard fee of \$5,860 is paid along with the street lighting costs of \$4,350 and the residents agree to place their service lines underground at their expense.



10.C.1.



General Business

TO: Mayor and City Council

FROM: Bruce Loney, Public Works Director

DATE: 04/19/2016

SUBJECT: Consider Hilldale Drive Overhead Powerline Relocate to Underground (E)

Action Sought

Approve a motion determining that overhead power lines along Hilldale Drive that are to be relocated and placed underground as per the attached SPU memo and approve the local share in the amount of \$5,860.00 to be paid by the city and from the Capital Improvement Fund.

Background

Per City Code, the Council has the right to order the overhead line underground if the relocation is more than 300 feet. In the case of Hilldale Drive, the overhead power relocation is less than 300 feet.

Attached is a memo from Joe Adams of Shakopee Public Utilities on the costs of relocating power lines overhead and placing underground. SPU is willing to place the overhead line underground if the local share of \$5,860.00 is paid.

On the Hilldale Drive street which serves 10 lots, there is an overhead line that serves 4 lots overhead and the other 6 lots have underground services. With the sewer and water project, residents have asked if the overhead line can be underground. The residents would be responsible for the undergrounding of their electric service from the property line to their house.

Recommendation

Staff would recommend the undergrounding of overhead powerlines as per the SPUC memo.

Budget Impact

The budget impact is \$5,860.00 unless the City requires the residents to pay the local share. All four residents would have to agree to pay the local share. Recent bid of the Hilldale project was below the estimate, thus the impact to the City is less. Funding of undergrounding and street lights would come from the CIF. The undergrounding of the service line from the property line to the house would be the resident's responsibility.

Relationship to Vision

This supports Goal D: Maintain, improve and create strong partnerships with other public and private sector entities.

Requested Action

Approve a motion determining that overhead power lines along Hilldale Drive that are to be relocated and placed underground as per the attached SPU memo and approve the local share in the amount of \$5,860.00 to be paid by the city and from the Capital Improvement Fund.

Attachments

SPU Memo

Location Map



SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

April 26, 2016

TO: John Crooks *JPC*

CC: Joe Adams
 Sherri Anderson
 Kent Sanders
 Lon Schemel
 Sharon Walsh

FROM: Renee Schmid, Director of Finance and Administration *RS*

SUBJECT: Financial Results for March, 2016

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

Month to Date & Year to Date Financial Results – March, 2016

- 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, 2016

- Total Utility Operating Revenues for the month of March totaled \$3.6 million and were unfavorable to budget by \$0.3 million or 6.7%. Electric revenues were unfavorable to budget by \$0.2 million or 6.5% driven by lower than plan sales in all revenue groups. Water revenues were also unfavorable to budget by \$23k or 9.1% driven by lower than plan water sales in the residential and commercial revenue groups.
- Total operating expenses were \$3.2 million and were favorable to budget by \$0.3 million or 8.3%. Total purchased power expense in March was \$2.2 million and was \$153k or 6.5% lower than budget for the month driven by lower than plan sales. Total Operating Expense for electric including purchased power was favorable to budget by \$243k or 7.8% primarily due to lower than planned expenditures in purchased power, administrative and general expenses, depreciation, and timing of energy conservation expense. Total Operating Expense for Water was favorable to budget by \$44k or 11.9% due to lower than planned expenditures in operations and maintenance expenses, administrative and general expenses, and depreciation expense.
- Total Utility Operating Income was \$403k and was \$29k favorable to budget due to lower than plan operating expenses that were partially offset by lower than plan revenues.





SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

- Total Utility Non-Operating Expense was \$32k and was favorable to budget by \$28k due to higher than plan investment income of \$17k, and higher than plan rental and miscellaneous income of \$11k.
- Capital Contributions for March totaled \$291k and were favorable to budget by \$105k due to paid in capital contributions of \$264k that were partially offset by lower than planned trunk fees of \$39k and Water Connection fees of \$118k. March paid in capital contributions reflected completion of a large industrial development project.
- Transfers to the City of Shakopee totaled \$180k and were lower than budget for the month by \$5k.
- Change in Net Position was \$0.5 million and was favorable to budget by \$0.2 million driven by lower than plan operating income that was more than offset by lower than plan operating expenses, and higher than plan non-operating income and capital contributions.
- Electric usage billed to customers in March was 32,249,202 KWH, an increase from February usage billed at 30,772,601 KWH.
- Water usage billed to customers in March was 79.0 million gallons, a slight increase from February usage billed at 76.2 million gallons.

Year to Date Financial Results – March, 2016

- Total Utility Operating Revenue year to date March was \$10.9 million and was favorable to budget by \$48k or 0.4%. Electric revenues were favorable to budget by \$34k or 0.3% and water revenues were also favorable to budget by \$14k million or 2.0%.
- Total Utility Operating Expenses year to date March were \$9.4 million and were favorable to budget by \$1.1 million or 10.8% primarily due to lower than plan purchased power costs of \$0.2 million, timing of expenditures in energy conservation of \$0.5 million, water operation and maintenance of \$0.1 million, outside services \$0.1 million, and employee benefits \$0.2 million. Total Operating Expense for electric including purchased power was favorable to budget by \$1.0 million or 10.7%. Total Operating Expense for Water was also favorable to budget by \$0.1 million or 12.3%.
- Total Utility Operating Income was \$1.4 million and was favorable to budget by \$1.2 million driven by lower operating expenses of \$1.2 million and higher than planned operating revenues \$48k.
- Total Utility Non-Operating Income was \$0.2 million and was favorable to budget by \$0.1 million due to higher than planned rental and miscellaneous income of \$31k, and investment income of \$85k and a \$7k net gain on the sale of one water vehicle and disposition of electric transformers.
- YTD Capital Contributions were \$423k and are unfavorable to budget by \$135k due to lower than planned collection of water connection fees of \$282k and lower than planned trunk fees of \$188k, offset by paid in capital contributions of \$265k.
- YTD Transfer to the City of Shakopee is \$540k and is lower than plan by \$15k or 2.7%. 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 \$1.5 million and is favorable to budget by \$1.2 million reflecting higher than plan operating revenues, lower than operating expense, higher than plan non-operating revenues, and partially offset by lower than plan capital contributions.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
MARCH 2016



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 2016			Month to Date Budget - March 2016			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	\$ 3,355,525	231,067	3,586,592	3,589,946	254,132	3,844,079	(234,421)	-6.5%	(23,065)	-9.1%	(257,486)	-6.7%
OPERATING EXPENSES												
Operation, Customer and Administrative	2,684,359	212,904	2,897,263	2,915,635	251,098	3,166,733	231,276	7.9%	38,194	15.2%	269,470	8.5%
Depreciation	175,432	111,170	286,602	186,946	116,655	303,601	11,514	6.2%	5,485	4.7%	17,000	5.6%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	2,859,791	324,074	3,183,865	3,102,581	367,753	3,470,334	242,790	7.8%	43,679	11.9%	286,470	8.3%
Operating Income	495,734	(93,007)	402,727	487,365	(113,621)	373,744	8,369	1.7%	20,614	18.1%	28,983	7.8%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	21,934	5,345	27,279	16,069	647	16,716	5,865	36.5%	4,698	725.7%	10,563	63.2%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	23,648	3,995	27,643	9,700	753	10,453	13,948	143.8%	3,242	430.2%	17,189	164.4%
Interest Expense	(29,059)	(4)	(29,063)	(29,048)	(4)	(29,052)	(11)	0.0%	(0)	-1.9%	(11)	0.0%
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)	22,539	9,336	31,875	2,737	1,397	4,134	19,802	723.5%	7,939	568.3%	27,741	671.0%
Income Before Contributions and Transfers	518,273	(83,671)	434,603	490,102	(112,224)	377,878	28,171	5.7%	28,553	25.4%	56,724	15.0%
CAPITAL CONTRIBUTIONS	264,562	26,260	290,822	-	185,846	185,846	264,562	-	(159,586)	-85.9%	104,976	56.5%
TRANSFER TO MUNICIPALITY	(109,592)	(70,000)	(179,592)	(112,146)	(72,912)	(185,058)	2,554	2.3%	2,912	4.0%	5,466	3.0%
CHANGE IN NET POSITION	\$ 673,244	(127,411)	545,833	377,956	711	378,667	295,288	78.1%	(128,122)	-18017.6%	167,166	44.1%

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

	MTD Actual March 2016	MTD Budget March 2016	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 1,179,046	1,314,818	(135,772)	-10.3%
Commercial and Industrial	2,096,242	2,189,026	(92,784)	-4.2%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	3,275,288	3,503,844	(228,556)	-6.5%
Forfeited Discounts	16,816	18,640	(1,823)	-9.8%
Free service to the City of Shakopee	14,592	14,157	435	3.1%
Conservation program	48,829	53,306	(4,477)	-8.4%
Total Operating Revenues	3,355,525	3,589,946	(234,421)	-6.5%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	2,215,127	2,368,105	152,978	6.5%
Distribution operation expenses	52,908	33,551	(19,357)	-57.7%
Distribution system maintenance	45,840	67,673	21,833	32.3%
Maintenance of general plant	60,426	24,118	(36,308)	-150.5%
Total Operation and Maintenance	2,374,301	2,493,447	119,147	4.8%
Customer Accounts				
Meter Reading	8,664	10,433	1,769	17.0%
Customer records and collection	34,378	44,789	10,411	23.2%
Energy conservation	14,818	54,150	39,332	72.6%
Total Customer Accounts	57,859	109,372	51,512	47.1%
Administrative and General				
Administrative and general salaries	75,276	48,129	(27,147)	-56.4%
Office supplies and expense	7,795	15,967	8,172	51.2%
Outside services employed	5,478	46,093	40,614	88.1%
Insurance	13,996	14,057	61	0.4%
Employee Benefits	102,223	147,637	45,414	30.8%
Miscellaneous general	47,430	40,933	(6,497)	-15.9%
Total Administrative and General	252,199	312,816	60,617	19.4%
Total Operation, Customer, & Admin Expenses	2,684,359	2,915,635	231,276	7.9%
Depreciation	175,432	186,946	11,514	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 2,859,791	3,102,581	242,790	7.8%
OPERATING INCOME	\$ 495,734	487,365	8,369	1.7%

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

	MTD Actual	MTD Budget	MTD Actual v. Budget	
	March 2016	March 2016	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 230,087	252,723	(22,636)	-9.0%
Forfeited Discounts	980	1,410	(430)	-30.5%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>231,067</u>	<u>254,132</u>	<u>(23,065)</u>	<u>-9.1%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	38,634	41,949	3,315	7.9%
Pumping and distribution maintenance	14,569	36,203	21,634	59.8%
Power for pumping	22,191	22,629	438	1.9%
Maintenance of general plant	2,027	1,990	(37)	-1.9%
Total Operation and Maintenance	<u>77,421</u>	<u>102,771</u>	<u>25,350</u>	<u>24.7%</u>
Customer Accounts				
Meter Reading	8,934	5,789	(3,146)	-54.3%
Customer records and collection	10,432	12,159	1,727	14.2%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>19,366</u>	<u>17,948</u>	<u>(1,418)</u>	<u>-7.9%</u>
Administrative and General				
Administrative and general salaries	46,215	31,479	(14,736)	-46.8%
Office supplies and expense	3,050	6,391	3,341	52.3%
Outside services employed	8,105	12,948	4,842	37.4%
Insurance	4,665	4,686	20	0.4%
Employee Benefits	38,941	55,266	16,325	29.5%
Miscellaneous general	15,140	19,610	4,470	22.8%
Total Administrative and General	<u>116,117</u>	<u>130,380</u>	<u>14,263</u>	<u>10.9%</u>
Total Operation, Customer, & Admin Expenses	<u>212,904</u>	<u>251,098</u>	<u>38,194</u>	<u>15.2%</u>
Depreciation	111,170	116,655	5,485	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>324,074</u>	<u>367,753</u>	<u>43,679</u>	<u>11.9%</u>
OPERATING INCOME	<u>\$ (93,007)</u>	<u>(113,621)</u>	<u>20,614</u>	<u>18.1%</u>

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
MARCH 2016



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 2016			Year to Date Budget - March 2016			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	\$ 10,169,712	713,457	10,883,169	10,135,532	699,359	10,834,890	34,181	0.3%	14,098	2.0%	48,279	0.4%
OPERATING EXPENSES												
Operation, Customer and Administrative	7,917,026	667,435	8,584,461	8,890,007	791,294	9,681,300	972,980	10.9%	123,859	15.7%	1,096,839	11.3%
Depreciation	526,296	333,509	859,805	560,839	349,965	910,804	34,543	6.2%	16,456	4.7%	50,999	5.6%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	8,443,322	1,000,944	9,444,266	9,450,845	1,141,259	10,592,104	1,007,523	10.7%	140,315	12.3%	1,147,838	10.8%
Operating Income	1,726,390	(287,487)	1,438,903	684,686	(441,900)	242,786	1,041,704	152.1%	154,413	34.9%	1,196,117	492.7%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	72,513	96,055	168,568	48,206	89,415	137,621	24,308	50.4%	6,640	7.4%	30,947	22.5%
Interdepartment Rent from Water	22,500	-	22,500	22,500	-	22,500	-	0.0%	-	-	-	0.0%
Investment Income	95,700	20,688	116,388	29,100	2,260	31,360	66,600	228.9%	18,428	815.2%	85,028	271.1%
Interest Expense	(88,560)	(11)	(88,571)	(88,553)	(11)	(88,564)	(7)	0.0%	0	0.8%	(7)	0.0%
Amortization of Debt Issuance Costs and Loss on Refunding	(4,451)	-	(4,451)	(4,451)	-	(4,451)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	(1,248)	7,770	6,522	-	-	-	(1,248)	0.0%	7,770	-	6,522	-
Total Non-Operating Revenue (Expense)	96,456	124,502	220,957	6,802	91,664	98,467	89,653	1318.0%	32,837	35.8%	122,491	124.4%
Income Before Contributions and Transfers	1,822,846	(162,985)	1,659,860	691,488	(350,236)	341,253	1,131,357	163.6%	187,250	53.5%	1,318,608	386.4%
CAPITAL CONTRIBUTIONS	264,562	157,968	422,530	-	557,539	557,539	264,562	-	(399,571)	-71.7%	(135,009)	-24.2%
TRANSFER TO MUNICIPALITY	(329,198)	(210,665)	(539,863)	(336,438)	(218,735)	(555,174)	7,241	2.2%	8,071	3.7%	15,311	2.8%
CHANGE IN NET POSITION	\$ 1,758,210	(215,682)	1,542,528	355,050	(11,432)	343,618	1,403,160	395.2%	(204,250)	-1786.7%	1,198,910	348.9%

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

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	March 2016	March 2016	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 3,814,685	3,870,464	(55,779)	-1.4%
Commercial and Industrial	6,108,249	6,015,158	93,090	1.5%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	9,922,934	9,885,622	37,312	0.4%
Forfeited Discounts	55,067	55,919	(852)	-1.5%
Free service to the City of Shakopee	43,776	42,471	1,305	3.1%
Conservation program	147,936	151,520	(3,584)	-2.4%
Total Operating Revenues	10,169,712	10,135,532	34,181	0.3%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	6,892,835	7,133,417	240,582	3.4%
Distribution operation expenses	113,905	100,653	(13,251)	-13.2%
Distribution system maintenance	166,889	203,020	36,131	17.8%
Maintenance of general plant	109,717	72,353	(37,364)	-51.6%
Total Operation and Maintenance	7,283,346	7,509,443	226,097	3.0%
Customer Accounts				
Meter Reading	27,192	31,299	4,107	13.1%
Customer records and collection	125,421	134,366	8,945	6.7%
Energy conservation	(350,169)	162,451	512,620	315.6%
Total Customer Accounts	(197,555)	328,115	525,671	160.2%
Administrative and General				
Administrative and general salaries	166,274	144,387	(21,887)	-15.2%
Office supplies and expense	49,817	47,902	(1,914)	-4.0%
Outside services employed	50,429	138,278	87,849	63.5%
Insurance	41,989	42,172	183	0.4%
Employee Benefits	431,067	556,910	125,843	22.6%
Miscellaneous general	91,660	122,798	31,138	25.4%
Total Administrative and General	831,236	1,052,448	221,212	21.0%
Total Operation, Customer, & Admin Expenses	7,917,026	8,890,007	972,980	10.9%
Depreciation	526,296	560,839	34,543	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 8,443,322	9,450,845	1,007,523	10.7%
OPERATING INCOME	\$ 1,726,390	684,686	1,041,704	152.1%

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

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	March 2016	March 2016	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 710,320	695,130	15,190	2.2%
Forfeited Discounts	3,136	4,229	(1,092)	-25.8%
Uncollectible accounts	1	-	1	-
Total Operating Revenues	<u>713,457</u>	<u>699,359</u>	<u>14,098</u>	<u>2.0%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	109,173	125,847	16,675	13.2%
Pumping and distribution maintenance	50,696	108,608	57,912	53.3%
Power for pumping	64,493	67,887	3,394	5.0%
Maintenance of general plant	11,322	5,970	(5,352)	-89.7%
Total Operation and Maintenance	<u>235,684</u>	<u>308,312</u>	<u>72,628</u>	<u>23.6%</u>
Customer Accounts				
Meter Reading	21,711	17,366	(4,345)	-25.0%
Customer records and collection	34,996	36,477	1,481	4.1%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>56,707</u>	<u>53,843</u>	<u>(2,864)</u>	<u>-5.3%</u>
Administrative and General				
Administrative and general salaries	99,946	94,436	(5,510)	-5.8%
Office supplies and expense	19,820	19,173	(647)	-3.4%
Outside services employed	17,751	38,843	21,092	54.3%
Insurance	13,996	14,057	61	0.4%
Employee Benefits	158,990	203,799	44,809	22.0%
Miscellaneous general	64,540	58,830	(5,710)	-9.7%
Total Administrative and General	<u>375,044</u>	<u>429,139</u>	<u>54,095</u>	<u>12.6%</u>
Total Operation, Customer, & Admin Expenses	<u>667,435</u>	<u>791,294</u>	<u>123,859</u>	<u>15.7%</u>
Depreciation	333,509	349,965	16,456	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 1,000,944</u>	<u>1,141,259</u>	<u>140,315</u>	<u>12.3%</u>
OPERATING INCOME	<u>\$ (287,487)</u>	<u>(441,900)</u>	<u>154,413</u>	<u>34.9%</u>