

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
JUNE 20, 2016

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
  - 3a) Tree Sale Sponsorship – Recognition at City Council
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) Water Production Dashboard
  - 8c) Water Rewards Program – Met Council Grant
  - 8d) Resn. #1128 – Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as: Vaughan Field
9. **Reports: Electric Items**
  - 9a) Electric System Operations Report – Verbal
  - 9b) CR 79/Spencer Street and Vaughan Field Overhead Facilities Relocation
  - 9c) LED Light Bulb - Customer Event
  - 9d) Bid Awards for Shakopee Energy Park Interconnection
10. **Reports: Human Resources**
  - 10a) Resn # 1129 – Regulating Wage and Contract Terms
  - 10b) Resn. # 1130 – Establishing Employee Wage Ranges
11. **Reports: General**
  - C=> 11a) Financial Results for May 2016
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**

- Mid Month Meeting	--	July 18
- Regular Meeting	--	August 1
- Mid Month Meeting	--	August 15
- Regular Meeting	--	September 6 (Tuesday)
14. **Adjourn** to 7/18/16 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., June 6, 2016.

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

Motion by Helkamp, seconded by Amundson to approve the minutes of the May 16, 2016 Commission meeting. Motion carried.

Motion by Helkamp, seconded by Amundson to offer Resolution #1124. A Resolution Of Appreciation To Thomas Lacina. Ayes: Commissioners Weyer, Helkamp, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Utilities Manager Crooks presented a Shakopee Community Assistance Thank You for a donation made to the organization.

President Joos offered the agenda for approval.

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

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

President Joos stated that the Consent Items were: item 10b: Establishing a Salary Range for the Utilities Manager; and item 11a: Financial Results for April 2016.

The warrant listing for bills paid June 6, 2016 was presented.

Motion by Amundson, seconded by Weyer to approve the warrant listing dated June 6, 2016 as presented. Motion carried.

Liaison Whiting presented his report. Several items on the upcoming City Council agenda were discussed, including the Franchise Fee proposal.

Water Superintendent Schemel provided a report on the status of the Water Department's construction activities.



Motion by Amundson, seconded by Helkamp to offer Resolution #1125. A Resolution Setting The Amount Of The Trunk Water Charge, Approving Of Its Collection And Authorizing Water Service To Certain Property Described As: Southbridge Crossings East Fourth Addition. Ayes: Commissioners Weyer, Helkamp, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Motion by Weyer, seconded by Amundson to offer Resolution #1126. A Resolution Setting The Amount Of The Trunk Water Charge, Approving Of Its Collection And Authorizing Water Service To Certain Property Described As: Menden Addition. Ayes: Commissioners Amundson, Helkamp, Weyer and Joos. Nay: none. Motion carried. Resolution passed.

Motion by Amundson, seconded by Helkamp to offer Resolution #1127. A Resolution Approving Of The Estimated Cost Of Pipe Oversizing On The Watermain Project: Menden Addition. Ayes: Commissioners Helkamp, Weyer, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

The Shakopee School District presented a waiver request from the Trunk Water Charge Policy and Lateral Watermain requirements for the Vaughan Field modifications. Planning and Engineering Director Adams reviewed the request with the Commission.

Motion by Helkamp, seconded by Amundson to direct SPU Staff to relax the provisions and treat Vaughan Field with the same allowances provided to City Parks and Playgrounds. Motion carried.

Mr. Crooks provided a report of current electric operations. One small electric outage was discussed and construction projects were brought up to date.

The May 2016 MMPA Board Meeting Public Summary was read into the record by Mr. Crooks.

The Electric Superintendent position has been filled. Greg Drent, Public Services Director, from Le Sueur, Minnesota has accepted the position. Mr. Drent will begin his employment on July 1, 2016.

Item 10b: Establishing a Salary Range for the Utilities Manager was received under Consent Business.

Item 11a: Financial Results for April 2016 was received under Consent Business.

The tentative commission meeting dates of June 20 and Tuesday, July 5 were noted.

Motion by Helkamp, seconded by Amundson to adjourn to the June 20, 2016 meeting. Motion carried.

  
Commission Secretary: John R. Crooks



May 26<sup>th</sup>, 2016

John Crooks  
Utilities Manager  
Shakopee Public Utilities  
255 Sarazin Street  
Shakopee, MN 55379

Dear Mr. Crooks,

I write to thank you for your sponsorship of the 2016 City of Shakopee Tree Sale. It was our most successful tree sale thus far, selling out with over 150 trees. Your support of \$5,000 greatly reduced the cost per tree for our residents, encouraging more trees to be bought and planted within our community!

With the known threat of emerald ash borer, an estimated 25,000 trees within City limits are anticipated to be lost in the near future. This loss of tree canopy will result in an increase of energy consumption, water usage and stormwater, along with a decrease in air quality, property values, and character within our community. We are hoping to curb this loss with continued growth of our tree sale in the upcoming years. Sponsorships from partners like you will be vital in achieving this goal.

The City of Shakopee genuinely thanks you for your commitment to our community's urban forest.

Sincerely,

Jacob Busiahn

City of Shakopee, Public Works – Natural Resources Division



# Monthly Water Dashboard

As of: **May 2016**

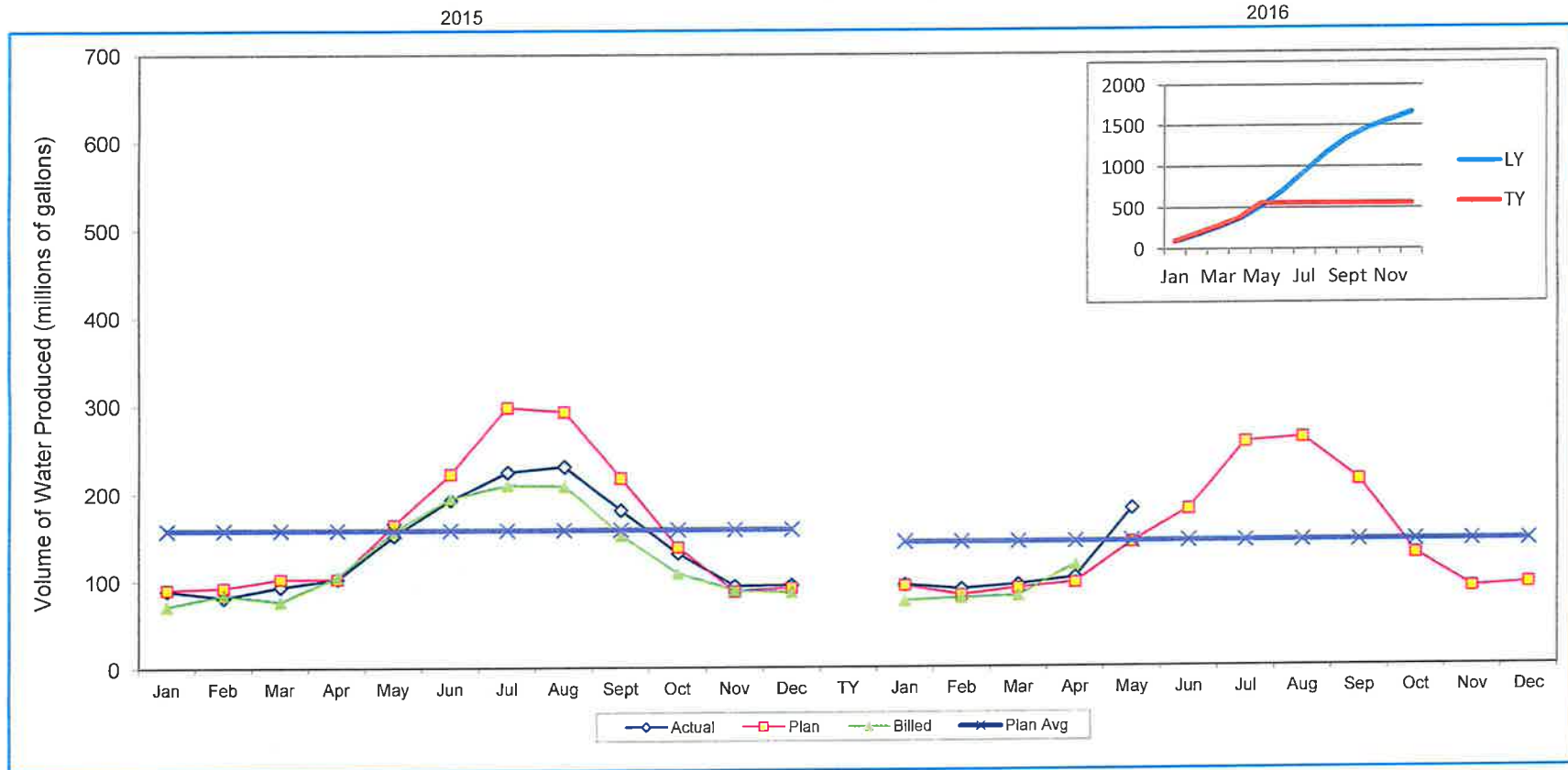
**Shakopee Public Utilities Commission**

ALL VALUES IN MILLIONS OF GALLONS

## Element/Measure Water Pumped/Metered

Last 6 months actuals	94	94	89	94	102	180
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Averages	
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	102	180							
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%	105%	111%							
Billed	71	84	76	105	157	194	209	208	152	108	88	86		76	79	81	117								




Actual gallons pumped vs. Plan



# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

June 10, 2016

TO: John Crooks, Utilities Manager 

FROM: Sharon Walsh, Director of Marketing and Customer Relations

SUBJECT: Water Rewards Program – Met Council

## Overview

In first quarter 2016, SPU was awarded a \$50,000 water conservation grant from the Metropolitan Council. The grant is based on a Utility contribution of 25%; meaning every reward amount is funded 75% by grant dollars and 25% by SPU contribution. Based on a \$50,000 grant, the maximum award contribution by SPU will be \$16,667 for a total of \$66,667 available for customer rewards. The grant dollars must be awarded by June 30, 2017 or any unused dollars are forfeited. Grant dollars can only be applied to customer rewards; administrative, promotional and/or marketing expenses are not included in the grant.

SPU will be utilizing this grant money in the form of rebate dollars, similar to our electric conservation program. Three water-conserving products have been approved by the Met Council (i.e., clothes washer, toilet, and irrigation controller). Customers will receive a rebate check for purchasing these eligible Energy Star® and Water Sense® products at retail and then submitting the necessary documentation and proof of purchase to SPU. The program is scheduled to launch July 1, 2016.

At the end of 2016 we will review the success of the rebate program and determine if modifications should be made for January 2017– June 2017, should any funds remain for 2017.

## Action Requested

No action required.



RESOLUTION #1128

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

VAUGHAN FIELD CONCESSION STAND

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

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

WHEREAS, the Shakopee Public Utilities Commission determines it to be in the public interest to treat the Shakopee Public School's request for water service to the Vaughan Field Concession Stand similar to services to City Parks, and

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

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$407.54 based on 0.14 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

Section 12 Township 115 Range 023 N1/2 SE1/4 & SE1/4 NE1/4 COM SE COR OF NE1/4, N ALONG E LINE 150.10' TO POB, W'ERY ALONG N LINE OF MEADOWS WEST 1<sup>ST</sup> ADDN TO INT OF W LINE E1/2 NE1/4, N ALONG W LINE 1008.99' S 89-53-57 E 1365.72' TO E LINE NE1/4, S ALON

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

Passed in regular session of the Shakopee Public Utilities Commission, this 20<sup>th</sup> day of June, 2016.


\_\_\_\_\_  
Commission President: Terrance Joos


ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks



**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: CR 79/Spencer Street and Vaughan Field Overhead Facilities Relocation

DATE: June 15, 2016

ISSUE

Shakopee Public Schools is expanding Vaughan Field and adding a paved parking lot to the east to be accessed from CR 79/Spencer Street. The new formal access will require a widening of CR 79/Spencer Street for the addition of turn and bypass lanes. The planned improvements to this section of the roadway will require the relocation of approximately 650 feet of the overhead three phase electric utility feeder line designated SS-33 and various service taps.

BACKGROUND

SS-33 runs along the east side of CR 79 in the project area, and consists of standard overhead three phase construction with 336 all aluminum phase wire and a 1/0 neutral.

DISCUSSION

Staff has reviewed the construction plans for the right of way improvements and has determined:

This section of SS-33 must be relocated due to the planned road improvements. The estimated cost to construct replacement overhead facilities and to remove the existing lines and power poles that have to be relocated is \$31,500, including removal. The cost for construction of new overhead facilities plus removal and retirement of the existing overhead facilities that have to be relocated would be absorbed as an operating expense.

The estimated cost to relocate this section of SS-33 underground would be approximately \$54,725, including removal. The estimated cost to relocate the facilities overhead and the removal cost would be absorbed as an operating expense. Should the City Council, under their right of way management authority, order the relocated facilities be placed underground the additional cost of \$23,225 (\$54,725-\$31,500), per Commission policy, would be funded out of the Underground Relocation Fund.





In addition to the above relocation, Shakopee Schools has requested that SPU bury the overhead power lines that extend into their parcel from CR 79/Spencer Street to just west of their planned expanded concession stand and entrance plaza at Vaughan Field. This portion of the line does not have to be relocated due to the aforementioned roadway improvements. The school's Finance Director Mike Burlager indicated that the School District would reimburse SPU for the cost of doing so. Staff has estimated that cost to be a total of \$43,240 (\$31,475 underground material plus \$11,765 labor and equipment costs).

## RECOMMENDATIONS

Staff recommends:

1. The Commission accepts the estimated costs to relocate overhead facilities due to the planned CR 79/Spencer Street road improvements for the new formal access to the School District's new paved parking lot.
2. The Commission directs staff to forward the estimated costs to the Council to aid the Council in making their determination under the City's Right of Way Management Ordinance whether or not to order the overhead facilities to be relocated underground.
3. The Commission accepts the School District's offer to fund the cost to bury the overhead power lines from just west of their planned expanded concession stand and entrance plaza at Vaughan Field to CR79/Spencer Street.

## REQUESTED ACTION

Staff requests the Commission adopt the recommended actions.

VAUGHN FIELD - SPENCER STREET  
TURN LANE ADDITION  
- 4 POLES AFFECTED  
- 650FT OVERHEAD LINE



VAUGHN FIELD  
FOOTBALL FIELD REMODEL  
-ADD (1) POLE  
-(2) POLES REMOVED  
-690FT OVERHEAD LINE

ADDING DEADEND  
POLE WITH  
500MCM RISER

KEEPING  
EXISTING RISER

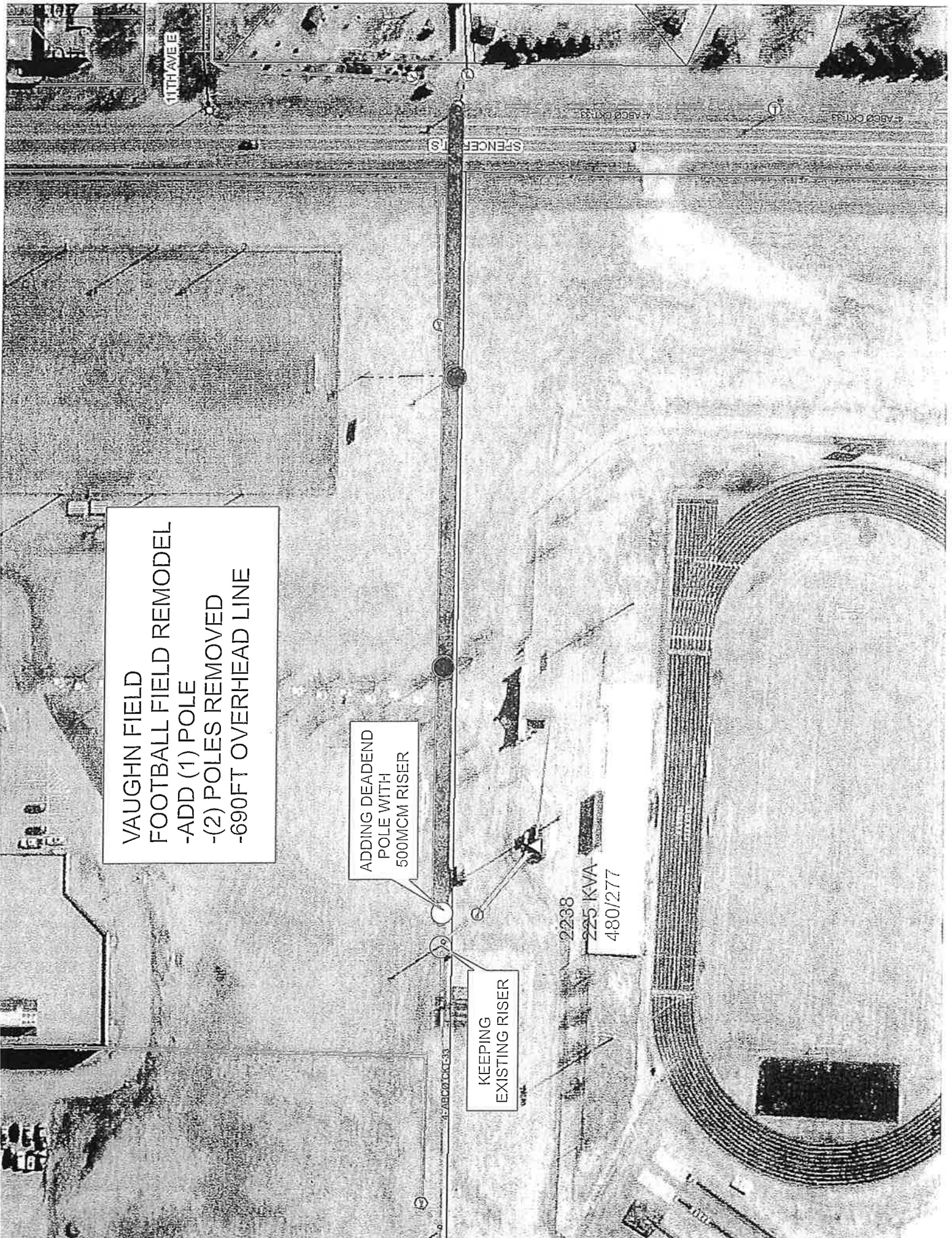
2238  
225 KVA  
480/277

11TH AVE E

SPENCE ST

4-ABCD CRT-33

4-ABCD CRT-33






# SHAKOPEE PUBLIC UTILITIES

“Lighting the Way – Yesterday, Today and Beyond”

June 10, 2016

TO: John Crooks, Utilities Manager 

FROM: Sharon Walsh, Director of Marketing and Customer Relations

SUBJECT: LED Light Bulb Customer Event

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## Overview

The last LED Customer Event was held in October 2015 and was received with great interest. Therefore, we are holding our second event on Wednesday, July 13, 2016 from 4:00 p.m. to 7:00 p.m. at the SPU Service Center.

This year the event will be more widely publicized with the event being announced in the June newsletter, local signage and an ad/article in the Shakopee Valley News.

We have approximately 4,000 LED lightbulbs in stock. Each residential customer will be eligible for 2 LED bulbs per active residential account. We can accommodate nearly 2,000 residents with the option to provide rainchecks should we exceed our inventory.

This event provides a good opportunity for the SPU staff to meet with residents and build relationships within the community. It is also a great opportunity to collect current contact information and update accounts. In addition to the LED lightbulbs, we will have information available for our customers related to energy conservation, payment plans, budgeting and ACH options. Staff will be on hand to answer customer questions.


## Action Requested

No action required.



**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Shakopee Energy Park Interconnection Bid Results

DATE: June 17, 2016

ISSUE

Under the terms of the DG Interconnection Agreement SPU will facilitate the design and construction of the interconnection between the MMPA DG Plant and its own Dean Lake Substation. MMPA will reimburse the Commission for the cost of the interconnection, including its design.

BACKGROUND

There are three main components of the interconnection. A concrete encased duct bank, the energized cables to be installed within the duct bank for five circuits and the pad mount switches to be installed at either end to facilitate switching between the five DG Plant generators and the three Dean Lake substation control buildings' main bus.

The project engineer's cost estimate for the eight switchgear assemblies was \$220,000. Bid proposals were opened on June 14, 2016. Two bids were received and evaluated by Kevin Favero of Leidos, see the attached letter report.

The project engineer's cost estimate for 51,000 feet of non-triplexed 15 kV underground 1000 MCM EPR insulated cable was \$420,000 and for triplexed 15 kV underground 1000 MCM EPR insulated cable was \$425,000. Bid proposals were opened on June 16, 2016. Multiple bids were received and evaluated by Kevin Favero of Leidos, see the attached letter report.

Bids are expected to be received in time to consider award of the duct bank construction and installation of the cable and switches at the Commission's July 18<sup>th</sup> meeting, which is anticipated to be soon enough to complete construction to meet the schedule thus avoiding the need for a special meeting.



## DISCUSSION

The apparent low responsive bid was submitted by Eaton/Cooper in the amount of \$243,105 for the eight switchgear assemblies.

The apparent low responsive bid was submitted by Stuart Irby for Okonite cable in the amount of \$5.884 per foot for 51,000 feet of non-triplexed underground 15 kV 1000 MCM EPR insulated cable.

## RECOMMENDATIONS

Staff concurs with the project engineer's recommendation to award the contract to supply the eight switchgear assemblies to Eaton/Cooper in the amount of \$243,105.

Staff concurs with the project engineer's recommendation to award the contract to supply 51,000 feet of non-triplexed 15 kV underground 1000 MCM cable to Stuart Irby for Okonite cable in the amount of \$5.884 per foot.

## REQUESTED ACTION

Staff requests the Commission award the contract to supply the eight switchgear assemblies to Eaton/Cooper in the amount of \$243,105.

Staff requests the Commission award the contract to supply 51,000 feet of non-triplexed 15 kV underground 1000 MCM cable to Stuart Irby for Okonite cable in the amount of \$5.884 per foot.



Joe Adams  
 Shakopee Public Utilities  
 255 Sarazin Street  
 Shakopee, MN 55379

Subject: **Dean Lake Substation and DG Plant Padmount Switchgear – Bid Evaluation**

Dear Mr. Adams:

As a part of the 13.8 kV interconnection between Dean Lake Substation and the MMPA distributed generation plant (DG Plant), eight 15 kV padmount switchgear assemblies are needed to provide switching for a spare circuit.

On June 14, SPU received bids for the eight padmount switchgear assemblies from two companies: Eaton's Cooper Power Systems and WESCO Distribution with Elastimold switchgear.

The bid results are summarized in the table below.

<b>Summary of Bid Prices</b>		
<b>Dean Lake Substation and DG Plant Padmount Switchgear</b>		
	<b>Bid Price</b>	<b>Delivery (weeks ARO)</b>
WESCO/Elastimold	\$307,280	18
Eaton/Cooper [1]	\$243,105	10 to 12
Difference	\$64,175	6 to 8
[1] Includes \$20,769 for fiberglass bases which were listed as a separate item.		

As shown in the above table, the Eaton/Cooper bid price is \$64,175 less than the WESCO/Elastimold bid price.

Joe Adams  
June 16, 2016  
Page 2

SPU has used Eaton/Cooper switchgear on the SPU electric system for over 20 years and has had no significant operating issues.

Eaton/Cooper also has a better delivery schedule which is important for the Dean Lake project which has a tight schedule.

Based on the above, procuring the padmount switchgear assemblies from Eaton/Cooper for a price of \$243,105 is recommended.

Sincerely,

**Leidos Engineering, LLC**



Kevin Favero, P.E.  
Senior Project Manager



June 17, 2016



Joe Adams  
Shakopee Public Utilities  
255 Sarazin Street  
Shakopee, MN 55379

Subject: **Dean Lake Substation to DG Plant Cable Procurement – Bid Evaluation**

Dear Mr. Adams:

The Dean Lake Substation to MMPA distributed generation plant (DG Plant) interconnection will require the procurement of 15 kV cable and a duct bank construction contract.

On June 16, SPU received bids for the procurement of 51,000 feet of cable for the Dean Lake to DG Plant interconnection. The bid documents included two bid options:

**Option A**

Supply cable that is wound as single cables on reels

**Option B**

Supply cable that is wound on reels in a triplexed configuration (three cables braided together).

The bid results are summarized in the table below.

<b>Summary of Bid Results (\$ per foot)</b>					
<b>Dean Lake Substation to DG Plant Cable Procurement</b>					
<b>Bidder</b>	<b>Option A (not triplexed)</b>	<b>Amount above Irby</b>	<b>Option B (triplexed) Price per triplexed foot and price per linear foot</b>	<b>Amount above WESCO</b>	<b>Delivery (weeks ARO)</b>
WESCO Superior Essex Cable	No bid	NA	19.973 6.657	-	6 to 8
Stuart Irby Okonite Cable	5.884	-	20.238 6.746	0.265 0.089	10
Dakota Supply Okonite Cable	5.899	0.015	20.284 6.761	0.311 0.104	10
Anixter Superior Essex Cable	6.85	0.966	No bid	NA	10
Border States General Cable	7.101	1.217	No bid	NA	13
WESCO Southwire Cable	7.593	1.709	No bid	NA	12 to 14
American Wire Group Cable	7.93	2.046	24.22 8.073	4.247 1.416	14

As shown in the above table, on a per linear foot basis, the lowest bid price is \$5.884 per foot from Stuart Irby distributors with Okonite cable.

**Joe Adams**

June 17, 2016

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The difference in price between the lowest Option B price of \$6.657 per linear foot (WESCO/Superior Essex Cable) and the Irby price of \$5.884 per linear foot is \$0.773 per foot or approximately \$39,000 for the 51,000 feet of cable. Option B (triplexed cable) was considered based on some limited potential handling advantages but Option B is not warranted due to the \$39,000 price differential. There are also differing opinions as to the advantages of single cable reels versus triplexed cable reels.

SPU has used Okonite cable and has had excellent operating experience.

Okonite has been in business since 1878 and has manufactured medium voltage power cable similar to that to be procured for this project for decades.

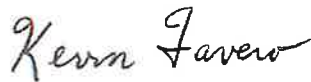
Okonite took exception to the liquidated damages provisions but with a 10 week quoted delivery schedule, this is not expected to be an issue relative to the duct bank completion.

Okonite took exception to some technical items that was not significant. These include the oil and flame resistance of the cable material. This is not significant since the cable will be in duct and will be wrapped with flame and oil resistant tape in the electrical vaults. Okonite will not lubricate the cable in the factory but this can be easily applied in the field.

Based on the above, procuring the 15 kV cable from Irby/Okonite under Option A for a price of \$5.884 per foot is recommended.


Sincerely,

**Leidos Engineering, LLC**



Kevin Favero, P.E.  
Senior Project Manager

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager  
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: Dean Lake Substation 161 kV Circuit Switchers Bid Results  
DATE: June 17, 2016

ISSUE

Two 161 kV SF6 circuit switchers are required as a part of the protective equipment to be installed in the expanded Dean Lake Substation.

BACKGROUND

The project engineer's cost estimate for the two required circuit switchers was \$175,000. Bid proposals were opened on June 14, 2016. Two bids were received for both an option A and an option B relating to foundations and evaluated by Kevin Favero of Leidos, see the attached letter report.

DISCUSSION

The apparent low responsive bid was submitted by Southern States for a total contract amount of \$83,800 for the two circuit switchers with the preferred option B.

RECOMMENDATION

Staff concurs with the project engineer's recommendation to award the contract to supply two 161 kV SF6 circuit switchers for the expanded Dean Lake Substation to Southern States in the amount of \$83,800 for the preferred option B.

REQUESTED ACTION

Staff requests the Commission award the contract to supply two 161 kV SF6 circuit switchers for the expanded Dean Lake Substation to Southern States in the amount of \$83,800 for the preferred option B.

June 16, 2016



Joe Adams  
Shakopee Public Utilities  
255 Sarazin Street  
Shakopee, MN 55379

Subject: **Dean Lake Substation Circuit Switchers – Bid Evaluation**

Dear Mr. Adams:

As a part of the Dean Lake Substation upgrade, two 161 kV circuit switchers are needed to provide protection for power transformers T1 and T3. T1 is currently protected by a circuit breaker that will be sold to Xcel Energy to become a part of the 115 kV ring bus as planned for at the time of the installation of T1. With the installation of T3, the 115 kV ring bus will be completed by Xcel Energy to provide a more secure transmission delivery configuration.

On June 14, SPU received bids for the two circuit switchers from two companies: Siemens Industry, Inc. and Southern States, LLC. Both companies were included as approved suppliers in the bid documents. The bid documents included two bid options:

**Option A**

Supply two circuit switchers with standard support structures

**Option B**

Supply one circuit switcher with a standard support structure and one circuit switcher with a support structure that can use the existing foundation of the bus support for T1.

The bid results are summarized in the table below.

<b>Summary of Bid Results</b>			
<b>Dean Lake Substation Circuit Switchers</b>			
	<b>Option A</b>	<b>Option B</b>	<b>Delivery (weeks ARO)</b>
Siemens	\$86,392	\$88,892	18 to 20
Southern States [1]	\$83,800	\$83,800	16
Difference	\$2,592	\$5,092	2 to 4

As shown in the above table, the Southern States bid price for Option A is \$2,592 less than the Siemens bid price and the Southern States bid price for Option B is \$5,092 less than the Siemens bid price.

Since Option B does not require modification of the existing foundation of the bus support for T1, it is the preferred option, especially since the Southern States bid price for Option B is the same as the Southern States bid price for Option A, and both are lower than the comparable bid price by Siemens.

Southern States included a list of large utility users, including Xcel Energy, who have purchased multiple circuit switchers over a number of years.

Southern States has a better delivery schedule which is important for the Dean Lake project which has a tight schedule.

Based on the above, procuring the circuit switchers from Southern States under Option B for a price of \$83,800 is recommended.

Sincerely,


**Leidos Engineering, LLC**



Kevin Favero, P.E.  
Senior Project Manager

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: John Crooks, Utilities Manager

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Dean Lake Substation Expansion Construction Bid Results

DATE: June 17, 2016

ISSUE

The award of the contract for the construction of the Dean Lake Substation expansion is ready for the Commission's consideration.

BACKGROUND

The project engineer's cost estimate for the construction work was \$1,600,000. Bid proposals were opened on June 16, 2016. Only one bid was received and was evaluated by Kevin Favero of Leidos, see the attached letter report.

DISCUSSION

The single bid was submitted by Hooper Corporation in the amount of \$1,698,746.

The total 2016 CIP budget amount for the Dean Lake Substation expansion project is \$4,700,000. This is broken down in the CIP as \$4,200,000 for construction plus \$500,000 for planning/design/project management.

The Commission has previously awarded contracts for the Dean Lake Substation's third 47 MVA power transformer to Virginia Transformer Corporation in the amount of \$775,646 and for the third Switchgear & Control Building to States Manufacturing in the amount of \$1,288,200. The contract for supplying the two 161 kV Circuit Switchers is expected to be awarded to Southern States LLC in the amount of \$83,800 at the Commission's June 20<sup>th</sup> meeting. Thus, the total construction value that would be under contract with various parties would total \$3,845,646 vs. the CIP budgeted amount of \$4,200,000, should the Commission award the site work to Hooper Corporation in the amount of \$1,698,000.

## RECOMMENDATION

Staff concurs with the project engineer's recommendation to award the construction contract for the Dean Lake Substation expansion to Hooper Corporation in the amount of \$1,698,746.

## REQUESTED ACTION

Staff requests the Commission award the construction contract for the Dean Lake Substation expansion to Hooper Corporation in the amount of \$1,698,746.



June 17, 2016



Joe Adams  
Shakopee Public Utilities  
255 Sarazin Street  
Shakopee, MN 55379

**Subject: Dean Lake Substation Material and Construction – Bid Evaluation**

Dear Mr. Adams:

SPU is upgrading Dean Lake Substation with a new 115/13.8 kV power transformer and switchgear building to provide for service to additional SPU circuits to meet customer load growth in the surrounding area and to provide for an interconnection with the MMPA distributed generation plant (the DG Plant) that is now under construction.

To accommodate the above, various facilities and material need to be installed in the Dean Lake Substation including new foundations, oil retention basins, duct banks, electric cable vaults, high voltage bus, support structures, high voltage switches and insulators, circuit switchers, power cable, control cable, padmount switchgear assemblies, shield wire poles, ground grid conductors, fence gates, load data accumulating equipment, and access road extension.

On June 16, SPU received bids for the Dean Lake Substation Construction and Material contract from one contractor: Hooper Corporation. The bid price was \$1,698,746.

The bid price of \$1,698,746 compares to an Engineer's estimate of \$1,600,000. There are several issues that likely resulted in the bid price exceeding the Engineer's estimate including:

- In order facilitate coordination of the installation of 450 feet of duct bank for the interconnection project and SPU exit circuits and the installation of the padmount switchgear with the extension of the access road, the duct bank and switchgear installation were recently included with the Dean Lake construction project. The Engineer's estimate was prepared previously and did not include the installation of duct bank and padmount switchgear which were originally expected to be included in the interconnection duct bank contract.

Joe Adams

June 17, 2016

Page 2

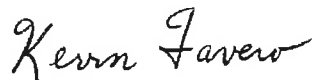
- There were two other companies that had expressed an interest in bidding but decided shortly before the bid due date to not bid due to a lack of available workers. Hooper is also likely aware of the tight construction market and the pricing might reflect the tight market and/or the potential for having to pay overtime wages in order to complete the Dean Lake project and other on-going projects on schedule.
- A significant amount of the duct bank will need to be installed in rock that is close to the surface. Hooper might have included a significant contingency to cover unforeseen rock removal issues, especially working in an energized and operating substation and needing to protect existing conduit with energized power cable that will have to be crossed under by the new conduit.

Hooper has been in business as a prime contractor for 60 years and performed the construction associated with the second set of power transformers and switchgear buildings for the Dean Lake substation and the South Shakopee Substation and performed well on both projects. Hooper also does a significant amount of work for Xcel Energy and continues to be awarded projects by Xcel, thereby indicating the quality of their work. The listed experience of the proposed general foreman includes work for Xcel Energy (multiple projects), Southern Minnesota Power Agency (multiple projects), Minnesota Power (multiple projects), Madison Gas and Electric, Alliant Energy, and Central Iowa Power Cooperative. The proposed general foreman was also the general foreman on the South Shakopee Substation expansion project in 2007.

Based on the above, contracting with Hooper for the Dean Lake material and construction project for a price of \$1,698,746 is recommended.

Sincerely,

**Leidos Engineering, LLC**



Kevin Favero, P.E.  
Senior Project Manager

RESOLUTION #1129  
RESOLUTION REGULATING WAGE  
AND CONTRACT TERMS

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION,  
in meeting duly assembled on June 20, 2016 that the Shakopee Public Utilities  
Commission does hereby affirm wage and contract terms offered and accepted  
in accordance with the Appendix "A" to this Resolution.

BE IT FURTHER RESOLVED that said wage and contract terms are to  
become effective from and after July 1, 2016.

BE IT FURTHER RESOLVED that the salary range and wage will be adjusted  
annually on January 1, as determined by the Shakopee Public Utilities Commission.

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

Passed in regular session of the Shakopee Public Utilities Commission this  
20<sup>th</sup> day of June, 2016.

\_\_\_\_\_  
Commission President: Terrance Joos

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks



RESOLUTION #1130

RESOLUTION REGULATING WAGE RANGES

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION in meeting duly assembled on June 20, 2016, that the Shakopee Public Utilities Commission does hereby amend Resolution #1103 and affirm wage ranges in accordance with the rates in "Appendix A" to this Resolution.

BE IT FURTHER RESOLVED that said wage ranges are to become effective from and after July 2, 2016 as applicable.

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

Passed in regular session of the Shakopee Public Utilities Commission, this 20<sup>th</sup> day of June, 2016.

\_\_\_\_\_  
Commission President: Terrance Joos

ATTEST:

\_\_\_\_\_  
Commission Secretary: John R. Crooks






# SHAKOPEE PUBLIC UTILITIES COMMISSION


"Lighting the Way - Yesterday, Today and Beyond"

June 15, 2016

Propose as Consent

TO: John Crooks 

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

FROM: Renee Schmid, Director of Finance and Administration 

SUBJECT: Financial Results for May, 2016

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

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

- Total Utility Operating Revenues for the month of May totaled \$3.7 million and were favorable to budget by \$327k or 9.7%. Electric revenues were favorable to budget by \$304k or 10.0% driven by higher than plan energy sales in all customer revenue groups. Water revenues were favorable to budget by \$23k or 7.4% driven by higher than plan water sales in the residential revenue group.
- Total operating expenses were \$3.3 million and were slightly to budget by \$24k or 0.7%. Total purchased power expense in May was \$2.5 million and was \$272k or 12.1% higher than budget for the month driven by higher than plan sales. Total Operating Expense for electric including purchased power was unfavorable to budget by \$56k or 1.9% primarily due to higher than planned purchased power expense and partially offset by lower than plan administrative and general expenses, depreciation, distribution operation expense, and timing of energy conservation expense. Total Operating Expense for Water was \$287k and was favorable to budget by \$81k or 22.0% due to lower than planned expenditures in operations and maintenance expenses, administrative and general expenses, and depreciation expense.
- Total Utility Operating Income was \$364k and was \$351k favorable to budget due to higher than plan operating revenues and lower than plan expenses.





## SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

- Total Utility Non-Operating Expense was \$25k and was unfavorable to budget by \$5k due to lower than plan investment income of \$18k that was partially offset by higher than plan rental and miscellaneous income of \$13k.
- Capital Contributions for May totaled \$143k and were unfavorable to budget by \$43k due to lower than plan collection of Trunk and Water Connection fees.
- Transfers to the City of Shakopee totaled \$180k and were lower than budget for the month by \$5k.
- Change in Net Position was \$352k and was favorable to budget by \$309k driven by higher than plan operating income, and partially offset by lower than plan capital contributions.
- Electric usage billed to customers in May was 31,079,548 kWh, an increase from April usage billed at 29,595,589 kWh.
- Water usage billed to customers in May was 117.3 million gallons, an increase from April usage billed at 81.1 million gallons.

### Year to Date Financial Results – May, 2016

- Total Utility Operating Revenue year to date May was \$17.9 million and was favorable to budget by \$325k or 1.8%. Electric revenues were favorable to budget by \$284k or 1.7% and water revenues were favorable to budget by \$41k or 3.3%.
- Total Utility Operating Expenses year to date May were \$15.9 million and were favorable to budget by \$1.3 million or 7.3% primarily due to timing of expenditures in energy conservation of \$0.6 million, water operation and maintenance of \$0.1 million, outside services \$0.2 million, employee benefits \$0.2 million, miscellaneous general \$0.1 and depreciation \$0.1 million. Total Operating Expense for electric including purchased power was favorable to budget by \$1.0 million or 6.4%. Total Operating Expense for Water was also favorable to budget by \$0.3 million or 14.6%.
- Total Utility Operating Income was \$2.1 million and was favorable to budget by \$1.6 million driven by higher operating revenues of \$0.3 million and lower operating expenses of \$1.3 million.
- Total Utility Non-Operating Income was \$0.3 million and was favorable to budget by \$0.2 million due to higher than planned rental and miscellaneous income of \$75k, investment income of \$67k and an \$11k net gain on the sale and disposition of property.
- YTD Capital Contributions were \$610k and are unfavorable to budget by \$320k due to lower than planned collection of water connection fees of \$389k and lower than planned trunk fees of \$196k, offset by paid in capital contributions of \$265k.
- YTD Transfer to the City of Shakopee is \$899k and is lower than plan by \$26k or 2.8%. 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 \$2.1 million and is favorable to budget by \$1.4 million reflecting higher than plan operating revenue, lower than plan operating expense, higher than plan non-operating revenues, which were partially offset by lower than plan capital contributions.

**SHAKOPEE PUBLIC UTILITIES**  
**MONTH TO DATE FINANCIAL RESULTS**  
**MAY 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 - May 2016			Month to Date Budget - May 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) \$ %			
<b>OPERATING REVENUES</b>	\$ 3,351,989	333,777	3,685,767	3,047,898	310,878	3,358,776	304,091	10.0%	22,900	7.4%	326,991	9.7%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	2,859,668	175,764	3,035,432	2,791,654	251,098	3,042,752	(68,014)	-2.4%	75,334	30.0%	7,320	0.2%
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	3,035,100	286,934	3,322,033	2,978,600	367,753	3,346,353	(56,499)	-1.9%	80,819	22.0%	24,320	0.7%
Operating Income	316,889	46,844	363,733	69,298	(56,875)	12,423	247,592	357.3%	103,719	182.4%	351,310	2828.0%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	26,689	29,209	55,898	16,069	26,647	42,716	10,621	66.1%	2,562	9.6%	13,182	30.9%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	(8,027)	636	(7,392)	9,700	753	10,453	(17,727)	-182.8%	(118)	-15.6%	(17,845)	-170.7%
Interest Expense	(31,394)	(9)	(31,403)	(29,048)	(4)	(29,052)	(2,346)	-8.1%	(5)	-135.3%	(2,351)	-8.1%
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	2,020	-	2,020	-	-	-	2,020	-	-	-	2,020	0.0%
Total Non-Operating Revenue (Expense)	(4,696)	29,836	25,140	2,737	27,397	30,134	(7,433)	-271.6%	2,439	8.9%	(4,994)	-16.6%
Income Before Contributions and Transfers	312,194	76,680	388,874	72,035	(29,478)	42,557	240,159	333.4%	106,158	360.1%	346,317	813.8%
<b>CAPITAL CONTRIBUTIONS</b>	-	143,054	143,054	-	185,846	185,846	-	-	(42,792)	-23.0%	(42,792)	-23.0%
<b>TRANSFER TO MUNICIPALITY</b>	(109,592)	(70,000)	(179,592)	(112,146)	(72,912)	(185,058)	2,554	2.3%	2,912	4.0%	5,466	3.0%
<b>CHANGE IN NET POSITION</b>	\$ 202,602	149,734	352,336	(40,111)	83,457	43,345	242,713	605.1%	66,277	79.4%	308,990	712.9%



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

	MTD Actual May 2016	MTD Budget May 2016	MTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 1,113,632	989,166	124,466	12.6%
Commercial and Industrial	2,159,462	1,979,949	179,513	9.1%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>3,273,093</u>	<u>2,969,114</u>	<u>303,979</u>	<u>10.2%</u>
Forfeited Discounts	15,510	18,640	(3,129)	-16.8%
Free service to the City of Shakopee	14,592	14,157	435	3.1%
Conservation program	48,793	45,987	2,806	6.1%
Total Operating Revenues	<u>3,351,989</u>	<u>3,047,898</u>	<u>304,091</u>	<u>10.0%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	2,516,437	2,244,124	(272,313)	-12.1%
Distribution operation expenses	40,196	33,551	(6,645)	-19.8%
Distribution system maintenance	33,975	67,673	33,698	49.8%
Maintenance of general plant	22,151	24,118	1,967	8.2%
Total Operation and Maintenance	<u>2,612,759</u>	<u>2,369,466</u>	<u>(243,293)</u>	<u>-10.3%</u>
Customer Accounts				
Meter Reading	7,890	10,433	2,542	24.4%
Customer records and collection	42,442	44,789	2,346	5.2%
Energy conservation	13,700	54,150	40,450	74.7%
Total Customer Accounts	<u>64,033</u>	<u>109,372</u>	<u>45,339</u>	<u>41.5%</u>
Administrative and General				
Administrative and general salaries	38,459	48,129	9,670	20.1%
Office supplies and expense	6,794	15,967	9,173	57.4%
Outside services employed	3,430	46,093	42,663	92.6%
Insurance	13,996	14,057	61	0.4%
Employee Benefits	113,920	147,637	33,716	22.8%
Miscellaneous general	6,276	40,933	34,656	84.7%
Total Administrative and General	<u>182,876</u>	<u>312,816</u>	<u>129,940</u>	<u>41.5%</u>
Total Operation, Customer, & Admin Expenses	<u>2,859,668</u>	<u>2,791,654</u>	<u>(68,014)</u>	<u>-2.4%</u>
Depreciation	175,432	186,946	11,514	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 3,035,100</u>	<u>2,978,600</u>	<u>(56,499)</u>	<u>-1.9%</u>
<b>OPERATING INCOME</b>	<u>\$ 316,889</u>	<u>69,298</u>	<u>247,592</u>	<u>357.3%</u>

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

	MTD Actual May 2016	MTD Budget May 2016	MTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 333,102	309,468	23,634	7.6%
Forfeited Discounts	675	1,410	(734)	-52.1%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>333,777</u>	<u>310,878</u>	<u>22,900</u>	<u>7.4%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	29,586	41,949	12,363	29.5%
Pumping and distribution maintenance	14,674	36,203	21,529	59.5%
Power for pumping	22,336	22,629	293	1.3%
Maintenance of general plant	520	1,990	1,470	73.9%
Total Operation and Maintenance	<u>67,116</u>	<u>102,771</u>	<u>35,655</u>	<u>34.7%</u>
Customer Accounts				
Meter Reading	6,611	5,789	(823)	-14.2%
Customer records and collection	10,998	12,159	1,160	9.5%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>17,610</u>	<u>17,948</u>	<u>338</u>	<u>1.9%</u>
Administrative and General				
Administrative and general salaries	28,555	31,479	2,923	9.3%
Office supplies and expense	965	6,391	5,426	84.9%
Outside services employed	5,229	12,948	7,719	59.6%
Insurance	4,665	4,686	20	0.4%
Employee Benefits	42,009	55,266	13,257	24.0%
Miscellaneous general	9,615	19,610	9,995	51.0%
Total Administrative and General	<u>91,038</u>	<u>130,380</u>	<u>39,341</u>	<u>30.2%</u>
Total Operation, Customer, & Admin Expenses	<u>175,764</u>	<u>251,098</u>	<u>75,334</u>	<u>30.0%</u>
Depreciation	111,170	116,655	5,485	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>286,934</u>	<u>367,753</u>	<u>80,819</u>	<u>22.0%</u>
<b>OPERATING INCOME</b>	<u>\$ 46,844</u>	<u>(56,875)</u>	<u>103,719</u>	<u>182.4%</u>

**SHAKOPEE PUBLIC UTILITIES**  
**YEAR TO DATE FINANCIAL RESULTS**  
**MAY 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 - May 2016			Year to Date Budget - May 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) \$ %			
<b>OPERATING REVENUES</b>	\$ 16,651,741	1,284,052	17,935,793	16,367,757	1,243,189	17,610,946	283,984	1.7%	40,864	3.3%	324,847	1.8%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	13,388,392	1,047,200	14,435,592	14,310,921	1,293,489	15,604,411	922,530	6.4%	246,289	19.0%	1,168,819	7.5%
Depreciation	877,160	555,849	1,433,009	934,732	583,275	1,518,006	57,572	6.2%	27,426	4.7%	84,998	5.6%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	14,265,551	1,603,049	15,868,600	15,245,653	1,876,764	17,122,417	980,102	6.4%	273,715	14.6%	1,253,817	7.3%
Operating Income	2,386,190	(318,997)	2,067,193	1,122,104	(633,575)	488,529	1,264,085	112.7%	314,579	49.7%	1,578,664	323.1%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	119,115	153,644	272,759	80,343	116,710	197,053	38,772	48.3%	36,934	31.6%	75,706	38.4%
Interdepartment Rent from Water	37,500	-	37,500	37,500	-	37,500	-	0.0%	-	-	-	0.0%
Investment Income	96,698	22,723	119,421	48,500	3,767	52,267	48,198	99.4%	18,956	503.1%	67,153	128.5%
Interest Expense	(148,999)	(24)	(149,022)	(146,649)	(19)	(146,667)	(2,350)	-1.6%	(5)	-26.7%	(2,355)	-1.6%
Amortization of Debt Issuance Costs and Loss on Refunding	(7,418)	-	(7,418)	(7,418)	-	(7,418)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	2,872	7,770	10,642	-	-	-	2,872	0.0%	7,770	-	10,642	-
Total Non-Operating Revenue (Expense)	99,768	184,114	283,882	12,276	120,459	132,735	87,492	712.7%	63,655	52.8%	151,147	113.9%
Income Before Contributions and Transfers	2,485,958	(134,883)	2,351,075	1,134,381	(513,117)	621,264	1,351,578	119.1%	378,233	73.7%	1,729,811	278.4%
<b>CAPITAL CONTRIBUTIONS</b>	264,562	345,010	609,572	-	929,232	929,232	264,562	-	(584,222)	-62.9%	(319,660)	-34.4%
<b>TRANSFER TO MUNICIPALITY</b>	(548,382)	(350,665)	(899,047)	(560,731)	(364,559)	(925,290)	12,349	2.2%	13,894	3.8%	26,243	2.8%
<b>CHANGE IN NET POSITION</b>	\$ 2,202,138	(140,538)	2,061,600	573,650	51,556	625,206	1,628,489	283.9%	(192,095)	-372.6%	1,436,394	229.7%

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

	YTD Actual May 2016	YTD Budget May 2016	YTD Actual v. Budget Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 6,015,274	5,977,377	37,897	0.6%
Commercial and Industrial	10,229,389	9,982,532	246,857	2.5%
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>16,244,663</u>	<u>15,959,909</u>	<u>284,754</u>	<u>1.8%</u>
Forfeited Discounts	91,966	93,198	(1,232)	-1.3%
Free service to the City of Shakopee	72,960	70,785	2,175	3.1%
Conservation program	242,152	243,865	(1,714)	-0.7%
Total Operating Revenues	<u>16,651,741</u>	<u>16,367,757</u>	<u>283,984</u>	<u>1.7%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	11,625,393	11,459,271	(166,122)	-1.4%
Distribution operation expenses	173,364	167,756	(5,608)	-3.3%
Distribution system maintenance	247,012	338,367	91,355	27.0%
Maintenance of general plant	171,562	120,588	(50,974)	-42.3%
Total Operation and Maintenance	<u>12,217,331</u>	<u>12,085,983</u>	<u>(131,349)</u>	<u>-1.1%</u>
Customer Accounts				
Meter Reading	44,377	52,164	7,787	14.9%
Customer records and collection	215,301	223,943	8,642	3.9%
Energy conservation	(318,685)	270,752	589,437	217.7%
Total Customer Accounts	<u>(59,007)</u>	<u>546,859</u>	<u>605,866</u>	<u>110.8%</u>
Administrative and General				
Administrative and general salaries	218,704	240,645	21,942	9.1%
Office supplies and expense	65,184	79,837	14,653	18.4%
Outside services employed	62,647	230,464	167,817	72.8%
Insurance	69,982	70,287	305	0.4%
Employee Benefits	683,278	852,184	168,905	19.8%
Miscellaneous general	130,271	204,663	74,392	36.3%
Total Administrative and General	<u>1,230,067</u>	<u>1,678,079</u>	<u>448,013</u>	<u>26.7%</u>
Total Operation, Customer, & Admin Expenses	<u>13,388,392</u>	<u>14,310,921</u>	<u>922,530</u>	<u>6.4%</u>
Depreciation	877,160	934,732	57,572	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 14,265,551</u>	<u>15,245,653</u>	<u>980,102</u>	<u>6.4%</u>
<b>OPERATING INCOME</b>	<u>\$ 2,386,190</u>	<u>1,122,104</u>	<u>1,264,085</u>	<u>112.7%</u>

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

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	May 2016	May 2016	Better/(Worse)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 1,279,332	1,236,141	43,191	3.5%
Forfeited Discounts	4,720	7,048	(2,328)	-33.0%
Uncollectible accounts	1	-	1	-
Total Operating Revenues	<u>1,284,052</u>	<u>1,243,189</u>	<u>40,864</u>	<u>3.3%</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	170,452	209,746	39,293	18.7%
Pumping and distribution maintenance	100,943	181,013	80,070	44.2%
Power for pumping	107,045	113,145	6,100	5.4%
Maintenance of general plant	14,740	9,950	(4,790)	-48.1%
Total Operation and Maintenance	<u>393,180</u>	<u>513,854</u>	<u>120,673</u>	<u>23.5%</u>
Customer Accounts				
Meter Reading	37,772	28,943	(8,829)	-30.5%
Customer records and collection	58,510	60,795	2,285	3.8%
Energy conservation	-	-	-	-
Total Customer Accounts	<u>96,281</u>	<u>89,738</u>	<u>(6,544)</u>	<u>-7.3%</u>
Administrative and General				
Administrative and general salaries	139,641	157,394	17,753	11.3%
Office supplies and expense	23,855	31,956	8,101	25.4%
Outside services employed	29,336	64,738	35,402	54.7%
Insurance	23,327	23,429	102	0.4%
Employee Benefits	253,023	314,331	61,308	19.5%
Miscellaneous general	88,557	98,050	9,494	9.7%
Total Administrative and General	<u>557,739</u>	<u>689,898</u>	<u>132,159</u>	<u>19.2%</u>
Total Operation, Customer, & Admin Expenses	<u>1,047,200</u>	<u>1,293,489</u>	<u>246,289</u>	<u>19.0%</u>
Depreciation	555,849	583,275	27,426	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 1,603,049</u>	<u>1,876,764</u>	<u>273,715</u>	<u>14.6%</u>
<b>OPERATING INCOME</b>	<u>\$ (318,997)</u>	<u>(633,575)</u>	<u>314,579</u>	<u>49.7%</u>