

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
REGULAR MEETING
SEPTEMBER 19, 2016

1. **Call to Order** at 5:00pm in the SPUC Service Center, 255 Sarazin Street.
2. **Approval of Minutes**
3. **Communications**
 - 3a) Resn. #1138 – Resolution of Appreciation to Dia Steinhoff
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. #1139 – Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as : West Vierling Acres First Addition
 - 8c) Joint Powers Agreement with the City of Savage/Whispering Oaks
9. **Reports: Electric Items**
 - 9a) Electric System Operations Report – Verbal
 - 9b) Shakopee Energy Park Construction Update - Verbal
 - C=> 9c) Public Power Week Celebration
10. **Reports: Human Resources**
11. **Reports: General**
 - C=> 11a) August Financials
 - 11b) Resn. #1140 – Limiting Commissioner Salary
12. **New Business**
13. **Tentative Dates for Upcoming Meetings**
 - Regular Meeting -- October 3
 - Mid Month Meeting -- October 17
 - Regular Meeting -- November 7
 - Mid Month Meeting -- November 21
14. **Adjourn to 10/3/16** 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., September 6, 2016.

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

Motion by Helkamp, seconded by Amundson to approve the minutes of the August 1, 2016 Commission meeting. Motion carried.

There were no Communications.

President Joos offered the agenda for approval.

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

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

President Joos stated that the Consent Items were: item 8b: Water Production Dashboard, and item 11b: July Financials.

The warrant listing for bills paid August 15, 2016 was presented.

Motion by Amundson, seconded by Olson to approve the warrant listing dated August 15, 2016 as presented. Motion carried.

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

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

Liaison Whiting presented his report. Several items for the upcoming City Council agenda were discussed.

Water Superintendent Schemel provided a report of current water operations. Construction updates were reported.



Item 8b: Water Production Dashboard was received under Consent Business.

The changing of a Commissioner's vote on a motion made August 1, 2016 to assist the City of Shakopee on project costs for the Hilldale Drive project was discussed. Background on the original motion and the watermain project were reviewed

Motion by Olson, seconded by Helkamp to allow Commissioner Olson the opportunity to change his vote on the original motion, made August 1, 2016. Motion carried.

Commissioner Olson was allowed to change his vote, from nay to aye, on the original motion and that motion is now carried on a 3-1 vote with Commissioner Weyer dissenting.

Motion by Helkamp, seconded by Amundson to offer Resolution #1136. A Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Prairie Meadows. Ayes: Commissioners Weyer, Helkamp, Olson, Amundson and Joos. Nay: none. Motion carried. Resolution passed.

Line Superintendent Drent provided a report of current electric operations. Ten outages were discussed. Construction updates were also reviewed.

Utilities Manager Crooks updated the MMPA Shakopee Energy Park construction schedule and progress on the building, the interconnection and the delivery of the gen-sets.

Mr. Crooks read the August 2016 MMPA Board Meeting Public Summary into the record.

Planning and Engineering Director Adams reviewed a letter received from Xcel Energy regarding the Blue Lake Substation. SPU was informed that our equipment can stay within the substation with Xcel providing transformation. The SPU request to have Xcel dedicate land to build a separate substation at the site was denied. An updating of a Facilities Agreement with Xcel was also reviewed. Staff was directed to begin the process to have a long range electric planning study done.

Motion by Amundson, seconded by Weyer to formally acknowledge that SPU has received the letter from Xcel Energy, dated August 1, 2016. Motion carried.

Finance Director Schmid provided a Job Description update for the Information Technology Coordinator and a Job Description for the new Information Technology Network Administrator position.

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

Motion by Olson, seconded by Helkamp to offer Resolution #1137. A Resolution Regulating Wage Ranges. Ayes: Commissioners Olson, Amundson, Joos, Helkamp and Weyer. Nay: none. Motion carried. Resolution passed.

Mr. Crooks presented a donation request from the Saints Healthcare Foundation for a Premier Table Sponsorship at the Foundation's Gala on October 15 at Mystic Lake.

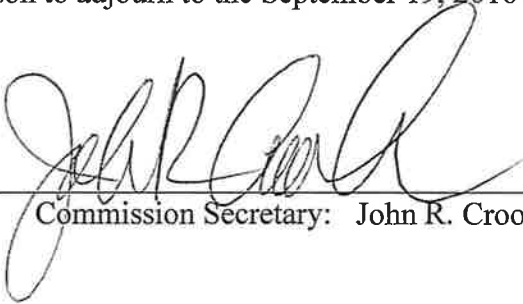
Motion by Helkamp, seconded by Amundson to donate \$2000 for a Premier Table Sponsorship at the Saints Healthcare Foundation's 2016 Gala on October 15. Motion carried.

Item 11b: July Financials was received under Consent Business.

Under New Business, Commissioner Olson offered a Resolution that would limit Commissioner's salary to only the meetings that are attended. The Resolution was accepted by President Joos and will be placed on a future agenda for consideration and discussion.

The tentative commission meeting dates of September 19 and October 3 were noted.

Motion by Helkamp, seconded by Olson to adjourn to the September 19, 2016 meeting. Motion carried.



Commission Secretary: John R. Crooks

RESOLUTION #1138**A RESOLUTION OF APPRECIATION
TO DIA STEINHOFF**

WHEREAS, Ms. Dia Steinhoff joined Shakopee Public Utilities on September 9, 2004 and during her tenure of more than twelve years has worked in the Customer Relations Department; and

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

WHEREAS, Ms. Dia Steinhoff will retire from her position as Customer Relations Coordinator with Shakopee Public Utilities on September 30, 2016; and

NOW THEREFORE, BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION, that it does hereby express its deep appreciation to Ms. Dia Steinhoff for her twelve plus years of dedicated service to Shakopee Public Utilities.

BE IT FURTHER RESOLVED that the Shakopee Public Utilities Commission extends its best wishes and congratulations to Ms. Dia Steinhoff.

Passed in regular session of the Shakopee Public Utilities Commission this 19th day of September, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks



RESOLUTION #1139

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

WEST VIERLING ACRES FIRST ADDITION

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

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

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

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$48,060.61 based on 16.51 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

Lots 1 and 2, Block 1 and Outlots A and B,
WEST VIERLING ACRES FIRST ADDITION

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

Passed in regular session of the Shakopee Public Utilities Commission, this 19st day of September, 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: Joint Powers Agreement with City of Savage
DATE: September 14, 2016

ISSUE

Staff has received the attached letter from City of Savage City Engineer Seng Thongvanh. Savage is requesting the Commission proceed with the long planned Normal district to 2HES district booster station project at Kelly Circle next to tanks #5&6.

BACKGROUND

The Whispering Oaks subdivision in SE Shakopee is served with municipal water through two interconnections with the City of Savage. Since SPU did not have facilities in the area when the plat was developed a joint powers agreement was entered into with the City of Savage where SPU purchases water from Savage and then distributes it to the 134 residential properties in this plat.

The City of Shakopee has also entered into a joint powers agreement for sanitary sewer and operates a lift station in this plat to pump sewage to a trunk sewer in Savage. The City of Savage is also requesting the City of Shakopee install a trunk sanitary sewer line to replace that lift station, so that the sewage flow is into a City of Shakopee trunk line.

DISCUSSION

This situation was anticipated to eventually happen when entering into the joint powers agreement that has since reverted to a year to year agreement after the initial ten year term.

The current 2016-2020 CIP has the booster station project listed in year 2017 with a \$1,178,300 funding amount. It is staff's intention to review and update that funding level with a more current engineering estimate when presenting the 2017-2021 CIP and 2017 Capital Projects to the Commission.



Savage is also providing notice that it is their desire to add a 10% surcharge to the water and sewer rates it charges under the joint powers agreement for 2017 service and an additional 10% increase per year for every year after 2017 that service continues. The existing agreement states that the rate SPU pays Savage is the same rate as Savage's lowest retail rate for residential use that Savage charges its own residential customers. Staff has been informed that it is the City of Shakopee's intention to request deferral of that proposed rate surcharge for 2017 while the City designs and constructs a trunk sanitary sewer line to serve this area of Shakopee.

REQUESTED ACTION

Staff requests the Commission accept and acknowledge the letter from Savage and direct staff to respond with the intention to design and construct the required booster station in 2017.

Staff requests the Commission provide direction if it wishes to also request deferral of the proposed 10% water rate surcharge for 2017.



City Offices

6000 McColl Drive, Savage, MN 55378-1800 Telephone: 952-882-2660 Fax: 952-882-2656

September 2, 2016

Joseph D. Adams
Planning and Engineering Director
Shakopee Public Utilities Commission
500 Gorman Street
Shakopee, MN 55379

Re: Joint Powers Agreement between Shakopee Public Utilities Commission and City of Savage

Dear Mr. Adams:

Thank you for taking the time to meet with me to discuss the Joint Powers Agreement between the Shakopee Public Utilities Commission (SPUC) and Savage. It was a pleasure to review the agreement currently in place as well as discuss future plans for both SPUC and Savage.

As was discussed at the meeting, SPUC and Savage entered into a Joint Powers Agreement for interim use of water supply on March 3, 2003. At the time of the agreement, SPUC did not have trunk water facilities in the vicinity of the Muhlenhardt property, which is now the Whispering Oaks Development. Through the agreement, the City of Savage was able to provide interim water service with connections at the St. Claire Bluffs and the Oak Hills Developments. As you know, the agreement was meant to be in place for an interim period of 10 years.

The City of Savage is currently undertaking two major water studies that will help determine future needs of our community. In order to plan for these future needs, Savage will need to accurately account for all areas to be served by the City of Savage on a permanent basis for both water needs and sanitary sewer needs. It is also worth noting that the City of Savage is currently seeing substantial growth in terms of development and redevelopment of properties within our boundaries.

At our meeting, it was discussed that SPUC has placed a booster station project in its Capital Improvement Program to provide service to the Whispering Oaks area. It is my understanding that the project can be undertaken as early as year 2017. Due to the previously mentioned studies and need of additional capacity to serve our needs, the City of Savage is requesting that SPUC proceed with the booster station project and provide water to the Whispering Oaks development. We would also propose a rate charge of 10% above the rate charged to our own users starting in January 1, 2017. We are also proposing to increase this rate 10% in subsequent years.

It is not the intention of the City of Savage to put undue hardship on the City of Shakopee. We have been collaborative partners in the past and will continue to be partners into the future. We would certainly be available to meet if you would like to discuss the agreement. Please do not hesitate to give me a call at 952-224-3419 or email at sthongvanh@ci.savage.mn.us if you have any questions or concerns.

Sincerely,

City of Savage

A handwritten signature in blue ink, appearing to read 'Seng Thongvanh', with a stylized flourish extending to the right.

Seng Thongvanh, P.E.
City Engineer

JOINT POWERS AGREEMENT

**FOR THE CONSTRUCTION AND MAINTENANCE OF
A PERMANENT WATER SYSTEM INTERCONNECTION AND
AN INTERIM WATER SUPPLY BETWEEN THE
SHAKOPEE PUBLIC UTILITIES COMMISSION AND
THE CITY OF SAVAGE**

This agreement made and entered into this 3rd day of March, 2003, by the Shakopee Public Utilities Commission (hereinafter the Commission) and the City of Savage (hereinafter Savage).

WITNESSETH:

WHEREAS, Tollefson Development, Inc. (hereinafter the Developer), proposes to develop property generally known as the Muhlenhardt property in the southeast corner of the City of Shakopee and adjacent to the City of Savage, and

WHEREAS, at the time of this agreement there are no Commission trunk water facilities in the vicinity of the Muhlenhardt property, and

WHEREAS, the Commission's comprehensive water system plans do include future trunk water facilities adjacent to the Muhlenhardt property, and

WHEREAS, the Developer requests that the Commission and the City of Savage arrange for an interim water supply from the City of Savage to the Muhlenhardt property, and

WHEREAS, the City of Savage has determined that it's water facilities are able to provide connection for the purpose of installing interim water supply to the Muhlenhardt property.

NOW, THEREFORE THE PARTIES AGREE AS FOLLOWS:

I. INSTALLATION:

- A. The Commission (with the cooperation of the City of Shakopee) will require the Developer to construct at its own cost all water improvements, including inspection, testing, and grading permits necessary to provide water service to the Muhlenhardt property, including the connection to Savage's water system. The Developer will be given credit, per the Commission's policy, for over-sizing.
- B. Savage will allow the Commission to connect to the 12 inch water main directly adjacent to St. Clair Bluffs and Oak Hills developments.

- C. The Commission agrees that a water meter on the water main connection will be installed at no cost to Savage. Savage will determine the exact location of the meter. The meter will be provided, owned and maintained by Savage. A permit is required to be obtained from the Savage Utility Services Department and all costs of the water meter and connection are to be paid by the developer.
- D. The water main connection is considered a permanent interconnection between Savage and Shakopee. The interconnection shall be designed as a two-way connection. This design shall include valves to permit or prohibit flow between the two systems as agreed to by both parties in a separate operating agreement.
- E. Savage and the Commission shall mutually agree upon the location of the permanent interconnection. The structure, piping, and any appurtenances necessary to permit or prohibit flow from Savage to the Muhlenhardt property shall be installed at no cost to Savage. The structure, piping, and any appurtenances necessary to permit or prohibit flow from the Muhlenhardt property to Savage shall be installed at such time as the parties agree that they are needed, and the parties agree in writing on the terms of installation and operating criteria.
- F. At such time as after the Commission installs trunk water facilities to serve the Eagle Creek Preserve subdivision and Savage requests in writing, the terms of this Agreement will be reviewed, renegotiated, revised, and executed to reflect the two water main connections between Savage and Shakopee serving as a means for the cities of Savage and Shakopee to exchange roughly an equal amount of water to facilitate water service to the Mullenhardt property. The two interconnections being located in the Eagle Creek Preserve Area and the Mullenhardt property.
- G. Notwithstanding the terms of paragraph I.F, at such time as the commission installs trunk water facilities to serve the Mullenhardt property, the terms of this agreement will be reviewed, renegotiated, revised, and executed to reflect the water main connection serving as primarily an emergency interconnection between the cities of Savage and Shakopee.

II. MAINTENANCE OF FACILITIES:

- A. The Commission will maintain all water mains downstream from the connection, and all meters within the Muhlenhardt property. Savage will maintain all water mains upstream from the connection and the water meter and reading devices.
- B. Prior to any water main flushing in the Muhlenhardt property, the Commission will notify the Savage Utility Services Division, and will coordinate this and any other maintenance activities that would or might affect Savage's water system.

III. CHARGES UNDER THIS AGREEMENT:

- A. Savage will not charge the Commission any connection or trunk charges for this temporary water supply unless usage continues beyond 10 years. If usage continues beyond 10 years, Savage and the Commission will renegotiate connection and trunk charges.
- B. Savage will read its meter monthly, and will bill the Commission the normal water rates that are charged to Savage residents using the flows as read by the meter. The water rates will be subject to any annual adjustments made by Savage for its own users. For purposes of this agreement, the 2003 rates are \$2.05 per 1000 gallons. These rates are based on the lowest tier rate. Annually, on or about January 2nd of each year, the Commission will provide to the City of Savage, a complete accounting of all water sold, as determined by the in-house water meters.
- C. The Commission agrees to promptly pay Savage for the monthly water usage as invoiced.
- D. The properties located in the Muhlenhardt property that are being supplied by the Savage water system will adhere to all Savage water use restrictions, including the most recent watering restrictions, a copy of which is attached. The Commission will enforce these provisions at Savage's request.
- E. The Minnesota Department of Natural Resources (DNR) may restrict the maximum amount of water Savage can pump from various aquifers. In the event that the DNR restricts the amount of water Savage can pump, the Commission will provide to Savage an amount of water equal to the amount provided to the Mulenhardt property through the interconnect located in the Eagle Creek Preserve at a cost equal to the amount charged by Savage to provide water to the Mulenhardt property. In the event that Shakopee has not yet provided services to the Eagle Creek Preserve area, then the City of Shakopee shall cooperate with Savage in negotiations with the DNR transferring a portion of Shakopee's annual authorized allocation of pumping capacity to Savage so that Savage experiences no net loss in its pumping capacity by providing water to the Mulenhardt property. Such a transfer of allocation shall be subject to DNR approval.

IV. MAXIMUM CONNECTIONS:

- A. The maximum number of connections allowed in any plat of the Muhlenhardt property is 136, unless previously approved in writing by Savage.


V. INDEMNIFICATION:

- A. The Commission hereby agrees to indemnify and hold Savage harmless from any and all causes of action by itself, its current, or previous utility users.
- B. Savage hereby agrees to indemnify and hold the Commission harmless from any and all causes of action by itself, its current, or previous utility users.

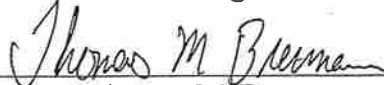
VI. DURATION OF THE AGREEMENT:

- C. This agreement is valid upon execution by both parties, and will automatically be renewed each year unless both cities agree in writing not to renew it.


IN WITNESS THEREOF, the parties hereto have caused this Agreement to be executed.




Joan Lynch *MARK MILLER*
President, Shakopee Public Utilities
Commission



Thomas M. Brennan
Mayor, City of Savage



Lou Van Hout
Utilities Manager, Shakopee Public
Utilities Commission



Barry Stock
Acting City Administrator, City of Savage

May 28, 2003

Date

March 3, 2003

Date



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

9c

September 14, 2016

TO: John Crooks, Utilities Manager *JRC*
FROM: Sharon Walsh, Director of Marketing and Customer Relations *SW*
SUBJECT: Power Week Update

Overview

APPA Power Week 2016 is the week of October 3-7.

Based on the fact we have held two LED lightbulb customer events within the last twelve months, we are opting to forego a third event during Power Week. Rather, we will make the LED lightbulbs available to all customers who visit the SPU Service Center the week of October 3-7, during normal business hours. This opportunity will be advertised in the local newspaper, as well as on the SPU Facebook page and website. This will provide a larger window of time for our customer base to participate and will eliminate the added expense of event setup and staff overtime.

A mini-customer appreciation breakfast event will also take place this week. The details surrounding this event are not yet defined, but will occur Friday, 10/7 in the a.m., either in an Open House format or a ‘drive-thru’ function like last year.

Action Requested

No action requested.







SHAKOPEE PUBLIC UTILITIES COMMISSION

"Lighting the Way - Yesterday, Today and Beyond"

September 13, 2016

Propose as Consent

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 August, 2016

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

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

- Total Utility Operating Revenues for the month of August totaled \$5.6 million and were favorable to budget by \$57k or 1.0%. Electric revenues were slightly unfavorable to budget by \$19k or 0.4%. Water revenues were favorable to budget by \$76k or 12.8% driven by higher than plan water sales in all customer revenue groups.
- Total operating expenses were \$4.6 million and were unfavorable to budget by \$73k or 1.6%. Total purchased power expense in August was \$3.6 million and was \$225k or 6.6% higher than budget for the month. Total Operating Expense for electric including purchased power was unfavorable to budget by \$111k or 2.7% primarily due to higher than planned purchased power expense, timing of energy conservation expense of \$11k, and offset by lower than plan administrative and general expense of \$93k in outside services and employee benefits. Total Operating Expense for Water was \$368k and was favorable to budget by \$37k or 10.2% due to lower than planned expenditures in operations and maintenance expenses, administrative and general expenses, and depreciation expense.
- Total Utility Operating Income was \$997k and was \$16k unfavorable to budget due to higher than plan operating revenues that were offset by higher than plan expenses.
- Total Utility Non-Operating Income was \$3k and was unfavorable to budget by \$1k due to lower than investment income of \$14k and higher than plan rental and miscellaneous expense of \$13k.





SHAKOPEE PUBLIC UTILITIES COMMISSION

“Lighting the Way - Yesterday, Today and Beyond”

- Capital Contributions for August totaled \$908k and were favorable to budget by \$722k due to higher than plan collection of Water Connection fees, Trunk Water Fees, and Capital Contributions. One large connection fee was collected in August for a significant construction project within the city.
- Transfers to the City of Shakopee totaled \$180k and were lower than budget for the month by \$5k.
- Change in Net Position was \$1.7 million and was favorable to budget by \$0.7 million driven by capital contributions.
- Electric usage billed to customers in August was 42,019,406 kWh, a slight decrease from July usage billed at 42,133,289 kWh.
- Water usage billed to customers in August was 245.4 million gallons, a decrease from July usage billed at 255.6 million gallons.

Year to Date Financial Results – August, 2016

- Total Utility Operating Revenue year to date August was \$33.4 million and was favorable to budget by \$1.5 million or 4.6%. Electric revenues were favorable to budget by \$1.2 million or 4.1% and water revenues were favorable to budget by \$0.3 million or 9.6%.
- Total Utility Operating Expenses year to date August were \$29.4 million and were favorable to budget by \$0.9 million or 3.0% primarily due to timing of expenditures in energy conservation of \$0.5 million, operation and maintenance of \$0.2 million, outside services \$0.3 million, employee benefits \$0.4 million, other expenses \$0.2 million and depreciation \$0.1 million, and were partially offset by higher than plan purchased power costs of \$0.8 million driven by higher than plan sales year to date. Total Operating Expense for electric including purchased power was favorable to budget by \$0.5 million or 1.9%. Total Operating Expense for Water was also favorable to budget by \$0.4 million or 13.1%.
- Total Utility Operating Income was \$4.0 million and was favorable to budget by \$2.4 million driven by higher operating revenues of \$1.5 million and lower operating expenses of \$0.9 million.
- Total Utility Non-Operating Income was \$0.4 million and was favorable to budget by \$0.2 million due to higher than planned rental and miscellaneous income of \$112k, investment income of \$102k and an \$11k net gain on the sale and disposition of property.
- YTD Capital Contributions were \$2.1 million and are favorable to budget by \$655k due to higher than plan water connection fees and capital contributions that were partially offset by lower than plan trunk water fees.
- YTD Transfer to the City of Shakopee is \$1.4 million and is lower than plan by \$43k or 2.9%. 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 \$5.0 million and is favorable to budget by \$3.3 million reflecting higher than plan operating revenue, lower than plan operating expense, higher than plan non-operating revenues, and higher than plan capital contributions.

SHAKOPEE PUBLIC UTILITIES
MONTH TO DATE FINANCIAL RESULTS
AUGUST 2016



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

	Month to Date Actual - August 2016			Month to Date Budget - August 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	\$ 4,879,432	681,988	5,561,419	4,898,234	606,231	5,504,465	(18,802)	-0.4%	75,757	12.5%	56,954	1.0%
OPERATING EXPENSES												
Operation, Customer and Administrative	4,058,835	219,192	4,278,027	3,936,557	251,098	4,187,655	(122,277)	-3.1%	31,905	12.7%	(90,372)	-2.2%
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	4,234,267	330,362	4,564,629	4,123,504	367,753	4,491,256	(110,763)	-2.7%	37,391	10.2%	(73,372)	-1.6%
Operating Income	645,165	351,625	996,790	774,731	238,478	1,013,209	(129,565)	-16.7%	113,147	47.4%	(16,418)	-1.6%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	21,579	8,626	30,205	16,069	647	16,716	5,511	34.3%	7,978	1232.4%	13,489	80.7%
Interdepartment Rent from Water	7,500	-	7,500	7,500	-	7,500	-	0.0%	-	-	-	0.0%
Investment Income	(5,638)	2,288	(3,350)	9,700	753	10,453	(15,338)	-158.1%	1,534	203.7%	(13,803)	-132.0%
Interest Expense	(29,765)	(10)	(29,775)	(29,048)	(4)	(29,052)	(717)	-2.5%	(6)	-166.0%	(723)	-2.5%
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%	-	-	-	0.0%
Total Non-Operating Revenue (Expense)	(7,807)	10,904	3,096	2,737	1,397	4,134	(10,545)	-385.2%	9,507	680.4%	(1,038)	-25.1%
Income Before Contributions and Transfers	637,358	362,529	999,887	777,468	239,875	1,017,343	(140,110)	-18.0%	122,654	51.1%	(17,456)	-1.7%
CAPITAL CONTRIBUTIONS	41,259	866,626	907,885	-	185,846	185,846	41,259	-	680,780	366.3%	722,039	388.5%
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	\$ 569,025	1,159,155	1,728,180	665,322	352,810	1,018,131	(96,297)	-14.5%	806,346	228.5%	710,049	69.7%

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

	MTD Actual August 2016	MTD Budget August 2016	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 2,021,479	1,989,948	31,531	1.6%
Commercial and Industrial	2,748,504	2,806,632	(58,128)	-2.1%
Uncollectible accounts	(0)	-	(0)	-
Total Sales of Electricity	4,769,983	4,796,580	(26,597)	-0.6%
Forfeited Discounts	23,722	18,640	5,083	27.3%
Free service to the City of Shakopee	14,592	14,157	435	3.1%
Conservation program	71,134	68,857	2,277	3.3%
Total Operating Revenues	4,879,432	4,898,234	(18,802)	-0.4%
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	3,614,083	3,389,027	(225,055)	-6.6%
Distribution operation expenses	34,502	33,551	(951)	-2.8%
Distribution system maintenance	43,347	67,673	24,327	35.9%
Maintenance of general plant	40,659	24,118	(16,541)	-68.6%
Total Operation and Maintenance	3,732,590	3,514,369	(218,221)	-6.2%
Customer Accounts				
Meter Reading	10,226	10,433	207	2.0%
Customer records and collection	30,205	44,789	14,584	32.6%
Energy conservation	65,531	54,150	(11,381)	-21.0%
Total Customer Accounts	105,962	109,372	3,410	3.1%
Administrative and General				
Administrative and general salaries	48,018	48,129	111	0.2%
Office supplies and expense	7,432	15,967	8,535	53.5%
Outside services employed	4,659	46,093	41,434	89.9%
Insurance	13,996	14,057	61	0.4%
Employee Benefits	115,835	147,637	31,802	21.5%
Miscellaneous general	30,342	40,933	10,590	25.9%
Total Administrative and General	220,282	312,816	92,534	29.6%
Total Operation, Customer, & Admin Expenses	4,058,835	3,936,557	(122,277)	-3.1%
Depreciation	175,432	186,946	11,514	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	\$ 4,234,267	4,123,504	(110,763)	-2.7%
OPERATING INCOME	\$ 645,165	774,731	(129,565)	-16.7%

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

	MTD Actual August 2016	MTD Budget August 2016	MTD Actual v. Budget Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 678,382	604,821	73,561	12.2%
Forfeited Discounts	3,605	1,410	2,196	155.8%
Uncollectible accounts	-	-	-	-
Total Operating Revenues	<u>681,988</u>	<u>606,231</u>	<u>75,757</u>	<u>12.5%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	36,055	41,949	5,894	14.1%
Pumping and distribution maintenance	16,248	36,203	19,955	55.1%
Power for pumping	24,410	22,629	(1,781)	-7.9%
Maintenance of general plant	1,445	1,990	545	27.4%
Total Operation and Maintenance	<u>78,157</u>	<u>102,771</u>	<u>24,613</u>	<u>23.9%</u>
Customer Accounts				
Meter Reading	5,716	5,789	73	1.3%
Customer records and collection	7,556	12,159	4,603	37.9%
Energy conservation	1,322	-	(1,322)	-
Total Customer Accounts	<u>14,594</u>	<u>17,948</u>	<u>3,353</u>	<u>18.7%</u>
Administrative and General				
Administrative and general salaries	29,445	31,479	2,034	6.5%
Office supplies and expense	3,867	6,391	2,524	39.5%
Outside services employed	18,673	12,948	(5,725)	-44.2%
Insurance	4,665	4,686	20	0.4%
Employee Benefits	47,596	55,266	7,670	13.9%
Miscellaneous general	22,195	19,610	(2,585)	-13.2%
Total Administrative and General	<u>126,441</u>	<u>130,380</u>	<u>3,939</u>	<u>3.0%</u>
Total Operation, Customer, & Admin Expenses	<u>219,192</u>	<u>251,098</u>	<u>31,905</u>	<u>12.7%</u>
Depreciation	111,170	116,655	5,485	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>330,362</u>	<u>367,753</u>	<u>37,391</u>	<u>10.2%</u>
OPERATING INCOME	<u>\$ 351,625</u>	<u>238,478</u>	<u>113,147</u>	<u>47.4%</u>

SHAKOPEE PUBLIC UTILITIES
YEAR TO DATE FINANCIAL RESULTS
AUGUST 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 -August 2016			Year to Date Budget - August 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	\$ 30,234,219	3,147,198	33,381,417	29,044,050	2,871,135	31,915,185	1,190,169	4.1%	276,064	9.6%	1,466,233	4.6%
OPERATING EXPENSES												
Operation, Customer and Administrative	25,393,156	1,699,304	27,092,459	25,829,689	2,046,783	27,876,472	436,534	1.7%	347,479	17.0%	784,013	2.8%
Depreciation	1,403,455	889,358	2,292,814	1,495,570	933,240	2,428,810	92,115	6.2%	43,882	4.7%	135,997	5.6%
Amortization of Plant Acquisition	-	-	-	-	-	-	-	0.0%	-	-	-	0.0%
Total Operating Expenses	26,796,611	2,588,662	29,385,273	27,325,260	2,980,023	30,305,283	528,649	1.9%	391,361	13.1%	920,010	3.0%
Operating Income	3,437,608	558,537	3,996,145	1,718,790	(108,888)	1,609,902	1,718,818	100.0%	667,425	612.9%	2,386,243	148.2%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	187,080	171,898	358,978	128,548	118,652	247,200	58,532	45.5%	53,245	44.9%	111,778	45.2%
Interdepartment Rent from Water	60,000	-	60,000	60,000	-	60,000	-	0.0%	-	-	-	0.0%
Investment Income	151,571	34,048	185,619	77,600	6,028	83,628	73,971	95.3%	28,020	464.8%	101,991	122.0%
Interest Expense	(239,013)	(88)	(239,102)	(233,792)	(30)	(233,822)	(5,221)	-2.2%	(58)	-194.1%	(5,279)	-2.3%
Amortization of Debt Issuance Costs and Loss on Refunding	(11,868)	-	(11,868)	(11,868)	-	(11,868)	-	0.0%	-	0.0%	-	0.0%
Gain/(Loss) on the Disposition of Property	3,284	7,770	11,054	-	-	-	3,284	0.0%	7,770	-	11,054	-
Total Non-Operating Revenue (Expense)	151,054	213,627	364,682	20,488	124,650	145,138	130,566	637.3%	88,977	71.4%	219,544	151.3%
Income Before Contributions and Transfers	3,588,662	772,164	4,360,826	1,739,278	15,762	1,755,040	1,849,384	106.3%	756,402	4799.0%	2,605,786	148.5%
CAPITAL CONTRIBUTIONS	339,682	1,802,320	2,142,002	-	1,486,771	1,486,771	339,682	-	315,549	21.2%	655,231	44.1%
TRANSFER TO MUNICIPALITY	(877,158)	(560,665)	(1,437,823)	(897,169)	(583,294)	(1,480,464)	20,011	2.2%	22,630	3.9%	42,641	2.9%
CHANGE IN NET POSITION	\$ 3,051,186	2,013,819	5,065,005	842,109	919,239	1,761,347	2,209,077	262.3%	1,094,581	119.1%	3,303,658	187.6%

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

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	August 2016	August 2016	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 11,261,514	10,849,054	412,459	3.8%
Commercial and Industrial	18,266,931	17,506,668	760,263	4.3%
Uncollectible accounts	(0)	-	(0)	-
Total Sales of Electricity	<u>29,528,444</u>	<u>28,355,722</u>	<u>1,172,722</u>	<u>4.1%</u>
Forfeited Discounts	148,881	149,117	(236)	-0.2%
Free service to the City of Shakopee	116,736	113,256	3,480	3.1%
Conservation program	440,158	425,956	14,202	3.3%
Total Operating Revenues	<u>30,234,219</u>	<u>29,044,050</u>	<u>1,190,169</u>	<u>4.1%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	22,168,047	21,335,449	(832,597)	-3.9%
Distribution operation expenses	288,453	268,409	(20,044)	-7.5%
Distribution system maintenance	372,384	541,387	169,004	31.2%
Maintenance of general plant	267,904	192,941	(74,963)	-38.9%
Total Operation and Maintenance	<u>23,096,788</u>	<u>22,338,188</u>	<u>(758,601)</u>	<u>-3.4%</u>
Customer Accounts				
Meter Reading	72,103	83,463	11,360	13.6%
Customer records and collection	323,898	358,309	34,411	9.6%
Energy conservation	(41,243)	433,203	474,446	109.5%
Total Customer Accounts	<u>354,758</u>	<u>874,975</u>	<u>520,217</u>	<u>59.5%</u>
Administrative and General				
Administrative and general salaries	351,087	385,032	33,945	8.8%
Office supplies and expense	88,425	127,739	39,315	30.8%
Outside services employed	78,290	368,742	290,452	78.8%
Insurance	111,972	112,459	487	0.4%
Employee Benefits	1,022,868	1,295,094	272,226	21.0%
Miscellaneous general	288,967	327,460	38,493	11.8%
Total Administrative and General	<u>1,941,610</u>	<u>2,616,527</u>	<u>674,917</u>	<u>25.8%</u>
Total Operation, Customer, & Admin Expenses	<u>25,393,156</u>	<u>25,829,689</u>	<u>436,534</u>	<u>1.7%</u>
Depreciation	1,403,455	1,495,570	92,115	6.2%
Amortization of plant acquisition	-	-	-	0.0%
Total Operating Expenses	<u>\$ 26,796,611</u>	<u>27,325,260</u>	<u>528,649</u>	<u>1.9%</u>
OPERATING INCOME	<u>\$ 3,437,608</u>	<u>1,718,790</u>	<u>1,718,818</u>	<u>100.0%</u>

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	August 2016	August 2016	Better/(Worse)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 3,135,157	2,859,858	275,298	9.6%
Forfeited Discounts	12,041	11,276	765	6.8%
Uncollectible accounts	1	-	1	-
Total Operating Revenues	<u>3,147,198</u>	<u>2,871,135</u>	<u>276,064</u>	<u>9.6%</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	287,036	335,593	48,557	14.5%
Pumping and distribution maintenance	181,425	289,621	108,196	37.4%
Power for pumping	177,495	181,032	3,537	2.0%
Maintenance of general plant	17,840	15,920	(1,920)	-12.1%
Total Operation and Maintenance	<u>663,796</u>	<u>822,166</u>	<u>158,370</u>	<u>19.3%</u>
Customer Accounts				
Meter Reading	55,816	46,309	(9,507)	-20.5%
Customer records and collection	87,976	97,271	9,296	9.6%
Energy conservation	1,322	-	(1,322)	-
Total Customer Accounts	<u>145,114</u>	<u>143,580</u>	<u>(1,534)</u>	<u>-1.1%</u>
Administrative and General				
Administrative and general salaries	225,677	251,830	26,153	10.4%
Office supplies and expense	35,979	51,129	15,150	29.6%
Outside services employed	54,557	103,581	49,024	47.3%
Insurance	37,324	37,486	162	0.4%
Employee Benefits	379,930	480,130	100,200	20.9%
Miscellaneous general	156,927	156,881	(47)	0.0%
Total Administrative and General	<u>890,394</u>	<u>1,081,037</u>	<u>190,643</u>	<u>17.6%</u>
Total Operation, Customer, & Admin Expenses	<u>1,699,304</u>	<u>2,046,783</u>	<u>347,479</u>	<u>17.0%</u>
Depreciation	889,358	933,240	43,882	4.7%
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 2,588,662</u>	<u>2,980,023</u>	<u>391,361</u>	<u>13.1%</u>
OPERATING INCOME	<u>\$ 558,537</u>	<u>(108,888)</u>	<u>667,425</u>	<u>612.9%</u>

RESOLUTION #~~1138~~ 1140RESOLUTION LIMITING COMMISSIONER SALARY

WHEREAS, the Shakopee Public Utilities Commission wishes to, in accordance with the leadership necessary for good faith of the people it employs, the rate-payers of the utility district, and the City of Shakopee, agree NOT to draw payment for meetings NOT held by the Commission or missed by a member of the Commission. This document pertains to APPOINTED officials and does NOT pertain to SPU hired officials such as: SPU Manager, Engineer, Water Superintendent, Electric Superintendent, Finance Director\Assistant, or any other employee of the Utility.

BE IT RESOLVED BY THE SHAKOPEE PUBLIC UTILITIES COMMISSION in meeting assembled on September 6, 2016, that the Shakopee Public Utilities Commission DOES HERBY agree to limit Commissioner pay ONLY to meetings held by the Commission, PENDING APPROVAL of the Shakopee City Council.

BE IT FURTHER RESOLVED that the effective date of this resolution shall be finalized by the Shakopee City Council on such date as may be required.

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 6th day of September, 2016.

Commission President: Terrance Joos

ATTEST:

Commission Secretary: John R. Crooks

