

AGENDA
SHAKOPEE PUBLIC UTILITIES COMMISSION
SPECIAL MEETING
July 10, 2023
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
 - 1a) Roll Call (JK)
2. **Communications**
3. **Consent Agenda**
 - C=> 3a) Approval of May 15, 2023 Special Meeting Minutes (GD)
 - C=> 3b) Approval of June 5, 2023 Minutes (GD)
 - C=> 3c) Approval of July 10, 2023 Agenda (JK)
 - C=> 3d) July 10, 2023 Warrant List (KW)
 - C=> 3e) Monthly Water Dashboard for May 2023 (LS)
 - C=> 3f) Nitrate Report (LS)
 - C=> 3g) 2023 Flushing Program Progress (LS)
 - C=> 3h) APPA Safety Manual – 17th Edition (BC)
 APPA Safety Manual link
 - C=> 3i) Annual Elections for the 2023-2024 Insurance Policy (KW)
 - C=> 3j) License Agreement with ISD 720 (GD & RH)
 - C=> 3k) Res #2023-18 A Resolution Setting The Amount Of The Trunk Water Charge, Approving Of Its Collection and Authorizing Water Service to Certain Property Described as Highview Park (JA)
4. **Public Comment Period.** Please step up to the table and state your name and address for the record.
5. **Reports: Water Items**
 - 5a) Water System Operations Report – Verbal (LS)
 - 5b) Equivalent Lateral Water Main (ELWM) Fees (JA)
6. **Reports: Finance**
 - 6a) SPU Investment Performance Review/Economic & Market Update (KW)
 - 6b) May 2023 Financials (KW)
7. **Liaison Report** (JD)
8. **Reports: Electric Items**
 - 8a) Electric System Operations Report – Verbal (BC)
9. **Reports: General**
 - 9a) Marketing/Key Accounts Report – Verbal (SW)
 - 9b) General Manager Report – Verbal (GD)
10. **Items for Future Agendas**
11. **Tentative Dates for Upcoming Meetings**
 - August 7, 2023
12. **Adjournment**

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION
May 15, 2023
Special Meeting

1. Call to Order. President Krieg called the May 15, 2023 Special meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Krieg, Vice President Letourneau, Commissioner DuLaney, Commissioner Fox, and Commissioner Mocol were present.

1. Human Resources. Commissioner Mocol moved to go into closed session under Minn. Stat. 13D.05, subd. 3(b) for the purpose of providing legal advice regarding pending litigation in the matter of Momah v. Shakopee Public Utilities. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

2. Adjourn. Motion by Commissioner Dulaney, seconded by Vice President Letourneau, to adjourn. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Greg Drent, Commission Secretary

MINUTES OF THE
SHAKOPEE PUBLIC UTILITIES COMMISSION

June 5, 2023
Regular Meeting

1. Call to Order. President Krieg called the June 5, 2023 meeting of the Shakopee Public Utilities Commission to order at 5:00 P.M. President Krieg, Vice President Letourneau, Commissioner DuLaney, Commissioner Fox, and Commissioner Mocol were present.
2. Communications. Greg Drent, General Manager, explained that the meeting packet included SPU's response to residents of Hillwood Estates concerning equivalent lateral water main connection charges.
3. Consent Agenda. President Krieg asked that item (3l) be removed from the consent agenda. Commissioner Mocol moved approval of the consent agenda as amended: (3a) May 1, 2023 minutes; (3b) May 23, 2023 Joint Meeting minutes; (3c) June 5, 2023 agenda; (3d) June 5, 2023 warrant list; (3e) Monthly Water Dashboard for April 2023; (3f) MMPA April 2023 Meeting Update; (3g) MMPA May 2023 Meeting Update; (3h) Year Ended December 31, 2022, Audit Financials – Final; (3i) Updated Goals 2023 IT Project; (3j) Juneteenth Holiday; (3k) SPU Contribution into Health Savings Account; (3m) Res #2023-11 Resolution of Appreciation to Robert Berndtson; (3n) Res #2023-12 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection, and Authorizing Water Service to Certain Property Described as: Valley Crest 3rd Addition; (3o) Res #2023-13 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection, and Authorizing Water Service to Certain Property Described as: Moraine Addition; (3p) Res #2023-14 Resolution Setting a Capital Adder Charge to the Unsewered Production Water Rate; (3q) Res #2023-15 Resolution Modifying Shakopee Public Utilities Commission's Cogeneration and Small Power Production Tariff; (3r) Res# 2023-16 Resolution Setting the Amount of the Trunk Water Charge, Approving of its Collection and Authorizing Water Service to Certain Property Described as: River Valley Business Park; (3s) SPU Deposit Policy, Res# 2023-17 Resolution Amending Resolution #2021-17 Adopting Utility Deposits for the Shakopee Public Utilities; (3t) PCI Security Policy. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. For item (3l) SPU Appeal Policy, Mr. Drent noted that this policy formalized past practices. Commissioner Fox moved to approve item (3l); Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.
4. Public Comment Period. Bob Stark, Hillwood Estates, expressed thanks for the staff response, and noted on-going questions/concerns as to who else was charged for watermain costs relating to the County Road 79 project; the index adopted by the Commission; and property recordings, including that at the March 6, 2023 Commission meeting, owners were not told of the recording. He requested a meeting with SPU staff to further discuss these issues.

Brian Mount noted concerns with the recording of the SPU resolution without notice to property owners. He requested additional information to understand the watermain charges and how other parties participated in these costs.

Ken Ludzak, Wooduck Trail, stated that his property has no ability to hook up to the water system and that he will receive no benefit from municipal water.

Dana Miller questioned the July 1, 2023 effective date for interest, and the lack of notice of recording the SPU resolution.

The consensus of the Commission was to allow time for SPU staff to meet with interested property owners on these issues, rather than proceeding with item (5c) tonight.

5. Water Report. Lon Schemel, Water Superintendent, reported on the flushing program, which SPU aims to complete this year, and discussed a progress map to date. He also noted that hydrant painting is being done throughout the City, with the goal of painting about 200 hydrants this summer. Mr. Schemel reported that SPU started the experimental PFAS testing from the tap. He also reported that after testing approximately 119 pressure vacuum breakers, there was a 40% failure rate, underscoring the importance of the testing.

6. Pumphouse #23 Rebid. Mr. Schemel reported that bid responses were significantly higher than the approved capital improvement plan, and more than seventy weeks out for delivery. He recommended rejecting all bids and rebidding the project without the generator component. Commissioner Letourneau moved to reject all bids for the Pumphouse 23 project and rebid without the generator. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. Equivalent Lateral Water Main. The Commission noted the current July 1, 2023 date under Resolution 2023-02 to begin interest. Vice President Letourneau moved to hold on imposing the interest component under Resolution #2023-02 pending final Commission determination. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. Commissioner Mocol moved to table item (5c) Equivalent Lateral Water Main Fees pending meeting with affected property owners. Vice President Letourneau seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

8. Liaison Report. Commissioner DuLaney noted that the joint meeting with the City Council provided good information.

9. Electric Report. Brad Carlson, Electric Superintendent, reported five outages since the last Commission meeting; apart from a contractor-caused outage involving 480 customers for approximately 20 minutes, they were minor outages. He also discussed electric projects, including that the West Shakopee Substation transformer is assembled and ready to add components,

Hansen Avenue transformer removal, and the completion of joint trenching at Windermere South 6th Addition. He reported that all collector streetlights have been replaced, with five years of full replacement warranty remaining. He noted that an apprentice line worker and summer help have started. He noted that in response to a complaint from Mobile Manor raised with SPU, MVEC, and Xcel Energy, SPU performed testing on its facilities and Xcel has scheduled a voltage test.

10. 2023 Reliability and Outages Report & Certification. Mr. Carlson presented the Reliability and Outages Report for 2022. He noted that this marks the sixth year that SPU has received the Certificate of Excellence from APPA for reliability.

11. 2023 Three-Phase Transformer Bid Award. Joseph Adams, Planning and Engineering Director, presented the two bid responses for three-phase transformers. He noted that SPU advertised the bids twice in the Shakopee Valley New twice and contacted five known suppliers. Commissioner Mocol moved to award the 2023 identified three-phase transformers identified to Resco-Ermco in a total bid award of \$2,107,930. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

12. Marketing/Key Accounts Report. Sharon Walsh, Director of Key Accounts/Marketing/Special Projects, noted that for the AMI project, the Border States project manager toured SPU facilities and met with staff, that the Statement of Work has been signed, and that first article testing water meters have shipped. She noted improvements to the website with Vivid through prepaid support. She reported that the year in review content has been submitted and that Commissioners will have a chance to review the proof.

13. General Manager Report. Mr. Drent provided an update, including surveying of the potential water treatment site, Chamber Board Meeting, SCALE with the County, water inspection, and Toro rebate. He discussed timing for the Commission meeting packet, with the goal to provide it by the Wednesday before the Monday meeting. Mr. Drent noted that SPU is working with MMUA on revising the drug and alcohol testing program.

14. Future Agenda Items. Commissioner Fox requested an update on key matters that emerge between meetings, such as the lateral water main connection fee.

15. Adjourn. Motion by Commissioner Mocol, seconded by Commissioner Dulaney, to adjourn. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

Greg Drent, Commission Secretary

Proposed As Consent Item

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 - August 7, 2023
12. **Adjournment**

SHAKOPEE PUBLIC UTILITIES COMMISSION

WARRANT LISTING

July 10, 2023

By direction of the Shakopee Public Utilities Commission, the Secretary does hereby authorize the following warrants drawn upon the Treasury of Shakopee Public Utilities Commission:

WEEK OF 6/2/2023

ALTEC INDUSTRIES INC	\$1,188.98	REPAIR WIRES TO BOOM SENSOR
AMARIL UNIFORM COMPANY	\$335.89	JAMIE VONBANK CLOTHING
CHRIS ANDERSON	\$200.00	IRRIGATION REBATE
ARROW ACE HARDWARE	\$86.68	GALV SPRAY PAINT
ASSOCIATED MECHANICAL CONTRACTORS	\$1,109.12	7 FUSES REPLACED CONDENSER FANS
B & B TRANSFORMER INC	\$111,941.00	12 100 PAD RM
LINO BADEN	\$500.00	ENERGY STAR COOLING/HEATING REBATE
HENRY BELL	\$350.00	ENERGY STAR COOLING/HEATING REBATE
ROBERT BERNDTSON	\$185.36	REIMB 222 MILES
BOB'S LAWN & LANDSCAPING INC	\$390.00	MULCH 2 BAGS WATER DEPT
BORDER STATES ELECTRIC SUPPLY	\$11,247.86	FUSE LINK
DAVID BURGER	\$50.00	ENERGY STAR DISHWASHER REBATE
CAMERON'S COFFEE & DIST CO	\$1,688.00	COMPRESSED AIR UPGRADES
CLIFTONLARSONALLEN LLP	\$8,185.00	FINAL BILLING 2022 AUDIT (CONTRACT)
CORE & MAIN LP	\$4,173.99	METERS
FRED HOLASEK & SON, INC	\$7,692.05	FLOWER BASKETS
GRAINGER INC	\$545.51	WRENCH -WATER DEPT
GRAYBAR ELECTRIC COMPANY INC	\$368.31	NICOTAP SLEEVE COPPERWLD-WATER DEPT
INNOVATIVE OFFICE SOLUTIONS LLC	\$449.74	MARKERS
JT SERVICES	\$690.28	WHITE MARKING FLAGS
LINK LUMBER	\$55.57	POULTY FEB STAPLE
LELAND MAIDMENT	\$200.00	ENERGY STAR COOLING/HEATING REBATE
MCGRANN SHEA CARNIVAL	\$19,743.75	MUNICIPAL MATTERS/WO2634
MID AMERICA METER INC	\$72.00	SHOP TEST-PD MULLTI-ULTRA
MINN VALLEY TESTING LABS INC	\$496.10	COLIFORM
MORRIES BUFFALO FORD LLC	\$41,895.00	WO#2750 NEW ENG TRUCK#637 FORD RANGER
NCPERS GROUP LIFE INS.	\$192.00	JUNE PREMIUMS
GERRY NEVILLE	\$182.74	REIMBURSE 149 MILES
PEARSON, MACHELLE	\$486.50	ONSITE COLLECTIONS 5/8/23
CHEY PHANAK	\$350.00	ENERGY STAR COOLING/HEATING REBATE
PLUNKETT'S PEST CONT, INC.	\$145.29	GENERAL PEST CONTROL WELL/P.H.#4
POWER TESTING AND ENERGIZATION INC.	\$4,364.00	SHAKO PUC BATTERY JUG REPLACEMENT
PRINCIPAL LIFE INS. COMPANY	\$4,000.46	JUNE PREMIUMS
PRIORITY 1 OUTDOORS INC.	\$1,991.19	START UP SPRINKLER HEADS/LABOR
QUALITY FORKLIFT SALES & SERVICE	\$28.80	KEY ELECTRIC DEPT
RESCO	\$3,422.79	CT W/BAR
SHORT ELLIOTT HENDRICKSON INC	\$2,589.70	WO#2634 WELL 15 WTP SITE ANALYSIS
T & R ELECTRIC SUPPLY CO INC	\$106.88	PCB SAMPLES
LISA TARBELL	\$105.00	ENERGY STAR REFRIGERATOR REBATE
GREG TRIPLETT	\$192.56	REIMBURSE 163 MILES
USABUEBOOK	\$2,202.92	HYDRANT METER LOCK
JAMIE VON BANK	\$76.50	REIMBURSE GATORADE FOR LINE & SVC CREW
MICHAEL VOURLOS	\$28.75	REIMBURSE USPS EXPRESS PRIORITY
WESCO RECEIVABLES CORP.	\$11,065.53	NORDIC ND ELECTRIC
CENTERPOINT ENERGY - ACH	\$1,618.40	4/6-5/5 GAS USAGE 255 SARAZIN
DELTA DENTAL PLAN OF MN	\$6,186.93	MAY PREMIUMS
PAYROLL DIRECT DEPOSIT 6.2.23	\$128,180.39	
BENEFITS & TAXES FOR 6.2.23	\$139,644.88	
Total Week of 6/2/2023	\$521,002.40	

WEEK OF 6/9/2023

CREDIT REFUNDS	\$11,216.62 EMMETT L CLOTHING
AMARIL UNIFORM COMPANY	\$115.75 WATER TRUCK #622
APPLE FORD OF SHAKOPEE	\$123.62 COFFEE
ARAMARK REFRESHMENT SERVICES INC	\$261.11 POLY COUPLING
ARROW ACE HARDWARE	\$41.80 3 37.5 PAD RM
B & B TRANSFORMER INC	\$115,841.49 REIMB 133 MILES
ROBERT BERNDTSON	\$87.11 MULCH
BOB'S LAWN & LANDSCAPING INC	\$139.59 VAUL75012BN AL COMP TERM
BORDER STATES ELECTRIC SUPPLY	\$1,132.42 HAND CLEANER ELECTRIC
BRO-TEX INC	\$148.72 ENERGY EFFICIENT COOLING/HEATING REBATE
GENE BRYANT	\$350.00 METERS
CORE & MAIN LP	\$9,939.01 ANSWERING SERVICE 5/30-6/26
CUSTOMER CONTACT SERVICES	\$742.45 WO#2750 NEW P&E TRUCK REG FEES
DEPUTY REGISTRAR # 135	\$2,773.18 PERDIEM DENVER CO / REIMB TRANSPORTATION
PHILIP DUBBE	\$472.52 ENERGY EFFICIENT CLOTHESWASHER REBATE
JENNIFER FLETCHER	\$50.00 MAY TICKETS
GOPHER STATE ONE-CALL	\$1,543.05 POLYMER CREEPER
GRAINGER INC	\$140.57 PVC COND 10FT
GRAYBAR ELECTRIC COMPANY INC	\$21,267.08 HYDROFLUOSILIC ACID/CHLORINE
HAWKINS INC	\$7,550.26 OIL CHANGE ELECTRIC TRK632
HENNEN'S AUTO SERVIC, INC.	\$88.30 VEEAM BCK & RPL VUL SUB 1YR RENEWAL
HIGH POINT NETWORKS, LLC	\$2,516.87 CORE CHG EXCHANGE
INTERSTATE ALL BATTERY CENTER	\$1,226.71 TALON 980-8543 HQ
IRBY - STUART C IRBY CO	\$295.28 ENERGY EFFICIENT COOLING/HEATING REBATE
JASON JOHNSON	\$350.00 ATBO P451 MVOLT
JT SERVICES	\$9,985.88 RESIDENTIAL ENERGY DISHWASHER REBATE
TREVOR KLEIN	\$225.00 PROTABLE DUCK ANTENNA/CONNECTORS
LARSON DATA COMMUNICATIONS, INC	\$295.29 WO#2634 WATER TRTMNT SITE ACQUISITION
LEVANDER, GILLEN & MILLER, P	\$1,693.00 IRRIGATION CONTROLLERS REBATE
ARPAN MEHTA	\$161.99 NITRATES
MINN VALLEY TESTING LABS INC	\$93.50 SHORT PAID IN ERROR ORIGINAL INVOICE
MOBILE HEALTH SERVICES LLC	\$40.00 BACKGROUND CHECK D.DRENT
MRA-THE MANAGEMENT ASSOCIATION	\$40.00 REIMB 164 MILES
GERRY NEVILLE	\$210.91 VALVE REBUILD
PRECISION UTILITIES	\$17,635.47 ENERGY EFFICIENT COOLING/HEATING REBATE
RAMASWAMY SASTRI	\$350.00 PAINT WATER DEPT
SHERWIN WILLIAMS	\$238.40 ENERGY EFFICIENT DISHWASHER REBATE
STEVEN R SINELL	\$150.00 LEGALS/MINUTES FOR MAY
SOUTHWEST NEWS MEDIA	\$610.94 WO#2483 W SHAKO SUB SWITCHGEAR
STATES MANUFACTURING CORPORATION	\$1,529,336.76 WATER SENSE TOILET REBATE
ERIN TITCOMB	\$100.00 REIMB 155 MILES
GREG TRIPLETT	\$207.63 P8AS TESTING - WATER
UPS STORE # 4009	\$206.78 MAY CELL PHONE BILL
VERIZON WIRELESS	\$2,994.64 IRRIGATION CONTROLLERS REBATE
JUSTYNE VOGEL	\$134.99 ENERGY EFFICIENT COOLING/HEATING REBATE
MARK WERNER	\$200.00 IRRIGATION CONTROLLERS REBATE
SRIKANTH YANAMANDALA	\$179.99 DAYCARE CLAIM REIMB C.S.
FURTHER - ACH	\$193.00 JUNE PREMIUMS
MINNESOTA LIFE	\$1,198.17 JUNE PREMIUMS
HEALTHPARTNERS	\$71,386.61 MAY SALES & USE TAX PAYABLE
MN DEPT OF REVENUE ACH PAYMENTS	\$232,981.00

Total Week of 6/09/2023

\$2,049,263.46

WEEK OF 6/16/2023

AMARIL UNIFORM COMPANY	\$331.23 JUSTIN ROTERT CLOTHING
JESSICA ANDERSON	\$179.09 REBATE IRRIGATIONS CONTROLLERS
APPLE FORD OF SHAKOPEE	\$271.83 WATER TRUCK 630 OIL CHANGE
B & B TRANSFORMER INC	\$74,504.00 1 KVA333 AMP438 VOLT
SAMANTHA & CHRIS BERG	\$179.99 REBATE IRRIGATIONS CONTROLLERS
SUZANNE BIGAOUETTE	\$200.00 REBATE IRRIGATIONS CONTROLLERS
BORDER STATES ELECTRIC SUPPLY	\$6,020.73 SPLICE CONNECTOR
DEAN CARLETON	\$500.00 ENERGY STAR HEATING/COOLING REBATE
CITY OF SHAKOPEE	\$335.00 ROW-013386-2023
CORE & MAIN LP	\$4,026.24 PULSE CABLE
DIVERSIFIED ADJUSTMENT SERVICES INC	\$219.29 DUE TO COLLECTION AGENCY MAY STMT
EMERGENCY AUTOMOTIVE TECHNOLOGIES I	\$1,908.77 2023 EXPLORER LIGHT BAR
FERGUSON US HOLDINGS, INC.	\$4,070.58 RPZ BFP BLK COAT
FLYTE HCM LLC	\$91.00 COBRA FOR MAY 2023
GRAINGER INC	\$237.41 THERMOSTAT
GRAYBAR ELECTRIC COMPANY INC	\$2,066.28 GROUND ROD/BND 36"R
SYED HABIBULLAH	\$50.00 REBATE WATER SENSE TOILET
HAWKINS INC	\$5,938.58 CHLORINE CYLINDERS
INTEGRATED PROCESS SOLUTIONS, INC	\$743.00 PH 12 COMM PROBLEMS SRV-0428
BAILEY JOHNSON	\$75.00 ENERGY STAR REFRIGERATOR REBATE
CHAD JOHNSON	\$179.10 REBATE IRRIGATIONS CONTROLLERS
BETH LAVOIE	\$500.00 ENERGY STAR HEATING/COOLING REBATE
CHRIS MAKI	\$179.10 REBATE IRRIGATIONS CONTROLLERS
MICHELS CORPORATION	\$9,728.82 WO#2644 CANTERBURY CROSSING 2ND
MINN VALLEY TESTING LABS INC	\$937.20 WELL WATER TESTING
JOEL NELSON	\$500.00 ENERGY STAR HEATING/COOLING REBATE
GERRY NEVILLE	\$103.49 REIMB 158 MILES
RESCO	\$3,216.00 JUNCTION 4 POINT 15KV U STRAP
RW BECK GROUP, INC, LEIDOS ENG, LL	\$1,965.50 GENERAL ELECTRIC CONSULTING FOR MAY
KAREN SANDSTROM	\$150.00 ENERGY STAR DISHWASHER REBATE
MONY SIV	\$152.24 REBATE IRRIGATIONS CONTROLLERS
RYAN SLIPKA	\$400.00 ENERGY STAR DISHWASHER REBATE
ANDREA SMIEJA	\$175.00 ENERGY STAR CLOTHES WASHER REBATE
TOM SWIECH	\$100.00 REBATE ENERGY STAR DISHWASHER
GREG TRIPLETT	\$83.84 REIMB 128 MILES
VERIZON CONNECT NWF INC.	\$106.87 MAY SERVICE FOR ELECTRIC DEPT
VTI SECURITY	\$3,760.09 SPU EXTERIOR CAMERA
WESCO RECEIVABLES CORP.	\$133.50 GRND ROD CLAMP
XCEL ENERGY	\$324.21 MAY VALLEY PARK GAS USAGE 4/25-5/24 2023
JASON YOUNG	\$175.00 ENERGY STAR CLOTHES WASHER REBATE
FURTHER - ACH	\$192.41 DAYCARE REIMB ELECTRIC
MMPA C/O AVANT ENERGY	\$3,564,740.52 MAY POWER BILL
PAYROLL DIRECT DEPOSIT 6.16.23	\$125,409.58
BENEFITS & TAXES FOR 6.16.23	\$120,666.59

Total Week of 6/16/2023

\$3,935,827.08

WEEK OF 6/23/2023

ABDO LLP	\$27,612.75	MAY FS ACCOUNTING 2022-2023 RPTING TAX
MATTHEW ADAMS	\$50.00	ENERGY STAR DISHWASHER REBATE
DAVE ALVAREZ	\$175.00	REBATE ENERGY STAR CLOTHES WASHER
BARNUM GATE SERVICES INC	\$3,167.10	REPAIR SMART GATE WILL CALL
BARR ENGINEERING CO.	\$6,612.58	WO#2683 ENG SVCS WATER TANK #9
BIRD'S LAWN CARE	\$3,714.00	MAY LAWN CARE
BOLTON & MENK INC.	\$4,850.50	WO#2568 W END LOWER BLUFF TRUNK WM
BORDER STATES ELECTRIC SUPPLY	\$1,387.09	PARTS
CHOICE ELECTRIC INC	\$337.50	REMOVE 3 SAVER SWITCHES
CINTAS CORP. #754	\$861.67	REPLENISH 1ST AID KITS IN BREAKROOMS
CITY OF SHAKOPEE	\$451,248.83	MAY SEWER & STORM DRAINAGE PAYMENT
CITY OF SHAKOPEE	\$1,031.08	JUNE 2023 STORM DRAINAGE/SPU PROPERTIES
JEROME COLLING	\$16.45	LED REBATE
COMCAST CABLE COMM INC.	\$2.25	BREAKROOM CABLE 6/17-7/16 2023
DGR ENGINEERING	\$501.00	WO#2731 GRANT PROF SVCS THRU 5/31/2023
FERGUSON US HOLDINGS, INC.	\$1,728.30	LF 1 SDR SWVL
DESMOND FISHMAN	\$179.10	WATER REBATE IRRIGATION CONTROLLERS
FRONTIER ENERGY, INC.	\$2,000.00	P3 SUBSCRIPTION FOR MAY 2023
GRAINGER INC	\$502.66	TAPE MEASURE/BEAM LEVEL
GRAYBAR ELECTRIC COMPANY INC	\$30.27	TERMINAL ADAPTER
HAWKINS INC	\$410.00	CHLORINE CYLINDERS
JESSICA & ANDREW IMHOLTE	\$123.44	WATER REBATE IRRIGATION CONTROLLERS
INNOVATIVE OFFICE SOLUTIONS LLC	\$427.57	OFFICE SUPPLIES
IRBY - STUART C IRBY CO	\$1,016.08	TALON
IRBY TOOLS - STUART C IRBY CO	\$1,728.10	SAFETY GUY WIRE
JT SERVICES	\$869.74	PHOTOCONTROL RECEPTACLE
CRAIG KASTE	\$500.00	REBATE ENERGY STAR COOLING/HEATING
KATAMA TECHNOLOGIES, INC.	\$6,187.50	GENERAL CONSULTING FEES AMI WO2472
MINN DEPT OF COMMERCE	\$9,973.41	1ST QTR FISCAL YR 2023 INDIRECT ASSESSME
MINN VALLEY TESTING LABS INC	\$677.60	CHEMICAL TESTING
GEORGI NENOV	\$123.44	REABTE IRRIGATION CONTROLLERS
GERRY NEVILLE	\$112.00	REIMB 171 MILES
WILLIAM NICHOLS	\$50.00	ENERGY STAR DISHWASHER REBATE
NISC	\$31,022.58	MAY 2023 PRINT SERVICES
NORTHERN STATES POWER CO	\$661.29	ADJUSTED MAY POWER BILL
VINH PHAN	\$350.00	ENERGY STAR HEATING/COOLING REBATE
PITNEY BOWES GLOBAL FINANCIAL SERVIC	\$1,214.52	LEASE PERIOD 3/30-2/29 2023
SCOTT POLMAN	\$75.00	REBATE ENERGY STAR REFRIGERATOR
QUALITY FORKLIFT SALES & SERVICE	\$345.00	STEEL LP TANK
RJ RYAN CONSTRUCTION	\$359.05	REFUND DUE HYDRANT MTR RETURN
CHASE ROTHSTEIN	\$500.00	REBATE ENERGY STAR COOLING/HEATING
RW BECK GROUP, INC, LEIDOS ENG, LL	\$7,680.00	WO#2376 SPU EAST SUB SITE ANALYSIS
ERIC SCHILTZ	\$75.00	ENERGY STAR REFRIGERATOR REBATE
SCOTT COUNTY TREASURER	\$2,100.00	JUNE FIBER
STATE OF MINNESOTA-MNIT SERVICES	\$3,583.15	JANUARY WIDE AREA NETWORK MONTHLY INV
GREG TRIPLETT	\$133.62	REIMB 204 MILES
UPS STORE # 4009	\$34.14	OIL SAMPLES
USABLUEBOOK	\$546.20	HACH DPD SAMPLE
VALLEY PAVING INC.	\$1,575.00	HYDRANT MTR REFUNDING PERMIT FEE/DEPOSIT
VERIZON	\$532.45	TRUCK TRACKING MAY
MICHAEL WESTHOLDER	\$350.00	ENERGY STAR HEATING/COOLING REBATE
TYSON WILSON	\$500.00	REBATE ENERGY STAR COOLING/HEATING
ZAYO GROUP, LLC	\$2,644.67	TI LINE SPU PIKE LAKE S SUB
AMERICAN NATL BANK_MASTERCARD_ACH	\$7,545.68	MAY CREDIT CARD STMT
FURTHER - ACH	\$19.74	MEDICAL CLAIM REIMB D.H.

Total Week of 6/23/2023

\$590,054.10

WEEK OF 6/30/2023

AAR BUILDING SERVICE CO.	\$4,173.19
MATTHEW ADAMS	\$100.00
ARROW ACE HARDWARE	\$38.56
ASSOCIATED MECHANICAL CONTRACTORS	\$750.32
B & B TRANSFORMER INC	\$98,672.00
BRENDA BLAISDELL	\$255.00
MARK BURY	\$500.00
CENTURY PROMOTIONAL ADVERTISING LLC	\$496.68
CHOICE ELECTRIC INC	\$145.00
CITY OF SHAKOPEE	\$7,646.10
CITY OF SHAKOPEE	\$318,000.00
VOID	\$0.00
JOSEPH COLLINS	\$200.00
GREG DRENT	\$355.50
FERGUSON US HOLDINGS, INC.	\$140.04
JAMES J GEORGE	\$350.00
GRAINGER INC	\$182.10
ALAN HANSEN	\$105.00
HENNEN'S AUTO SERVIC, INC.	\$261.38
HIGH POINT NETWORKS, LLC	\$36,265.85
NANCY HUTH	\$400.00
JEROME JENNY	\$80.00
JOHN HENRY FOSTER MINNESOTA INC.	\$359.44
JUNK KING	\$1,596.00
KEITH MATTSO	\$179.99
MCGRANN SHEA CARNIVAL	\$26,955.10
PAUL MESSNER	\$118.08
MINN VALLEY TESTING LABS INC	\$253.00
MMUA	\$3,495.00
MN DEPT OF HEALTH	\$29,700.47
TONY MYERS	\$21.25
NAPA AUTO PARTS	\$170.49
GERRY NEVILLE	\$135.58
WILLIAM NICHOLS	\$100.00
VINH PHAN	\$125.00
PRECISION UTILITIES	\$1,360.00
PRINCIPAL LIFE INS. COMPANY	\$3,934.90
SCOTT COUNTY	\$87.00
DAWN SOLETA	\$80.00
STAPLES OIL COMPANY, INC.	\$212.01
STAR ENERGY SERVICES	\$2,000.00
GREG TRIPLETT	\$110.69
DAVE WENTHOLD	\$80.00
WESCO RECEIVABLES CORP.	\$667.87
ANDREW WETTERLIN	\$1,000.00
JASON ZANDER	\$105.00
FURTHER - ACH	\$192.31
PAYROLL DIRECT DEPOSIT 6.30.23	\$131,132.40
BENEFITS & TAXES FOR 6.30.23	\$103,501.31

Total Week of 6/30/2023

\$776,789.61

Grand Total

\$7,872,936.65

JULY CLEANING
ENERGY STAR DISHWASHER REBATE
FURN FILTER - ELECTRIC
REPLACED CRANKCASE HEATER, CONTACTOR FUSE
1 37.5 PAD RM
E.F. DISHWASHER REBATE
E.F. COOLING/HEATING REBATE
SHIRTS
RMVE SAVER SWITCHES 1017 SIBLEY 1267 GRA
MAY FUEL BILL
JUNE 2023 PILOT TRANSFER FEE
IRRIGATION CONTROLLERS REBATE
PER DIEM SEATTLE WA 6/12-6/21 2023
WO#2714 - WATER
E.F. COOLING/HEATING REBATE
PINTLE HOOK MOUNT TAPE MEASURE
E.F. REFRIGERATOR REBATE
IGNITION COIL REMOVE/REPLACE TRUCK #618
GREENCLOUD DRAAS WITH ZERTO
E.F. DISHWASHER REBATE
REFUND FOR BACKFLOW TESTING
INSPECT OVERCURRENT VAULT - WATER DEPT
JUNK REMOVAL SPU 6-22-23
IRRIGATION CONTROLLERS REBATE
WO #2376 E SUB PURCHASE AGREEMENT CONSUL
IRRIGATION CONTROLLERS REBATE
NITRATES
2023 SUMMER CONFERENCE DULUTH MN AUGUST
RENEWAL OF T MYERS WTR OPER CERTIFICATE
REIMBURSE FOR RATCHET STRAPS FOR EQUIP
BATTERY FOR TRUCK#613 ELECTRIC
REIMB 207 MILES
ENERGY STAR DISHWASHER REBATE
E.F. CLOTHES WASHER REBATE
CANTERBURY PRK VAC OUT ONE W/M
JULY PREMIUMS
PROPERTY ID275120590 1ST 1/2 TAX DUE
REFUND FOR BACKFLOW TESTING
DEF BULK
NOVA POWER PORT RENEWAL 6/17/23-6/16/24
REIMB 169 MILES
REFUND FOR BACKFLOW TESTING
CONNECTORS
RESIDENTIAL SOLAR REBATE
E.F. REFRIGERATOR REBATE
CLAIM REIMB DEP CARE - ELECTRIC

Kelly Willemssen

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President

Monthly Water Dashboard

As of: May 2023

Shakopee Public Utilities Commission

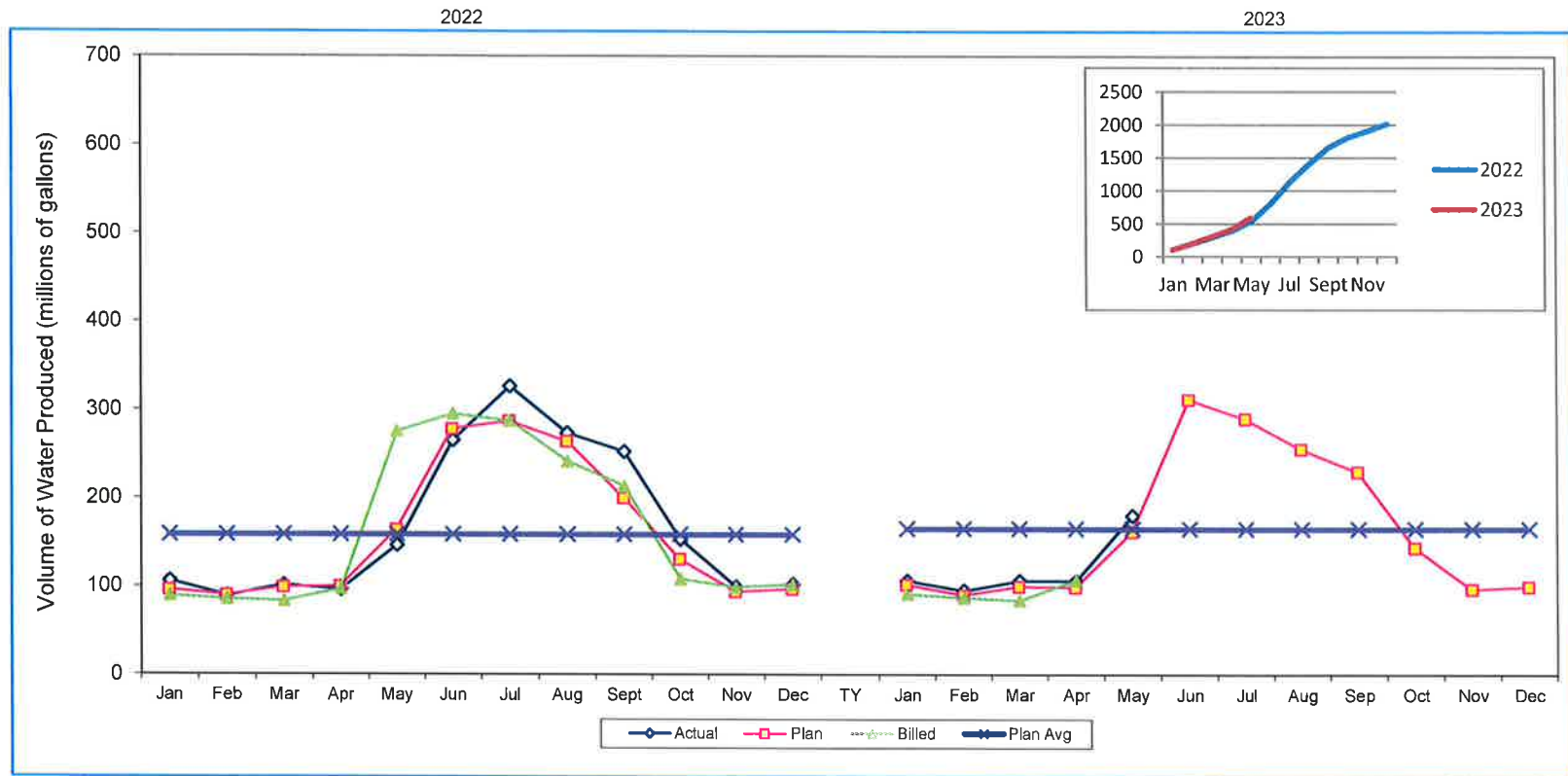
ALL VALUES IN MILLIONS OF GALLONS

Element/Measure

Water Pumped/Metered

Monthly Avg
 2020 150
 2021 173
 2022 167

Last 6 months actuals	102	106	95	106	106	180
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	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		106	89	101	96	146	265	326	273	252	153	99	102		106	95	106	106	180								
Plan		96	90	99	100	164	278	287	264	200	131	94	97		102	90	100	99	162	312	290	256	230	144	97	100	
YTD % *															104%	105%	105%	106%	107%								
Billed		89	85	83	97	275	295	287	241	213	108	99	102		91	87	84	107									

* Actual gallons pumped vs. Plan

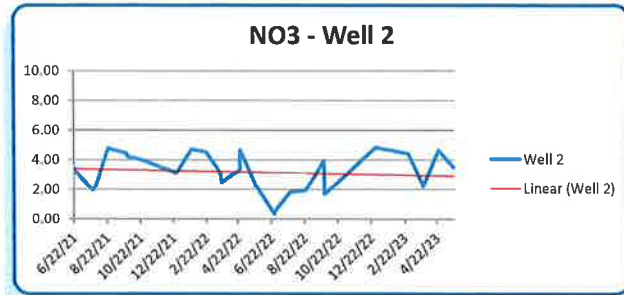


PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
Main 952.445-1988 • Fax 952.445-7767
www.shakopeeutilities.com

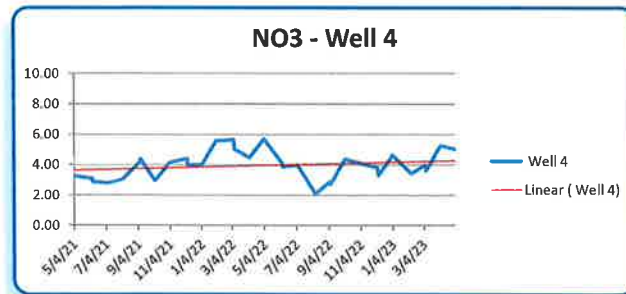
TO: Greg Drent, General Manager *GD*
FROM: Lon R. Schemel, Water Superintendent *LRS*
SUBJECT: Nitrate Results - Advisory
DATE: June 28, 2023

Attached are the latest nitrate test results for our production wells. The analyses provided are for the prior 2 years of data collected with trend graphs.

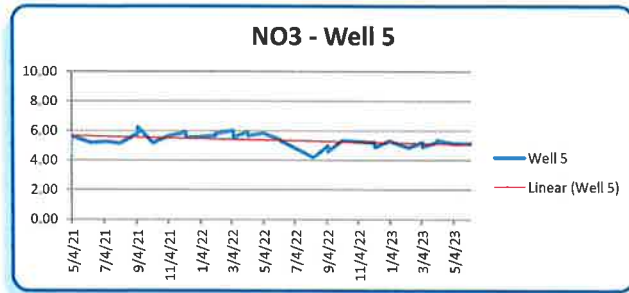
Location	Sample Collected	Results Received	Results	Lab
2	6/22/21	6/29/21	3.25	MVTL
2	6/22/21	7/12/21	3.40	MDH
2	6/22/21	8/2/21	3.30	MDH
2	7/27/21	8/12/21	1.92	MVTL
2	8/24/21	9/7/21	4.73	MVTL
2	9/27/21	11/8/21	4.40	MDH
2	9/28/21	10/4/21	4.19	MVTL
2	10/26/21	11/5/21	3.93	MVTL
2	12/27/21	1/31/22	3.10	MDH
2	12/28/21	1/10/22	3.13	MVTL
2	1/25/22	2/7/22	4.66	MVTL
2	2/22/22	3/4/22	4.47	MVTL
2	3/21/22	4/6/22	3.00	MDH
2	3/23/22	4/6/22	2.48	MVTL
2	4/25/22	5/23/22	3.30	MDH
2	4/26/22	4/28/22	4.59	MVTL
2	5/24/22	6/6/22	2.27	MVTL
2	6/27/22	8/16/22	0.30	MDH
2	6/29/22	7/11/22	0.52	MVTL
2	7/26/22	8/4/22	1.78	MVTL
2	8/23/22	9/9/22	1.90	MVTL
2	9/26/22	10/25/22	3.90	MDH
2	9/27/22	10/10/22	1.66	MVTL
2	12/30/22	4/6/23	4.80	MDH
2	2/28/23	3/10/23	4.38	MVTL
2	3/28/23	4/4/23	2.18	MVTL
2	3/28/23	6/13/23	2.30	MDH
2	4/25/23	5/4/23	4.60	MVTL
2	5/23/23	6/7/23	3.44	MVTL



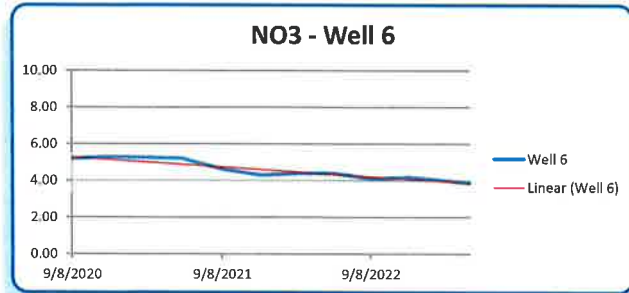
4	5/4/21	5/12/21	3.26	MVTL
4	6/7/21	1/31/22	3.10	MDH
4	6/8/21	6/16/21	2.87	MVTL
4	7/6/21	7/12/21	2.78	MVTL
4	8/3/21	8/11/21	3.04	MVTL
4	9/7/21	9/29/21	4.21	MVTL
4	9/7/21	9/30/21	4.40	MDH
4	10/5/21	10/14/21	2.94	MVTL
4	11/2/21	11/8/21	4.15	MVTL
4	12/6/21	7/11/22	4.40	MDH
4	12/7/21	12/15/21	3.99	MVTL
4	1/4/22	1/12/22	4.02	MVTL
4	2/1/22	2/28/22	5.56	MVTL
4	3/7/22	4/6/22	5.60	MDH
4	3/8/22	3/14/22	4.99	MVTL
4	4/5/22	4/12/22	4.46	MVTL
4	5/3/22	5/12/22	5.67	MVTL
4	6/6/22	7/11/22	4.10	MDH
4	6/7/22	6/9/22	3.89	MVTL
4	7/5/22	7/18/22	3.98	MVTL
4	7/5/22	7/18/22	4.00	MDH
4	8/9/22	8/18/22	2.09	MVTL
4	9/6/22	9/19/22	2.87	MVTL
4	9/6/22	10/25/22	2.70	MDH
4	10/4/22	10/11/22	4.38	MVTL
4	12/5/22	2/9/23	3.80	MDH
4	12/6/22	12/8/22	3.30	MVTL
4	1/3/23	3/10/23	4.62	MVTL
4	2/7/23	3/10/23	3.43	MVTL
4	3/6/23	4/6/23	4.00	MDH
4	3/7/23	3/10/23	3.62	MVTL
4	4/4/23	4/6/23	5.23	MVTL
4	5/2/23	5/5/23	5.03	MVTL



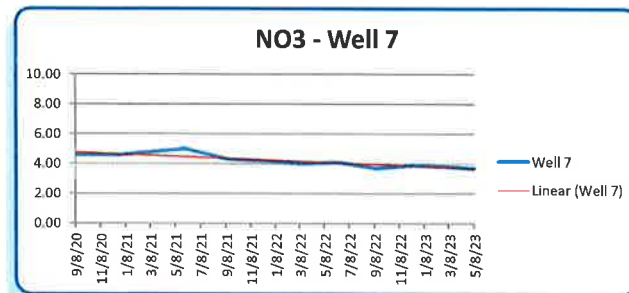
Location	Sample Collected	Results Received	Results	Lab
5	5/4/21	5/12/21	5.62	MVTL
5	6/7/21	1/31/22	5.20	MDH
5	6/8/21	6/16/21	5.18	MVTL
5	7/6/21	7/12/21	5.25	MVTL
5	8/3/21	8/11/21	5.16	MVTL
5	9/7/21	9/29/21	5.83	MVTL
5	9/7/21	9/30/21	6.20	MDH
5	10/5/21	10/14/21	5.17	MVTL
5	11/2/21	11/8/21	5.62	MVTL
5	12/6/21	7/11/22	5.90	MDH
5	12/7/21	12/15/21	5.56	MVTL
5	1/4/22	1/12/22	5.58	MVTL
5	2/1/22	2/28/22	5.67	MVTL
5	2/1/22	3/14/22	5.80	MDH
5	3/7/22	4/6/22	6.00	MDH
5	3/8/22	3/14/22	5.58	MVTL
5	4/4/22	5/12/22	5.90	MDH
5	4/5/22	4/12/22	5.66	MVTL
5	5/3/22	5/12/22	5.83	MVTL
5	6/6/22	7/11/22	5.40	MDH
5	6/7/22	6/9/22	5.30	MVTL
5	8/9/22	8/18/22	4.18	MVTL
5	9/6/22	9/19/22	4.98	MVTL
5	9/6/22	10/25/22	4.60	MDH
5	10/4/22	10/11/22	5.35	MVTL
5	12/5/22	2/9/23	5.20	MDH
5	12/6/22	12/8/22	4.89	MVTL
5	1/3/23	3/10/23	5.32	MVTL
5	2/7/23	3/10/23	4.85	MVTL
5	3/6/23	4/6/23	5.20	MDH
5	3/7/23	3/10/23	4.92	MVTL
5	4/3/23	5/16/23	5.20	MDH
5	4/4/23	4/6/23	5.37	MVTL
5	5/2/23	5/5/23	5.15	MVTL
5	6/6/23	6/12/23	5.13	MVTL



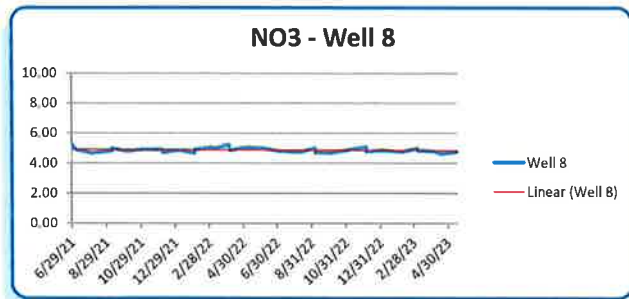
6	9/8/2020	1/29/21	5.20	MDH
6	12/7/2020	1/29/21	5.30	MDH
6	6/1/2021	8/2/21	5.20	MDH
6	9/13/2021	9/29/21	4.60	MDH
6	12/13/2021	1/31/22	4.30	MDH
6	3/14/2022	4/6/22	4.40	MDH
6	6/13/2022	7/11/22	4.40	MDH
6	9/12/2022	10/25/22	4.10	MDH
6	12/12/2022	2/9/23	4.20	MDH
6	3/13/2023	4/6/23	4.00	MDH
6	5/9/2023	5/16/23	3.90	MVTL



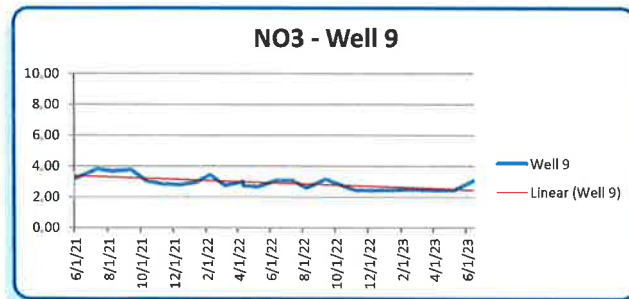
7	9/8/20	1/29/21	4.60	MDH
7	12/22/20	1/29/21	4.60	MDH
7	6/1/21	8/2/21	5.00	MDH
7	9/13/21	9/29/21	4.30	MDH
7	12/13/21	1/31/22	4.20	MDH
7	3/14/22	4/6/22	4.00	MDH
7	6/13/22	7/11/22	4.10	MDH
7	9/12/22	10/25/22	3.70	MDH
7	12/12/22	2/9/23	3.90	MDH
7	3/13/23	4/6/23	3.80	MDH
7	5/9/23	5/16/23	3.70	MVTL



Location	Sample Collected	Results Received	Results	Lab
8	6/29/21	8/2/21	5.20	MDH
8	7/6/21	7/12/21	4.90	MVTL
8	8/3/21	8/11/21	4.68	MVTL
8	9/7/21	9/29/21	4.83	MVTL
8	9/7/21	9/30/21	5.00	MDH
8	10/5/21	10/14/21	4.80	MVTL
8	11/2/21	11/8/21	4.92	MVTL
8	12/6/21	7/11/22	4.90	MDH
8	12/7/21	12/15/21	4.70	MVTL
8	1/4/22	1/12/22	4.87	MVTL
8	2/1/22	2/28/22	4.67	MVTL
8	2/1/22	3/14/22	4.90	MDH
8	3/1/22	3/8/22	5.05	MVTL
8	3/8/22	4/6/22	5.00	MDH
8	4/4/22	5/12/22	5.20	MDH
8	4/5/22	4/12/22	4.86	MVTL
8	5/3/22	5/12/22	5.06	MVTL
8	6/6/22	7/11/22	5.00	MDH
8	6/7/22	6/9/22	4.99	MVTL
8	7/5/22	7/18/22	4.80	MVTL
8	7/5/22	11/8/22	4.80	MDH
8	8/9/22	8/18/22	4.74	MVTL
8	9/6/22	9/19/22	5.02	MVTL
8	9/6/22	10/25/22	4.70	MDH
8	10/4/22	10/11/22	4.69	MVTL
8	12/5/22	2/9/23	5.10	MDH
8	12/6/22	12/8/22	4.79	MVTL
8	1/3/23	3/10/23	4.86	MVTL
8	2/7/23	3/10/23	4.76	MVTL
8	3/6/23	4/6/23	5.00	MDH
8	3/7/23	3/10/23	4.85	MVTL
8	4/3/23	5/16/23	4.80	MDH
8	4/18/23	5/4/23	4.63	MVTL
8	5/16/23	5/25/23	4.76	MVTL

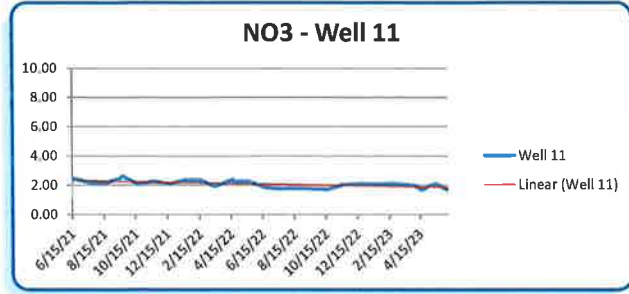


9	6/1/21	6/7/21	3.19	MVTL
9	7/13/21	8/2/21	3.80	MVTL
9	8/10/21	8/27/21	3.66	MVTL
9	9/14/21	9/29/21	3.75	MVTL
9	10/12/21	10/20/21	3.03	MVTL
9	11/9/21	11/16/21	2.84	MVTL
9	12/14/21	12/27/21	2.79	MVTL
9	1/11/22	1/31/22	2.94	MVTL
9	2/8/22	2/23/22	3.43	MVTL
9	3/8/22	3/14/22	2.74	MVTL
9	4/11/22	4/26/22	3.00	MDH
9	4/12/22	4/22/22	2.72	MVTL
9	5/10/22	5/18/22	2.67	MVTL
9	6/14/22	6/23/22	3.10	MVTL
9	7/12/22	7/27/22	3.08	MVTL
9	8/9/22	8/18/22	2.60	MVTL
9	9/13/22	9/21/22	3.16	MVTL
9	11/8/22	11/10/22	2.44	MVTL
9	12/13/22	12/14/22	2.43	MVTL
9	2/14/23	2/16/23	2.49	MVTL
9	5/9/23	5/16/23	2.44	MVTL
9	6/15/23	6/22/23	3.07	MVTL



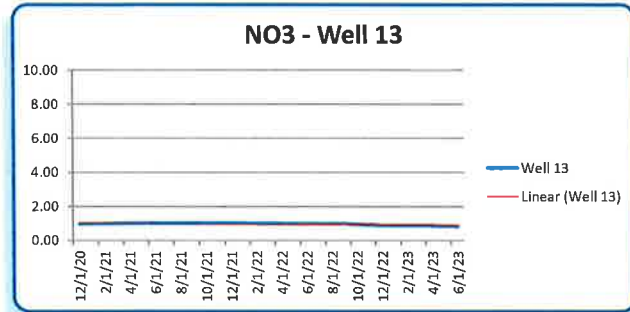
10	4/17/12	4/20/12	< 1.00	TCWC
10	1/21/14	1/29/14	< 1.00	TCWC
10	3/25/14	4/1/14	3.61	MVTL
10	4/23/14	5/7/14	< 0.20	MVTL
10	4/23/14	6/16/14	< 0.05	MDH
10	6/16/15	6/26/15	< 0.05	MVTL
10	4/11/17	4/17/17	< 0.05	MVTL
10	1/8/19	1/14/19	< 0.05	MVTL
10	7/9/19	7/24/19	< 0.05	MVTL
10	10/12/21	10/20/21	< 0.05	MVTL
10	5/9/23	5/16/23	< 0.05	MVTL

Location	Sample Collected	Results Received	Results	Lab
11	6/15/21	6/29/21	2.48	MVTL
11	7/20/21	8/2/21	2.18	MVTL
11	8/17/21	8/27/21	2.14	MVTL
11	9/21/21	9/29/21	2.58	MVTL
11	10/19/21	11/8/21	2.06	MVTL
11	11/16/21	12/2/21	2.27	MVTL
11	12/21/21	12/30/21	2.10	MVTL
11	1/18/22	1/31/22	2.37	MVTL
11	2/15/22	2/28/22	2.36	MVTL
11	3/15/22	3/17/22	1.92	MVTL
11	4/18/22	5/12/22	2.40	MDH
11	4/19/22	4/28/22	2.25	MVTL
11	5/17/22	5/27/22	2.28	MVTL
11	6/21/22	6/23/22	1.82	MVTL
11	7/19/22	7/28/22	1.75	MVTL
11	8/16/22	8/30/22	1.78	MVTL
11	9/20/22	9/29/22	1.74	MVTL
11	10/18/22	10/21/22	1.71	MVTL
11	11/15/22	12/21/22	2.04	MVTL
11	12/20/22	12/21/22	2.10	MVTL
11	1/24/23	3/10/23	2.08	MVTL
11	2/21/23	2/28/23	2.11	MVTL
11	4/4/23	4/6/23	1.98	MVTL
11	4/18/23	5/4/23	1.68	MVTL
11	5/2/23	5/5/23	1.96	MVTL
11	5/16/23	5/25/23	2.09	MVTL
11	6/6/23	6/12/23	1.68	MVTL



12	12/8/20	12/28/20	0.69	MVTL
12	3/9/21	3/23/21	0.60	MVTL
12	6/1/21	6/7/21	0.57	MVTL
12	9/14/21	9/29/21	0.59	MVTL
12	12/14/21	12/27/21	0.50	MVTL
12	3/23/22	4/6/22	0.48	MVTL
12	6/14/22	6/23/22	0.49	MVTL
12	9/13/22	9/21/22	0.46	MVTL
12	12/13/22	12/14/22	0.46	MVTL

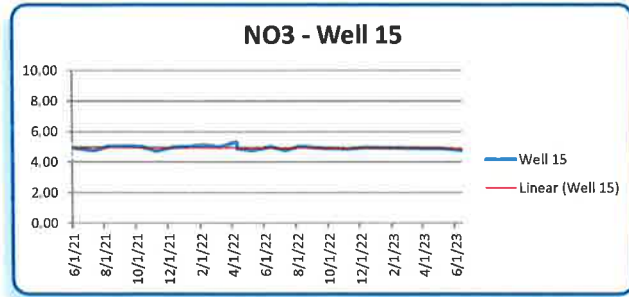
7



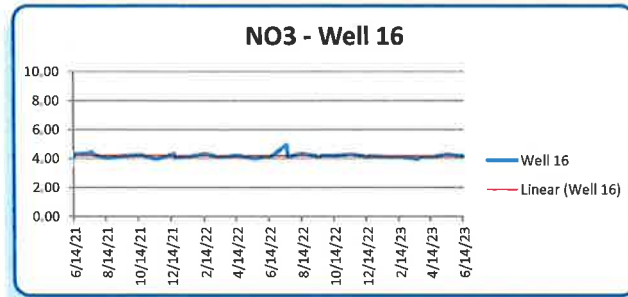
13	12/1/20	12/9/20	0.98	MVTL
13	3/2/21	3/23/21	1.02	MVTL
13	12/7/21	12/15/21	1.03	MVTL
13	9/6/22	9/19/22	1.00	MVTL
13	12/6/22	12/8/22	0.89	MVTL
13	3/7/23	3/10/23	0.89	MVTL
13	6/6/23	6/12/23	0.83	MVTL

14	4/23/14	6/16/14	< 0.05	MDH
14	4/11/17	4/17/17	< 0.05	MVTL
14	9/5/17	9/26/17	< 0.05	MVTL
14	12/5/17	12/22/17	< 0.05	MVTL
14	3/6/18	3/26/18	< 0.05	MVTL
14	6/5/18	6/14/18	< 0.05	MVTL

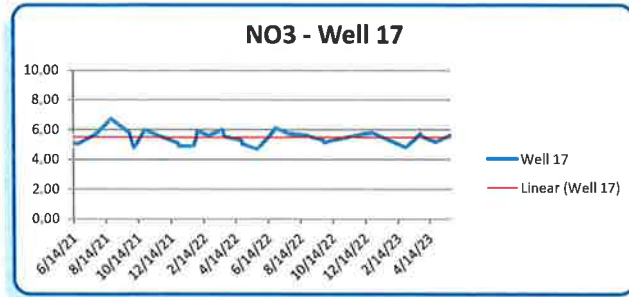
Location	Sample Collected	Results Received	Results	Lab
15	6/1/21	6/7/21	4.95	MVTL
15	7/13/21	8/2/21	4.76	MVTL
15	8/10/21	8/27/21	5.05	MVTL
15	9/21/21	9/29/21	5.04	MVTL
15	10/12/21	10/20/21	5.02	MVTL
15	11/9/21	11/16/21	4.72	MVTL
15	12/14/21	12/27/21	5.00	MVTL
15	1/11/22	1/31/22	5.02	MVTL
15	2/8/22	2/23/22	5.13	MVTL
15	3/8/22	3/14/22	5.00	MVTL
15	4/11/22	4/26/22	5.30	MDH
15	4/12/22	4/22/22	4.88	MVTL
15	5/10/22	5/18/22	4.76	MVTL
15	6/14/22	6/23/22	5.01	MVTL
15	7/12/22	7/27/22	4.76	MVTL
15	8/9/22	8/18/22	5.05	MVTL
15	9/13/22	9/21/22	4.92	MVTL
15	11/8/22	11/10/22	4.86	MVTL
15	12/13/22	12/14/22	4.96	MVTL
15	5/9/23	5/16/23	4.88	MVTL
15	6/15/23	6/22/23	4.77	MVTL



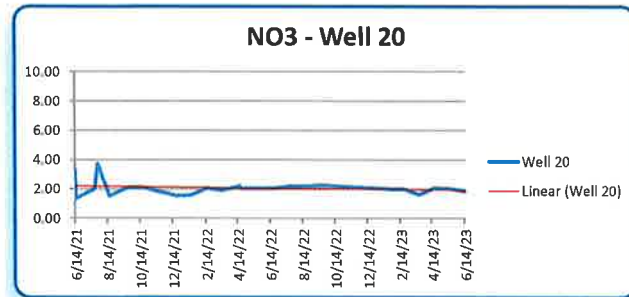
16	6/14/21	8/2/21	4.10	MDH
16	6/15/21	6/29/21	4.29	MVTL
16	7/19/21	8/12/21	4.40	MDH
16	7/20/21	8/2/21	4.29	MVTL
16	8/17/21	8/27/21	4.02	MVTL
16	9/20/21	11/8/21	4.20	MDH
16	9/21/21	9/29/21	4.18	MVTL
16	10/19/21	11/8/21	4.23	MVTL
16	11/16/21	12/2/21	3.93	MVTL
16	12/20/21	1/31/22	4.30	MDH
16	12/21/21	12/30/21	4.04	MVTL
16	1/18/22	1/31/22	4.12	MVTL
16	2/15/22	2/28/22	4.32	MVTL
16	3/15/22	3/17/22	4.07	MVTL
16	3/15/22	4/6/22	4.10	MDH
16	4/19/22	4/28/22	4.19	MVTL
16	5/17/22	5/27/22	3.97	MVTL
16	6/21/22	6/23/22	4.17	MVTL
16	6/21/22	7/11/22	4.20	MDH
16	7/18/22	8/16/22	4.90	MDH
16	7/19/22	7/28/22	4.13	MVTL
16	8/16/22	8/30/22	4.33	MVTL
16	9/19/22	10/25/22	4.10	MDH
16	9/20/22	9/29/22	4.19	MVTL
16	10/18/22	10/21/22	4.19	MVTL
16	11/15/22	12/21/22	4.28	MVTL
16	12/19/22	4/6/23	4.10	MDH
16	12/20/22	12/21/22	4.15	MVTL
16	1/24/23	3/10/23	4.10	MVTL
16	2/21/23	2/28/23	4.08	MVTL
16	3/21/23	3/29/23	3.95	MVTL
16	3/28/23	6/13/23	4.10	MDH
16	4/18/23	5/4/23	4.09	MVTL
16	5/16/23	5/25/23	4.28	MVTL
16	6/15/23	6/22/23	4.14	MVTL



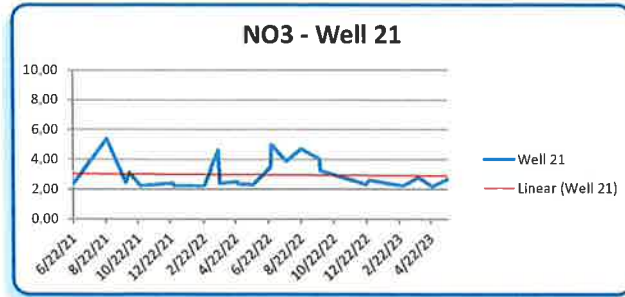
Location	Sample Collected	Results Received	Results	Lab
17	6/14/21	8/2/21	5.10	MDH
17	6/22/21	6/29/21	5.08	MVTL
17	7/27/21	8/12/21	5.75	MVTL
17	8/24/21	9/7/21	6.73	MVTL
17	9/27/21	11/8/21	5.80	MDH
17	9/29/21	10/4/21	5.60	MVTL
17	10/5/21	10/14/21	4.79	MVTL
17	10/26/21	11/5/21	5.98	MVTL
17	12/27/21	1/31/22	5.10	MDH
17	12/28/21	1/10/22	4.90	MVTL
17	1/25/22	2/7/22	4.91	MVTL
17	2/2/22	4/25/22	5.90	MDH
17	2/22/22	3/4/22	5.62	MVTL
17	3/21/22	4/6/22	6.00	MDH
17	3/23/22	4/6/22	5.56	MVTL
17	4/25/22	6/2/22	5.30	MDH
17	4/26/22	4/28/22	5.05	MVTL
17	5/24/22	6/6/22	4.70	MVTL
17	6/27/22	8/16/22	6.00	MDH
17	6/28/22	7/11/22	6.09	MVTL
17	7/26/22	8/4/22	5.71	MVTL
17	8/23/22	9/9/22	5.67	MVTL
17	9/26/22	10/25/22	5.30	MDH
17	9/27/22	10/10/22	5.16	MVTL
17	11/22/22	3/10/23	5.60	MDH
17	12/27/22	2/24/23	5.81	MVTL
17	12/27/22	4/6/23	5.80	MDH
17	2/28/23	3/10/23	4.82	MVTL
17	3/28/23	4/4/23	5.74	MVTL
17	3/28/23	6/13/23	5.60	MDH
17	4/24/23	5/25/23	5.20	MDH
17	4/25/23	5/4/23	5.18	MVTL
17	5/23/23	6/7/23	5.65	MVTL



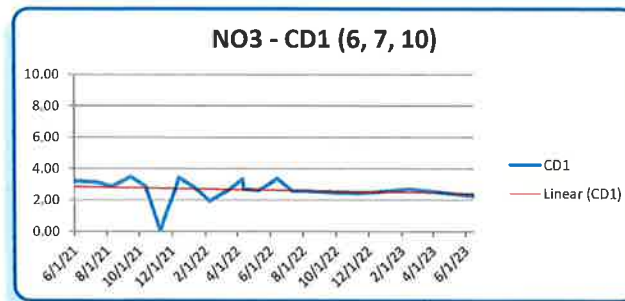
20	6/14/21	8/2/21	3.30	MDH
20	6/15/21	6/29/21	1.36	MVTL
20	7/20/21	8/2/21	2.03	MVTL
20	7/27/21	8/12/21	3.71	MVTL
20	8/17/21	8/27/21	1.53	MVTL
20	9/21/21	9/29/21	2.13	MVTL
20	10/19/21	11/8/21	2.13	MVTL
20	11/16/21	12/2/21	1.85	MVTL
20	12/21/21	12/30/21	1.54	MVTL
20	1/18/22	1/31/22	1.60	MVTL
20	2/15/22	2/28/22	2.08	MVTL
20	3/15/22	3/17/22	1.93	MVTL
20	4/18/22	5/12/22	2.20	MDH
20	4/19/22	4/28/22	2.05	MVTL
20	5/17/22	5/27/22	2.05	MVTL
20	6/21/22	6/23/22	2.05	MVTL
20	7/19/22	7/28/22	2.20	MVTL
20	8/16/22	8/30/22	2.20	MVTL
20	9/20/22	9/29/22	2.28	MVTL
20	10/18/22	10/21/22	2.20	MVTL
20	1/24/23	3/10/23	2.01	MVTL
20	2/21/23	2/28/23	2.01	MVTL
20	3/21/23	3/29/23	1.62	MVTL
20	4/18/23	5/4/23	2.08	MVTL
20	5/16/23	5/25/23	2.05	MVTL
20	6/15/23	6/22/23	1.86	MVTL



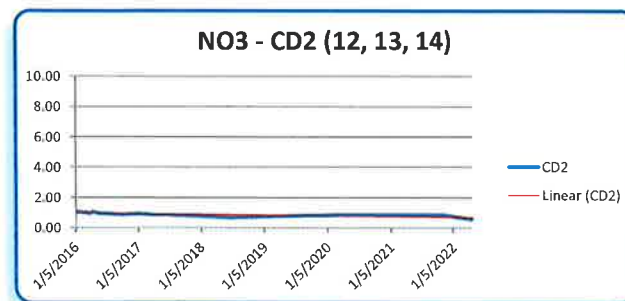
Location	Sample Collected	Results Received	Results	Lab
21	6/22/21	6/29/21	2.39	MVTL
21	8/24/21	9/7/21	5.39	MVTL
21	9/27/21	11/8/21	2.60	MDH
21	9/29/21	10/4/21	2.45	MVTL
21	10/5/21	10/14/21	3.12	MVTL
21	10/26/21	11/5/21	2.22	MVTL
21	12/27/21	1/31/22	2.40	MDH
21	12/28/21	1/10/22	2.22	MVTL
21	1/25/22	2/7/22	2.22	MVTL
21	2/22/22	3/4/22	2.20	MVTL
21	3/21/22	4/6/22	4.60	MDH
21	3/23/22	4/6/22	2.40	MVTL
21	4/25/22	5/23/22	2.50	MDH
21	4/26/22	4/28/22	2.36	MVTL
21	5/24/22	6/6/22	2.30	MVTL
21	6/27/22	8/16/22	3.50	MDH
21	6/28/22	7/11/22	4.97	MVTL
21	7/26/22	8/4/22	3.87	MVTL
21	8/23/22	9/9/22	4.70	MVTL
21	9/26/22	10/25/22	4.00	MDH
21	9/27/22	10/6/22	3.24	MVTL
21	12/20/22	12/21/22	2.34	MVTL
21	12/27/22	4/6/23	2.60	MDH
21	2/28/23	3/10/23	2.23	MVTL
21	3/28/23	4/4/23	2.78	MVTL
21	3/28/23	6/13/23	2.80	MDH
21	4/25/23	5/4/23	2.19	MVTL
21	5/23/23	6/7/23	2.66	MVTL



Combined Discharge - Wells 6-7-10				
Location	Sample Collected	Results Received	Results	Lab
CD 1	6/1/21	6/7/21	3.20	MVTL
CD 1	7/13/21	8/2/21	3.11	MVTL
CD 1	8/10/21	8/27/21	2.87	MVTL
CD 1	9/14/21	9/29/21	3.46	MVTL
CD 1	10/12/21	10/20/21	2.86	MVTL
CD 1	11/9/21	11/16/21	< 0.05	MVTL
CD 1	12/14/21	12/27/21	3.39	MVTL
CD 1	1/11/22	1/31/22	2.79	MVTL
CD 1	2/8/22	2/23/22	1.92	MVTL
CD 1	3/15/22	3/17/22	2.63	MVTL
CD 1	4/11/22	4/26/22	3.30	MDH
CD 1	4/12/22	4/22/22	2.69	MVTL
CD 1	5/10/22	5/18/22	2.60	MVTL
CD 1	6/14/22	6/23/22	3.33	MVTL
CD 1	7/12/22	7/27/22	2.57	MVTL
CD 1	8/9/22	8/18/22	2.57	MVTL
CD 1	9/13/22	9/21/22	2.49	MVTL
CD 1	11/8/22	11/10/22	2.42	MVTL
CD 1	12/13/22	12/14/22	2.50	MVTL
CD 1	2/14/23	2/16/23	2.70	MVTL
CD 1	6/15/23	6/22/23	2.26	MVTL



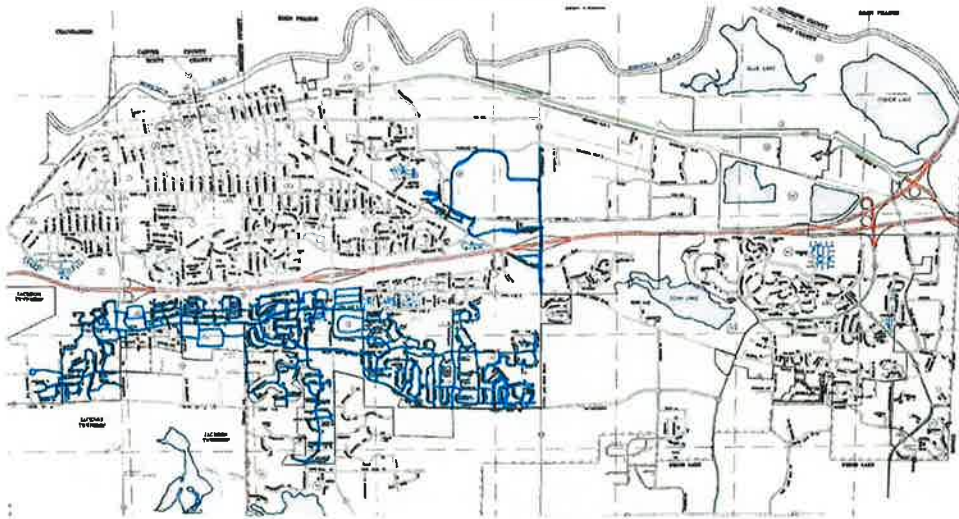
Combined Discharge - Wells 12-13-14				
Location	Sample Collected	Results Received	Results	Lab
CD 2	1/5/2016	1/13/2016	1.08	MVTL
CD 2	2/23/2016	2/29/2016	1.03	MVTL
CD 2	3/22/2016	3/28/2016	0.96	MVTL
CD 2	4/12/2016	4/19/2016	1.07	MVTL
CD 2	5/10/2016	5/16/2016	0.98	MVTL
CD 2	5/10/2016	6/2/2016	0.97	MDH
CD 2	7/12/2016	7/18/2016	0.93	MVTL
CD 2	10/11/2016	10/17/2016	0.87	MVTL
CD 2	11/8/2016	11/17/2016	0.91	MVTL
CD 2	1/10/2017	1/20/2017	0.92	MVTL
CD 2	4/11/2017	4/17/2017	0.85	MVTL
CD 2	6/8/2017	6/28/2017	0.86	MDH
CD 2	6/22/2018	7/18/2018	0.67	MDH
CD 2	4/16/2019	5/1/2019	0.78	MDH
CD 2	4/27/2020	6/5/2020	0.86	MDH
CD 2	10/25/2021	11/15/2021	0.87	MDH
CD 2	4/25/2022	5/23/2022	0.56	MDH



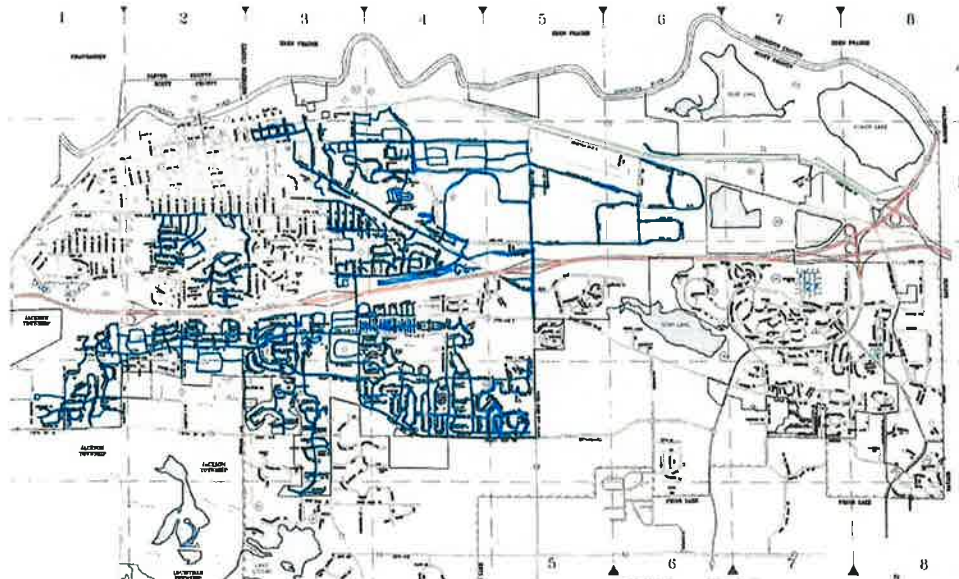
TO: Greg Drent, General Manager *GD*
FROM: Lon R. Schemel, Water Superintendent *LRS*
SUBJECT: 2023 Flushing Program Progress
DATE: June 29, 2023

Completed flushing areas are highlighted in blue as of the dates indicated.

June 5, 2023



June 29, 2023





PO Box 470 • 255 Sarazin Street
Shakopee, Minnesota 55379
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www.shakopeeutilities.com

DATE: June 20, 2023
TO: Greg Drent, General Manager *GD*
FROM: Brad Carlson, Electric Superintendent *BJC*
Subject: APPA SAFETY MANUAL – 17th Edition

Background:

The APPA Safety Manual is now in its 17th edition. This replaces the Manual adopted by the Commission in 2017.

It has been prepared for the guidance and safety of all employee's of municipal utilities. Strict observance of all safety rules is necessary to prevent unsafe acts and conditions. Lack of enforcement or repeated and flagrant violations of these rules in accidents, with accompanying injury and economic loss.

Every SPU employee in the Electric, Water, and Engineering Department is required to acknowledge the receipt of the 17th edition of the APPA Safety Manual. A signature page signed by the employee and their Supervisor is required upon receiving the individual's copy of the manual.

Action:

It is important that the Commission promote a safe and injury-free work environment. The Commission is asked to adopt the 17th edition of the APPA Safety Manual.



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DATE: June 22, 2023
TO: Greg Drent, General Manager *gld*
FROM: Kelley Willemsen, Director of Finance & Administration *kw*
SUBJECT: Annual Elections for the 2023-2024 Insurance Policy

Background:

The Commission must determine whether to waive or not waive the statutory tort limits as part of the annual insurance renewal process.

Liability Insurance

The Commission must select one of the following options for the statutory tort limits on liability claims:

- 1. Do not waive the statutory tort limits.** In this case, an individual claimant could recover no more than \$500,000 on any claim to which the statutory tort limits apply. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would be limited to \$1,500,000.
- 2. Waive the statutory tort limits but do not purchase excess liability insurance.** In this case, a single claimant could recover up to \$2,000,000 for a single occurrence (under the waive option, the tort cap liability limits are only waived to the extent of the member's liability coverage limits, and the LMCIT per occurrence limit is \$2,000,000). The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to \$2,000,000, regardless of the number of claimants.
- 3. Waive the statutory tort limits and purchase excess liability coverage.** In this case, a single claimant could potentially recover an amount up to the limit of the coverage purchased. The total all claimants could recover for a single occurrence to which the statutory tort limits apply would also be limited to the amount of coverage purchased, regardless of the number of claimants.

Historically, Shakopee Public Utilities has opted for option 1, not waive the statutory tort limits.



Recommendation

Motion to approve not waiving the statutory tort limits for the 2023-2024 insurance policy.





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DATE: June 29, 2023
 TO: SPU Commissioners
 FROM: Greg Drent, General Manager 
 Ryan Halverson, Water Engineering Supervisor 
 SUBJECT: License Agreement with ISD 720

ISSUE:

Staff is seeking approval for a license agreement with ISD 720 to use a portion of land at Pump House 20 for pitching lanes and batting cages.

BACKGROUND:

Since 2008, the Shakopee Independent School District 720 has been using a portion of Shakopee Public Utilities land at Pump House 20 for pitching lanes and batting cages. The SPU property located at 1701 Fuller Street South is immediately adjacent to the Shakopee Senior High School.

Use of the SPU pump house land was previously allowed with verbal approval of the utilities manager, and knowledge of the SPU Commission. Recently, staff has worked with the school district to create a formal licensing agreement (see attached License Agreement) that defines the allowed use, term of the agreement, the right of termination, repair and maintenance, access, liabilities and insurance and other legal considerations.

The following list are a few of the notable requirements of the agreement:

- The agreement grants a non-exclusive license to ISD 720 for the use of a portion of land east of Pump House 20 to maintain, repair, access and operate the pitching lanes and batting cages.
- The initial term of the agreement is five years and it will renew automatically for additional one year periods, annually.
- SPU can cancel the agreement, if it interferes with operations, with advanced written notice.
- ISD 720 will maintain liability insurance, with SPU named as an additional insured, against claims arising out of related use, and will hold SPU harmless for any related claims.

On June 26, 2023, the Shakopee School Board approved and executed the license agreement.

ACTION REQUESTED:

Staff recommends approval of the license agreement with ISD 72

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (this “**Agreement**”) is made and entered into this 26 day of JUNE, 2023 (the “**Effective Date**”), by and between Shakopee Public Utilities Commission, a Minnesota municipal utility commission (“**SPUC**”), and Independent School District No. 720, a public corporation under the laws of the State of Minnesota (“**ISD 720**”).

RECITALS

A. SPUC is the owner of the real property located at 1701 Fuller Street South, Shakopee, Minnesota and legally described on the attached Exhibit A (the “**SPUC Property**”).

B. ISD 720 is the owner of the real property located at 100 17th Avenue West, Shakopee, Minnesota adjacent to the SPUC Property and legally described on the attached Exhibit B (the “**ISD 720 Property**”).

C. SPUC and ISD 720 are entering into this Agreement to grant ISD 720 a non-exclusive license to use a portion of the SPUC Property in the area depicted on Exhibit C attached hereto (the “**License Area**”) to erect, maintain, repair and replace pitching and batting cages, including related fences and netting (the “**Pitching and Batting Cages**”) to be used for practices by ISD 720’s baseball and softball teams, staff and students (the “**Sports Activities**”), to store sports equipment and other property in connection with the Sports Activities (the “**Sports Equipment**”), and to place sheds or other ancillary structures for the storage of the Sports Equipment (the “**Storage Structures**”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, SPUC and ISD 720 hereby agree follows:

1. Recitals. The foregoing recitals are hereby incorporated into this Agreement as if fully set forth herein.

2. Term. This Agreement shall commence on the Effective Date and shall remain in effect for five (5) years thereafter (the “**Initial Term**”) and shall automatically renew for additional one (1) year periods, subject to the parties’ rights to terminate as set forth in Section 5 of this Agreement (each an “**Extended Term**” and together with the Initial Term, the “**Term**”).

3. Grant of License.

a. SPUC hereby grants and conveys a non-exclusive license to ISD 720 for the Term of this Agreement to use the License Area to conduct the Sports Activities, store the Sports Equipment and cause the construction or placement of the Storage Structures (the “**License**”).

b. SPUC makes no representations or warranties regarding the License Area and does not warrant that the License Area is suitable for the purposes for which it is permitted to be used under this Agreement.

c. The License includes the right of ISD 720, its officials, contractors, agents and employees to maintain, alter, repair, improve, inspect and replace the Pitching and Batting Cages and the Storage Structures located within the License Area and to access other portions of the SPUC Property reasonably necessary for access to the License Area.

d. The License includes the right to cut, trim or remove any trees, shrubs or other vegetation from the License Area that, in ISD 720's judgment, unreasonably interferes with its use of the License Area.

e. ISD 720 acknowledges and agrees that its use of the License Area will comply with all applicable laws, rules and regulations and that ISD 720 shall not commit any nuisance or waste on the License Area or the SPUC Property.

4. ISD 720's Obligations. For the Term of this Agreement, ISD 720 shall:

a. install, maintain and repair the Pitching and Batting Cages and the Storage Structures within the License Area at its sole cost and expense;

b. keep the SPUC Property free and clear of any and all mechanics', material suppliers' and other liens for or arising out of or in connection with its use of the License Area;

c. maintain the Pitching and Batting Cages and the Storage Structures in good condition and repair;

d. keep the License Area free of any hazards that would unreasonably interfere with SPUC's use of the SPUC Property; and

e. maintain liability insurance, with SPUC named as an additional insured, against claims for death, personal injury and property damage arising out of or related to the use of the License Area in commercially reasonable amounts, but in no event less than \$1,000,000 for death or injury to one person, \$2,000,000 for death or injury to more than one person and \$1,000,000 for property damage, in respect of each occurrence.

5. Termination.

a. SPUC operates a well house and may conduct other operations and activities on the SPUC Property. If SPUC determines, in its sole discretion, that ISD 720's use of the License Area will interfere with the operation of the well house or any other actual or intended use of the SPUC Property by SPUC, SPUC may terminate this Agreement at any time by giving ISD 720 ninety (90) days' prior written notice.

b. SPUC may terminate this Agreement immediately if it determines, in its sole discretion, that ISD 720 has breached any of the provisions of this Agreement. SPUC will give ISD 720 written notice of such termination.

c. Either party may terminate this Agreement after the Initial Term by providing at least sixty (60) days' written notice prior to the start of an Extended Term. Once an Extended Term has started, neither party may terminate except as otherwise set forth in this Section 5 until sixty (60) days prior to the next Extended Term.

d. This Agreement shall automatically terminate if ISD 720 permanently removes the Pitching and Batting Cages and Storage Structures from the License Area during the Term.

e. This Agreement may be terminated upon mutual agreement of the parties.

f. Unless otherwise agreed to by the parties, the effective date of termination shall be the date on which written notice is provided to the other party at the address listed under Section 13.

g. Upon termination of this Agreement for any reason, ISD 720 shall remove the Pitching and Batting Cages (including all related fencing and netting) and the Storage Structures from the License Area and shall restore any damage to the License Area caused by such removal and return the License Area to the condition reasonably required by SPUC, at ISD 720's sole cost and expense, within thirty (30) days of the effective date of termination.

6. Indemnification; Responsibility.

a. SPUC shall not be responsible or liable for, and ISD 720 shall, to the extent allowed by law, defend, indemnify and hold harmless SPUC and its officers, officials, agents and employees, from any claim, demand, liability, judgment, award, fine, lien, loss, damage, expense, charge or cost of any kind or character (including reasonable attorneys' fees and court costs) arising directly or indirectly from ISD 720's use of the License Area, including, without limitation, claims arising from any injury or damage to the person or property of ISD 720 or any other person in or about the License Area. This Section 6 shall survive expiration or termination of this Agreement.

b. This Section 6 shall not be construed as a waiver by either party of any statutory liability limitations or immunities set forth in Minnesota Statutes Chapter 466.

c. Neither party shall be liable to the other for punitive, indirect, exemplary, consequential or incidental damages arising in connection with this Agreement, and each party hereby waives its right to claim any such damages.

with a copy to: McGrann Shea Carnival
Straughn & Lamb, Chartered
800 Nicollet Mall, Suite 2600
Minneapolis, MN 55402
Attention: Carla J. Pedersen, Esq.

As to ISD 720: Independent School District No. 720
Attn: Superintendent
505 Holmes Street South
Shakopee, MN 55379

The parties may change the address to which notice is to be given to it by giving written notice thereof to the other parties hereto not less than fifteen (15) days prior to the effective date of change.

14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

15. Government Data Practices. This Agreement is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13 (the "MGDPA"). All government data, as defined in the MGDPA section 13.02, subdivision 7, which is created, collected, received, stored, used, maintained or disseminated by SPUC and ISD 720 during performance of this Agreement, is subject to the requirements of the MGDPA. SPUC and ISD 720 shall comply with those requirements and inform the other party if it receives a request regarding this Agreement.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota. Any disputes, controversies or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota. All parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

17. Entire Agreement. This Agreement contains the entire agreement between the parties with respect to the subject matter hereof.

[Remainder of this page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

SHAKOPEE PUBLIC UTILITIES COMMISSION,

By: _____
Its: _____

INDEPENDENT SCHOOL DISTRICT NO. 720



By: _____
Its: SCHOOL BOARD WORK

EXHIBIT C

ISD 720 License Area

The fenced area crosshatched in the image below:

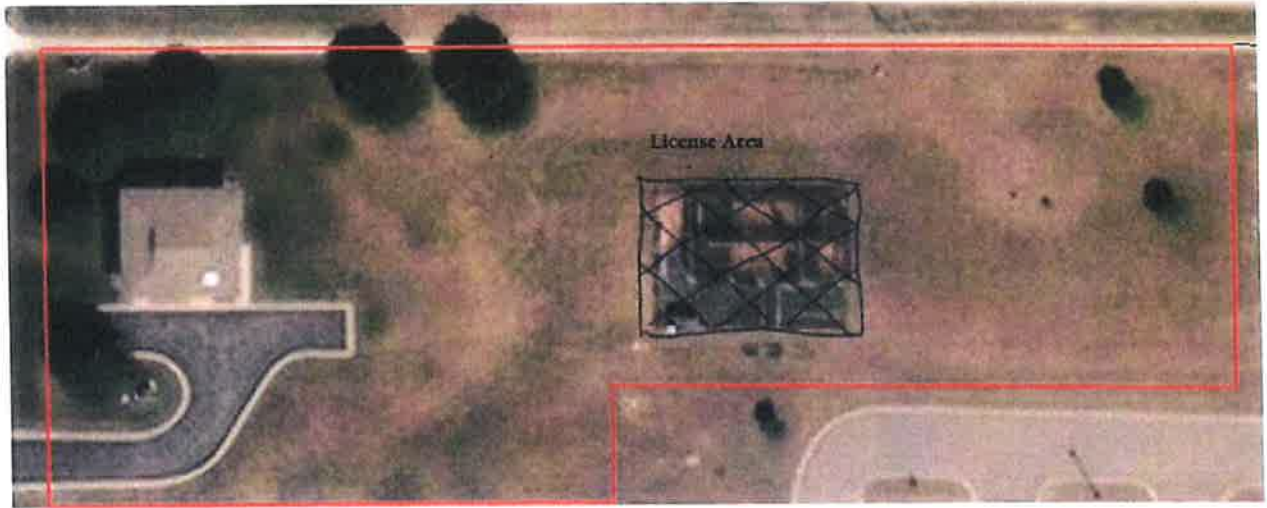


EXHIBIT A

SPUC Property Legal Description

That part of the Southwest Quarter of the Northeast Quarter of Section 13, Township 115, Range 23, Scott County, Minnesota, described as follows:

Commencing at the northwest corner of the Southwest Quarter of the Northeast Quarter; thence on an assumed bearing of South 00 degrees 08 minutes 37 seconds West, along the west line of said Southwest Quarter of the Northeast Quarter, a distance of 175.81 feet to the point of beginning of the land to be described; thence South 88 degrees 07 minutes 49 seconds East, along a line that if extended easterly would terminate at the northeast corner of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 13, a distance of 471.70 feet; thence South 00 degrees 35 minutes 37 seconds West, a distance of 181.94 feet; thence North 89 degrees 26 minutes 29 seconds West, a distance of 220.00 feet; thence South 00 degrees 08 minutes 08 seconds West, a distance of 40.96 feet; thence West, a distance of 250.07 feet to the west line of said Southwest Quarter of the Northeast Quarter; thence North 00 degrees 08 minutes 37 seconds East, along said west line a distance of 236.13 feet to the point of beginning.

EXHIBIT B

ISD 720 Property Legal Description

That part of the Southwest Quarter of the Northeast Quarter of Section 13, Township 115, Range 23, Scott County, Minnesota, and of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 13, lying southerly of the following described line:

Beginning at the northeast corner of said North Half of the Southeast Quarter of the Northeast Quarter; thence westerly to a point on the west line of said Southwest Quarter of the Northeast Quarter, distant 175.81 feet south of the northwest corner of said Southwest Quarter of the Northwest Quarter, and said line there terminating.

Together with the South Half of the Southeast Quarter of the Northeast Quarter of said Section 13;

Together with that part of the Northwest Quarter of the Southeast Quarter of said Section 13 which lies northerly of the following described line:

Commencing at the southwest corner of the West Half of said Southeast Quarter; thence along the west line thereof, North 02 degrees 20 minutes 10 seconds West, assumed basis of bearings, a distance of 2003.07 feet to the point of beginning of the line to be described; thence North 87 degrees 36 minutes 00 seconds East 952.94 feet to the northwest corner of the south 780.00 feet of the east 390.92 feet of said Northwest Quarter of the Southeast Quarter; thence South 87 degrees 36 minutes 54 seconds East 392.21 feet to the northeast corner of said south 780.00 feet of the east 390.92 feet, and there terminating;

Excepting therefrom the following described parcel previously conveyed in Doc. No. 363111:

Beginning at the northwest corner of Lot 1, Block 2, SOUTHVIEW HEIGHTS, Scott County, Minnesota; thence South 89 degrees 31 minutes 37 seconds West, plat bearing, along the westerly extension of the north line of said Lot 1, a distance of 50.00 feet to the west line of said Northwest Quarter of the Southeast Quarter; thence North 00 degrees 24 minutes 05 seconds [West] along said west line a distance of 54.19 feet; thence South 86 degrees 49 minutes 10 seconds [East] a distance of 415.69 feet to the intersection with the northerly extension of the easterly line of said Lot 1, Block 2; thence South 08 degrees 49 minutes 05 seconds East along said northerly extension of the easterly line a distance of 28.00 feet to the northeast corner of said Lot 1; thence westerly along the north line of said Lot 1, a distance of 368.97 feet to the point of beginning.

And also excepting therefrom the following described parcel:

That part of the Southwest Quarter of the Northeast Quarter of Section 13, Township 115, Range 23, Scott County, Minnesota, described as follows:

Commencing at the northwest corner of the Southwest Quarter of the Northeast Quarter; thence on an assumed bearing of South 00 degrees 08 minutes 3 seconds West, along the west line of said Southwest Quarter of the Northeast Quarter, a distance of 175.81 feet to the point of beginning of the land to be described; thence South 88 degrees 07 minutes 49 seconds East, along a line that if extended easterly would terminate at the northeast corner of the North Half of the Southeast Quarter of the Northeast Quarter of said Section 13, a distance of 471.70 feet; thence South 00 degrees 35 minutes 37 seconds West, a distance of 181.94 feet; thence North 89 degrees 26 minutes 29 seconds West, a distance of 220.00 feet; thence South 00 degrees 08 minutes 08 seconds West, a distance of 40.96 feet; thence West, a distance of 250.07 feet to the west line of said Southwest Quarter of the Northeast Quarter; thence North 00 degrees 08 minutes 37 seconds East, along said west line a distance of 236.13 feet to the point of beginning.

Subject to roads.

RESOLUTION #2023-18

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

HIGHVIEW PARK 1ST ADDITION

Block 1, Lots 1 – 4; Block 2, Lots 1 – 12; Block 3, Lots 1 - 6; Block 4, Lots 1 - 22;
Block 5, Lots 1 - 15; Block 6, Lots 1 - 24; Block 7, Lots 1 - 19; Block 8, Lots 1 - 8;
Block 9, Lots 1 – 7; Block 10, Lots 1 - 11; Block 11, Lots 1 – 29; Block 12, Lots 1 – 6;
Block 13, Lots 1 – 9; and Portions of Outlots A, B, E, F & H

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 \$225,359.80 based on 44.05 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:

Block 1, Lots 1 – 4; Block 2, Lots 1 – 12; Block 3, Lots 1 - 6; Block 4, Lots 1 - 22;
Block 5, Lots 1 - 15; Block 6, Lots 1 - 24; Block 7, Lots 1 - 19; Block 8, Lots 1 - 8;
Block 9, Lots 1 – 7; Block 10, Lots 1 - 11; Block 11, Lots 1 – 29; Block 12, Lots 1 – 6;
Block 13, Lots 1 – 9; and Portions of Outlots A, B, E, F & H

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 10th day of July, 2023.

Commission President: Justin Krieg

ATTEST:

Commission Secretary: Greg Drent



**SHAKOPEE PUBLIC UTILITIES
MEMORANDUM**

TO: Greg Drent, General Manager *gld*
FROM: Joseph D. Adams, Planning & Engineering Director *JDA*
SUBJECT: Equivalent Lateral Water Main (ELWM) Fees
DATE: July 5, 2023

ISSUE

Staff wishes to continue the subject discussion with the Utilities Commission. Please refer to my June 1, 2023, staff memo.

UPDATE

An informal meeting was held on Monday June 26th at the SPU Service Center in the training room with Commissioners Fox and Letourneau, staff, and several of the property owners subject to ELWM fees for two of the past projects; the CR 79 Watermain Extension along Hillwood Estates south of Westchester Estates to Hillwood Drive, and Jennifer Lane Watermain Extension from Valley Creek Crossing 2nd Addition to Wood Duck Trail.

The attached email from Marketing Director Sharon Walsh summarizes the meeting and its outcome quite accurately.

DISCUSSION

Staff believes, based on the discussion with the property owners, acceptance of the ELWM fee can be gained by extending the interest free period for these two projects. After internal staff discussions we suggest the inflation adjustment begin on August 1, 2023, rather than July 1, 2023, with the further adjustment that all accrued interest from August 1, 2023, thru December 31, 2025, will be waived should the fee be paid in full by December 31, 2025.



Payment may be made in installments or in a lump sum. If full payment is received by close of business on December 31, 2025, then all accrued interest to that date would be waived. If property owners wish to defer payment until any date beyond December 31, 2025, then the fee shall be adjusted for inflation from August 1, 2023, to the actual eventual payment date. Which may be up to when actual connection and water service begins.

One specific question asked by the property owners has to do with the timing of actual connection and commencing water service. It is important to note that both the City of Shakopee and Shakopee Public Utilities have rules in place that require properties to be served by municipal services for sanitary sewer and water within three (3) years of availability. Availability requires the payment of various fees and a service line to be in place to each individual parcel connected to a main running in front of each parcel. Thus, additional water main pipes would have to first be installed within Hillwood Drive from the CR 79 water main and to the southeast along a lot line to connect to an existing water main for looping.

This type of project would most likely occur under one of two scenarios, a petition from most of the property owners or an initiative at the City Council level. Historically, property owners petition for such improvements when their septic systems are failing, or their private wells are contaminated. City Council initiated projects typically occur coincident with street improvements and are programmed into the city's (and SPU's, if Trunk Water Mains are involved, which are not in this case) Capital Improvement Plan. In some cases, the City Council and SPU has extended the maximum 3 years to connect and begin service due to extenuating circumstances.

RECOMMENDATIONS

1. Staff recommends the Utilities Commission affirm its past actions and resolutions related to the ELWM fees policy and the core fees associated with past projects.
2. Staff recommends the Utilities Commission maintain the level of fees associated with these two projects.
3. Staff recommends continuing to waive any interest effective from the date of the projects thru August 1, 2023.
4. Staff recommends switching the inflation index to the one the City of Shakopee employs for their sanitary sewer lateral area charges which is the Construction Cost Index published by the Engineering News Record. This is also the index adopted by the Utilities Commission for annually adjusting the Water Capacity Charge and the Trunk Water Charge.
5. Staff recommends the Utilities Commission consider adopting a practice like the City of Shakopee wherein ELWM fees once established for each project would be listed and updated by the chosen inflation index on an annual list or schedule of fees without recording future related resolutions on individual properties.



6. Staff recommends the Commission consider adopting a new resolution to be recorded on these property deeds (should the property owner request) that restates the fee is not due unless and until water service begins.
7. Staff recommends the Commission consider including a statement in the potential resolution described immediately above directing interested parties to the most recent SPU (ELWM) fee schedule.
8. Staff recommends waiving any accrued interest should payment in full be made on or before December 31, 2025.

REQUESTED ACTION

Staff requests the Utilities Commission provide direction on each of the above recommendations.

Nelson, Denise

From: Adams, Joe
Sent: Thursday, June 29, 2023 9:55 AM
To: Nelson, Denise
Subject: FW: Follow Up ELWM Discussion

From: Walsh, Sharon <swalsh@shakopecutilities.com>
Sent: Tuesday, June 27, 2023 3:00 PM
To: Kayden Fox <kfox@shakopecutilities.com>; Benedict Letourneau <bletourneau@shakopecutilities.com>; Drent, Greg <gdrent@shakopecutilities.com>; Adams, Joe <jadams@shakopecutilities.com>; Halverson, Ryan <rhalverson@shakopecutilities.com>; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterson76@yahoo.com; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaully@gmail.com; mazie.paully@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmandt@usfamily.net; slweierke@yahoo.com; babkak1@gmail.com
Subject: RE: Follow Up ELWM Discussion

Good afternoon,

Thank you for your attendance at last night's meeting. We appreciated your input and the discussion that brought us to recommendations for presentation to our commission. (To reiterate, these are policy changes that staff is not authorized to make. These are made at the commission level.) The following will be presented and discussed at the **July 10th** commission meeting:

SPU staff recommends –

1. Utilizing the ENR CCI as the inflation indexing basis for all (current and future) 444 Projects;
2. All ELWM fees for future projects be listed in the SPU Fee Schedule and annually adjusted for inflation;
3. Further discussion regarding language to be added as a second recording to deeds, clarifying the original recording (i.e., make reference to fee schedule and no payment due until water connection, etc.);
4. Granting a longer extension (beyond July 1, 2023) before interest would begin accruing; and
5. Allowing a payment plan option that could waive interest accrual if fee is paid in full by determined date (i.e., 1-2 years as discussed).

Lastly, under separate cover you will receive a link to the recorded discussion from last night. You can feel comfortable opening this link as it will be a legitimate email from SPU. All materials presented or made available last night are available upon request if you are interested.

Best Regards,
Sharon

From: Walsh, Sharon
Sent: Monday, June 26, 2023 7:20 AM
To: Kayden Fox <kfox@shakopecutilities.com>; Benedict Letourneau <bletourneau@shakopecutilities.com>; Drent,

Greg <gdrent@shakopeeutilities.com>; Adams, Joe <jadams@shakopeeutilities.com>; Halverson, Ryan <rhelverson@shakopeeutilities.com>; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterston76@yahoo.com; 'andrew chmiel' <chmiel.andrew.j@gmail.com>; garyapaul@gmail.com; mazie.paul@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; bobkak1@gmail.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmantdt@usfamily.net; slweierke@yahoo.com

Subject: RE: Follow Up ELWM Discussion

Good morning! Just a friendly reminder of our discussion this evening. We'll see you at 5:00 at the SPU Service Center in the Training Room. Park in the main entrance and head toward the glass wall - we'll greet you at the entrance.

See you then -

-----Original Appointment-----

From: Walsh, Sharon

Sent: Monday, June 12, 2023 3:57 PM

To: Kayden Fox; Benedict Letourneau; Drent, Greg; Adams, Joe; Halverson, Ryan; docmikeb@hotmail.com; dpurcell20@hotmail.com; kludzack@comcast.net; jpeterston76@yahoo.com; 'andrew chmiel'; garyapaul@gmail.com; mazie.paul@gmail.com; csboegeman22@gmail.com; millers0912@yahoo.com; bobkak1@gmail.com; giesen21@hotmail.com; bwstark1@comcast.net; twermerskirchen@co.scott.mn.us; wermerskirchenta@gmail.com; cindymandt@gmail.com; bcmantdt@usfamily.net; slweierke@yahoo.com

Subject: Follow Up ELWM Discussion

When: Monday, June 26, 2023 5:00 PM-7:00 PM (UTC-06:00) Central Time (US & Canada).

Where: SPU Training Room - Park in Main Lot and Enter Glass Doors to the East

Hello,

Please join us in person for a follow up ELWM discussion. We will be meeting in the SPU Training Room (not the Commission Room) where we can sit round table and address questions in a comfortable setting. NOTE: We will informally record this meeting (using TEAMS) so we can share the presentation and audio with anyone that cannot attend this meeting on this date. See you on the 26th!

Best Regards,
Sharon

Microsoft Teams meeting

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 260 252 133 282

Passcode: ieEnzL

[Download Teams](#) | [Join on the web](#)





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 Shakopee, Minnesota 55379
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 www.shakopeeutilities.com

**SHAKOPEE PUBLIC UTILITIES
 MEMORANDUM**

TO: Greg Drent, General Manager *gld*
 FROM: Joseph D. Adams, Planning & Engineering Director
 SUBJECT: Equivalent Lateral Water Main (ELWM) Fees
 DATE: June 1, 2023

Joseph D Adams

ISSUE

Staff wishes to continue to discuss this topic with the Utilities Commission.

BACKGROUND

Since its adoption there have been multiple projects and related resolutions approved using the policy established in *Resolution #815, A Resolution Authorizing and Establishing a Fee for the Equivalent Lateral Watermain Portion of a Trunk Watermain Project*.

The Utilities Commission clarified the Equivalent Lateral Watermain fee policy with *Resolution 2023-02 A Resolution Clarifying the Provisions of Resolution #815 A Resolution Authorizing and Establishing a Fee for The Equivalent Lateral Water Main Portion of a Trunk Water Main Project*.

Property owners subject to these fees for two of the past projects, the CR 79 Watermain Extension along Hillwood Estates south of Westchester Estates to Hillwood Drive and Jennifer Lane Watermain Extension from Valley Creek Crossing 2nd Addition to Wood Duck Trail had been notified of the selection of the inflation index earlier this year. Subsequent conversations between staff and those property owners were held and those led to an agenda item on the Utilities Commission's March 6, 2023, meeting.

Several property owners attended the Utilities Commission's March 6, 2023, meeting to express their objections to ELWM fees being assigned to their parcels claiming there is no benefit to their properties because they neither desired water service when the projects were constructed nor at present nor at any time in the foreseeable future (to paraphrase their objections). They



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also objected to inflation indexing using the U.S Department of the Treasury – Daily Treasury Long-Term, Composite > 10 Yrs rate in effect at the time each project was approved. And they objected to having the Commission’s related resolutions being recorded on their property deeds when they were made aware that had been previously done.

DISCUSSION

For the first project, the CR 79 project, there have been additional communications received from the Hillwood Estates property owners requesting responses to several questions that they assert were left unanswered at the time the project was initiated in 2005-06 and continued to remain unsatisfactorily addressed by staff and the Commission to the present day. Staff sent each Hillwood Estates property owner a written response on June 1, 2023, both by email and by US mail that was included under communications in this meeting’s agenda packet.

For the second project, the Jennifer Lane project, one property owner had stated they recalled entering into agreements with a public entity or entities (either Scott County, the City of Shakopee, SPU, or some combination of them) to donate right of way for the project in exchange for not having to pay any fees for all public infrastructure including the water main in perpetuity (again staff is paraphrasing). After requiring and receiving a written request from SPU staff for any available documentation, the property owner conceded they could not find any written documentation of their claim. Staff believes the actual “agreement” or understanding as such was outlined in a letter from the City Engineer’s office to each property owner, which limited the no cost improvements to the roadway itself and specifically stated that sanitary sewer and water main improvements and related fees were not included in the “no cost” category of the roadway for that project.

Staff identifies the following options for the Utilities Commission to consider:

1. Affirm or rescind any/all the past actions and resolutions related to the ELWM fees policy, and the core fees associated with these two projects.
2. Consider modifying any of the terms of the individual projects, including ELWM fees assigned and the use and basis of the inflation index for these individual projects.
3. Re-consider if recording the related resolutions on property deeds is the appropriate vehicle for providing notice to all interested parties, including present property owners, potential future property owners, and the public of the existence of ELWM fees.



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RECOMMENDATIONS

1. Staff recommends the Utilities Commission affirm its past actions and resolutions related to the ELWM fees policy and the core fees associated with past projects.
2. Staff recommends the Utilities Commission (1) maintain the level of fees associated with these two projects, (2) continue to waive any interest effective from the date of the projects thru July 1, 2023, and (3) consider possibly switching the inflation index to the one the City of Shakopee employs for its sanitary sewer lateral area charges, which is the Construction Cost Index published by the Engineering News Record. This is also the index adopted by the Utilities Commission for annually adjusting the Water Capacity Charge and the Trunk Water Charge. Staff ran a comparison of the present index and the proposed index and there would have been a smaller increase over the past 17 years since the CR 79 project was constructed. Note: there is no guarantee that would continue to be true in the future though to staff it seems likely.
3. Staff recommends the Utilities Commission consider adopting a practice like the City of Shakopee wherein ELWM fees, once established for each project, would be listed and updated by the chosen inflation index on an annual list or schedule of fees without recording future related resolutions on individual properties. While the existing resolutions cannot be “un-recorded” perhaps a new resolution or document could be added directing interested parties to the most recent SPU (ELWM) fee schedule?

REQUESTED ACTION

Staff requests the Utilities Commission provide direction on each of the above recommendations.



March 17, 2015

Michael J. Bawek
2400 Jennifer Lane
Shakopee, MN 55379

RE: Jennifer Lane Extension of Sanitary Sewer & Water
PID: 27-135001-0

Dear Mr. Bawek:

This letter is to let you know the City's decision on the extension of Jennifer Lane and the extension of Sanitary Sewer and Water.

Attached is a Council memo on the concept of a lateral sewer connection charge and paying for the local street cost of Jennifer Lane. Other attachments in the memo include the following:

1. Preliminary Lateral Sewer Charge for extension of Jennifer Lane sewer.
2. Map of the lateral sewer connection charge area
3. Jennifer Lane concept drawing as prepared by the County
4. Draft Ordinance to add a lateral sanitary sewer connection charge for Jennifer Lane sewer extension

By moving forward with a lateral connection charge, the City is fronting the cost and getting reimbursed upon connection to the sewer system. In other words, there are **no assessments** on the property. The City also would not require any connection to the sewer system unless requested by the property owner. Usually this request would come from a future developer and development.

City staff has also been in communication with Shakopee Public Utilities (SPU) staff on a lateral water connection charge. SPU staff has indicated they will bring this item to an April 6, 2015 SPU Commission meeting. Again this charge, if approved, would not apply until a connection is made and usually associated with development.

Finally, on the local street cost of Jennifer Lane, the City voted to pay this cost with City funds as the connection provides for improved safety and emergency management access to Wood Duck Trail and Lakeview Circle residents. This cost would not be assessed but paid out of Capital Improvement Funds.

Please review this letter and attachments and let me know if you have any questions on the lateral sewer and water connection charges or the City's contribution for Jennifer Lane.

Sincerely,

Bruce Loney, P.E.

Public Works Director/City Engineer

H:Eng\2014Projects\CR 17-JenniferLane_Letter_JenniferLaneExtensionofSewer&Water

COMMUNITY PRIDE SINCE 1857

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County Road 79 ELWM Fee - Interest Rate Calculations

The following tables show the initial principal and compounding interest for different hypothetical inflationary rate scenarios.

Hillwood Estates ELWM Fee Original Principle = \$54,511.80

Date	US Treas LT Rate (5.07%)	ELWM Fee Amount
Aug 2006		\$ 54,511.80
Jan 2007	5.07%	\$ 57,275.55
Jan 2008	5.07%	\$ 60,179.42
Jan 2009	5.07%	\$ 63,230.52
Jan 2010	5.07%	\$ 66,436.30
Jan 2011	5.07%	\$ 69,804.62
Jan 2012	5.07%	\$ 73,343.72
Jan 2013	5.07%	\$ 77,062.24
Jan 2014	5.07%	\$ 80,969.30
Jan 2015	5.07%	\$ 85,074.44
Jan 2016	5.07%	\$ 89,387.72
Jan 2017	5.07%	\$ 93,919.67
Jan 2018	5.07%	\$ 98,681.40
Jan 2019	5.07%	\$ 103,684.55
Jan 2020	5.07%	\$ 108,941.36
Jan 2021	5.07%	\$ 114,464.68
Jan 2022	5.07%	\$ 120,268.04
Jan 2023	5.07%	\$ 126,365.63

Date	US Treas LT Rate (3.92%)	ELWM Fee Amount
May 2006		\$ 54,511.80
Jan 2007	3.92%	\$ 56,648.66
Jan 2008	3.92%	\$ 58,869.29
Jan 2009	3.92%	\$ 61,176.97
Jan 2010	3.92%	\$ 63,575.10
Jan 2011	3.92%	\$ 66,067.25
Jan 2012	3.92%	\$ 68,657.08
Jan 2013	3.92%	\$ 71,348.44
Jan 2014	3.92%	\$ 74,145.30
Jan 2015	3.92%	\$ 77,051.80
Jan 2016	3.92%	\$ 80,072.23
Jan 2017	3.92%	\$ 83,211.06
Jan 2018	3.92%	\$ 86,472.93
Jan 2019	3.92%	\$ 89,862.67
Jan 2020	3.92%	\$ 93,385.29
Jan 2021	3.92%	\$ 97,045.99
Jan 2022	3.92%	\$ 100,850.19
Jan 2023	3.92%	\$ 104,803.52

Date	ENR CCI Rate	ELWM Fee Amount
May 2006		\$ 54,511.80
Jan 2007	2.55%	\$ 55,900.86
Jan 2008	5.71%	\$ 59,093.61
Jan 2009	1.05%	\$ 59,715.58
Jan 2010	3.60%	\$ 61,864.81
Jan 2011	2.46%	\$ 63,385.17
Jan 2012	2.62%	\$ 65,043.75
Jan 2013	2.72%	\$ 66,812.89
Jan 2014	2.77%	\$ 68,664.97
Jan 2015	2.00%	\$ 70,040.20
Jan 2016	3.91%	\$ 72,776.85
Jan 2017	3.25%	\$ 75,140.31
Jan 2018	2.88%	\$ 77,303.37
Jan 2019	1.74%	\$ 78,650.96
Jan 2020	2.15%	\$ 80,344.09
Jan 2021	7.35%	\$ 86,252.76
Jan 2022	5.56%	\$ 91,048.80
Jan 2023	3.00%	\$ 93,780.27



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DATE: June 30, 2023
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: SPU Investment Performance Review/ Economic & Market Update

Background:

Since transitioning SPU's portfolio over to PFM Asset Management, we've experienced a variety of different interest rate cycles, from near-zero interest rates at the portfolio's inception in 2021, to aggressive Federal Reserve rate hikes over the past year.

We continue working with PFM Asset Management to assess our cash flows and ensure ample liquidity for upcoming capital projects. Given the sharp rise in interest rates over the past 12-18 months, we've allowed some recent maturities to roll into a short-term government money market fund to maximize the yield on those funds and give us the flexibility to move those dollars for upcoming project needs.

Brian Johnson and Danny Nelson with PFM Asset Management will join to provide a brief update on what's going on in the economy and fixed-income markets, as well as give an overview of how SPU's portfolio performed during the past quarter and what we might expect for the remainder of the year.

Requested Action

No action necessary at this time.

Market Update and Portfolio Review

Shakopee Public Utilities

July 10, 2023

612.371.3747 | pfmam.com

PFM Asset Management LLC

NOT FDIC INSURED : NO BANK GUARANTEE : MAY LOSE VALUE

Agenda

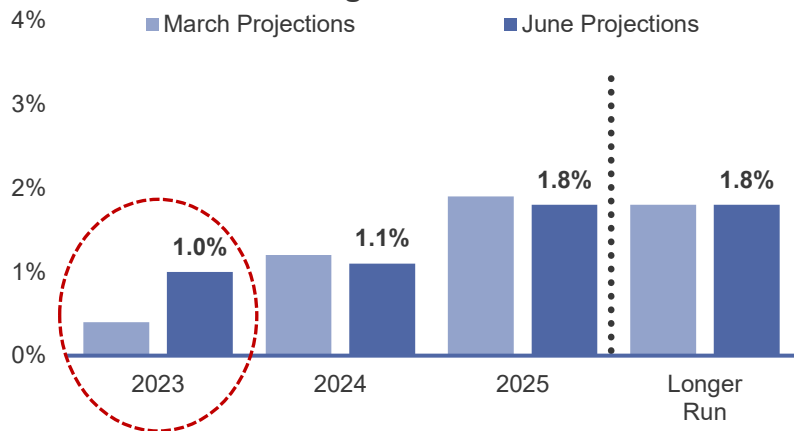
- ▶ **Market Update**
- ▶ **Portfolio Review**

Market Update

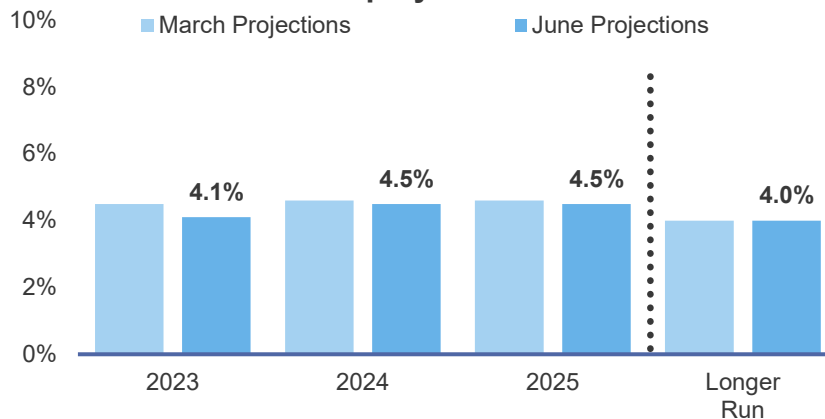


Fed's Updated June Projections Reflect Stronger Economic Expectations for 2023

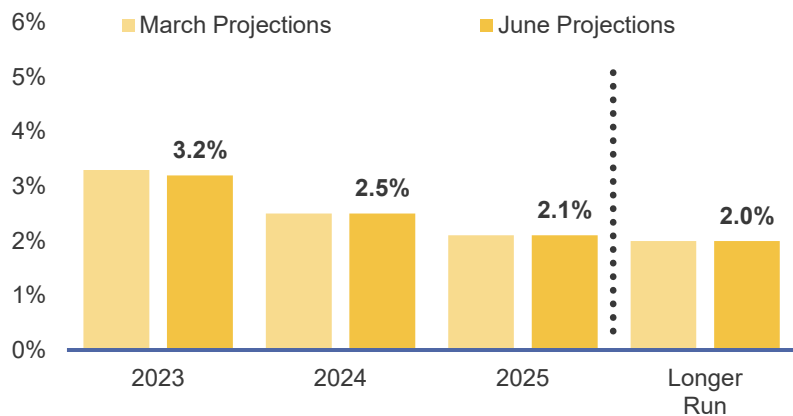
Change in Real GDP



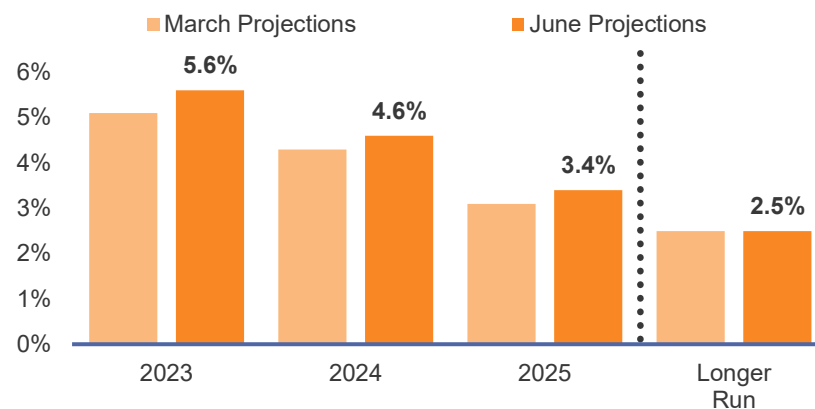
Unemployment Rate



PCE Inflation



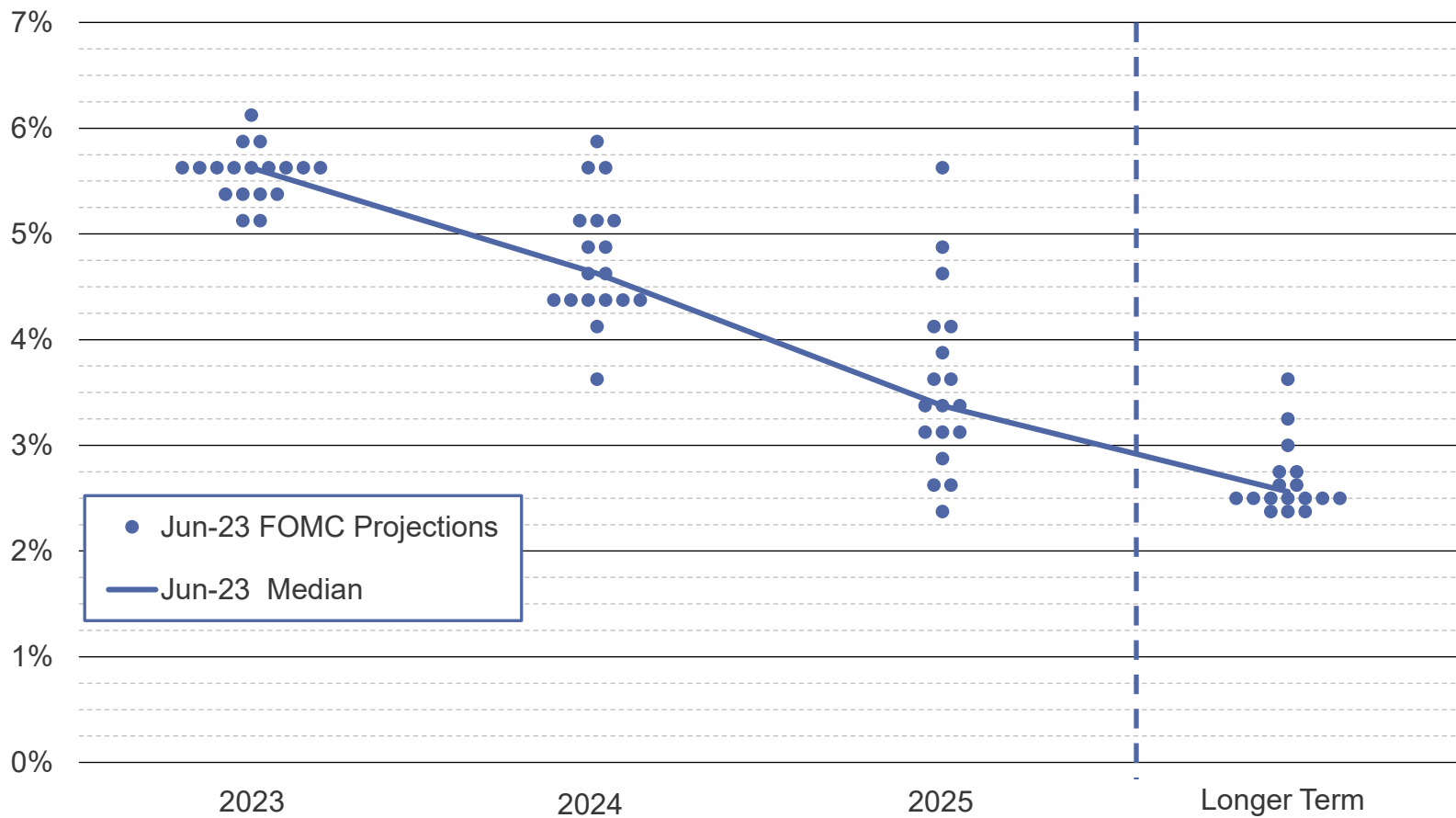
Federal Funds Rate



Source: Federal Reserve, latest economic projections as of June 2023.

Fed's "Dot Plot" More Hawkish

Fed Participants' Assessments of 'Appropriate' Monetary Policy



Source: Federal Reserve and Bloomberg. Individual dots represent each Fed members' judgement of the midpoint of the appropriate target range for the Federal Funds rate at each year-end.

FOMC Pauses (For Now)

June 14, 2023 FOMC Meeting Statement

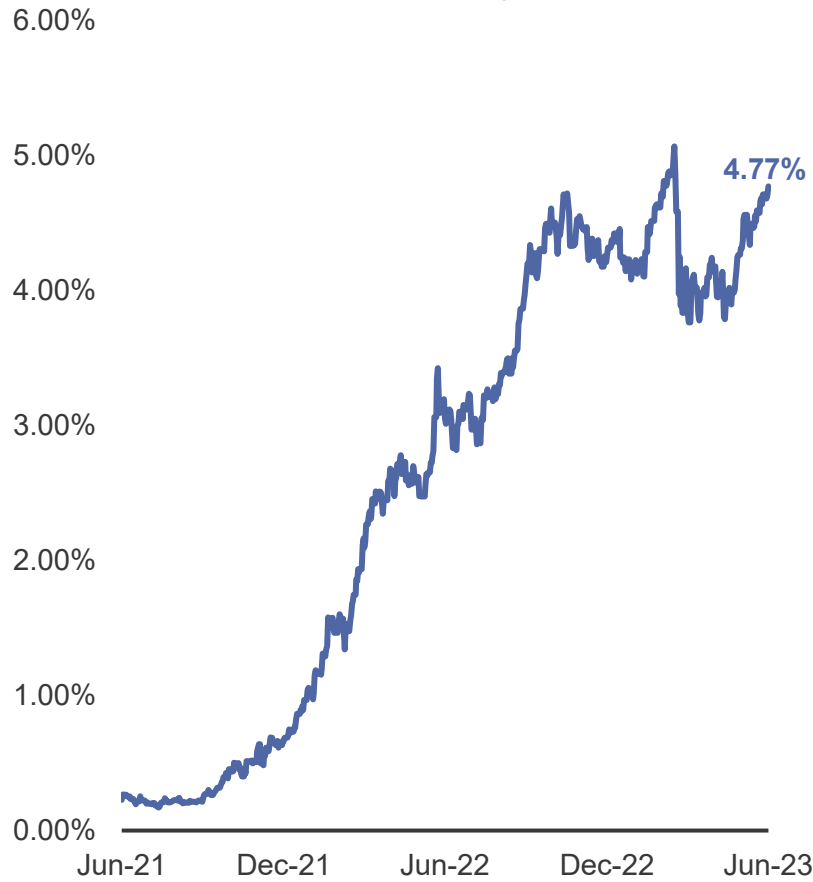
- ▶ Recent indicators **suggest that economic activity has continued to expand at a modest pace**. Job gains have **been robust** in recent months; the unemployment rate has remained low. Inflation remains elevated.
- ▶ The U.S. banking system is sound and resilient. **Tighter credit conditions for households and businesses are likely** to weigh on economic activity, hiring, and also inflation.
- ▶ The Committee decided to **maintain** the target range for the Federal Funds rate at **5.00% to 5.25%**. **Holding the target range steady at this meeting allows the Committee to assess additional information and its implications for monetary policy.**
- ▶ The Committee will continue reducing its holdings of Treasury securities and Agency debt and Agency mortgage-backed securities.
- ▶ Powell in semiannual monetary policy testimony: **Half-point of additional hikes a “good guess” of policy outcome.**

Source: Federal Reserve.

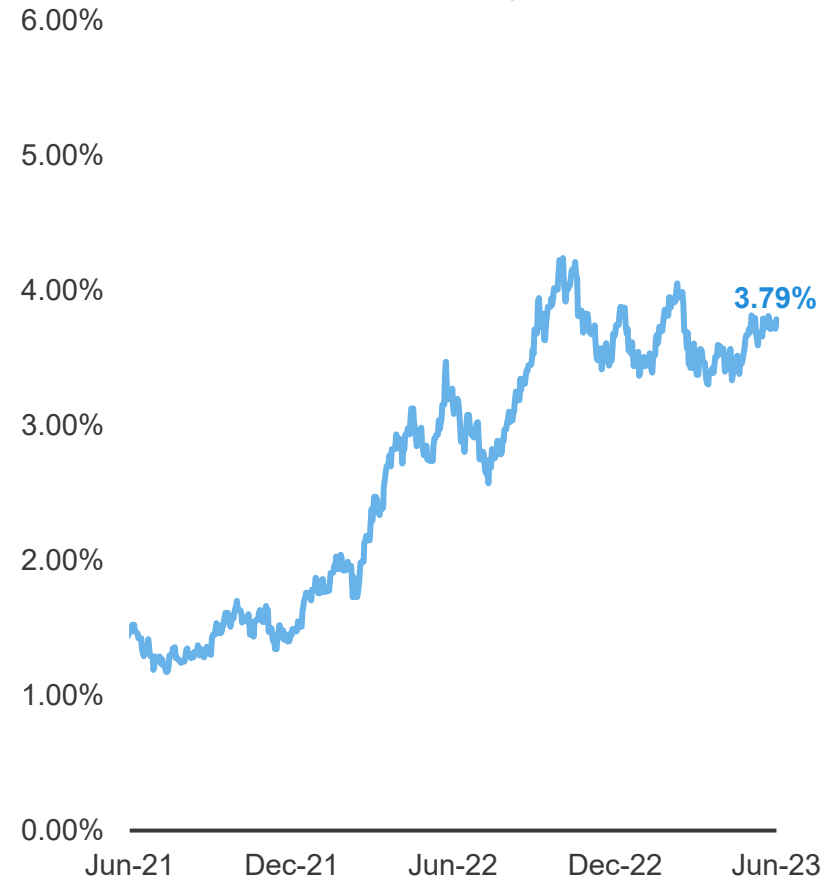
Highlights are changes compared the previous meeting statement.

Treasury Yields Move Upward on Possibility of Further Rate Hikes

2-Year Treasury Yield

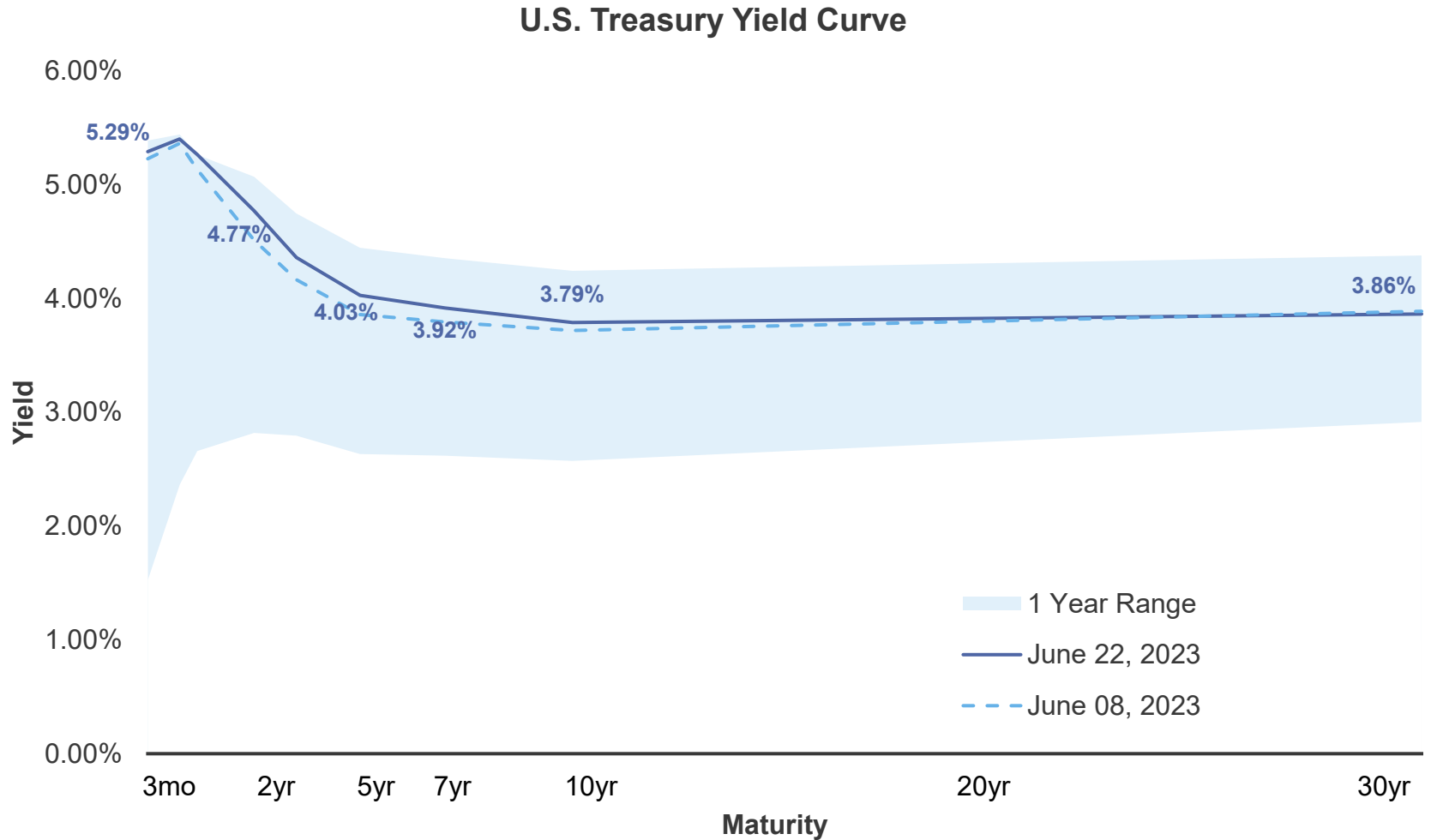


10-Year Treasury Yield



Source: Bloomberg, as of 6/22/2023.

Treasury Curve Rises Amid FOMC Decision and Comments



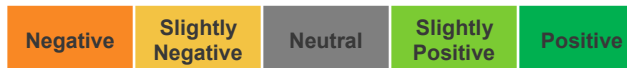
Source: Bloomberg, as of 6/22/2023.

Fixed-Income Sector Outlook – 2Q 2023

Sector	Our Investment Preferences
COMMERCIAL PAPER / CD	
TREASURIES	
T-Bill	
T-Note	
FEDERAL AGENCIES	
Bullets	
Callables	
SUPRANATIONALS	
CORPORATES	
Financials	
Industrials	
SECURITIZED	
Asset-Backed	
Agency Mortgage-Backed	
Agency CMBS	
MUNICIPALS	

● Current outlook

○ Outlook one quarter ago

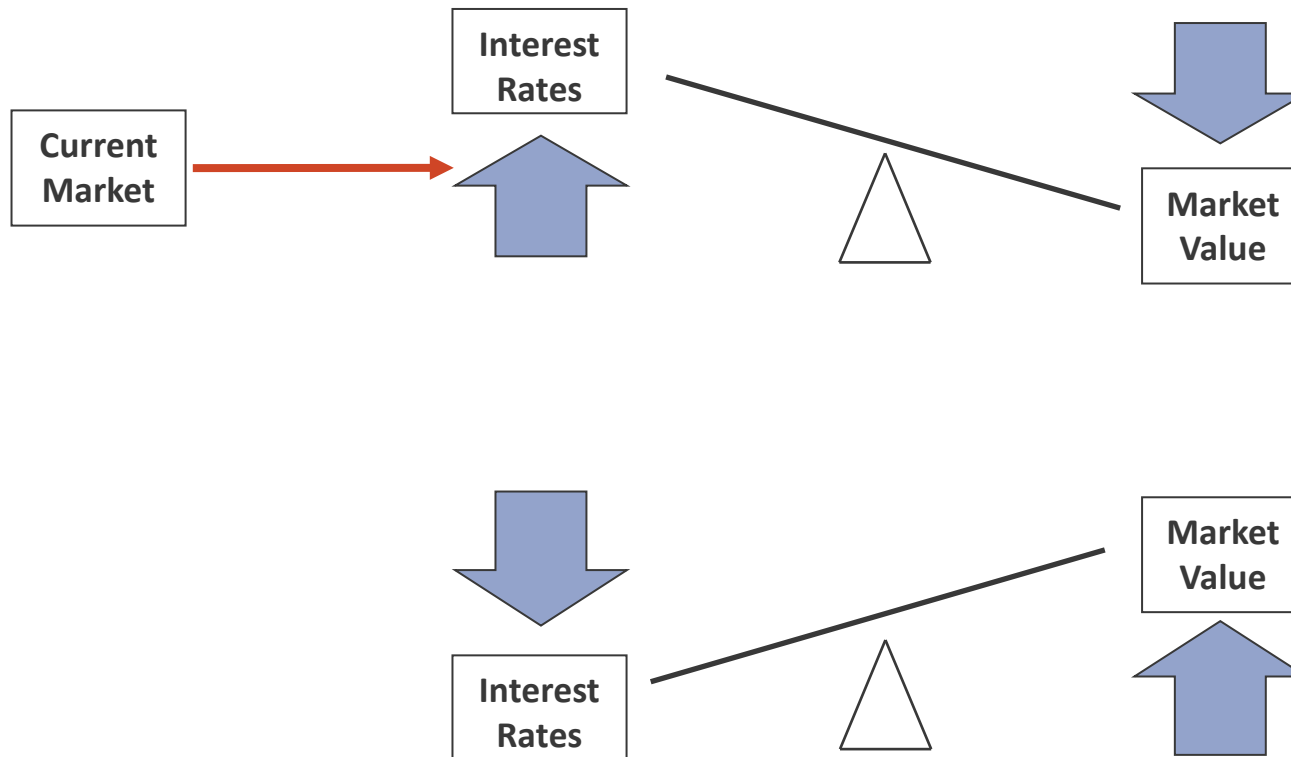


Portfolio Review



Interest Rate Risk

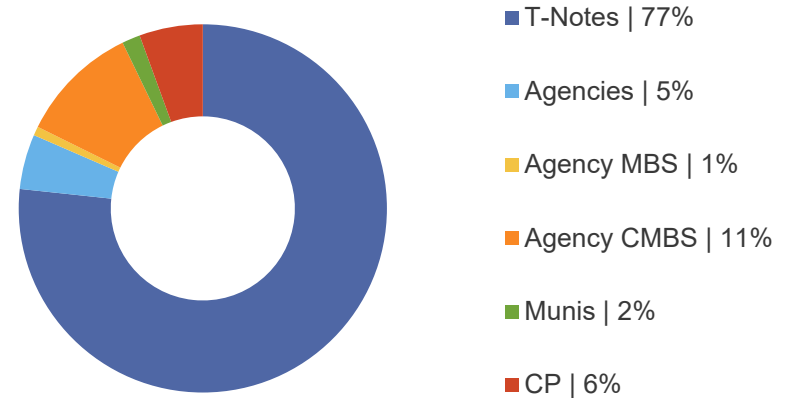
- ▶ Market values and interest rate movements are inversely related
- ▶ As interest rates rise or fall market values fluctuate; longer maturity = greater price volatility
- ▶ Market value fluctuations will impact total return, which includes unrealized price depreciation



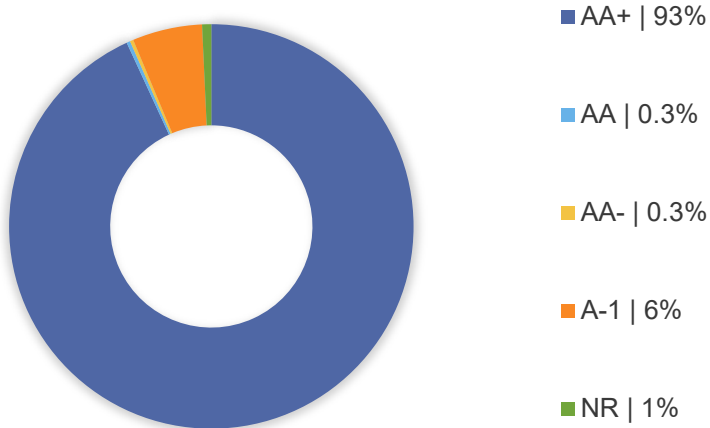
PORTFOLIO STATISTICS

Book Value	\$51,376,262
Duration	1.09 Years
Yield at Cost	1.69%
Yield at Market	5.01%

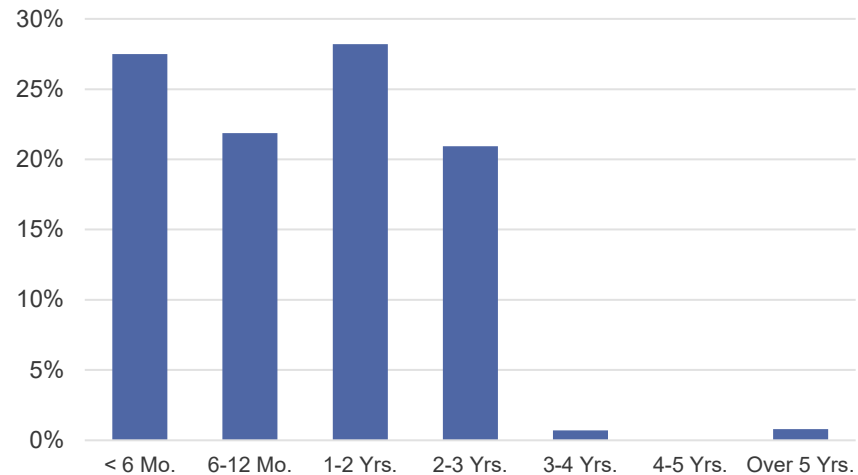
SECTOR ALLOCATION



CREDIT QUALITY



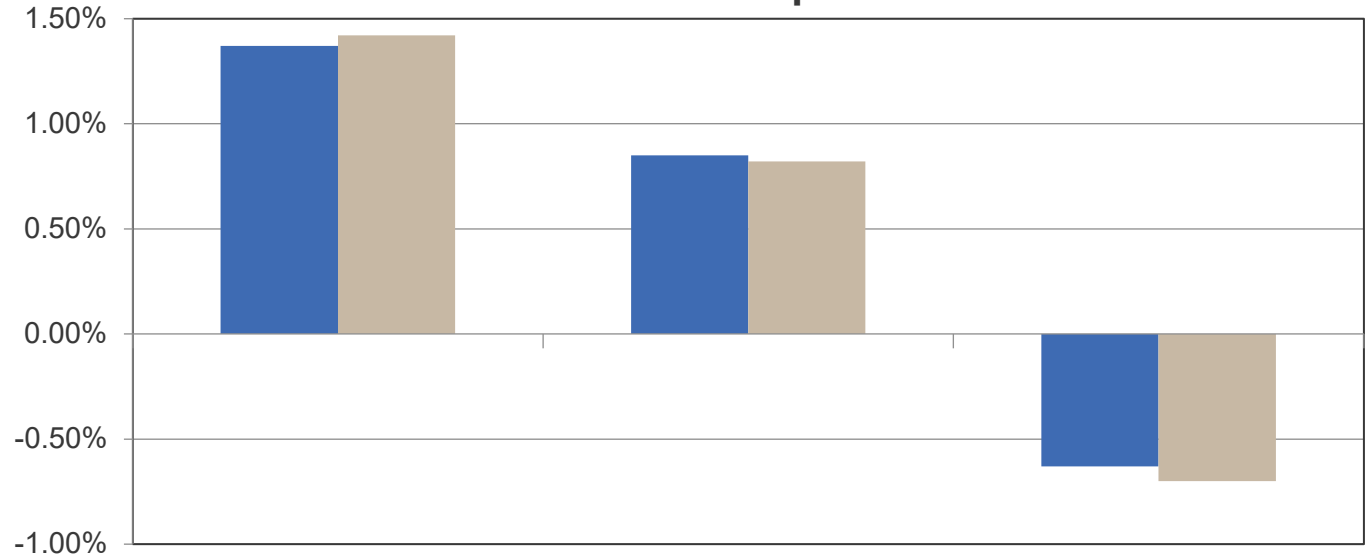
DURATION DISTRIBUTION



Information as of May 31, 2023. Sector allocation excludes cash balances. Credit quality uses S&P rating, or Moody's equivalent if not rated by S&P. Unrealized gains/(losses) are shown on an amortized cost basis. Please see important disclosures.

Shakopee Public Utilities Portfolio Performance

Total Return Comparison*



- The SPU portfolio returned 1.37% for the quarter, which was in line with the benchmark's return
- SPU's portfolio performance has so far exceeded the return of the benchmark since its inception of June 30, 2021

	1Q 2023 ⁴	Past Year	Since Inception (6/30/2021)
Shakopee Public Utilities Portfolio	1.37%	0.85%	-0.63%
BoA / ML 0 – 3 Year U.S. Treasury Index	1.42%	0.82%	-0.70%

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).

2. Bank of America / Merrill Lynch Indices provided by Bloomberg Financial Markets.

3. Includes money market fund/cash balances in performance and duration calculations.

4. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than 1 year are presented on an annualized basis. Information as of March 31, 2023.

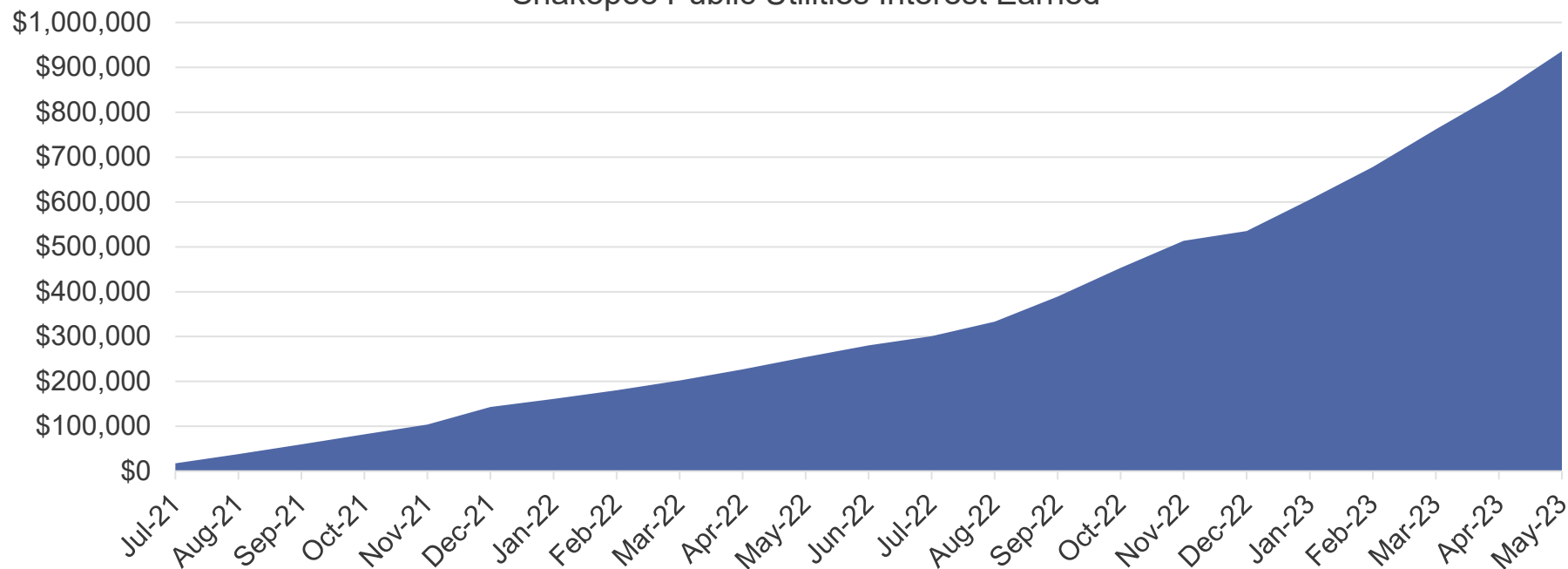
Examples of Active Management

Settle Date	Trade Type	Issuer	Par	Maturity	Yield at Cost	Yield at Market	Gain / Loss on Sale	Earnings to 5/31/2023	Total Cash Flow
12/27/22	Sale	U.S. Treasury	\$2,000,000	5/15/23	0.19%	4.65%	(\$33,646)	(\$1,008)	(\$34,654)
12/27/22	Purchase	U.S. Treasury	\$2,400,000	11/15/25	4.12%	4.12%	-	\$38,392	\$38,392
Shakopee Public Utilities Core Portfolio						Additional Net Benefit to 5/15/2023			\$3,738

Earnings to 5/15/23 for the U.S. Treasury investment that was sold would be the difference between par value and market value at the time of the sale. For the new U.S. Treasury investment that was purchased, earnings to 5/15/23 and the total cash flow reflects the estimated amortization of the new U.S. Treasury purchase from the trade date of 12/27/22 up to 5/15/23.

Accrual Basis Earnings – SPU Portfolio

Shakopee Public Utilities Interest Earned



Accrual Basis Earnings – Shakopee Public Utilities

Accrual Basis Earnings	3 Months	1 Year	Since Inception
Interest Earned	\$182,709	\$478,902	\$834,588
Realized Gains / (Losses)	(\$433)	(\$86,758)	(\$63,657)
Change in Amortized Cost	\$44,763	\$168,122	\$164,962
Total Earnings	\$227,029	\$560,266	\$935,893

Inception of June 30, 2021. Interest earned calculated as the ending accrued interest beginning accrued interest, plus net interest activity.

Historical Balances and Cash Flow Seasonality Factors

Month	Average Monthly Balance*	Historical Factor
Average	54,604,969	100.00%
January	53,711,538	98.36%
February	53,803,773	98.53%
March	54,185,091	99.23%
April	54,907,887	100.55%
May	55,097,835	100.90%
June	54,846,715	100.44%
July	54,531,468	99.87%
August	55,119,480	100.94%
September	55,456,836	101.56%
October	56,468,453	103.41%
November	56,549,987	103.56%
December	50,580,571	92.63%

- ▶ There is a seasonal pattern of cash flows as the funds generally demonstrate consistent seasonality
 - High peak balances in October and November
 - Low minimum balances during the months of December and January

- ▶ The SPU's seasonality is statistically significant

Disclaimer

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For more information regarding PFMAM’s services please visit www.pfmam.com.





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Shakopee, Minnesota 55379
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www.shakopeeutilities.com

DATE: July 03, 2023
TO: Greg Drent, General Manager *GD*
FROM: Kelley Willemsen, Director of Finance & Administration *KW*
SUBJECT: May 2023 Financials Reports

As part of the May 31, 2023, financial reports, we continued the practice of providing a component of analytical review. In addition to the analytical review, there are a few important points to note.

Previous expectations for revenues and expenses were annualized and reported on the budget to actual monthly financial reports. Revenues and expenses were distributed equally across each predicted years' time frame. There is more than one method for analytical review for comparison of actuals to the budget that can be used. Since our last financial report, we have spent time reviewing past trends and the seasonality of the revenues and expenses and, going forward, we will start using these trends to make predictions for the allocated amounts for both revenues and expenses on the monthly financial reports.

- The May 2023 electric financial reports equate to 37% of the annual budget.
 - YTD actuals to budget for residential revenue is unfavorable to budget by \$317K. 2023 budgets for residential usage considered a 0% growth rate change and kWh usage trends for a 4-year period. Residential usage is down from budget projections and from previous year actuals.
 - YTD actuals to budget for commercial and industrial is favorable to budget by \$365K. 2023 budgets for commercial usage considered a 1% growth rate change. 2023 budgets for industrial usage considered a 0% growth rate change. Commercial usage is up from budget projections and increased from previous year actuals. Industrial usage is up from budget projections and increased from previous year actuals. Three of the top 10 kWh usage customers in this revenue class had increases in usage from last year in this same period.
 - YTD actual to budget expenses are favorable to budget by \$1M. Purchase power projections for 2023 attribute to \$856K of the \$1M. Purchase power costs are lower than budget projections through May. YTD May 2023 to YTD May 2022 expenses increased by \$418K.



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- The May 2023 water financial reports equate to 29% of the annual budget.
 - YTD actuals to budget for water sales is unfavorable to budget by \$70K. Water usage is down from budget projections and up from previous year actuals.
 - YTD actual to budget expenses are unfavorable to budget by \$275K. YTD May 2023 to YTD May 2022 expenses increased by \$87K. Pumping and distribution projections for 2023 attribute to \$112K of the \$275K. Chemicals for water treatment are higher than budget projections through May.

Included in this report are the following statements:

- Combined Statement of Revenues, Expenses and Changes in Fund Net Position with and without unrealized loss/gain totals
- Electric Operating Revenue and Expense – Budget to Actual (with analytics)
- Water Operating Revenue and Expense– Budget to Actual (with analytics)
- Electric Operating Revenue and Expense – 2022 to 2023 (with analytics)
- Water Operating Revenue to Expense – 2022 to 2023 (with analytics)

Request

The Commission is requested to accept the Financial Reports for the period ending 05/31/2023.

**SHAKOPEE PUBLIC UTILITIES
 COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 INVESTMENT INCOME - INCLUDED**

	Year to Date Actual - May 31, 2023			Year to Date Budget - May 31, 2023			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%
OPERATING REVENUES	\$ 22,407,226	1,827,644	24,234,870	22,329,833	1,901,702	24,231,535	77,393	0.3%	(74,058)	-3.9%	3,335	0.0%
OPERATING EXPENSES												
Operation, Customer and Administrative	18,060,484	1,563,223	19,623,707	19,127,876	1,287,922	20,415,798	1,067,392	5.6%	(275,301)	-21.4%	792,091	3.9%
Depreciation	1,151,052	799,115	1,950,167	1,163,995	559,582	1,723,577	12,943	1.1%	(239,533)	-42.8%	(226,590)	-13.1%
Total Operating Expenses	19,211,536	2,362,337	21,573,874	20,291,872	1,847,503	22,139,375	1,080,335	5.3%	(514,634)	-27.9%	565,501	2.6%
Operating Income	3,195,690	(534,693)	2,660,996	2,037,962	54,198	2,092,160	1,157,728	56.8%	(588,892)	1086.5%	568,836	27.2%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	(47,809)	104,569	56,759	116,373	66,593	182,966	(164,182)	-141.1%	37,976	57.0%	(126,206)	-69.0%
Interdepartment Rent from Water	37,500	-	37,500	33,300	-	33,300	4,200	12.6%	-	-	4,200	12.6%
Investment Income	740,557	433,336	1,173,893	(297,479)	(85,018)	(382,497)	1,038,036	-348.9%	518,354	-609.7%	1,556,390	-406.9%
Interest Expense	(3,194)	116	(3,077)	(2,366)	(34)	(2,400)	(828)	-35.0%	151	439.9%	(677)	-28.2%
Total Non-Operating Revenue (Expense)	727,054	538,021	1,265,075	(150,172)	(18,459)	(168,632)	877,226	-584.1%	556,480	-3014.6%	1,433,706	-850.2%
Income Before Contributions and Transfers	3,922,743	3,328	3,926,071	1,887,790	35,739	1,923,529	2,034,954	107.8%	(32,411)	-90.7%	2,002,542	104.1%
CAPITAL CONTRIBUTIONS	(137,794)	656,582	518,788	162,739	678,498	841,237	(300,533)	184.7%	(21,916)	-3.2%	(322,449)	-38.3%
MUNICIPAL CONTRIBUTION	(1,482,543)	(165,000)	(1,647,543)	(1,263,615)	(114,102)	(1,377,717)	(218,928)	-17.3%	(50,898)	-44.6%	(269,826)	-19.6%
CHANGE IN NET POSITION	\$ 2,302,406	494,909	2,797,316	786,914	600,135	1,387,048	1,515,493	192.6%	(105,226)	-17.5%	1,410,267	101.7%

SHAKOPEE PUBLIC UTILITIES
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INVESTMENT INCOME - EXCLUDED

	Year to Date Actual - May 31, 2023			Year to Date Budget - May 31, 2023			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%	YTD Actual v. Budget B/(W) \$	%
OPERATING REVENUES	\$ 22,407,226	1,827,644	24,234,870	22,329,833	1,901,702	24,231,535	77,393	0.3%	(74,058)	-3.9%	3,335	0.0%
OPERATING EXPENSES												
Operation, Customer and Administrative	18,060,484	1,563,223	19,623,707	19,127,876	1,287,922	20,415,798	1,067,392	5.6%	(275,301)	-21.4%	792,091	3.9%
Depreciation	1,151,052	799,115	1,950,167	1,163,995	559,582	1,723,577	12,943	1.1%	(239,533)	-42.8%	(226,590)	-13.1%
Total Operating Expenses	19,211,536	2,362,337	21,573,874	20,291,872	1,847,503	22,139,375	1,080,335	5.3%	(514,834)	-27.9%	565,501	2.6%
Operating Income	3,195,690	(534,693)	2,660,996	2,037,962	54,198	2,092,160	1,157,728	56.8%	(588,892)	1086.5%	568,836	27.2%
NON-OPERATING REVENUE (EXPENSE)												
Rental and Miscellaneous	(47,809)	104,569	56,759	116,373	66,593	182,966	(164,182)	-141.1%	37,976	57.0%	(126,206)	-69.0%
Interdepartment Rent from Water	37,500	-	37,500	33,300	-	33,300	4,200	12.6%	-	-	4,200	12.6%
Interest Expense	(3,194)	116	(3,077)	(2,366)	(34)	(2,400)	(828)	-35.0%	151	439.9%	(677)	-28.2%
Total Non-Operating Revenue (Expense)	(13,503)	104,685	91,182	147,307	66,559	213,866	(160,810)	-109.2%	38,126	57.3%	(122,684)	-57.4%
Income Before Contributions and Transfers	3,182,186	(430,008)	2,752,178	2,185,269	120,757	2,306,026	996,918	45.6%	(550,765)	-456.1%	446,152	19.3%
CAPITAL CONTRIBUTIONS	(137,794)	656,582	518,788	162,739	678,498	841,237	(300,533)	184.7%	(21,916)	-3.2%	(322,449)	-38.3%
MUNICIPAL CONTRIBUTION	(1,482,543)	(165,000)	(1,647,543)	(1,263,615)	(114,102)	(1,377,717)	(218,928)	-17.3%	(50,898)	-44.6%	(269,826)	-19.6%
CHANGE IN NET POSITION	\$ 1,561,849	61,574	1,623,423	1,084,393	685,153	1,769,546	477,457	44.0%	(623,580)	-91.0%	(146,123)	-8.3%

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END MAY 31, 2023**

	YTD Actual 5/31/2023	YTD Budget 5/31/2023	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 7,845,132	8,162,382	(317,249)	96.1
Commercial and Industrial	14,066,987	13,701,878	365,109	102.7
Uncollectible accounts	-	-	-	-
Total Sales of Electricity	<u>21,912,120</u>	<u>21,864,260</u>	<u>47,859</u>	<u>100.2</u>
Forfeited Discounts	111,079	101,818	9,261	109.1
Free service to the City of Shakopee	57,543	57,543	-	100.0
Conservation program	326,484	306,212	20,272	106.6
Total Operating Revenues	<u>22,407,226</u>	<u>22,329,833</u>	<u>77,393</u>	<u>100.3</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	15,025,065	15,881,431	(856,366)	94.6
Distribution operation expenses	261,059	240,471	20,588	108.6
Distribution system maintenance	430,042	320,555	109,487	134.2 (1)
Maintenance of general plant	162,985	165,866	(2,881)	98.3
Total Operation and Maintenance	<u>15,879,151</u>	<u>16,608,322</u>	<u>(729,171)</u>	<u>95.6</u>
Customer Accounts				
Meter Reading	60,409	63,199	(2,790)	95.6
Customer records and collection	286,970	241,543	45,428	118.8
Energy conservation	95,478	330,619	(235,140)	28.9 (2)
Total Customer Accounts	<u>442,858</u>	<u>635,361</u>	<u>(192,503)</u>	<u>69.7</u>
Administrative and General				
Administrative and general salaries	326,769	387,104	(60,335)	84.4
Office supplies and expense	180,976	197,025	(16,049)	91.9
Outside services employed	128,754	113,694	15,060	113.2
Insurance	43,874	50,075	(6,202)	87.6
Employee Benefits	851,698	943,497	(91,799)	90.3
Miscellaneous general	206,405	192,798	13,607	107.1
Total Administrative and General	<u>1,738,475</u>	<u>1,884,193</u>	<u>(145,718)</u>	<u>92.3</u>
Total Operation, Customer, & Admin Expenses	<u>18,060,484</u>	<u>19,127,876</u>	<u>(1,067,392)</u>	<u>94.4</u>
Depreciation	1,151,052	1,163,995	12,943	98.9
Total Operating Expenses	<u>\$ 19,211,536</u>	<u>20,291,872</u>	<u>(1,080,335)</u>	<u>94.7</u>
Operating Income	<u>\$ 3,195,690</u>	<u>2,037,962</u>	<u>1,157,728</u>	<u>156.8</u>

- Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.
- (1) Variance due to staff working on maintenance of a main feeder that failed, upgrades, and tree trimming while construction projects were s
- (2) Variance due to less conservation expenses than budgeted for through April 2023. Variance should be stabilized throughout the year.

SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE

	YTD Actual 5/31/2023	YTD Budget 5/31/2023	YTD Actual v. Budget Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Water	\$ 1,820,755	1,891,404	(70,649)	96.3
Forfeited Discounts	6,889	10,298	(3,409)	66.9
Total Operating Revenues	<u>1,827,644</u>	<u>1,901,702</u>	<u>(74,058)</u>	<u>96.1</u>
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	293,155	180,428	112,726	162.5 (1)
Pumping and distribution maintenance	146,258	165,436	(19,178)	88.4
Power for pumping	147,446	122,705	24,741	120.2
Maintenance of general plant	34,063	28,845	5,218	118.1
Total Operation and Maintenance	<u>620,921</u>	<u>497,413</u>	<u>123,508</u>	<u>124.8</u>
Customer Accounts				
Meter Reading	38,749	24,839	13,910	156.0 (2)
Customer records and collection	87,411	72,642	14,769	120.3
Energy conservation	380	-	380	#DIV/0!
Total Customer Accounts	<u>126,540</u>	<u>97,481</u>	<u>29,059</u>	<u>129.8</u>
Administrative and General				
Administrative and general salaries	199,962	187,378	12,584	106.7
Office supplies and expense	69,900	48,877	21,022	143.0 (3)
Outside services employed	60,140	59,407	733	101.2
Insurance	23,213	13,083	10,131	177.4 (4)
Employee Benefits	384,730	319,695	65,035	120.3
Miscellaneous general	77,816	64,587	13,229	120.5
Total Administrative and General	<u>815,762</u>	<u>693,027</u>	<u>122,734</u>	<u>117.7</u>
Total Operation, Customer, & Admin Expenses	<u>1,563,223</u>	<u>1,287,922</u>	<u>275,301</u>	<u>121.4</u>
Depreciation	799,115	559,582	239,533	142.8
Amortization of plant acquisition	-	-	-	-
Total Operating Expenses	<u>\$ 2,362,337</u>	<u>1,847,503</u>	<u>514,834</u>	<u>127.9</u>
Operating Income	<u>\$ (534,693)</u>	<u>54,198</u>	<u>(480,495)</u>	<u>(986.55)</u>

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance is due to higher than projected chemical expenses because of higher costs and increased pumpage through May.
- (2) Variance is due to water staff supporting customer service/metering staff with unplanned absences and retirement in the department.
- (3) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (4) Variance due to allocating more per month for prepaid insurance premiums through May 2023 than 2022.

**SHAKOPEE PUBLIC UTILITIES
ELECTRIC OPERATING REVENUE AND EXPENSE
FOR PERIOD END MAY 31, 2023**

	2023	2022	2022-2023 Increase (decrease)	
			\$	%
OPERATING REVENUES				
Sales of Electricity				
Residential	\$ 7,845,132	7,511,753	333,379	104.4
Commercial and Industrial	14,066,987	12,573,158	1,493,829	111.9
Total Sales of Electricity	<u>21,912,120</u>	<u>20,084,911</u>	<u>1,827,209</u>	<u>109.1</u>
Forfeited Discounts	111,079	79,972	31,107	138.9 (1)
Free service to the City of Shakopee	57,543	48,464	9,079	118.7
Conservation program	326,484	299,761	26,723	108.9
Total Operating Revenues	<u>22,407,226</u>	<u>20,513,108</u>	<u>1,894,118</u>	<u>109.2</u>
OPERATING EXPENSES				
Operations and Maintenance				
Purchased power	15,025,065	14,868,086	156,979	101.1
Distribution operation expenses	261,059	220,052	41,007	118.6
Distribution system maintenance	430,042	327,414	102,628	131.3 (2)
Maintenance of general plant	162,985	173,598	(10,613)	93.9
Total Operation and Maintenance	<u>15,879,151</u>	<u>15,589,148</u>	<u>290,003</u>	<u>101.9</u>
Customer Accounts				
Meter Reading	60,409	56,184	4,225	107.5
Customer records and collection	286,970	318,021	(31,051)	90.2
Energy conservation	95,478	100,293	(4,815)	95.2
Total Customer Accounts	<u>442,858</u>	<u>474,498</u>	<u>(31,640)</u>	<u>93.3</u>
Administrative and General				
Administrative and general salaries	326,769	282,695	44,074	115.6
Office supplies and expense	180,976	127,531	53,445	141.9 (3)
Outside services employed	128,754	148,205	(19,451)	86.9
Insurance	43,874	34,206	9,668	128.3 (4)
Employee Benefits	851,698	787,380	64,318	108.2
Miscellaneous general	206,405	198,537	7,868	104.0
Total Administrative and General	<u>1,738,475</u>	<u>1,578,553</u>	<u>159,922</u>	<u>110.1</u>
Total Operating Expenses	<u>18,060,484</u>	<u>17,642,199</u>	<u>418,286</u>	<u>102.4</u>
Depreciation	1,151,052	1,108,618	42,434	103.8
Total Operating Expenses	<u>\$ 19,211,536</u>	<u>18,750,817</u>	<u>460,720</u>	<u>102.5</u>
Operating Income	<u>\$ 3,195,690</u>	<u>1,762,291</u>	<u>1,433,399</u>	<u>181.3</u>

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance due to higher penalty revenue collected in 2023 versus 2022
- (2) Variance due to staff working on maintenance of a main feeder that failed, maintenance of street lighting, and tree trimming.
- (3) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (4) Variance due to allocating more per month for prepaid insurance premiums through May 2023 than 2022.

**SHAKOPEE PUBLIC UTILITIES
WATER OPERATING REVENUE AND EXPENSE
FOR PERIOD END MAY 31, 2023**

	2023	2022	2022-2023	
			Increase (decrease) \$	%
OPERATING REVENUES				
Sales of Water	1,820,755	1,615,446	205,309	112.7
Forfeited Discounts	6,889	4,669	2,220	147.5
Total Operating Revenues	1,827,644	1,620,115	207,529	112.8
OPERATING EXPENSES				
Operations and Maintenance				
Pumping and distribution operation	293,155	258,079	35,076	113.6
Pumping and distribution maintenance	146,258	182,127	(35,869)	80.3
Power for pumping	147,446	160,968	(13,522)	91.6
Maintenance of general plant	34,063	26,739	7,324	127.4
Total Operation and Maintenance	620,921	627,914	(6,993)	98.9
Customer Accounts				
Meter Reading	38,749	29,699	9,050	130.5
Customer records and collection	87,411	99,469	(12,058)	87.9
Total Customer Accounts	126,540	129,872	(3,332)	97.4
Administrative and General				
Administrative and general salaries	199,962	176,600	23,362	113.2
Office supplies and expense	69,900	44,440	25,460	157.3 (1)
Outside services employed	60,140	43,399	16,741	138.6 (2)
Insurance	23,213	8,616	14,597	269.4 (3)
Employee Benefits	384,730	334,908	49,822	114.9
Miscellaneous general	77,816	110,287	(32,471)	70.6 (4)
Total Administrative and General	815,762	718,250	97,512	113.6
Total Operating Expenses	1,563,223	1,476,036	87,187	105.9
Depreciation	799,115	730,906	68,209	109.3
Total Operating Expenses	2,362,337	2,206,942	155,395	107.0
Operating Income	\$ (534,693)	(586,827)	52,134	91.1

Item Explanation of Items Percentage Received/Expended Less than 80% or Greater than 120% and \$ Variance Greater than \$15,000.

- (1) Variance is due to higher costs of office supplies and more IT related expenses not being capitalized because of higher threshold.
- (2) Variance due to higher outside service costs related to future water treatment.
- (3) Variance due to allocating more per month for prepaid insurance premiums through May 2023 than 2022.
- (4) Variance due to higher labor spent on misc. projects and expenses in 2022 than 2023 through May.