

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
November 4, 2024  
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street  
1a) Roll Call
2. **Communications**
3. **Consent Agenda**
  - C=> 3a) Approval of October 7, 2024 Minutes (GD)
  - C=> 3b) Approval of November 4, 2024 Agenda (JK)
  - C=> 3c) November 4, 2024 Warrant List (KW)
  - C=> 3d) Monthly Water Dashboard for September (LS)
  - C=> 3e) September 30, 2023 – Financials Report (KW)
  - C=> 3f) Residential Customer Deposit Assistance – CAP Agency (KW)
  - C=> 3g) American National Bank (ANB) – Insured Cash Sweep Account (KW)
  - C=> 3h) MMPA October 2024 Meeting Update (GD)

\*\*\* Motion to approve the Consent Agenda

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) Ehlers TWC/WCC Development Fee Study (JA)

\*\*\*Motion to accept the TWC/WCC Development Fee Study

6. **Finance Report**
  - 6a) Dave Berg Consulting, LLC Rate Recommendations (KW)

\*\*\*Motion to accept the Rate Recommendations

- 6b) 2025 – 2029 Semi-Final CIP (JA)

\*\*\*Motion to accept the 2025 – 2029 Semi-Final CIP

- 6c) 2025 Preliminary Operating Budget (KW)

\*\*\*Motion to accept the 2025 Preliminary Operating Budget

7. **Liaison Report (JD)**

8. **Reports: Electric Items**
  - 8a) Electric System Operations Report – Verbal (BC)

9. **Reports: General**
  - 9a) Marketing/Key Accounts Report – Verbal (GD)
  - 9b) General Manager Report – Verbal (GD)
10. **Items for Future Agendas**
11. **Tentative Dates for Upcoming Meetings**
  - December 2, 2024
  - January 6, 2025
12. **Adjournment**

MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
October 7, 2024  
Regular Meeting

1. Call to Order. Vice President Letourneau called the October 7, 2024 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. President Krieg participated via interactive technology due to work travel.

2. Consent Agenda. Commissioner Mocol moved to approve the consent agenda:

- (a) September 9., 2024 minutes;
- (b) October 7, 2024 Agenda;
- (c) October 7, 2024 Warrant List;
- (d) Monthly Water Dashboard for August 2024;
- (e) 2024 Flushing Program Progress Map;
- (f) Nitrate Report - Advisory;
- (g) Res #2024-29 Resolution Approving Payment for the Pipe Oversizing Costs on the Watermain Project: Highview Park 1<sup>st</sup> Addition;
- (h) August 31, 2024 Financials Report;
- (i) MMPA September 2024 Meeting Update

Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

3. Public Comment Period. No public comments were offered.

4. Liaison Report. Commissioner DuLaney noted some questions from residents as to (1) other cities addressing backflow prevention, and (2) the undergrounding process for Omry. Greg Drent, General Manager, noted that municipal utilities in Elk River, Owatonna, and Rochester implemented backflow prevention efforts. As to the Omry project, he explained that SPU has moved the regulator bank and that SPU plans to use matching funds to address the next phase of undergrounding work, hopefully later this year.

5. Water Report. Lon Schemel, Water Superintendent, reported that SPU completed another round of PFAS testing; the results are expected for the next Commission meeting. He also reported that the Minnesota Department of Health has accepted SPU's initial database for lead service lines. The next steps include an on-line tracking tool and notices for services that are not so identified.

6. Backflow Penalty Appeal Response – Res #2024-30 A Resolution Making Findings of Fact and Determining the Appeal Submitted by Mikhail Stalmakov. Mr. Drent explained that SPU staff gathered information and prepared a proposed resolution that included findings of fact and denied the appeal of the \$150 penalty. He noted that resolution #2024-30 was revised to address a few typos and is before the Commission for consideration. Commissioners noted instances of contamination due to backflow and the need to protect the public water system. Commissioner

Mocol moved approval of Resolution #2024-30 A Resolution Making Findings of Fact and Determining the Appeal Submitted by Mikhail Stalmakov. Commissioner DuLaney seconded the Motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

7. McGuire and Sunset Streets and Utilities Feasibility Report. Ryan Halverson, Engineering Supervisor – Water provided an overview of the project process, including the City’s request that SPU provide preliminary cost estimates to provide water to the project area. He explained that, due to the low density of housing, water pressure zones, and the directional drilling, the project costs are significant, with over \$1,000,000 estimated for base water service, not including water capacity and trunk water charges. Mr. Halverson explained staff’s analysis of multiple options to decrease the project costs. Commissioners discussed these options, past project approvals, the negative balance in the trunk water fund, and the pending Ehlers study of trunk water and water capacity charges. They requested future discussion of funding alternatives for these types of projects. Commissioner Fox moved to waive SPU’s looping requirements of 300 feet on cul-de-sacs for this project and to authorize \$150,000 to offset the project costs. Commissioner Mocol seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

8. Tank 9 Reject All Bids and Rebid. Mr. Halverson reported that SPU received two bids on September 30, 2024 for construction of Tank 9. He explained that the bids were significantly higher than the budget, that national communications issues on the day of the response may have affected potential responders, and that staff recommended rejecting all bids and rebidding. Commissioner Fox moved to reject all bids for the Tank 9 construction project and rebid. Commission DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

9. Electric Report. Brad Carlson, Electric Superintendent, reported completed projects for the roundabout at 69 & 78, Sand Venture Park service, the CDA building on 5<sup>th</sup> Avenue, and temporary power to Gateway Townhomes. He also provided an update as to SPU’s three-phase line near Marshall Road and Cty. Road 160, AMI meter changeouts, and that renovations for the Commission meeting room are expected to start this week. Mr. Carlson noted that MMUA hosted a Minnesota line workers rodeo, and he congratulated SPU employees on their many awards. He reported that an SPU crew joined 38 line workers from Minnesota traveling to Florida to provide mutual aid to assist with power outages relating to hurricanes. Mr. Carlson reported five outages since the last Commission meeting, including some minor animal-related causes and one larger outage in Valley Park Drive that affected 39 customers for approximately two hours.

10. Electric Long Range Plan Presentation. Mr. Drent introduced Kevin Favero of Leidos to present the Electric Long Range Plan. Mr. Favero explained that the Plan forecasts load growth for each circuit and identifies the facilities needed to provide reliable and cost-efficient service. He presented the load growth projections, and the facilities needed to support this load. Mr. Drent noted that the Plan is used in preparing SPU’s capital improvement plan. Commissioner Mocol

moved to accept the Electric Long Range Plan. Commission Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

11. Marketing/Key Accounts Report. Sharon Walsh, Director of Marketing, Key Accounts, and Special Projects, reported that SPU has installed 5,352 AMI water meters and 11,191 electric meters as of September 20, 2024. She noted that SPU participated in the Chamber's Shako Lantern event and will participate in the City's Spooky Family Fun Day.

12. Dave Berg Consulting, LLC Rate Study. Kelley Willemsen, Director of Finance and Administration, introduced Dave Berg, from Dave Berg Consulting LLC, to discuss the on-going rate study. Mr. Berg presented SPU's current electric and water rates and identified potential adjustments, as well as funding options for upcoming capital projects, including current reserves and debt financing. He noted that these issues will be further discussed at the October 21, 2024 workshop.

13. General Manager Report. Mr. Drent provided an update of pending items, including evaluating new features through NISC, job descriptions, investments and sweep accounts, and determining staffing needs. He noted that Mr. Carlson and he met with City staff to discuss fleet maintenance services and potential partnership. Mr. Drent also noted an inquiry from a potential data center. He reported that he will speak at the Minnesota Electric Leadership event and that he plans to participate in a discussion by municipal and cooperative utility representatives about legislative efforts and potential opportunities to work together.

14. General Manager Performance Evaluation. Commissioner Mocol moved to go to closed session under Minnesota Statutes, Section 13D.05 subd.3(a) to evaluate the performance of the General Manager. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None. In open session, Vice President Letourneau noted that the Commission will provide a summary of its conclusions at the next meeting.

15. Future Agenda Item. Commissioners requested future discussion of water projects in connection with street reconstruction, grants and funding options, and developing a crisis communication plan.

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

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Greg Drent, Commission Secretary

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## SHAKOPEE PUBLIC UTILITIES COMMISSION

### WARRANT LISTING

November 4, 2024

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 10/04/2024**

AAR BUILDING SERVICE CO.	\$4,298.63	OCTOBER SPU BLDG CLEANING
KATIE J ADAMS	\$109.34	REIMBURSE JUL, AUG & SEPT MILEAGE
ALTEC INDUSTRIES INC	\$583.25	REPAIR LED LIGHTS ELEC TRUCK
APPLE FORD OF SHAKOPEE	\$2,111.85	WATER TRK#650 OIL CHANGE
CHRIS BERG	\$400.00	ENERGY STAR DISHWASHER REBATE
BERNDT BUILDERS INC	\$400.00	REPLACE BROKEN GLASS WILL CALL DOOR
BIRDS LAWN CARE LLC	\$3,943.99	SEPT LAWN CARE
LLC BLUUM OF MINNESOTA	\$567.70	SERVICE CALL COMM ROOM REPAIR
BORDER STATES ELECTRIC SUPPLY	\$387,368.94	VFI-9 16KA 600A/200A SWITCHGEAR
BUSINESS MANAGEMENT DAILY	\$199.00	1 YR HR SPECIALIST EMPLOYMENT LAW
CDW GOVERNMENT LLC	\$6,923.61	HPE ARUBA SUPPLY
CENTURY PROMOTIONAL ADVERTISING LLC	\$392.00	SPU UNIFORM CLOTHING ORDER
CONFERENCE TECHNOLOGIES, INC.	\$44,898.15	WO#2848 COMM RM REMODEL EQUIP
CORE & MAIN LP	\$11,320.00	WATER METERS
DSI/LSI	\$445.11	OCTOBER GARBAGE SVC
EUROFINS EATON ANALYTICAL, LLC	\$1,140.00	PFAS 533
GRAINGER INC	\$593.38	EAR PLUGS(E)
TYLER HANSON	\$47.16	RESISSUE CK65309 5/19/23 MILEAGE UCP
HAWKINS INC	\$160.00	CHLORINE CYLINDERS
HENNEN'S AUTO SERVICE INC.	\$1,289.16	WATER TRK#630 NEW TIRES
HREXPRTISEBP LLC	\$4,231.25	SEPT 2024 HR CONSULTING
INNOVATIVE OFFICE SOLUTIONS	\$907.07	OFFICE SUPPLIES
INT'L UNION OF OPER ENGINEERS LOCAL 49	\$812.00	SEPT. MONTHLY UNION DUES
INTEGRATED CITY SOLUTIONS	\$41,410.00	HYDRANT 2 COLOR PAINTING
IRBY - STUART C IRBY CO	\$1,764.10	WOOD BRACE SET(E)
JOHN HENRY FOSTER MINNESOTA INC.	\$1,138.93	2116 HALLI RD MAINT CONT 10/1/24-3/31/25
JT SERVICES	\$16,106.95	PIPE 1 1/4" INNERDUCT
DAVID KELLOGG	\$125.00	ENERGY STAR CLOTHES WASHER REBATE
CHRISTOPHER LEE	\$500.00	ENERGY STAR COLLING/HEATING REBATE
LLOYD'S CONSTRUCTION SERVICES	\$1,027.75	8.12-8.13 2024 DEMO/CONST 255 SARAZIN
MINN VALLEY TESTING LABS INC	\$260.00	WATER TESTING NITRATES
MN VALLEY LANDSCAPE	\$53,017.32	WO#2483 W SHAKO SUB LANDSCAPING
MPOWER TECHNOLOGIES, INC.	\$313.50	SEPT MPOWER CUSTOMER SUPPORT SERVICES
NAPA AUTO PARTS	\$6.42	FUSE(E)
NCPERS GROUP LIFE INS.	\$192.00	SEPT. PREMIUMS FOR NCPERS LIFE INS.
FREDRICK M NDIVO	\$140.88	WO#2472 AMI WIFI REIMBURSEMENT
GERRY NEVILLE	\$92.46	REIMBURSE 138 MILES
ONE TECH ENGINEERING INC.	\$7,927.50	TIME WORKED 9/2/24-9/4/24
PATCHIN MESSNER & DODD	\$7,472.50	WO#2634 WATER TRMT HAWKINS PROPERTY
PLUNKETT'S PEST CONT, INC.	\$155.89	PEST CONTROL @ 857 VALLEY PARK DR WELL#4
PRINCIPAL LIFE INS. COMPANY	\$4,743.17	SEPT. PREMIUMS
JEFF ROTH	\$500.00	ENERGY STAR COOLING/HEATING REBATE
LON SCHEMEL	\$1,147.63	REIMB LODING MN AWWA CONF DULUTH MN
TECH PRODUCTS, INC	\$2,903.66	WARNING NOTICE LABEL
ULINE, INC.	\$50.50	CUBE BOXES
UPS STORE # 4009	\$37.75	IRBY TOOL REPAIR SHIPMENT(E)
VIVID IMAGE, INC.	\$650.00	OCTOBER 10/1-10/31 2024 RETAINER
MICHAEL VOURLOS	\$35.24	REIMBURSE JULY, AUG & SEPT MILEAGE
WATER CONSERVATION SERVICE INC	\$349.65	LEAK LOCATE @ 1049 MONROE ST 9.25.24
KELLEY WILLEMSEN	\$658.69	REIMB MNGOFOA CONF REGIST/LODGING
DULCEY ZABRA	\$500.00	ENERGY STAR COOLING/HEATING REBATE
CENTERPOINT ENERGY - ACH	\$640.09	GAS USAGE 8/7-9/9 SPU BLDG
FURTHER - ACH	\$229.50	SEPT. ADM. FEES
DELTA DENTAL PLAN OF MN	\$5,611.79	SEPT. PREMIUMS
HEALTHPARTNERS	\$69,297.41	SEPT. DEDUCTIONS FOR OCT. PREMIUMS
MINNESOTA LIFE	\$1,116.42	SEPT. LIFE INS. PREMIUMS
PAYROLL DIRECT DEPOSIT 10.04.24	\$133,156.14	
BENEFITS & TAXES FOR 10.04.24	\$125,946.51	

**Total Week of 10/04/2024**

**\$952,366.94**



**WEEK OF 10/11/2024**

CREDIT REFUNDS  
 ABDO LLP  
 ALTEC INDUSTRIES INC  
 AMARIL UNIFORM COMPANY  
 APPLE FORD OF SHAKOPEE  
 B & B TRANSFORMER INC  
 BARR ENGINEERING CO.  
 BORDER STATES ELECTRIC SUPPLY  
 BRYAN ROCK PRODUCTS INC  
 CDW GOVERNMENT LLC  
 CEMSTONE PRODUCTS CO.  
 CITY OF PRIOR LAKE  
 CITY OF SHAKOPEE  
 CITY OF SHAKOPEE  
 CITY OF SHAKOPEE  
 CITY OF SHAKOPEE  
 CORVAL CONSTRUCTORS, INC.  
 EHLERS COMPANIES  
 DAVID ERNST  
 FERGUSON US HOLDINGS, INC.  
 FERRELLGAS  
 FLYTE HCM LLC  
 FRONTIER ENERGY, INC.  
 GOPHER STATE ONE-CALL  
 GRAYBAR ELECTRIC COMPANY INC  
 HACH COMPANY  
 IRBY - STUART C IRBY CO  
 KENNEDY & GRAVEN, CHARTERED  
 L&S ELECTRIC INC.  
 LLOYD'S CONSTRUCTION SERVICES  
 LOFFLER COMPANIES - 131511  
 MICHAEL MENDEN  
 MGX EQUIPMENT SERVICES, LLC  
 MICHAEL MIANO  
 MINN VALLEY TESTING LABS INC  
 VOID  
 MN DEPT. OF LABOR & INDUSTRY  
 MPOWER TECHNOLOGIES, INC.  
 GERRY NEVILLE  
 NISC  
 NORTHERN STATES POWER CO  
 OFFICE OF MNIT SERVICES  
 ORACLE AMERICA INC.  
 PRIORITY 1 SPRINKLERS LLC  
 RESCO  
 ANDREW ROWE  
 RW BECK GROUP, INC, LEIDOS ENG. LL  
 CODY SCHUETT  
 SCOTT COUNTY RECORDERS  
 SENSIDYNE, LP  
 SPENCER FANE LLP  
 TOM KRAEMER, INC  
 TORO COMPANY  
 JANETTE TORREZ  
 VERIZON  
 XCEL ENERGY  
 AMERICAN NATL BANK\_MASTERCARD\_ACH  
 FIRST DATA CORPORATION  
 MMPA C/O AVANT ENERGY  
 VERIZON WIRELESS

\$4,017.35 CREDIT REFUNDS  
 \$2,092.50 SEPT FS ACCOUNTING SERVICES  
 \$1,534.04 GROUND ASSEMBLY  
 \$210.24 SPU UNIFORM ORDER J.VONBANK  
 \$3,532.29 ELECTRIC TRK#610 OIL CHANGE  
 \$28,372.00 500 PAD RM 3 PHASE TRANSFORMER  
 \$29,035.60 WO#2683 TANK #9 JUNE 17 2022 SVCS  
 \$69,553.91 PROPANE TANK  
 \$444.24 ROCK FOR MAIN BREAK(W)  
 \$9,744.00 SCADA ARUBA CX 6100 12G  
 \$925.50 WO#2885 SHENANDOAH DR/UNBRIDLED AVE  
 \$624.00 3RD QTR2024 PL FRANCHISE FEES  
 \$5,262.26 SEPTEMBER FUEL  
 \$537,138.35 SEPT 2024 SW \$417,881.70 & SD \$119,256.6  
 \$338,400.00 SEPTEMBER PILOT TRANSFER FEE  
 \$1,080.04 SEPTEMBER STORM DRAIN/SPU PROPERTIES  
 \$8,529.81 AC REPAIR @ DEAN LAKES SUB  
 \$3,776.25 SEPT 2024 CONNECTION FEE STUDY  
 \$500.00 ENERGY STAR COLLING/HEATING REBATE  
 \$3,179.71 MTR COUPLING(W)  
 \$814.34 PROPANE  
 \$91.00 SEPT COBRA/SPECIFIC RIGHTS NOTICE  
 \$6,637.75 AUG-SEPT C&I IMPLEMENTATION/PROG MGMT  
 \$1,196.10 SEPT TICKETS  
 \$16,481.54 PIPE 3" PVC SCH40  
 \$390.00 REPAIR COLORIMETER(W)  
 \$1,068.75 HOT LINE CLAMP  
 \$1,318.00 WO#2634 WATER TRMT SITE AUG BILLING  
 \$72,965.00 WO#2483 W SHAKO SUBSTATION  
 \$512.75 RENTAL PD 9/19-10/2 2024 DEMO & CONSTRUC  
 \$1,104.24 AMI2718 WATER MTR INSTALL NOTICE INSERTS  
 \$271.32 REIMB MIELAGE/PER DIEM ST CLOUD SCHOOL  
 \$552.42 RAM MOUNT/XGRIP UNIVERSAL(E)  
 \$105.00 ENERGY STAR REFRIGERATOR REBATE  
 \$354.00 WATER TESTING NITRATES  
 \$0.00 VOID  
 \$210.00 PRESSURE VESSEL TANKS  
 \$5,000.00 AMI 2718 ANNUAL SOFTWARE SUBSCRIPTION  
 \$135.34 REIMBURSE 202 MILES  
 \$32,327.82 SEPTEMBER MISC  
 \$3,287.59 SEPTEMBER POWER BILL  
 \$734.01 SEPTEMBER (WAN) SERVICES  
 \$41,724.35 7/1/24-9/30/24 OPOWER CLOUD SERVICE  
 \$1,390.00 SPRINKLER WINTERIZATION  
 \$10,342.16 ELBOW JACKET SEAL  
 \$105.00 REFUND FOR BACKFLOW TESTING  
 \$25,505.50 WO#2483 SEPT SPU W SHAKO SUB DESIGN  
 \$250.00 REIMB FOR SAFETY BOOTS  
 \$46.00 REC EASEMENT BOING US HOLDO WM  
 \$2,864.99 CHLORINE SENSORS  
 \$21,917.00 SEPTEMBER LEGAL MATTERS  
 \$628.59 OCTOBER RENT AMI 2472  
 \$44,140.16 COMPRESSED AIR UPGRADES REBATE  
 \$75.00 ENERGY STAR REFRIGERATOR REBATE  
 \$614.25 SEPT TRUCK TRACKING  
 \$4,996.65 ELECTRIC SVC 857 VALLEY PRK 8/2-9/24  
 \$24,756.31 SEPT 2024 CC STMT  
 \$9,098.38 SEPTEMBER 2024 CC FEES  
 \$4,000,403.45 SEPTEMBER POWER BILL  
 \$3,950.43 SEPT CELL PHONE BILL

**Total Week of 10/11/2024****\$5,386,317.28**

**WEEK OF 10/18/2024**

ALTERNATIVE TECHNOLOGIES INC	\$60.00 DISSOLVED GAS ANALYSIS
AMARIL UNIFORM COMPANY	\$405.68 SPU UNIFORM ORDER R.BARTUSEK
ASTLEFORD INTL TRUCKS	\$5,225.74 WO#2697 TAX.REG,TITLE FEES DUE
AXEL H OHMAN INC.	\$172.21 DEPOSIT REFUND FOR METER#6749296 RETURN
BEST BUY BUSINESS ADVANTAGE ACCOUNT	\$374.57 APC-BACK UPS PRO BN(W)
BORDER STATES ELECTRIC SUPPLY	\$3,981.75 UF-NMCB-12/2-CU-WG-1000R
BRANDL ANDERSON HOMES INC.	\$5,693.00 REFUND WC PD FOR 7499 WAVERY AVE
CORE & MAIN LP	\$6,567.47 WATER METERS
CUSTOMER CONTACT SERVICES	\$503.34 ANSWERING SVC 10/15-11/11 204
D R HORTON	\$209,306.82 OVERSIZING PAYOUT REF RES #2024-29
ANNIE EICHER	\$500.00 ENERGY STAR HEATING/COOLING REBATE
FAIRBANKS ENERGY SERVICES, LLC	\$3,422.62 INTERIOR LIGHTING REBATE
FERGUSON US HOLDINGS, INC.	\$10,352.63 CONNECTORS
GRANT FRIENDSHUH	\$1,429.88 WO#2934 KUA PER DIEM/REIMB FUEL
GRAINGER INC	\$1,999.81 PAD LOCK SEALS(E)
HAWKINS INC	\$10,440.12 CHEMICALS
HENNEN'S AUTO SERVICE INC.	\$89.55 ELECTRIC TRK#632 OIL CHANGE
INTERSTATE ALL BATTERY CTR	\$46.00 BATTERIES(W)
IRBY - STUART C IRBY CO	\$4,598.24 SAFETY TESTING PROTECTIVE EQUIPMENT(E)
JT SERVICES	\$812.82 U12520-W1H-K WHITE TAGS
MATTHEW KAHLE	\$1,213.66 WO#2934 KUA PER DIEM/REIMB FUEL
KATAMA TECHNOLOGIES, INC.	\$937.50 WO2472 AMI GENERAL CONSULTING SEPT
KEYS WELL DRILLING COMPANY, INC	\$7,575.00 WELL SEAL
NICHOLE KRUEGER	\$50.00 ENERGY STAR CLOTHESWASHER REBATE
MINNESOTA UI	\$5,471.56 3RD QTR 2024 U.E. BENEFITS
MMUA	\$13,607.50 APPRENTICE LINWORKER TRAINING PROGRAM
MN DEPT OF COMMERCE	\$20,437.02 UNCLAIMED PROP SUBMISSION 7/1/22-6/30/23
MPOWER TECHNOLOGIES, INC.	\$350.00 MPOWER CLOUD HOSTING SERVER
GERRY NEVILLE	\$182.91 REIMB 273 MILES
PRIORITY 1 SPRINKLERS LLC	\$105.00 WINTERIZATION 1294 EMERALD LANE
CODY SCHUETT	\$1.99 BALANCE OWED SAFETY BOOT REIMB.
SCOTT COUNTY	\$7,885.00 WO#2697 PLATES,TABS,TAXES DUMP TRK
SHAKOPEE CHAMBER OF COMMERCE	\$2,200.00 ANNUAL MEMBERSHIP/CONTRIB SHAKO FOUNDATI
ERIC STEVENS	\$500.00 ENERGY STAR COOLING/HEATING REBATE
STOCK TRAILER CITY INC.	\$32.10 2 JUNCTION BOXES(E)
TOM KRAEMER, INC	\$48.59 TAX OWED ON INV#664926 WO2472 AMI
WESCO RECEIVABLES CORP.	\$3,976.93 LINE MARKER BALLS UNDERGROUND
FP MAILING SOLUTIONS	\$4,000.00 POSTAGE PURCHASE 10/9/24
FURTHER - ACH	\$1,260.76 FLEX CLAIM REIMB.
MN DEPT OF REVENUE ACH PAYMENTS	\$408,723.00 SEPT 2024 SALES & USE TAX PAYABLE
PAYROLL DIRECT DEPOSIT 10.18.24	\$138,446.13
BENEFITS & TAXES FOR 10.18.24	\$167,412.46

**Total Week of 10/18/2024**

**\$1,050,399.36**

**WEEK OF 10/25/2024**

ASHENAFI ADI	\$500.00 ENERGY STAR HEATING/COOLING REBATE
ALTEC INDUSTRIES INC	\$3,179.37 REPAIRS TRUCK #611(E)
DAS BIKRAM	\$500.00 ENERGY STAR HEATING/COOLIGN REBATE
BORDER STATES ELECTRIC SUPPLY	\$143,929.49 AUTO WEDGE(E)
BRADLEY BUCKENTIN	\$500.00 ENERGY STAR COOLING/HEATING REBATE
CDW GOVERNMENT LLC	\$655.19 MONITORS
COMCAST CABLE COMM INC,	\$2.30 CABLE FOR BREAKROOMS
CORE & MAIN LP	\$1,305.85 6 COMPANION FLANGE BRASS METERS
DITCHWITCH OF MINNESOTA	\$755.02 REPAIR ON EXCAVATOR
PAUL DYKEMA	\$105.00 ENERGY STAR REFRIGERATOR REBATE
ELECTRICAL PRODUCTION SERVICES	\$728.00 HANDHOLE TELECOM(W)
FERGUSON US HOLDINGS, INC.	\$10,994.47 UNIV SERV KEY(W)
FLOORS TO GO, LLC	\$5,350.00 WO#2848 CARPET TILE FOR COMMISSION ROOM
GRAINGER INC	\$559.16 ROTATION TESTER(E)
BARB GRIFFITH	\$50.00 ENERGY STAR DISHWASHER REBATE
IRBY - STUART C IRBY CO	\$140.89 ORANGE TOOL BUCKET
MICHELLE KARR	\$75.00 ENERGY STAR REFRIGERATOR REBATE
JOE KOREVEC	\$500.00 ENERGY STAR HEATING/COOLING REBATE
NICHOLE KRUEGER	\$125.00 ENERGY STAR CLOTHES WASHER REBATE
LOCATORS & SUPPLIES INC	\$792.94 RED CONST MARKING PAINT(E)
LOFFLER COMPANIES - 131511	\$204.51 POSTAGE EQUIP AGREEMENT INVOICE
EMMETT LUETMER	\$219.99 SAFETY BOOT REIMBURSEMENT
METRO TESTING METRO MECHANICAL CONSULTAN	\$1,190.00 2 BACKFLOW RECERTIF. MYERS/BRAZINA
MIDWEST SAFETY COUNS, INC.	\$38.35 EYEWEAR CLEANING WIPES
MINN VALLEY TESTING LABS INC	\$354.00 NITRATE+NITRATE WATER TESTING
MMUA	\$1,770.00 TECH/OPERATA CONF BRAD JAMIE MATT
MN DEPT OF HEALTH	\$55.00 WATERWORKS OPER EXAMINATION M.MENDEN
THOMAS E MUELKEN	\$500.00 ENERGY STAR HEATING/COOLING REBATE
GERRY NEVILLE	\$174.20 REIMBURSE 260 MILES
OLSEN CHAIN & CABLE, INC.	\$371.85 3/8" SOL CHAIN SLING
PALADIN TECHNOLOGIES (USA) INC.	\$140.00 REPAIR KEYPAD SPU BLDG
JOSH RAYMOND	\$500.00 ENERGY STAR COOLING/HEATING REBATE
RESCO	\$1,407.08 SLEEVE ALUM AUTO SPLICE 4/0
MANU SETHI	\$500.00 ENERGY STAR HEATING/COOLING REBATE
SHORT ELLIOTT HENDRICKSON INC	\$7,797.32 SEPT COMP WATER STUDY PLAN
TRUE NORTH CONTROLS	\$1,298.00 RECALIBRATED RADIO REPAIR(W)
WESCO RECEIVABLES CORP.	\$10,012.82 METER SOCKET 9S
BRENT WHITESIDE	\$75.00 ENERGY STAR REFRIGERATOR REBATE
TONY ZIERMAN	\$500.00 ENERGY STAR HEATING/COOLING REBATE
DGR ENGINEERING	\$540.00 WO#2837 SS31 LATERAL 3PH EXT SEPT
MINGER CONSTRUCTION COMPANIES, INC.	\$153,191.42 11st AVE. WATER MAIN IMPROVEMENTS
MINN VALLEY TESTING LABS INC	\$94.00 NITRATE & NITRITE
NISC	\$4,250.00 MIC CONF. T.K.,CM,MV.PT NISC - FLORIDA
RIES HEATING & A/C INC	\$110.00 PUMP HOUSE 2 SERVICE CALL
VERIZON WIRELESS	\$966.91 BILLING PD 9/6-10/5 2024
FURTHER - ACH	\$192.31 DAYCARE FLEX CLAIM REIMB
ZAYO GROUP, LLC	\$4,976.54 T1 LINE, S .SUB PIKE LAKE OCTOBER

**Total Week of 10/25/2024**

**\$362,176.98**

**Grand Total**

**\$7,751,260.56**

*Kelley Willemssen*

Presented for approval by: Director of Finance & Administration

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Approved by General Manager

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Approved by Commission President

# Monthly Water Dashboard

As of: September 2024

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

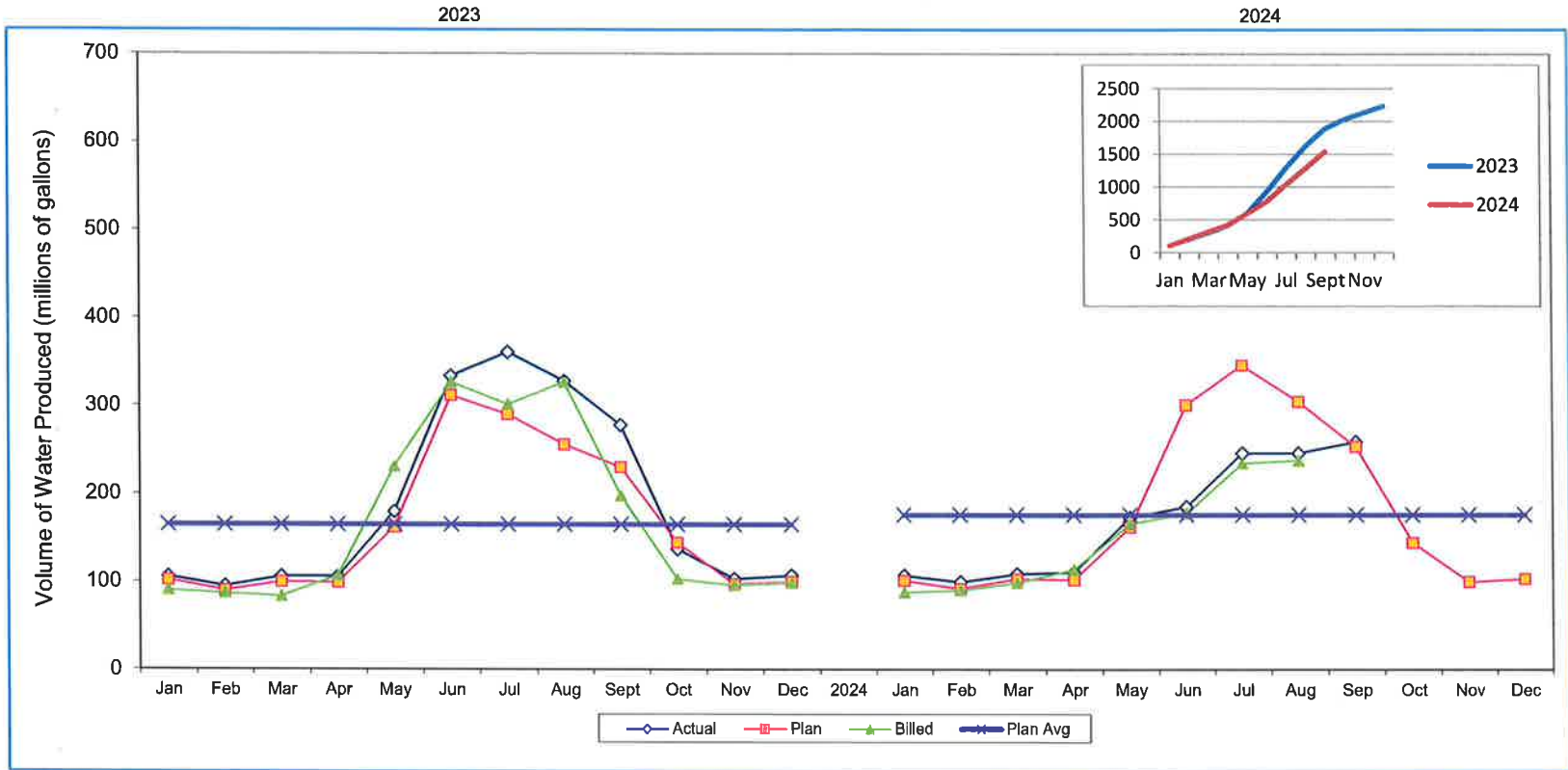
**Element/Measure**

**Water Pumped/Metered**

Monthly Avg

Last 6 months actuals	111	173	185	246	246	259
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2021	173
2022	167
2023	187



	2023												2024											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	106	95	106	106	180	334	361	328	278	137	103	107	107	100	109	111	173	185	246	246	259			
Plan	102	90	100	99	162	312	290	256	230	144	97	100	101	92	103	102	162	301	346	305	254	144	100	103
YTD % *													106%	107%	107%	107%	107%	91%	85%	84%	87%			
Billed	91	87	84	107	231	327	302	327	198	103	96	99	88	91	99	114	166	178	235	238				

\* Actual gallons pumped vs. Plan

**DATE:** October 27, 2024  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemsen, Director of Finance & Administration *KW*  
**SUBJECT:** September 30, 2024 – Financials Reports

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As part of the September 30, 2024, financial reports we continued the practice of providing a component of analytical review. For the Water and Electric Operating Revenue and Expense budget to actual reports you will see comments at the bottom of each page. In addition to the analytical review, there are a few important points to note.

- The budget is projected on an annual basis rather than a monthly basis, so the information reported through September 30, 2024, equates to 75% of the annual budget.
- Change in net position for the electric division as of 09/30/2024 is favorable at \$4.7M.
- Change in net position for the water division as of 09/30/2024 is favorable at \$4.4M.
- YTD electric operating revenues are down 3.9% from the prior year.
- YTD electric operating revenues are down 2.3% from budget due to less KWH usage than projected through September and the even budget spread for the full year.
- YTD electric expenses are down 7.0% (excluding depreciation) from the previous year. Depreciation for the electric division is higher due to the accelerated depreciation adjustment made for the retirement of old meters through the AMI project.
- YTD electric expenses are better (excluding depreciation) to budget mainly due to less purchase power costs through September.
- YTD water operating revenues are down 22.0% from the prior year.
- YTD water operating revenues are down 3.9% from budget due to less water usage than projected through September and the even budget spread for the full year.
- YTD water expenses are within 3.7% (excluding depreciation) of the previous year expenses. Depreciation for the water division is higher due to the accelerated depreciation adjustment made for the retirement of old meters through the AMI project.
- YTD water expenses are better to (excluding depreciation) to budget by 10.2%.

Included in this report are the following statements:

- Combined Statement of Revenues, Expenses and Changes in Fund Net Position
- 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 – 2023 to 2024
- Water Operating Revenue and Expense – 2023 to 2024

**Request**

The Commission is requested to accept the Financial Reports for the period ending 09/30/2024

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

	Year to Date Actual - September 30, 2024			Year to Date Budget - September 30, 2024			Electric		Water		Total Utility	
	Electric	Water	Total Utility	Electric	Water	Total Utility	YTD Actual v. Budget B/(W)		YTD Actual v. Budget B/(W)		YTD Actual v. Budget B/(W)	
							\$	%	\$	%	\$	%
<b>OPERATING REVENUES</b>	\$ 44,981,605	5,117,937	50,099,542	46,046,972	5,323,913	51,370,884	(1,065,367)	-2.3%	(205,975)	-3.9%	(1,271,343)	-2.5%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	37,184,757	3,228,341	40,413,098	39,965,397	3,596,041	43,561,438	2,780,640	7.0%	367,700	10.2%	3,148,339	7.2%
Depreciation	2,880,773	2,103,725	4,984,498	2,446,478	1,505,082	3,951,560	(434,295)	-17.8%	(598,643)	-39.8%	(1,032,938)	-26.1%
Total Operating Expenses	40,065,530	5,332,066	45,397,596	42,411,874	5,101,123	47,512,997	2,346,344	5.5%	(230,944)	-4.5%	2,115,401	4.5%
Operating Income	4,916,074	(214,129)	4,701,945	3,635,097	222,791	3,857,888	1,280,976	35.2%	(436,920)	196.1%	844,056	21.9%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	547,881	501,334	1,049,215	180,224	81,607	261,830	367,657	204.0%	419,728	514.3%	787,385	300.7%
Interdepartment Rent from Water	67,500	-	67,500	67,500	-	67,500	-	0.0%	-	0.0%	-	0.0%
Investment Income	1,755,631	1,208,357	2,961,988	763,991	365,375	1,129,366	991,639	129.8%	840,983	230.2%	1,832,622	162.3%
Interest Expense	(65,449)	(3,607)	(69,056)	(59,237)	(9,000)	(68,237)	(6,212)	-10.5%	5,393	59.9%	(820)	-1.2%
Gain/(Loss) on the Disposition of Property	8,663	12,765	21,428	-	-	-	8,663	0.0%	12,765	-	21,428	-
Total Non-Operating Revenue (Expense)	2,314,225	1,716,849	4,031,075	952,478	437,981	1,390,459	1,361,747	143.0%	1,278,868	292.0%	2,640,615	189.9%
Income Before Contributions and Transfers	7,230,299	1,502,720	8,733,019	4,587,576	660,772	5,248,348	2,642,724	57.6%	841,948	127.4%	3,484,672	66.4%
<b>CAPITAL CONTRIBUTIONS</b>	294,581	3,228,769	3,523,349	547,997	2,737,433	3,285,430	(253,416)	46.2%	491,335	17.9%	237,920	7.2%
<b>MUNICIPAL CONTRIBUTION</b>	(2,834,219)	(319,428)	(3,153,647)	(2,726,168)	(319,435)	(3,045,602)	(108,051)	-4.0%	6.75	0.0%	(108,044)	-3.5%
<b>CHANGE IN NET POSITION</b>	\$ 4,690,661	4,412,061	9,102,722	2,409,404	3,078,770	5,488,173	2,281,258	94.7%	1,333,291	43.3%	3,614,549	65.9%

**SHAKOPEE PUBLIC UTILITIES**  
**ELECTRIC OPERATING REVENUE AND EXPENSE**  
**For period ending September 30, 2024**

	YTD Actual	YTD Budget	YTD Actual v. Budget	
	9/30/2024	9/30/2024	Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 16,528,501	17,487,168	(958,667)	94.5
Commercial and Industrial	27,502,084	27,555,674	(53,590)	99.8
Total Sales of Electricity	<u>44,030,585</u>	<u>45,042,842</u>	<u>(1,012,257)</u>	<u>97.8</u>
Forfeited Discounts	187,558	229,214	(41,657)	81.8
Free service to the City of Shakopee	108,047	99,273	8,774	108.8
Conservation program	655,415	675,643	(20,227)	97.0
Total Operating Revenues	<u>44,981,605</u>	<u>46,046,972</u>	<u>(1,065,367)</u>	<u>97.7</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	31,330,314	32,818,172	(1,487,858)	95.5
Distribution operation expenses	461,710	667,842	(206,132)	69.1 (1)
Distribution system maintenance	808,179	928,744	(120,565)	87.0
Maintenance of general plant	376,092	290,791	85,301	129.3 (2)
Total Operation and Maintenance	<u>32,976,295</u>	<u>34,705,549</u>	<u>(1,729,254)</u>	<u>95.0</u>
Customer Accounts				
Meter Reading	104,091	113,060	(8,969)	92.1
Customer records and collection	462,307	724,258	(261,951)	63.8 (3)
Energy conservation	253,094	683,541	(430,447)	37.0 (4)
Total Customer Accounts	<u>819,492</u>	<u>1,520,859</u>	<u>(701,368)</u>	<u>53.9</u>
Administrative and General				
Administrative and general salaries	689,795	853,798	(164,002)	80.8
Office supplies and expense	389,594	414,069	(24,474)	94.1
Outside services employed	326,393	431,720	(105,327)	75.6 (5)
Insurance	138,978	131,250	7,728	105.9
Employee Benefits	1,438,147	1,397,829	40,318	102.9
Miscellaneous general	406,063	510,324	(104,260)	79.6 (6)
Total Administrative and General	<u>3,388,971</u>	<u>3,738,989</u>	<u>(350,018)</u>	<u>90.6</u>
Total Operation, Customer, & Admin Expenses	<u>37,184,757</u>	<u>39,965,397</u>	<u>(2,780,640)</u>	<u>93.0</u>
Depreciation	2,880,773	2,446,478	434,295	117.8
Total Operating Expenses	<u>\$ 40,065,530</u>	<u>42,411,874</u>	<u>(2,346,344)</u>	<u>94.5</u>
Operating Income	<u>\$ 4,916,075</u>	<u>3,635,097</u>	<u>1,280,977</u>	<u>135.2</u>

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

- (1) YTD budget variance in distribution operating expenses is better than budgeted, labor and expenses have shifted to maintenance, AMI, and construction projects.
- (2) YTD budget variance in maintenance of general plant is higher than budgeted due to more labor and expenses being booked. Overall, operations and maintenance is still better to budget YTD.
- (3) YTD budget variance is due to lower credit card and collection expenses budgeted. New credit card rates through SmartHub is the factor contributing to this variance.
- (4) YTD budget variance is mainly due to timing of rebates and the budget having an even spread. Should stabilize throughout the year.
- (5) YTD budget variance is due to outside services that are not completed yet.
- (6) YTD budget variance is due to lower than projected miscellaneous labor and material actuals through August.



**SHAKOPEE PUBLIC UTILITIES**  
**WATER OPERATING REVENUE AND EXPENSE**  
For period ending September 30, 2024

	YTD Actual 9/30/2024	YTD Budget 9/30/2024	YTD Actual v. Budget Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 5,102,411	5,293,989	(191,578)	96.4
Forfeited Discounts	15,526	29,924	(14,397)	51.9
Total Operating Revenues	5,117,937	5,323,913	(205,975)	96.1
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	574,548	621,074	(46,526)	92.5
Pumping and distribution maintenance	518,620	550,141	(31,521)	94.3
Power for pumping	302,434	326,347	(23,913)	92.7
Maintenance of general plant	48,187	52,430	(4,243)	91.9
Total Operation and Maintenance	1,443,789	1,549,992	(106,203)	93.1
Customer Accounts				
Meter Reading	56,602	53,477	3,126	105.8
Customer records and collection	136,990	183,870	(46,880)	74.5 (1)
Total Customer Accounts	195,938	237,347	(41,408)	82.6
Administrative and General				
Administrative and general salaries	396,705	508,632	(111,927)	78.0 (2)
Office supplies and expense	130,548	103,055	27,493	126.7 (3)
Outside services employed	161,168	275,959	(114,791)	58.4 (4)
Insurance	46,356	33,835	12,521	137.0 (5)
Employee Benefits	678,667	679,177	(510)	99.9
Miscellaneous general	175,169	208,045	(32,875)	84.2
Total Administrative and General	1,588,613	1,808,702	(220,089)	87.8
Total Operation, Customer, & Admin Expenses	3,228,341	3,596,041	(367,700)	89.8
Depreciation	2,103,725	1,505,082	598,643	139.8 (6)
Total Operating Expenses	\$ 5,332,066	5,101,123	230,944	104.5
Operating Income	\$ (214,129)	222,790	(436,919)	(96.1)

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

- (1) YTD budget variance is due to lower credit card and collection expenses budgeted. New credit card rates through SmartHub is the factor contributing to this variance.
- (2) YTD budget variance is due to 2024 budget including two full time positions currently unfilled.
- (3) YTD budget variance is due to higher than projected office expenses through August, should stabilize throughout the year.
- (4) YTD budget variance is due to outside services that are not completed yet.
- (5) YTD budget variance is due to timing of when insurance is paid. Should stabilize throughout the year.
- (6) The 2024 depreciation budget did not include the accelerated depreciation adjustment for the AMI project. \$523K was not budgeted and is causing the higher variance.

**SHAKOPEE PUBLIC UTILITIES**  
**ELECTRIC OPERATING REVENUE AND EXPENSE**  
For period ending September 30, 2024

	2024	2023	2023-2024	
			Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Residential	\$ 16,528,501	17,167,341	(638,840)	96.3
Commercial and Industrial	27,502,084	28,504,849	(1,002,765)	96.5
Total Sales of Electricity	<u>44,030,585</u>	<u>45,672,190</u>	<u>(1,641,605)</u>	<u>96.4</u>
Forfeited Discounts	187,558	266,192	(78,634)	70.5
Free service to the City of Shakopee	108,047	103,578	4,469	104.3
Conservation program	655,415	680,852	(25,437)	96.3
Total Operating Revenues	<u>44,981,605</u>	<u>46,722,812</u>	<u>(1,741,208)</u>	<u>96.3</u>
<b>OPERATING EXPENSES</b>				
Purchased power	31,330,314	33,928,895	(2,598,581)	92.3
Distribution operation expenses	461,710	519,673	(57,962)	88.8
Distribution system maintenance	808,179	858,995	(50,816)	94.1
Maintenance of general plant	376,092	319,064	57,029	117.9
Total Operation and Maintenance	<u>32,976,295</u>	<u>35,626,626</u>	<u>(2,650,331)</u>	<u>92.6</u>
Meter Reading	104,091	101,668	2,423	102.4
Customer records and collection	462,307	589,516	(127,209)	78.4
Energy conservation	253,094	417,257	(164,163)	60.7
Total Customer Accounts	<u>819,492</u>	<u>1,108,441</u>	<u>(288,949)</u>	<u>73.9</u>
Administrative and general salaries	689,795	584,616	105,179	118.0
Office supplies and expense	389,594	325,860	63,734	119.6
Outside services employed	326,393	328,126	(1,733)	99.5
Insurance	138,978	131,621	7,357	105.6
Employee Benefits	1,438,147	1,461,520	(23,373)	98.4
Miscellaneous general	406,063	387,189	18,875	104.9
Total Administrative and General	<u>3,388,971</u>	<u>3,218,931</u>	<u>170,040</u>	<u>105.3</u>
Total Operating Expenses	<u>37,184,757</u>	<u>39,953,998</u>	<u>(2,769,241)</u>	<u>93.1</u>
Depreciation	2,880,773	2,098,903	781,870	137.3
Total Operating Expenses	<u>\$ 40,065,530</u>	<u>42,052,901</u>	<u>(1,987,371)</u>	<u>95.3</u>
Operating Income	<u>\$ 4,916,075</u>	<u>4,669,911</u>	<u>246,163</u>	<u>105.3</u>

**SHAKOPEE PUBLIC UTILITIES**  
**WATER OPERATING REVENUE AND EXPENSE**  
For period ending September 30, 2024

	2024	2023	2023-2024	
			Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>	\$			
Sales of Water	5,102,411	6,205,491	(1,103,080)	82.2
Forfeited Discounts	15,526	22,732	(7,205)	68.3
Total Operating Revenues	<u>5,117,937</u>	<u>6,228,222</u>	<u>(1,110,285)</u>	<u>82.2</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	574,548	645,133	(70,585)	89.1
Pumping and distribution maintenance	518,620	420,585	98,035	123.3
Power for pumping	302,434	276,504	25,930	109.4
Maintenance of general plant	48,187	51,533	(3,346)	93.5
Total Operation and Maintenance	<u>1,443,789</u>	<u>1,393,755</u>	<u>50,034</u>	<u>103.6</u>
Customer Accounts				
Meter Reading	56,602	67,926	(11,323)	83.3
Customer records and collection	136,990	177,037	(40,047)	77.4
Energy conservation	2,346	3,546	(1,200)	66.2
Total Customer Accounts	<u>195,938</u>	<u>248,509</u>	<u>(52,570)</u>	<u>78.8</u>
Administrative and General				
Administrative and general salaries	396,705	353,834	42,871	112.1
Office supplies and expense	130,548	109,011	21,537	119.8
Outside services employed	161,168	151,605	9,563	106.3
Insurance	46,356	41,784	4,572	110.9
Employee Benefits	678,667	667,860	10,807	101.6
Miscellaneous general	175,169	145,581	29,588	120.3
Total Administrative and General	<u>1,588,613</u>	<u>1,469,676</u>	<u>118,938</u>	<u>108.1</u>
Total Operating Expenses	<u>3,228,341</u>	<u>3,111,939</u>	<u>116,402</u>	<u>103.7</u>
Depreciation	2,103,725	1,437,738	665,988	146.3
Total Operating Expenses	<u>5,332,066</u>	<u>4,549,677</u>	<u>782,390</u>	<u>117.2</u>
Operating Income	\$ <u>(214,129)</u>	<u>1,678,546</u>	<u>(1,892,675)</u>	<u>(12.8)</u>



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

**DATE:** October 24, 2024  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemsen, Director of Finance & Administration *KW*  
**SUBJECT:** Residential Customer Deposit Assistance – CAP Agency

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### Background

The CAP Agency contacted SPU to inquire about our interest in providing a donation again for low-income, homeless, or disabled individuals who need deposit assistance when setting up new utility services with SPU.

The commission approved a donation of \$2,000 for deposit assistance in January 2022. CAP was very appreciative of the support. Since receiving the donation, they have been able to assist 18 individuals with their deposits. The CAP Agency manages the application process to determine eligibility. When individuals qualify, CAP reaches out to SPU to guarantee the deposit for the individual's account. SPU staff sets up the account based on the guarantee from CAP, and they cut a check to SPU for the deposit.

CAP would like to continue with deposit assistance but has almost exhausted the funds. The Director of Programs at CAP is requesting an additional donation of \$2,000 from SPU.

### Recommendation

The commission is requested to approve staff to continue to work with the CAP Agency on a deposit assistance donation up to \$2,000 for 2024/2025.



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**DATE:** October 26, 2024  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *KW*  
**SUBJECT:** American National Bank (ANB) – Insured Cash Sweep Account (ICS)

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### Background

Public funds are subject to strict regulatory requirements. Proper stewardship requires adherence to laws governing how funds are deposited, managed, and withdrawn. Minnesota law requires the governing body of each government entity to designate one or more financial institutions as a depository for its public funds. Shakopee Public Utilities Commission designates depositories by resolution annually in a regular commission meeting. Staff examines the current depositories year after year to ensure the soundness of the institutes and the earnings and risks of the public funds held.

SPU has an earnings credit rate (ECR) bank account at American National Bank for the operational deposits and expenses of SPU. An ECR account is a non-interest-bearing account where the bank applies an interest rate to the average daily balance to offset service charges. As part of the annual review, staff met with account managers at American National Bank to discuss additional options available to SPU. American National Bank offers a sweep account called Insured Cash Sweep (ICS). This cash management solution allows SPU to earn better returns on funds that need to remain liquid for ongoing capital projects and needs.

Stewardship of public funds is a multifaceted responsibility that emphasizes accountability, compliance, risk management, and ethical practices. Before considering a move from the ECR account, we considered state laws, the SPU investment policy, and collateral requirements for public funds. We also met with auditors and spoke with other public entities that have moved away from traditional bank accounts and into a sweep account.


Considering the projected returns discussed at the ANB presentation in the workshop on October 21<sup>st</sup> and the fact that the account meets compliance and state law requirements, SPU staff would like to move forward with transitioning the operational account from an ECS account to the Insured Cash Sweep account.

### Requested Action:

The commission is requested to approve staff to move forward with setting up the insured cash sweep account (ICS) through American National Bank.



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To: SPU Commissioners  
From: Greg Drent, General Manager   
Date: October 25, 2024  
Subject: MMPA October 2024 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on October 22, 2024, at Chaska City Hall in Chaska, Minnesota and via videoconference.


The Board reviewed the Agency's operating and financial performance for September 2024.


Clean Energy Choice program participation increased from 5.8% to 5.9%.

The Board discussed the status of renewable projects the Agency is pursuing.

The MMPA Representatives met following the Board meeting and approved an amendment to MMPA's Agency Agreement that would change how weighted vote totals are calculated. Approval of two thirds of governing bodies of MMPA member communities is required for this amendment to take effect.

**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: Greg Drent, General Manager 

FROM: Joseph D. Adams, Planning & Engineering Director 

SUBJECT: Ehlers Public Finance Advisors Water Development Fee Study

DATE: October 31, 2024

#### ISSUE

Ehlers' Jessica Cook would like to present their findings to date with recommendations on policy and rate adjustments.

#### BACKGROUND

The Commission's water development fees are the Trunk Water Charge (TWC) and the Water Capacity Charge (WCC) fka Water Connection Charge. The SPU Water Access Charge (WAC) has always been equal to the TWC plus the WCC.

The Trunk Water Charge or TWC funds the over sizing (enlarging diameter) of lateral water mains into trunk water mains. The Commission's water main design criteria require all property newly receiving "water availability" to, among other requirements, install a lateral water main distribution system extension that meets design criteria including minimum flow based on each parcel's dimensions, minimum pipe diameter size by zoning, extension across the parcel in two directions e.g. N-S and E-W and "looping," which means leaving no dead ends. Over sizing accomplishes the goal of increasing fire flow to all areas of the system by increasing lateral pipe diameter sizes to 12-inch every ½ mile N-S and E-W. The TWC uses a net acre as its basic unit of measure. Net acres have been defined by the Commission to be total area minus dedicated road right of way, minus delineated wetlands that remain unfilled, minus dedicated city parks and minus the high water level of storm water ponds.

The 2024 TWC rate is \$5,359 per net acre.

The Water Capacity Charge or WCC funds the initial cost of water supply wells, pump houses, treatment plants, pressure booster stations and pressure reducing facilities. The WCC uses as its basic unit an "equivalent" SAC unit. A Sewer Availability Charge unit or SAC unit is equal to 274 gallons per day (based on a single living unit) as defined by the Met Council for measuring sanitary sewer flows expected from new construction, expansion through re-modeling of existing buildings or re-

purposing spaces. SPU uses the same unit of measure for the WCC calling it “equivalent” SAC units (274 gallons/day of water demand).

The 2024 WCC rate is \$5,693 per equivalent SAC unit.

## DISCUSSION

In their report Ehlers has identified SPU currently has “excess capacity” of 28.7% in its supply system.

Ehlers calculated the system’s excess capacity by taking the historical maximum day demand divided by the reliable supply capacity identified in the 2024 Comprehensive Water System Plan Update. The Maximum Day Demand (MGD) found in table 10 on page 13 of the SEH, Inc. report is 16.26 MGD. The Total System Reliable Supply Capacity is found in section 5.4 on page 23 of the SEH, Inc. report is 22.8 MGD.  $16.26/22.8=71.3\%$ .

25% is proposed to be used to determine how much of Water Treatment Plant (WTP) and related costs capital improvement projects funding share should be in the developers’ WCC fees i.e., the Connection Fund vs 75% share in water customer usage fees i.e., the Operating Fund. Thus, the proposed split would be 25/75% respectively for Connection/Operating Funds, since much of the WTP capacity will serve existing customers.

## RECOMMENDATIONS

Staff agrees with Ms. Cook’s conclusions and makes the following recommendations:

1. Adjust the policy of funding 100% of future water treatment plant and related expenses so that it is split 25% from the Connection Fund and 75% from the Operating Fund going forward.
2. Adjust the WCC up 3.5% to \$5,892 for 2025 with annual increases of 3.5% thereafter.
3. Adjust the TWC up 8.0% to \$5,788 for 2025 with another increase of 8% in 2026 with annual increases of 3.5% thereafter.
4. Combine the Water Connection Fund and Trunk Water Fund into one Water Access Fund.
5. Plan to revisit the WCC and TWC rates model annually, so that the rates are based on actual recent development activities rather than long term projections.

## REQUESTED ACTION

Staff is requesting the Commission to direct staff to prepare resolutions for their next regular meeting to adjust its policies and adopt 2025 rates for the SPU  $WAC = TWC + WCC$ .





# **Water Development Fee Study**

Shakopee Public Utilities Commission

November 4, 2024

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# Agenda

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- Background and Study Framework
- Key Assumptions
- Recommendations
- Community Comparison

# Trunk Water Charge

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- Trunk charges pay for the oversizing of new trunk lines related to development



Paid when  
trunk lines  
are installed



Matches  
timing of  
revenues  
with  
expenditures



2024 Fee is  
\$5,359 per  
acre

# Water Capacity Charge

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- Capacity charges pay for expansion to supply and storage infrastructure



# Fund Structure

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- SPUC maintains two funds for development fees.

Fund	2023 Year-End Cash Balance
Trunk Fund	(\$1,665,178)
Water Capacity Fund	<u>\$18,107,049</u>
<b>Combined Cash</b>	<b>\$16,441,871</b>

**Recommendation: Combine the Trunk Fund and Water Capacity Funds**

# 2024 Study Framework

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## Philosophy: Growth Pays for Itself without Impacting Ratepayers

- Fees pay for capital projects necessitated by growth
  - ✓ For example, new trunk lines and wells to expand system
- Fees also pay for unused capacity in future upgrades
  - ✓ For example, 25% of future water treatment costs
- Study does not include potential expansion to Louisville Township

# 2024 Study Framework

---

Best Practice: Development Fees pay only for excess capacity of city-wide system improvements

- Approximately 25% of current system capacity is “excess”
- Therefore, 25% of future improvements that serve entire city allocated to development fees
  - ✓ Future water treatment costs
  - ✓ Well replacements and upgrades

# Key Assumptions: Capital Costs

---

- Full system build-out by 2045
- Limited water treatment
  - ✓ Site acquisition for Water Treatment Plant
  - ✓ Raw Water Supply Lines
  - ✓ Construction Site Prep
  - ✓ Filtration Plant (no treatment for Nitrates or PFAS)
- Construction costs inflate 4% annually



# Distribution Capital Improvements

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2024 Comprehensive Water System Plan CIP	Amount (Today's Dollars)
Upsize 6 to 12-Inch Trunk Main	11,620,000
Upsize 6 to 16-Inch Trunk Main	7,040,000
Zone Boundary PRVs	2,800,000
Highway Crossing/Casing	1,200,000
<b>TOTAL</b>	<b>\$22,660,000</b>

- After proposed 5-year CIP, distribution costs average \$1,242,500 per year (2030-2045)
- Includes trunk costs to serve existing rural residential areas

# Source and Supply Capital Improvements

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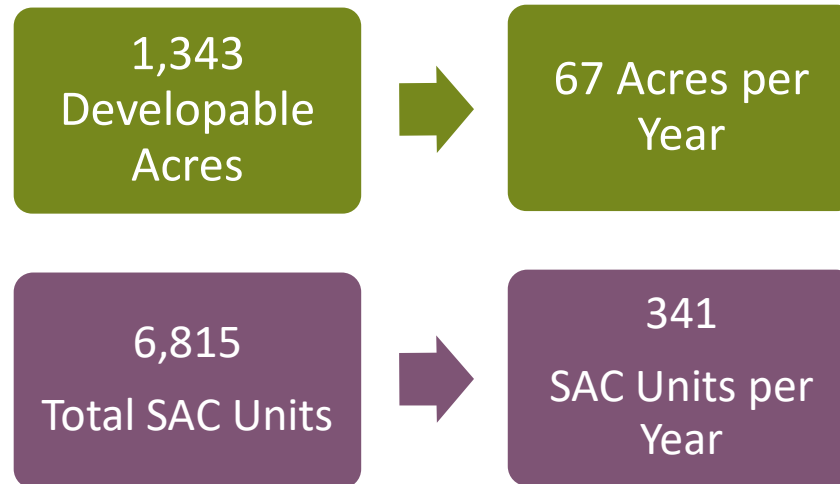
2024 Comprehensive Water System Plan CIP	Amount (Today's Dollars)
Wells	4,740,000
Water Treatment	8,487,500
Pumphouses	3,235,000
Tanks and Transmission	6,127,500
Booster Stations and Auxiliary	7,560,000
<b>TOTAL</b>	<b>\$30,150,000</b>

- Over \$15 Million (or 52%) of project costs will occur in the next five years

# Key Assumptions: Growth Estimates by 2045

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- Based on land availability and land use projections from City of Shakopee



- Excludes rural residential hook-ups

# Proposed 2025 Fees

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## 2025 Trunk Fee

- \$5,788 per acre
- \$429 increase (8%)

## 2025 Water Capacity Charge

- \$5,892 per SAC Unit
- \$199 increase (3.5%)

# Future Fee Increases

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## Trunk Fee

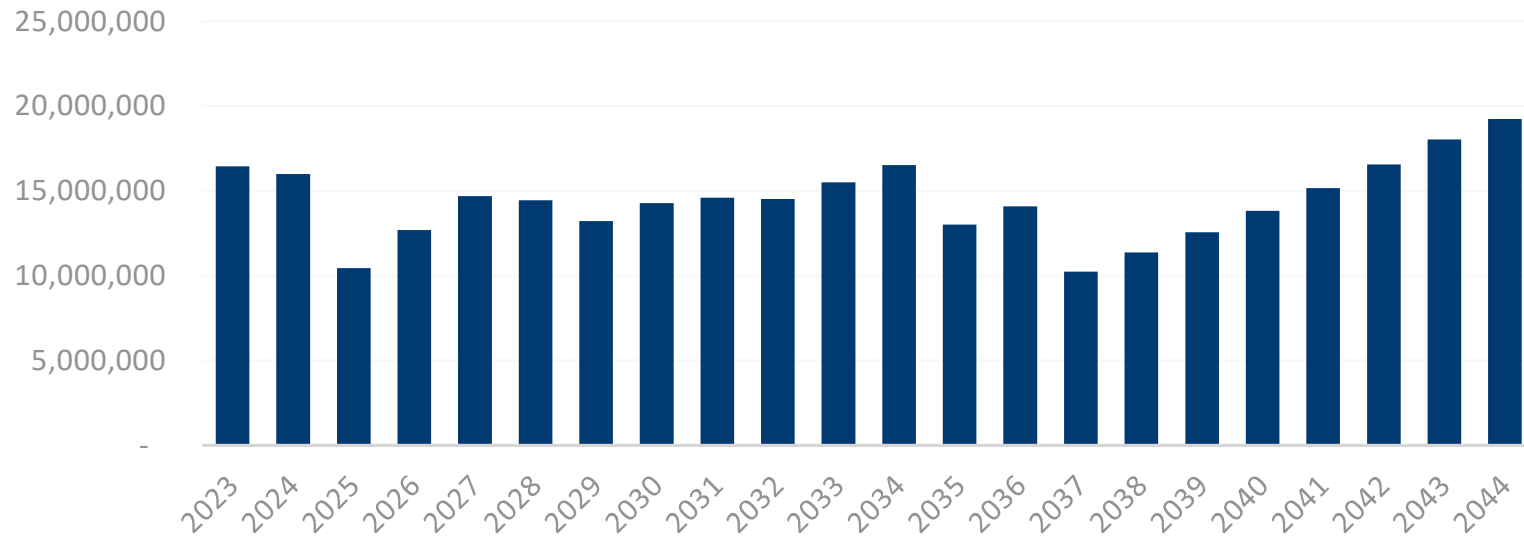
- 8% in 2026
- 3.5% per year thereafter

## Water Capacity Charge

- 3.5% per year 2026-2045

# Projected Cash of Combined Fund

Projected Cash Balances  
Combined Water Capacity and Trunk Fund



All capital projects are cash funded

# Fee Impact for a Single-Family Home

Year	Trunk Charge	Capacity Charge	Total Water Development Fees	Annual Increase	Percent Increase
2024	\$ 1,786	\$ 5,693	\$ 7,479	\$ 137	1.9%
2025	\$ 1,929	\$ 5,892	\$ 7,821	\$ 342	4.6%
2026	\$ 2,084	\$ 6,098	\$ 8,182	\$ 361	4.6%
2027	\$ 2,156	\$ 6,312	\$ 8,468	\$ 286	3.5%
2028	\$ 2,232	\$ 6,533	\$ 8,765	\$ 296	3.5%

# Fee Impact for a 100-Unit Apartment Building on a 3 Acre Site

Year	Trunk Charge	Capacity Charge	Total Fee for Project	Annual Increase	Percent Increase
2024	\$ 16,077	\$ 455,440	\$ 471,517	\$ 5,203	1.1%
2025	\$ 17,363	\$ 471,380	\$ 488,743	\$ 17,227	3.7%
2026	\$ 18,752	\$ 487,879	\$ 506,630	\$ 17,887	3.7%
2027	\$ 19,408	\$ 504,954	\$ 524,363	\$ 17,732	3.5%
2028	\$ 20,087	\$ 522,628	\$ 542,715	\$ 18,353	3.5%



# Fee Impact for a Townhome

Assumes 10 units/acre

Year	Trunk Charge	Capacity Charge	Total Fee for Project	Annual Increase	Percent Increase
2024	\$ 536	\$ 5,124	\$ 5,660	\$ 75	1.3%
2025	\$ 579	\$ 5,303	\$ 5,882	\$ 222	3.9%
2026	\$ 625	\$ 5,489	\$ 6,114	\$ 232	3.9%
2027	\$ 647	\$ 5,681	\$ 6,328	\$ 214	3.5%
2028	\$ 670	\$ 5,880	\$ 6,549	\$ 221	3.5%

## Comparison of Total Water Development Fees Per Unit between Housing Types for Sample Properties

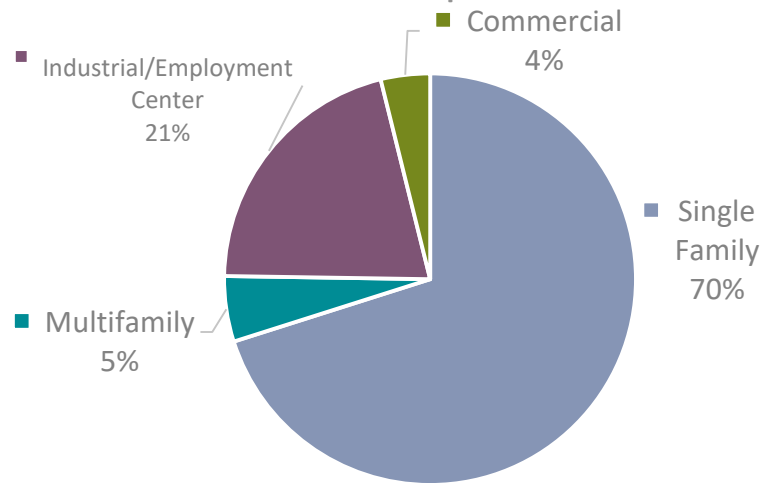
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Year	Single Family Home	1 Apartment in 100-Unit Bldg on 3 Acres	1 Townhome in 100-Unit Development on 10 Acres
2024	\$ 7,479	\$ 4,715	\$ 5,660
2025	\$ 7,821	\$ 4,887	\$ 5,882

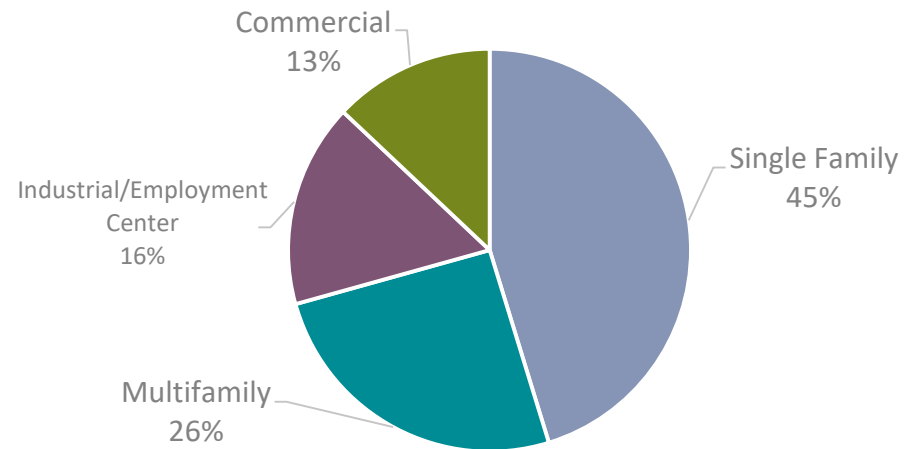
# Future Development Projections

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Future Development Acres



Projected SAC Units



# Fee Impact for a 100,000 Sq. Ft. Industrial Building on 6 Acres

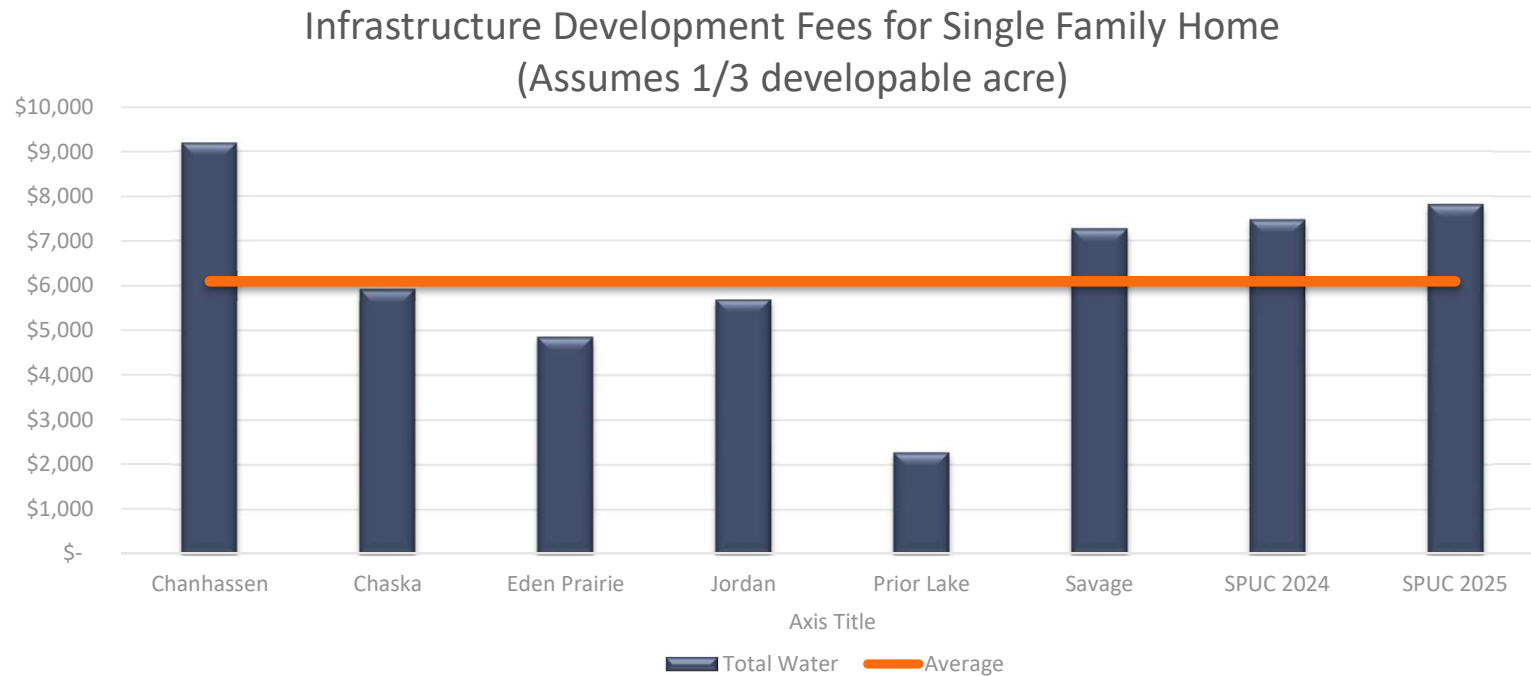
Year	Trunk Charge	Capacity Charge	Total Fee for Project	Annual Increase	Percent Increase
2024	\$ 32,153	\$ 159,404	\$ 191,557	\$ 3,024	1.6%
2025	\$ 34,726	\$ 164,983	\$ 199,709	\$ 8,151	4.3%
2026	\$ 37,504	\$ 170,758	\$ 208,261	\$ 8,552	4.3%
2027	\$ 38,816	\$ 176,734	\$ 215,550	\$ 7,289	3.5%
2028	\$ 40,175	\$ 182,920	\$ 223,095	\$ 7,544	3.5%

# Community Comparison

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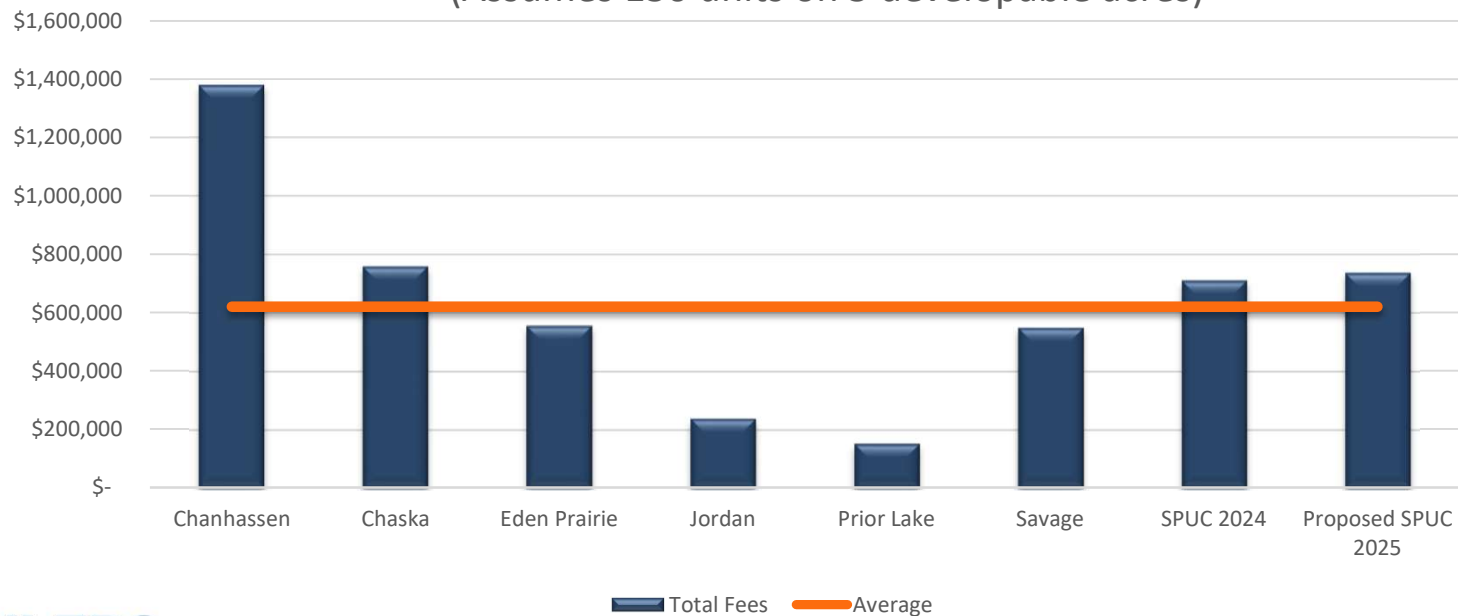
- Why do development fees differ between communities?
  - ✓ Infrastructure Costs
    - Terrain
    - Aquifers and Water Quality
    - Development Patterns
  - ✓ Philosophy
    - Should growth pay for itself?
  - ✓ Degree of Analysis
    - Has a fee study been completed?

# Community Comparison: Single-Family Home



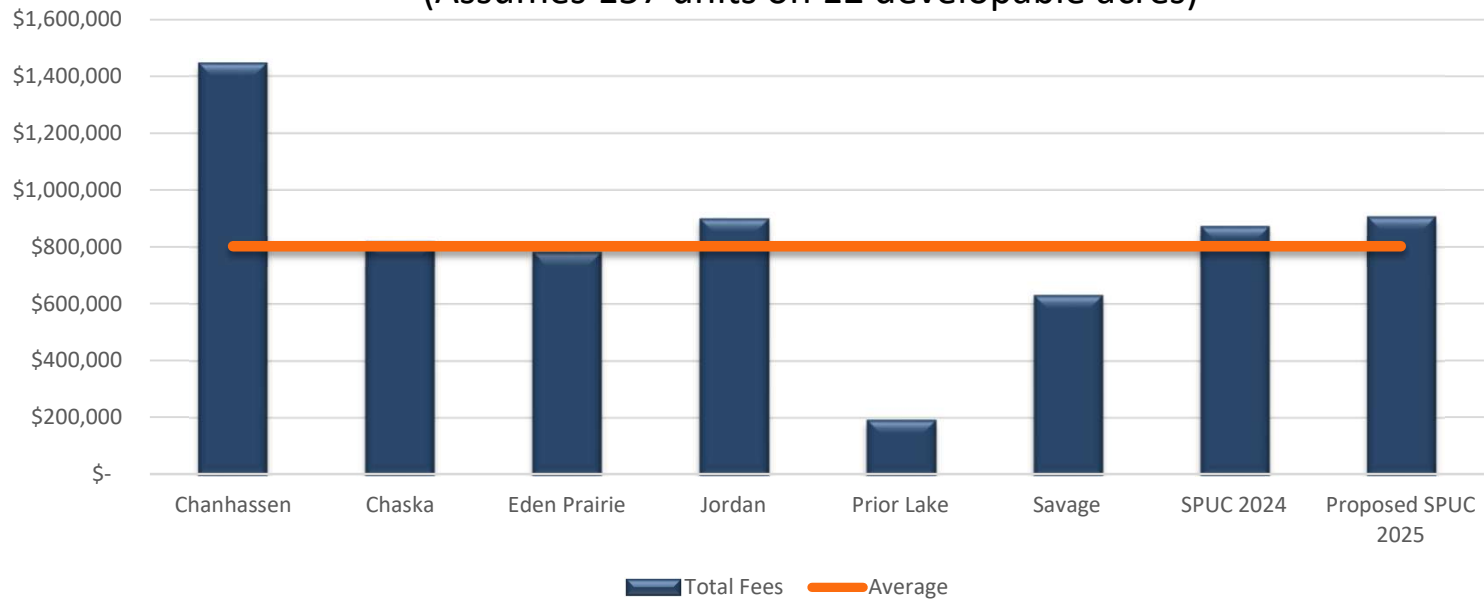
# Community Comparison: 150-Unit Apartment Building

Infrastructure Development Fees for Sample Multifamily Project  
(Assumes 150 units on 5 developable acres)



# Community Comparison: 157-Unit Townhomes on 12 Acres

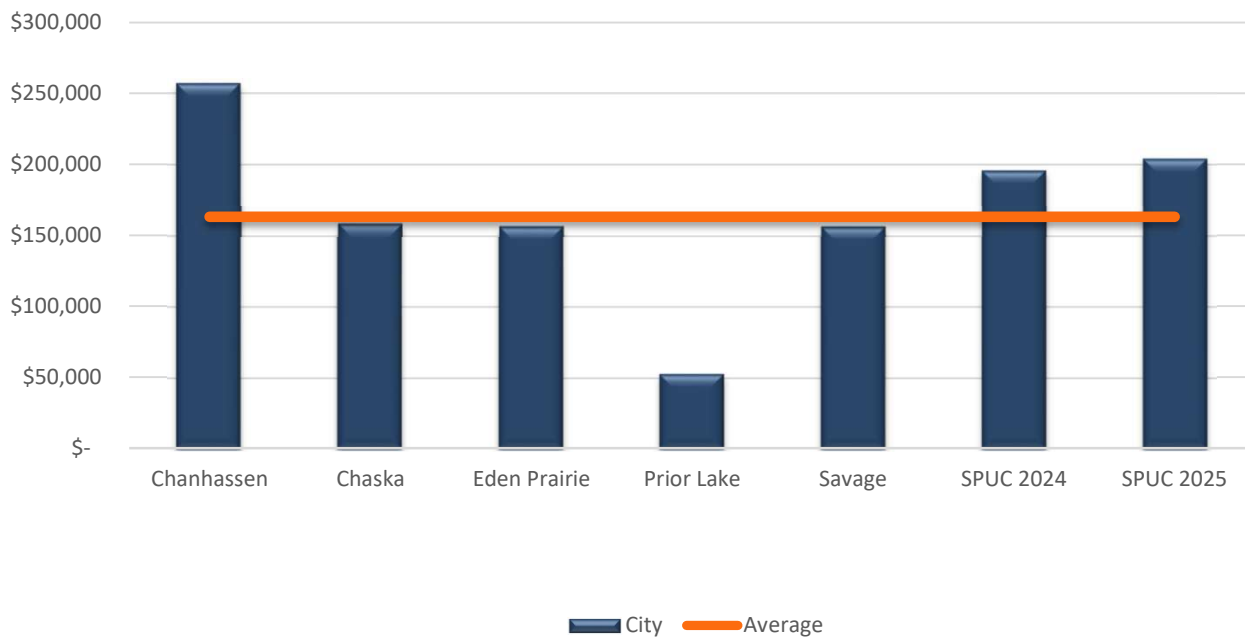
Infrastructure Development Fees for Sample Townhome Project  
(Assumes 157 units on 12 developable acres)





# Community Comparison: Industrial Building

Infrastructure Development Fees for Sample Industrial Project  
(Assumes 100,000 sq. ft. building with 28 SAC units on 6.8 developable acres)



# Summary of Recommendations

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- Combine Trunk Fund and Water Capacity Fund

## Trunk Fee

- \$5,788 per acre in 2025
- 8% increase in 2026
- 3.5% annual increase 2027-2044

## Water Capacity Charge

- \$5,892 per SAC Unit in 2025
- 3.5% annual increases 2026-2044



# Important Disclosures

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Ehlers is the joint marketing name of the following affiliated businesses (collectively, the “Affiliates”): Ehlers & Associates, Inc. (“EA”), a municipal advisor registered with the Municipal Securities Rulemaking Board (“MSRB”) and the Securities and Exchange Commission (“SEC”); Ehlers Investment Partners, LLC (“EIP”), an SEC registered investment adviser; and Bond Trust Services Corporation (“BTS”), a holder of a limited banking charter issued by the State of Minnesota.

Where an activity requires registration as a municipal advisor pursuant to Section 15B of the Exchange Act of 1934 (Financial Management Planning and Debt Issuance & Management), such activity is or will be performed by EA; where an activity requires registration as an investment adviser pursuant to the Investment Advisers Act of 1940 (Investments and Treasury Management), such activity is or will be performed by EIP; and where an activity requires licensing as a bank pursuant to applicable state law (paying agent services shown under Debt Issuance & Management), such activity is or will be performed by BTS. Activities not requiring registration may be performed by any Affiliate.

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**DATE:** October 31, 2024  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *KW*  
**SUBJECT:** Electric and Water Rates – Dave Berg Consulting, LLC (DBC) Final Presentation

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DBC completed a study to analyze the revenues and costs of providing electric and water services to different customer classes. The study aimed to ensure that SPU's pricing structure accurately reflects the costs of delivering services, promotes fairness among customer classes, and supports the long-term financial sustainability of the utility.

The goal is to have a full study done every 3 years, with an annual analysis of rates and financial conditions done during the budget to ensure no modifications are needed sooner. SPU staff began pulling historical and current financial data together for the rate study back in July. Several meetings were held with DBC and staff to discuss goals and recommendations.

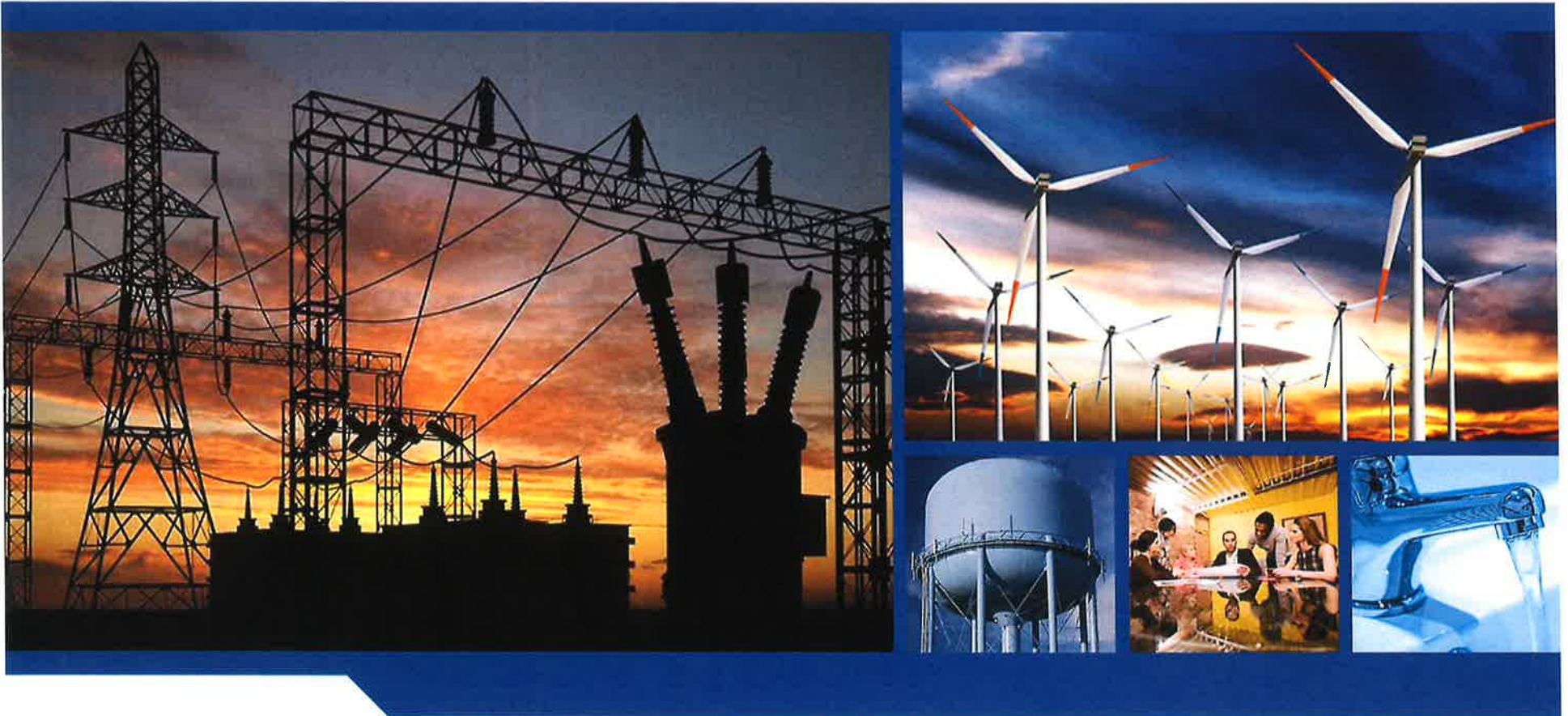
The key objectives of the study included:

- Cost Recovery: Ability to cover operational and capital costs while maintaining financial health.
- Understanding Cost Drivers: Analyze the underlying factors that contribute to utility costs, such as demand fluctuations, infrastructure maintenance, and regulatory compliance.
- Equitable Rate Design: Fair distribution of costs among customer classes based on usage and service requirements.
- Simplicity: Ease of understanding for customers to foster acceptance and compliance.

**Requested Action:**

Commission is requested to accept the Electric and Water Rates Final Report.





# Electric and Water Rates Final Report Presentation

Shakopee Public Utilities Commission meeting

**David A. Berg, PE**  
**Principal – Dave Berg Consulting**  
November 4, 2024

**DBC**  
DAVE BERG CONSULTING, L.L.C.

# Electric Rates

# Capital Improvements

## Capital Improvements

Capital Item	2024	2025	2026	2027	2028
Electric Capital	\$11,274,546	\$9,542,801	\$6,643,720	\$14,795,413	\$14,691,718
Relocation Projects	168,451	396,864	565,000	65,000	65,000
Admin Projects	<u>266,260</u>	<u>274,331</u>	<u>149,831</u>	<u>170,250</u>	<u>180,000</u>
Total Budget	\$11,709,257	\$10,213,996	\$7,358,551	\$15,030,663	\$14,936,718



# Projected Operating Results at Existing Rates

## Projected Operating Results Existing Rates

	2024	2025	2026	2027	2028
Operating Revenues	\$58,532,546	\$60,011,763	\$61,534,924	\$63,103,400	\$64,718,606
Less Operating Expenses	(53,955,160)	(56,509,665)	(58,495,273)	(60,462,097)	(62,739,864)
Plus Non-Operating Revenue	1,269,971	2,213,242	2,223,203	2,233,462	2,244,029
Plus Capital Contributions	730,662	738,472	734,567	734,567	734,567
Less City Transfer/Free Service	<u>(3,579,801)</u>	<u>(3,667,219)</u>	<u>(3,757,236)</u>	<u>(3,849,932)</u>	<u>(3,945,391)</u>
Change in Net Position	\$2,998,219	\$2,786,593	\$2,240,185	\$1,759,400	\$1,011,947
Net Position as Percent of Revenues	5.1%	4.6%	3.6%	2.8%	1.6%

# Projected Cash Reserves at Existing Rates

## Projected Cash Reserves Existing Rates

	2024	2025	2026	2027	2028
Beginning Balance	\$44,569,290	\$39,120,222	\$35,629,646	\$34,779,429	\$26,016,606
Plus Change in Net Position	2,998,219	2,786,593	2,240,185	1,759,400	1,011,947
Plus Depreciation	3,261,970	3,936,827	4,268,149	4,508,440	5,003,787
Less Capital Improvements	(11,274,546)	(9,542,801)	(6,643,720)	(14,795,413)	(14,691,718)
Less Relocation Projects	(168,451)	(396,864)	(565,000)	(65,000)	(65,000)
Less Admin Capital Projects	<u>(266,260)</u>	<u>(274,331)</u>	<u>(149,831)</u>	<u>(170,250)</u>	<u>(180,000)</u>
Ending Balance	\$39,120,222	\$35,629,646	\$34,779,429	\$26,016,606	\$17,095,622
% of Operating Revenues	67%	59%	57%	41%	26%

# Cost of Service

## Electric Cost of Service Results Comparison of % Cost and Revenues 2023 Test Year

Customer Classification	Allocated Cost to Serve	Revenues	Increase/ (Decrease)
Residential	36.3%	37.0%	-1.7%
Commercial	4.0%	4.1%	-1.8%
Industrial	59.7%	59.0%	1.2%
Total	100.0%	100.0%	0.0%

# Electric Rate Recommendations

- **Increase only energy charges 3% each year 2025-2028**
- **Finalize phase out of Senior Citizen rate**
- **Add Large Residential rate**
- **Solar grid access charge**
- **Possible economic development rate**
- **Consider higher threshold for demand billing (current 15 kW and above)**

# Proposed Electric Rates

	Existing Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate	2028 Proposed Rate
<b>Residential</b>					
Service Charge (\$/mo)	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50
Service Charge - Senior Citizen (\$/mo)	\$ 9.00	\$ 10.00	\$ 10.50	\$ 10.50	\$ 10.50
Service Charge - Large Residence (\$/mo)	n/a	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Energy Charge (\$/kWh)	\$ 0.1226	\$ 0.1263	\$ 0.1301	\$ 0.1340	\$ 0.1380
<b>Residential EV</b>					
Service Charge (\$/mo)	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75	\$ 4.75
Energy Charge - off-peak (\$/kWh)	\$ 0.0570	\$ 0.0587	\$ 0.0605	\$ 0.0623	\$ 0.0642
Energy Charge - on-peak (\$/kWh)	\$ 0.2500	\$ 0.2575	\$ 0.2652	\$ 0.2732	\$ 0.2814
<b>Commercial</b>					
Service Charge (\$/mo)	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50	\$ 15.50
Energy Charge (\$/kWh)	\$ 0.1176	\$ 0.1211	\$ 0.1247	\$ 0.1284	\$ 0.1323

# Proposed Electric Rates

	Existing <u>Rate</u>	2025 Proposed <u>Rate</u>	2026 Proposed <u>Rate</u>	2027 Proposed <u>Rate</u>	2028 Proposed <u>Rate</u>
<b>General Service</b>					
Service Charge (\$/mo)	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00	\$ 60.00
Energy Charge (\$/kWh)	\$ 0.0793	\$ 0.0817	\$ 0.0842	\$ 0.0867	\$ 0.0893
Demand Charge (\$/kW)	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10
<b>Large Industrial Service</b>					
Service Charge (\$/mo)	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00	\$ 100.00
Energy Charge - up to 400 kWh/kW (\$/kWh)	\$ 0.0793	\$ 0.0817	\$ 0.0842	\$ 0.0867	\$ 0.0893
Energy Charge - over 400 kWh/kW (\$/kWh)	\$ 0.0726	\$ 0.0748	\$ 0.0770	\$ 0.0793	\$ 0.0817
Demand Charge (\$/kW)	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10
<b>Large Industrial Time-of-Use</b>					
Service Charge (\$/mo)	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00	\$ 120.00
Energy Charge - on-peak (\$/kWh)	\$ 0.0848	\$ 0.0872	\$ 0.0897	\$ 0.0922	\$ 0.0948
Energy Charge - off-peak (\$/kWh)	\$ 0.0715	\$ 0.0739	\$ 0.0764	\$ 0.0789	\$ 0.0815
Excess Energy Credit - (\$/kWh)	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006	\$ 0.0006
Demand Charge - on-peak (\$/kW)	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10
Demand Charge - off-peak (\$/kW)	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00

# Proposed Electric Rates

	Existing Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate	2028 Proposed Rate
<b>Water Division Pumping</b>					
Energy Charge (\$/kWh)	\$ 0.0675	\$ 0.0695	\$ 0.0716	\$ 0.0737	\$ 0.0759
Demand Charge (\$/kW)	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10	\$ 10.10
Relocation Underground Charge (\$/kWh)	\$ 0.0003	0.0003	0.0003	0.0003	0.0003
Conservation Program Charge (% of energy purchases)	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Security Lights (\$/mo)</b>					
100W HPS	\$ 10.05	\$ 10.35	\$ 10.65	\$ 10.95	\$ 11.25
100W HPS Metered	\$ 5.65	\$ 5.80	\$ 5.95	\$ 6.10	\$ 6.25
250W HPS	\$ 18.60	\$ 19.15	\$ 19.70	\$ 20.25	\$ 20.80
250W HPS Metered	\$ 8.05	\$ 8.30	\$ 8.55	\$ 8.80	\$ 9.05
400W HPS	\$ 27.90	\$ 28.75	\$ 29.60	\$ 30.45	\$ 31.30
400W HPS Metered	\$ 10.80	\$ 11.10	\$ 11.40	\$ 11.70	\$ 12.00
1000W Metal Halide	\$ 62.65	\$ 64.55	\$ 66.45	\$ 68.35	\$ 70.25
Small LED	\$ 5.15	\$ 5.30	\$ 5.45	\$ 5.60	\$ 5.75
Small LED Metered	\$ 3.65	\$ 3.75	\$ 3.85	\$ 3.95	\$ 4.05
Medium LED	\$ 10.55	\$ 10.85	\$ 11.15	\$ 11.45	\$ 11.75
Medium LED Metered	\$ 5.65	\$ 5.80	\$ 5.95	\$ 6.10	\$ 6.25
Large LED	\$ 24.50	\$ 25.25	\$ 26.00	\$ 26.75	\$ 27.50
Large LED Metered	\$ 9.80	\$ 10.10	\$ 10.40	\$ 10.70	\$ 11.00
PL/SMSC Residential LED	\$ 3.65	\$ 3.75	\$ 3.85	\$ 3.95	\$ 4.05
PL/SMSC Collector LED	\$ 8.05	\$ 8.30	\$ 8.55	\$ 8.80	\$ 9.05
PL/SMSC Residential HPS	\$ 9.55	\$ 9.85	\$ 10.15	\$ 10.45	\$ 10.75
PL/SMSC Collector HPS	\$ 18.10	\$ 18.65	\$ 19.20	\$ 19.75	\$ 20.30

# Projected Operating Results at Proposed Rates

## Projected Operating Results Proposed Rates

	2024	2025	2026	2027	2028
Operating Revenues	\$58,532,546	\$61,253,943	\$64,089,177	\$67,020,543	\$70,077,420
Less Operating Expenses	(53,955,160)	(56,509,665)	(58,532,577)	(60,519,307)	(62,818,131)
Plus Non-Operating Revenue	1,269,971	2,213,242	2,223,203	2,233,462	2,244,029
Plus Capital Contributions	730,662	738,472	734,567	734,567	734,567
Less City Transfer/Free Service	<u>(3,579,801)</u>	<u>(3,740,706)</u>	<u>(3,908,344)</u>	<u>(4,081,668)</u>	<u>(4,262,416)</u>
Change in Net Position	\$2,998,219	\$3,955,286	\$4,606,026	\$5,387,597	\$5,975,468
Net Position as Percent of Revenues	5.1%	6.5%	7.2%	8.0%	8.5%



# Projected Cash Reserves at Proposed Rates

## Projected Cash Reserves Proposed Rates

	2024	2025	2026	2027	2028
Beginning Balance	\$44,569,290	\$39,120,222	\$36,798,339	\$38,313,963	\$33,179,337
Plus Change in Net Position	2,998,219	3,955,286	4,606,026	5,387,597	5,975,468
Plus Depreciation	3,261,970	3,936,827	4,268,149	4,508,440	5,003,787
Less Capital Improvements	(11,274,546)	(9,542,801)	(6,643,720)	(14,795,413)	(14,691,718)
Less Relocation Projects	(168,451)	(396,864)	(565,000)	(65,000)	(65,000)
Less Admin Capital Projects	<u>(266,260)</u>	<u>(274,331)</u>	<u>(149,831)</u>	<u>(170,250)</u>	<u>(180,000)</u>
Ending Balance	\$39,120,222	\$36,798,339	\$38,313,963	\$33,179,337	\$29,221,874
% of Operating Revenues	67%	60%	60%	50%	42%

# Electric Rate Competitiveness

## Monthly Electric Bill Comparisons Residential 1000 kWh Monthly Usage

Utility	Bill	Difference
SPU current	\$153.43	n/a
SPU prop 2025	\$157.18	2.4%
MVEC summer	\$161.97	5.6%
MVEC nonsummer	\$152.58	-0.5%
Xcel summer	\$188.81	23.1%
Xcel nonsummer	\$171.07	11.5%
Chaska summer	\$172.04	12.1%
Chaska nonsummer	\$153.93	0.3%

# Electric Rate Competitiveness

## Monthly Electric Bill Comparisons Commercial 1500 kWh Monthly Usage

Utility	Bill	Difference
SPU current	\$222.27	n/a
SPU prop 2025	\$227.60	2.4%
Xcel summer	\$259.16	16.6%
Xcel nonsummer	\$232.56	4.6%

# Electric Rate Competitiveness

## Monthly Electric Bill Comparisons LGS 10,000 kWh/35 kW Monthly Usage

Utility	Bill	Difference
SPU current	\$1408	n/a
SPU prop 2025	\$1432	1.7%
Xcel summer	\$1543	9.6%
Xcel nonsummer	\$1376	-2.3%

# Electric Rate Competitiveness

## Monthly Electric Bill Comparisons LIS 175,000 kWh/400 kW Monthly Usage

Utility	Bill	Difference
SPU current	\$21,394	n/a
SPU prop 2025	\$21,817	2.0%
Xcel summer	\$22,424	4.8%
Xcel nonsummer	\$20,514	-4.1%

# Solar Grid Access Charge

- MN Statutes allow charging customers an additional monthly fee based on size of solar array.
- Charge represents allocated distribution for residential customers.
- It is common to not charge the fee for demand up to average customer demand (5 kW).
- Cost based charge = \$4.00/kW/month
- Example calculation:
  - Customer with 10 kW solar array
  - Monthly charge = (10 kW array size minus 5 kW avg customer) times \$4/kW = \$20 per month

## Economic Development Rate - Large Customers

- **77% of cost to serve industrial customers is wholesale power**
- **23% of cost to serve industrial customers is local costs**
  - **Margin is 11% of cost to serve**
  - **Transfer is 6% of cost to serve**
- **An economic development rate could forgo certain cost recovery for a period of time**
  - **As an example – if margin and transfer were waived, a 17% discount could be given**
  - **Discounts for these type of rates phase out over time**
  - **A series of discounts to the published rate could implemented, such as:**
    - **20% in year 1**
    - **15% in year 2**
    - **10% in year 3**
    - **5% in year 4**
    - **Full published rate in year 5**
- **This would only apply to loads above a certain size (ie. 1 MW)**

## Raise threshold for demand billing

- SPU currently demand bills for customers over 15 kW
- MVEC currently demand bills for customers over 25 kW
- Current Commercial Rate
  - \$15.50 customer charge, \$0.1176/kWh energy charge
- Current GS Rate
  - \$60 customer charge, \$0.0793/kWh energy charge, \$10.10/kW demand charge
- Change could impact over 200 customers
- Some customers could see increases of up to 20%
- Some customers could see decreases of up to 75%
- Total utility revenues would decrease by \$150,000 - \$200,000 per year (0.3%)
- Recommend this be studied further before implementation



# Water Rates

# Capital Improvements

## Capital Improvements- Water

Year	2024	2025	2026	2027	2028
Operating Fund	\$4,135,405	\$7,098,693	\$2,915,000	\$1,827,500	\$8,937,500
Admin Projects	153,753	91,444	49,944	56,750	60,000
Reconstruction Projects	425,000	330,000	185,000	1,540,000	1,555,000
Connection Projects	1,800,829	8,035,000	475,000	652,500	2,622,500
Trunk Projects	<u>845,045</u>	<u>1,065,000</u>	<u>325,000</u>	<u>150,000</u>	<u>550,000</u>
Total water capital	\$7,360,033	\$16,620,137	\$3,949,944	\$4,226,750	\$13,725,000

# Projected Operating Results at Existing Rates

## Projected Operating Results-Water Existing Rates

Year	2024	2025	2026	2027	2028
Operating Revenues	\$7,233,579	\$7,358,810	\$7,401,262	\$7,474,639	\$7,548,749
Less Operating Expenses	6,801,498	7,571,566	8,317,843	8,649,470	8,998,322
Plus <u>Non</u> -Operating Income	583,975	786,772	786,772	786,772	786,772
Plus Capital Contributions	3,649,911	4,224,084	3,936,997	3,936,997	3,936,997
Less City Transfer	<u>(425,913)</u>	<u>(476,540)</u>	<u>(444,076)</u>	<u>(448,478)</u>	<u>(452,925)</u>
Change in Net Position	\$4,240,054	\$4,321,559	\$3,363,114	\$3,100,460	\$2,821,271
Net Position as Percent of Revenues	58.6%	58.7%	45.4%	41.5%	37.4%

# Projected Cash Reserves at Existing Rates (1 of 3)

## Projected Unrestricted Cash Reserves-Water Existing Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$15,312,246	\$13,922,325	\$9,928,886	\$10,013,460	\$11,039,963
Plus Income before Transfers less Municipal Contributions less Reconstruction Funds	(167,687)	(672,480)	(1,351,538)	(1,621,968)	(1,909,012)
Plus Capital Contributions	975,148	991,108	983,128	983,128	983,128
Plus Meter Fees	85,000	113,291	99,145	99,145	99,145
Plus Depreciation	2,006,776	2,764,778	3,318,783	3,450,448	3,591,339
Less Capital Improvements	(4,135,405)	(7,098,693)	(2,915,000)	(1,827,500)	(8,937,500)
Less Admin Projects	<u>(153,753)</u>	<u>(91,444)</u>	<u>(49,944)</u>	<u>(56,750)</u>	<u>(60,000)</u>
Ending Balance	\$13,922,325	\$9,928,886	\$10,013,460	\$11,039,963	\$4,807,063
Reserves as % of Operating Revenue	192.5%	134.9%	135.3%	147.7%	63.7%

# Projected Cash Reserves at Existing Rates (2 of 3)

## Projected Reconstruction Fund-Water Existing Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$1,751,774	\$2,084,604	\$2,524,558	\$3,117,213	\$2,362,644
Plus Reconstruction Fees	757,830	769,955	777,654	785,431	793,285
Less Reconstruction Projects	<u>(425,000)</u>	<u>(330,000)</u>	<u>(185,000)</u>	<u>(1,540,000)</u>	<u>(1,555,000)</u>
Ending Balance	\$2,084,604	\$2,524,558	\$3,117,213	\$2,362,644	\$1,600,929

## Projected Connection Fund-Water Existing Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$16,882,468	\$17,049,772	\$11,566,862	\$13,351,974	\$14,214,586
Plus Connection Fees	1,968,133	2,552,091	2,260,112	2,260,112	2,260,112
Less Connection Projects	<u>(1,800,829)</u>	<u>(8,035,000)</u>	<u>(475,000)</u>	<u>(1,397,500)</u>	<u>(1,877,500)</u>
Ending Balance	\$17,049,772	\$11,566,862	\$13,351,974	\$14,214,586	\$14,597,198

# Projected Cash Reserves at Existing Rates (3 of 3)

## Projected Trunk Fund-Water Existing Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$(1,655,178)	\$(1,878,593)	\$(2,375,999)	\$(2,106,386)	\$(1,661,774)
Plus Trunk Fees	621,630	567,595	594,612	594,612	594,612
Less Trunk Projects	<u>(845,045)</u>	<u>(1,065,000)</u>	<u>(325,000)</u>	<u>(150,000)</u>	<u>(550,000)</u>
Ending Balance	\$(1,878,593)	\$(2,375,999)	\$(2,106,386)	\$(1,661,774)	\$(1,617,161)

## Projected Total Reserve Funds-Water Existing Rates

Year	2023	2024	2025	2026	2027	2028
Ending Balance	\$32,291,310	\$31,178,107	\$21,644,308	\$24,376,260	\$26,700,418	\$19,388,028

# Cost of Service

## Water Cost of Service Results Comparison of % Cost and Revenues 2023 Test Year

Customer Classification	Allocated Cost to Serve	Revenues	Increase/ (Decrease)
Residential	65.0%	64.4%	1.0%
Commercial	29.2%	29.7%	-1.7%
Industrial	5.8%	5.9%	-2.6%
Total	100.0%	100.0%	0.0%

# Water Rate Recommendations

- **Raise Monthly fees \$2 per month in 2025**
- **Raise Monthly fees \$1 per month in 2026-2028**
- **Raise Consumption charges 5% each year**



# Proposed Water Rates

<u>Water</u>	<u>Existing</u> <u>Rate</u>	<u>2025</u> <u>Proposed</u> <u>Rate</u>	<u>2026</u> <u>Proposed</u> <u>Rate</u>	<u>2027</u> <u>Proposed</u> <u>Rate</u>	<u>2028</u> <u>Proposed</u> <u>Rate</u>
Monthly Service Charge (meter size)					
5/8 x 3/4 in	\$ 4.61	\$ 6.61	\$ 7.61	\$ 8.61	\$ 9.61
3/4 in	\$ 5.07	\$ 7.07	\$ 8.07	\$ 9.07	\$ 10.07
1 in	\$ 6.44	\$ 8.44	\$ 9.44	\$ 10.44	\$ 11.44
1 1/2 in	\$ 8.29	\$ 10.29	\$ 11.29	\$ 12.29	\$ 13.29
2 in	\$ 13.35	\$ 15.35	\$ 16.35	\$ 17.35	\$ 18.35
3 in	\$ 50.64	\$ 52.64	\$ 53.64	\$ 54.64	\$ 55.64
4 in	\$ 64.44	\$ 66.44	\$ 67.44	\$ 68.44	\$ 69.44
6 in	\$ 96.68	\$ 98.68	\$ 99.68	\$ 100.68	\$ 101.68
10 in	\$ 230.17	\$ 232.17	\$ 233.17	\$ 234.17	\$ 235.17

# Proposed Water Rates

	Existing Rate	2025 Proposed Rate	2026 Proposed Rate	2027 Proposed Rate	2028 Proposed Rate
<u>Water</u>					
Residential - Commodity (\$/1000 gallons)					
usage 1-5000 gallons	\$ 2.88	\$ 3.02	\$ 3.17	\$ 3.33	\$ 3.50
usage > 5000 gallons	\$ 3.45	\$ 3.62	\$ 3.80	\$ 3.99	\$ 4.19
Reconstruction charge	\$ 0.42	\$ 0.44	\$ 0.46	\$ 0.48	\$ 0.50
Commercial - Commodity (\$/1000 gallons)					
all gallons	\$ 2.68	\$ 2.81	\$ 2.95	\$ 3.10	\$ 3.26
Irrigation	\$ 3.45	\$ 3.62	\$ 3.80	\$ 3.99	\$ 4.19
Unsewered production water	\$ 3.72	\$ 3.91	\$ 4.11	\$ 4.32	\$ 4.54
Reconstruction charge	\$ 0.42	\$ 0.44	\$ 0.46	\$ 0.48	\$ 0.50
Industrial - Commodity (\$/1000 gallons)					
all gallons	\$ 2.32	\$ 2.44	\$ 2.56	\$ 2.69	\$ 2.82
Irrigation	\$ 3.45	\$ 3.62	\$ 3.80	\$ 3.99	\$ 4.19
Reconstruction charge	\$ 0.42	\$ 0.44	\$ 0.46	\$ 0.48	\$ 0.50

# Projected Operating Results at Proposed Rates

## Projected Operating Results-Water Proposed Rates

Year	2024	2025	2026	2027	2028
Operating Revenues	\$7,233,579	\$7,945,957	\$8,513,153	\$9,109,635	\$9,735,166
Less Operating Expenses	(6,801,498)	(7,571,566)	(8,317,843)	(8,649,470)	(8,998,322)
Plus Non-Operating Income	583,975	786,772	786,772	786,772	786,772
Plus Capital Contributions	3,649,911	4,224,084	3,936,997	3,936,997	3,936,997
Less City Transfer	<u>(425,913)</u>	<u>(476,540)</u>	<u>(510,789)</u>	<u>(546,578)</u>	<u>(584,110)</u>
Change in Net Position	\$4,240,054	\$4,908,707	\$4,408,291	\$4,637,357	\$4,876,503
Net Position as Percent of Revenues	58.6%	61.8%	51.8%	50.9%	50.1%

# Water Financial Results – Reserves (1 of 2)

## Projected Unrestricted Cash Reserves-Water Proposed Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$15,312,246	\$13,922,325	\$10,479,369	\$11,535,058	\$13,986,253
Plus Income before <u>Transfers</u> less Municipal Contributions less Reconstruction Funds	(167,687)	(121,997)	(380,424)	(197,276)	(4,882)
Plus Capital Contributions	975,148	991,108	983,128	983,128	983,128
Plus Meter Fees	85,000	113,291	99,145	99,145	99,145
Plus Depreciation	2,006,776	2,764,778	3,318,783	3,450,448	3,591,339
Less Capital Improvements	(4,135,405)	(7,098,693)	(2,915,000)	(1,827,500)	(8,937,500)
Less Admin Projects	<u>(153,753)</u>	<u>(91,444)</u>	<u>(49,944)</u>	<u>(56,750)</u>	<u>(60,000)</u>
Ending Balance	\$13,922,325	\$10,479,369	\$11,535,058	\$13,986,253	\$9,657,484
Reserves as % of Operating Revenue	192.5%	131.9%	135.5%	153.5%	99.2%

## Water Financial Results – Reserves (2 of 2)

### Projected Reconstruction Fund-Water Proposed Rates

Year	2024	2025	2026	2027	2028
Beginning Balance	\$1,751,774	\$2,084,604	\$2,561,223	\$3,227,939	\$2,585,575
Plus Reconstruction Fees	757,830	806,619	851,717	897,635	944,387
Less Reconstruction Projects	<u>(425,000)</u>	<u>(330,000)</u>	<u>(185,000)</u>	<u>(1,540,000)</u>	<u>(1,555,000)</u>
Ending Balance	\$2,084,604	\$2,561,223	\$3,227,939	\$2,585,575	\$1,974,962

### Projected Total Reserve Funds-Water Proposed Rates

Year	2024	2025	2026	2027	2028
Ending Balance	\$31,178,107	\$22,231,455	\$26,008,585	\$29,869,639	\$24,612,482

# Water Rate Competitiveness

## Monthly Water Bill Comparisons Residential 10,000 Gallon Monthly Usage



Utility	Bill	Difference
SPU current	\$40.46	n/a
SPU prop 2025	\$44.21	9.3%
Burnsville	\$37.42	-7.5%
Chaska	\$40.01	-1.1%
Eden Prairie	\$37.53	-7.2%
Minneapolis	\$59.27	46.5%
Prior Lake	\$58.97	45.7%
Savage	\$45.98	13.6%



# Questions/Discussion



PO Box 470 • 255 Sarazin Street  
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TO: Greg Drent, General Manager   
FROM: Joseph D. Adams, Planning & Engineering Director   
SUBJECT: Semi-Final Capital Improvement Plan for 2025-2029  
DATE: October 30, 2024

**Issue:**

The Semi-Final Capital Improvement Plan for 2025 - 2029 is submitted for consideration by the Commission at their November 4, 2024 meeting. I will present the plan and take questions during the meeting.

**Action Requested:**

Accept the 2025 - 2029 Semi-Final Capital Improvement Plans and go forward with getting the Final completed for the December 2, 2024 meeting.



**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Administrative Summary**

1  
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Item Description	Justification	2025	2026	2027	2028	2029
Equipment	See detail	37,500	32,500	62,500	125,000	-
Hardware	See detail	313,275	152,275	149,500	100,000	252,000
Software	See detail	15,000	15,000	15,000	15,000	15,000
<b>Total Administrative</b>		<b>\$ 365,775</b>	<b>\$ 199,775</b>	<b>\$ 227,000</b>	<b>\$ 240,000</b>	<b>\$ 267,000</b>
<b>Cumulative Total Administrative</b>		<b>\$ 365,775</b>	<b>\$ 565,550</b>	<b>\$ 792,550</b>	<b>\$ 1,032,550</b>	<b>\$ 1,299,550</b>
	Electric	274,331	149,831	170,250	180,000	200,250
	Water	91,444	49,944	56,750	60,000	66,750

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Administrative Detail**

Type	Item	Source of Request	Justification	Qty	Unit Cost	2025	2026	2027	2028	2029
1	Furn & Equipment	Work Station Configuration and Replacements	F&A - IT	Work Station Configuration and Replacements		25,000	-	10,000	-	-
2	Furn & Equipment	Miscellaneous Hardware	Building	Misc. Office equipment as needed		12,500	12,500	12,500	125,000	-
3	Furn & Equipment	Equipment Lockers - Shop Area	Building	Lockers and bench	15	-	-	-	-	-
4	Furn & Equipment	Electric Room Configuration - Cubicles	Electric	New furniture design and installation	5	-	20,000	-	-	-
5	Furn & Equipment	Commission Room Tables	Building	Conference room tables		-	-	40,000	-	-
6	<b>Total Equipment</b>					<b>37,500</b>	<b>32,500</b>	<b>62,500</b>	<b>125,000</b>	<b>-</b>
7	Hardware	HPE Aruba AP Replacements	F&A - IT	Aruba Aps end of life need replacement	25	1,425	-	-	-	35,000
8	Hardware	HPE Storeonce Veeam Storage Expansion	F&A - IT	Local Veeam backup storage expansion		22,000	22,000	-	-	25,000
9	Hardware	Commission Room Meeting Room System	Building	Replacement of Commission Room Equipment to utilize IoT	1	15,000	40,000	-	-	-
10	Hardware	Plan/Eng Plotter Replacement	Plan/Eng	Plan/Eng HP plotter is 5 years old future replacement		10,000	-	-	-	12,000
11	Hardware	Fiber Ring /INET Connectivity	F&A - IT	Connectivity/Redundancy for systems/remote sites	21	7,100	37,275	37,275	-	-
12	Hardware	Miscellaneous Hardware	F&A - IT	Future planning/Unplanned replacements		75,000	75,000	75,000	75,000	75,000
13	Hardware	Network Switches	F&A - IT	Future Standard Replacement Cycle	5	7,600	20,000	-	29,500	30,000
14	Hardware	Cluster Headend Replacement	F&A - IT	Replace Cluster Nodes for server high availability/recovery	3	7,871	24,000	-	-	-
15	Hardware	Offsite NAS	F&A - IT	Offsite network attached storage for backup / replication	1	13,000	-	-	-	-
16	Hardware	CISA - Albert Network Monitor	F&A - IT	Security Hardware and Monitoring Service		20,000	-	-	-	-
17	Hardware	Remit Plus Scanners - Payment Processing	Cust. Service	Scanner Replacements	3	4,000	-	-	-	-
18	Hardware	Firewall	F&A - IT	Replace product reaching end of life support		-	-	45,000	-	-
19	Hardware	SAN Replacement	F&A - IT	Replacement of SAN	2	100,000	-	-	-	100,000
20	<b>Total Hardware</b>					<b>313,275</b>	<b>152,275</b>	<b>149,500</b>	<b>100,000</b>	<b>252,000</b>
21	Software	Finance Software	F&A - IT	Daffron replacement software - NISC		-	-	-	-	-
22	Software	NOVA Software Modifications	Plan/Eng	NOVA Software - build a custom modification		-	-	-	-	-
23	Software	MNSec	F&A - IT	IT Security Consultant		15,000	15,000	15,000	15,000	15,000
24	<b>Total Software</b>					<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>
25	<b>Total CIP Expenditures - Administration</b>					<b>365,775</b>	<b>199,775</b>	<b>227,000</b>	<b>240,000</b>	<b>267,000</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Date: 11/4/24  
Electric Summary**

Item Description	Justification	2025	2026	2027	2028	2029
<b>Operating Fund</b>						
<b>System Projects</b>						
Miscellaneous	See Detail	175,000	175,000	175,000	175,000	175,000
System Material & Facilities	See Detail	2,065,000	1,965,000	3,595,000	1,915,000	1,915,000
Vehicles/Equipment	See Detail	796,000	435,000	585,000	250,000	631,800
<b>Local Area Projects</b>						
New UG Cables & Related Cost (Net of Contribution)	See Detail	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Replace UG Cable Projects	See Detail	40,000	40,000	40,000	40,000	50,000
Rebuild OH Lines	See Detail	220,000	887,000	20,000	25,000	25,000
<b>Major System Projects</b>						
Feeder Extension Projects	See Detail	2,011,500	1,697,440	1,395,363	769,618	435,363
Convert OH to UG	See Detail	407,000	59,280	61,650	64,100	66,600
Territory Acquisition	See Detail	260,000	-	-	-	-
Shakopee Substation	See Detail	500,000	-	-	-	-
South Shakopee Substation	See Detail	95,000	-	-	-	-
Pike Lake Substation	See Detail	85,000	-	35,000	-	-
Dean Lake Substation	See Detail	60,000	-	-	-	-
East Shakopee Substation	See Detail	687,000	-	6,748,000	-	-
West Shakopee Substation	See Detail	250,000	-	-	6,163,000	-
Upgrade Projects	See Detail	455,000	305,000	290,000	240,000	240,000
ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	336,301	-	-	-	-
Service Center	See Detail	100,000	80,000	850,400	4,050,000	50,000
<b>Total Operating Fund</b>		<b>9,542,801</b>	<b>6,643,720</b>	<b>14,795,413</b>	<b>14,691,718</b>	<b>4,588,763</b>
<b>Relocation Fund</b>						
Relocation Projects	See Detail	396,864	565,000	65,000	65,000	-
<b>Total Relocation Fund</b>		<b>396,864</b>	<b>565,000</b>	<b>65,000</b>	<b>65,000</b>	<b>-</b>
<b>Total Electric</b>		<b>9,939,665</b>	<b>7,208,720</b>	<b>14,860,413</b>	<b>14,756,718</b>	<b>4,588,763</b>
<b>Cumulative Total Electric</b>		<b>9,939,665</b>	<b>17,148,385</b>	<b>32,008,798</b>	<b>46,765,516</b>	<b>51,354,279</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Date: 11/4/24  
Electric Detail**

Item Description	Justification	2025	2026	2027	2028	2029
<b>Operating Fund</b>						
<b>System Projects</b>						
1 <b>Miscellaneous</b>	As Necessary	175,000	175,000	175,000	175,000	175,000
2 <b>Total Miscellaneous</b>		<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>	<b>175,000</b>
3 <b>System Material &amp; Facilities</b>						
4 Lateral Circuit Reconfiguration	System Reliability	25,000	25,000	25,000	25,000	25,000
5 Meters	New Construction	250,000	150,000	150,000	150,000	150,000
6 Padmount Switches & Related	Load/Development	700,000	700,000	700,000	700,000	700,000
7 Distribution Transformers	Restock to min.	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
8 SCADA Switches for Tie Switches	System Reliability	40,000	40,000	40,000	40,000	40,000
9 SCADA-Capacitor Control	Op. Efficiencies & Voltage Control	50,000	50,000	150,000	-	-
10 System Capacitors-Additional (P11)	PF Improvements	-	-	1,530,000	-	-
11 <b>Total System Material &amp; Facilities</b>		<b>2,065,000</b>	<b>1,965,000</b>	<b>3,595,000</b>	<b>1,915,000</b>	<b>1,915,000</b>
12 <b>Vehicles/Equipment</b>						
13 Construction-Related Equipment-New/Additional/Replacement	Tool Replacement	45,000	45,000	45,000	45,000	46,800
14 Digger Truck #612	Life Cycle Replacement	525,000	-	-	-	-
15 Air Compressor #628	Life Cycle Replacement	70,000	-	-	-	-
16 Equipment Trailer 30,000 lbs.	Life Cycle Replacement	40,000	-	-	-	-
17 Equipment trailer 16K	Life Cycle Replacement	25,000	-	-	-	-
18 Service Truck 4x4	New Equipment	80,000	-	-	-	-
19 Locator	Life Cycle Replacement	11,000	-	-	-	-
20 #631 Service Truck 4X4	Life Cycle Replacement	-	80,000	-	-	-
21 #633 Service Truck 4X4	New Equipment	-	80,000	-	-	-
22 Woodchipper	Life Cycle Replacement	-	55,000	-	-	-
23 Vac-Tron	Life Cycle Replacement	-	95,000	-	-	-
24 Skidsteer	Life Cycle Replacement	-	80,000	-	-	-
25 #6XX 4x4 Pickup	New Equipment	-	-	75,000	-	-
26 #613 4x4 Dump truck	Life Cycle Replacement	-	-	75,000	-	-
27 #627 4x4 Ext Cab Pickup	Life Cycle Replacement	-	-	50,000	-	-
28 #645 4x4 Pickup	Life Cycle Replacement	-	-	50,000	-	-
29 3 Reel Trailer Wire	Life Cycle Replacement	-	-	40,000	-	-
30 Directional Bore Equipment	New Equip for UG Construction	-	-	250,000	-	-
31 Dump Trailer	Life Cycle Replacement	-	-	-	20,000	-
32 #646 4x4 Crew Cab Truck	Life Cycle Replacement	-	-	-	50,000	-
33 #632 Service body 1 ton Truck	Life Cycle Replacement	-	-	-	80,000	-
34 #642 1ton Dump Truck	Life Cycle Replacement	-	-	-	55,000	-
35 #611 F550 4x4 Service Bucket	Life Cycle Replacement	-	-	-	-	225,000
36 Tilt Trailer	Life Cycle Replacement	-	-	-	-	20,000
37 40000 lbs. trailer	Life Cycle Replacement	-	-	-	-	30,000
38 Trencher	Life Cycle Replacement	-	-	-	-	250,000
39 #621 Pickup Truck	Life Cycle Replacement	-	-	-	-	60,000
40 <b>Total Vehicles/Equipment</b>		<b>796,000</b>	<b>435,000</b>	<b>585,000</b>	<b>250,000</b>	<b>631,800</b>
41						

**Shakopee Public Utilities  
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Date: 11/4/24  
Electric Detail**

Item Description	Justification	2025	2026	2027	2028	2029
<b>Local Area Projects</b>						
<b>Total New UG Cables &amp; Related Cost (Net of Contribution)</b>						
New UG Cables & Related Cost (Net of Contribution)	Load/Development	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
<b>Total New UG Cables &amp; Related Cost (Net of Contribution)</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>Replace UG Cable Projects</b>						
Replace UG Cable - Projects Yet To Be Determined	As Needed	40,000	40,000	40,000	40,000	50,000
<b>Total Replace UG Cable Projects</b>		<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>40,000</b>	<b>50,000</b>
<b>Rebuild OH Lines</b>						
SS-32 CR 15 @Hwy 169 Ramps 0.50 mile Roundabout	Street Project	125,000	-	-	-	-
BL-22 Stagecoach Road from Hentges Circle to Hanson Ave	Street/Trail Project	50,000	-	-	-	-
Rewire/rebuild MVEC circuits to SPU standards (P5)	Upgrade	25,000	525,000	-	-	-
SS-31 South of CR 42 South	County Road Project	-	50,000	-	-	-
CR78/79 Roundabout	Street Project	-	100,000	-	-	-
Re-conductor PL-74 along CR 16 to 336 AAC from PL Road to Foodhill Trail(P8)	Upgrade Project	-	192,000	-	-	-
Rebuild OH lines - as needed RP3	Change Out	20,000	20,000	20,000	25,000	25,000
<b>Total Rebuild OH Lines</b>		<b>220,000</b>	<b>887,000</b>	<b>20,000</b>	<b>25,000</b>	<b>25,000</b>
<b>Major System Projects</b>						
<b>Feeder Extension Projects</b>						
Express Feeder Tie South Shakopee to Shakopee Substation (P4/P7)	Reliability	200,000	833,333	-	-	-
DL-91 New Feeder DL Sub to Unbridled Ave (P9)	Development (Canterbury Commons)	284,500	150,000	-	-	-
West Shakopee Substation Feeder Circuits (P5)	Load Growth	628,000	-	-	-	-
Dean Lake Sub Feeder Circuits	Load Growth	238,000	-	-	-	-
PL-76 to Southbridge	Loss of Blue Lake Circuits	275,000	-	-	-	-
Express Feeder Tie West Shakopee to Shakopee Substation (P4/P7)	Reliability	100,000	416,667	-	-	-
WS-03 to West of CR 69 (P10)	Load Growth	-	-	710,000	-	-
WS-04 South of CR 69 to East on 17th Ave (P13)	Load Growth	-	-	379,000	-	-
SS-84 New Feeder SS Sub to CR 17 via Stonebrooke (P16)	Load Growth	-	-	-	277,000	-
WS-12 to Breeggemann Parcel north of Fluff (P18)	Development	-	-	-	174,000	-
WS-13 to serve load west of 169 (P19)	Load Growth	-	-	-	-	104,000
Projects Yet to be Determined 1.0 mile	As Necessary	286,000	297,440	306,363	318,618	331,363
<b>Total Feeder Extension Projects</b>		<b>2,011,500</b>	<b>1,697,440</b>	<b>1,395,363</b>	<b>769,618</b>	<b>435,363</b>

**Shakopee Public Utilities  
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Electric Detail**

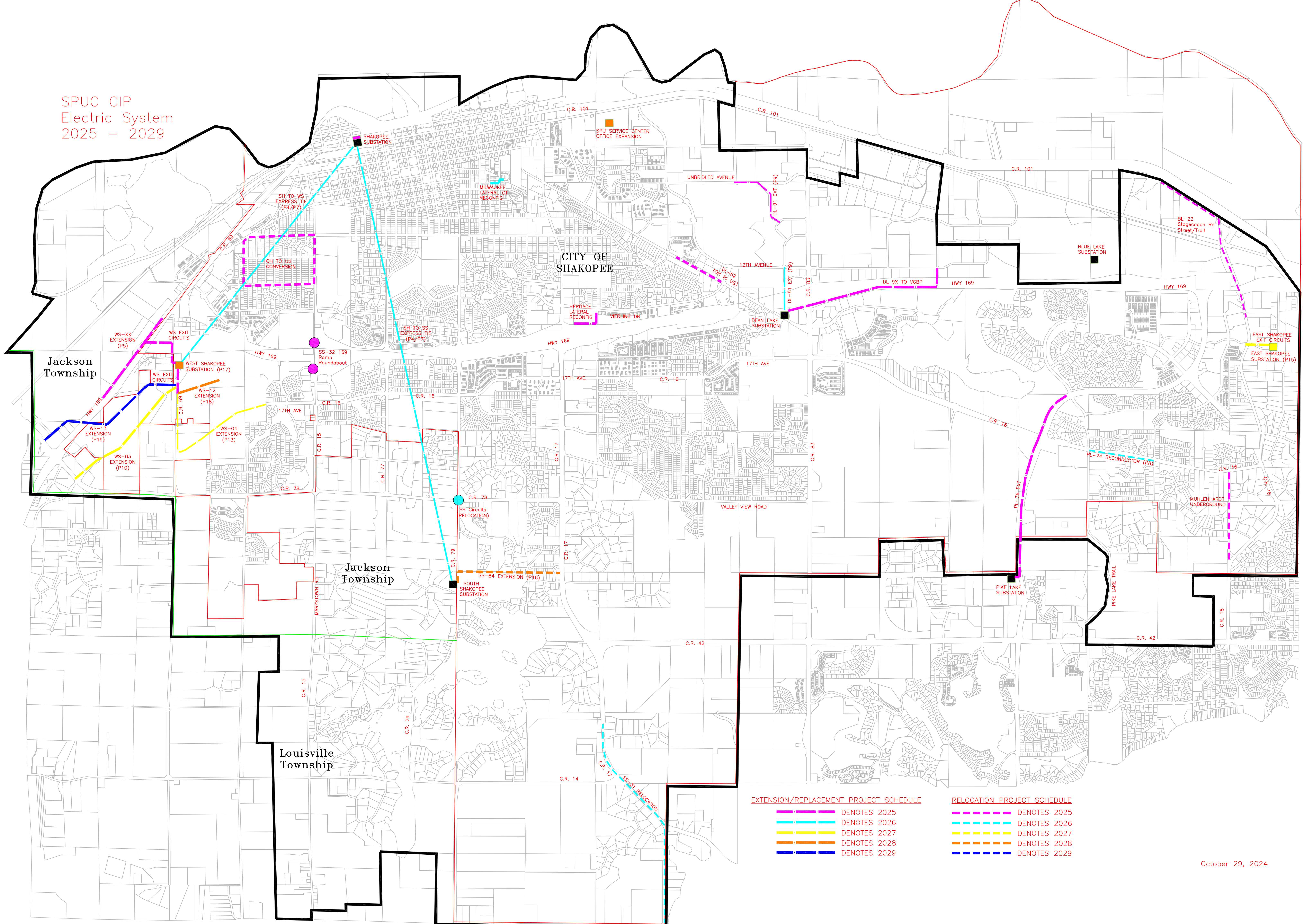
	Item Description	Justification	2025	2026	2027	2028	2029
81							
82	<b>Convert OH to UG</b>						
83	Eagle Creek Blvd between Hauer Trail & Vierling Roundabout	Reliability	300,000	-	-	-	-
84	Muhlenhardt Undergrounding from CR18 to CR16	Reliability	50,000	-	-	-	-
85	Presidential OH to UG Conversion, 2 blocks per year, 40 customer/year	Reliability	57,000	59,280	61,650	64,100	66,600
86	<b>Total Convert OH to UG</b>		<b>407,000</b>	<b>59,280</b>	<b>61,650</b>	<b>64,100</b>	<b>66,600</b>
87							
88							
89	<b>Territory Acquisition</b>						
90	Territory Acquisition "build OH & UG to Asphalt Plant 1.0 miles"	Consolidation	260,000	-	-	-	-
91	<b>Total Territory Acquisition</b>		<b>260,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
92							
93	<b>Shakopee Substation</b>						
94	Land Rights	Load Growth/Downtown Re-development	500,000	-	-	-	-
95	<b>Total Shakopee Substation</b>		<b>500,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
96							
97	<b>South Shakopee Substation</b>						
98	Replace A/C unit in switch house 2	Maintenance	20,000	-	-	-	-
99	Substation to County Fiber & Fiber Equipment	Safety	75,000	-	-	-	-
100	<b>Total South Shakopee Substation</b>		<b>95,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
101							
102	<b>Pike Lake Substation</b>						
103	LTC Tap Changer Maintenance PL 1	Maintenance	35,000	-	-	-	-
104	Substation to County Fiber & Fiber Equipment	Safety	50,000	-	-	-	-
105	Oil Change Out on Tap Changer	Maintenance/Extend Life of Tap Changer	-	-	35,000	-	-
106	<b>Total Pike Lake Substation</b>		<b>85,000</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>-</b>
107							
108	<b>Dean Lake Substation</b>						
109	LTC Tap Changer Maintenance DL 1 & DL2	Maintenance	60,000	-	-	-	-
110	<b>Total Dean Lake Substation</b>		<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
111							
112	<b>East Shakopee Substation</b>						
113	Planning/Design/Project Management (P3)	Load Growth	100,000	-	-	-	-
114	Site work grading & storm water plans (P3)	Load Growth	587,000	-	-	-	-
115	Construction (P15)	Load Growth	-	-	6,698,000	-	-
116	Substation to County Fiber & Fiber Equipment	Safety	-	-	50,000	-	-
117	<b>Total East Shakopee Substation</b>		<b>687,000</b>	<b>-</b>	<b>6,748,000</b>	<b>-</b>	<b>-</b>
118							
119	<b>West Shakopee Substation</b>						
120	Duct banks for WS-Exit circuits along Colburn Drive	Load Growth	250,000	-	-	-	-
121	Planning/Design/Construction Project Management (P17)	Load Growth	-	-	-	6,163,000	-
122	<b>Total West Shakopee Substation</b>		<b>250,000</b>	<b>-</b>	<b>-</b>	<b>6,163,000</b>	<b>-</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Date: 11/4/24  
Electric Detail**

Item Description	Justification	2025	2026	2027	2028	2029
<b>123</b>						
<b>124 Upgrade Projects</b>						
<b>125</b> Pole Replacement	Maintenance	50,000	50,000	50,000	-	-
<b>126</b> Heritage Lateral Reconfiguration	Safety	25,000	-	-	-	-
<b>127</b> Blue Lake Substation Fuse Coordination / Reactor	Safety	150,000	-	-	-	-
<b>128</b> Milwaukee Court Lateral Reconfiguration	Safety	-	25,000	-	-	-
<b>129</b> Projects yet to be determined	Load Growth	230,000	230,000	240,000	240,000	240,000
<b>130 Total Upgrade Projects</b>		<b>455,000</b>	<b>305,000</b>	<b>290,000</b>	<b>240,000</b>	<b>240,000</b>
<b>131</b>						
<b>132 ADVANCED METERING INFRASTRUCTURE (AMI)</b>						
<b>133</b> Construction/Implementation/Hardware/Software/Training/Project Management	Customer Service	336,301	-	-	-	-
<b>134 Total ADVANCED METERING INFRASTRUCTURE (AMI)</b>		<b>336,301</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>135</b>						
<b>136 Service Center</b>						
<b>137</b> Miscellaneous Building Improvements/Replacements	Maintenance & Requested Changes	50,000	50,000	50,000	50,000	50,000
<b>138</b> Display Case Office	Marketing	10,000	-	-	-	-
<b>139</b> Facilities Exterior Main Door Replacement	Maintenance	40,000	-	-	-	-
<b>140</b> Garage Heaters	Maintenance	-	30,000	-	-	-
<b>141</b> Facility Roof Replacement	Maintenance	-	-	800,400	-	-
<b>142</b> Building Expansion Office	Staff Additions	-	-	-	4,000,000	-
<b>143 Total Service Center</b>		<b>100,000</b>	<b>80,000</b>	<b>850,400</b>	<b>4,050,000</b>	<b>50,000</b>
<b>144</b>						
<b>145 Total Operating Fund</b>		<b>9,542,801</b>	<b>6,643,720</b>	<b>14,795,413</b>	<b>14,691,718</b>	<b>4,588,763</b>
<b>146</b>						
<b>147 Relocation Fund</b>						
<b>148 Relocation Projects</b>						
<b>149</b> SS-32 CR 15 & Hwy 169 Ramps	Roundabout Impacts	136,864	-	-	-	-
<b>150</b> BL-22 Stagecoach Road from Hentges Circle to Hanson Ave	Street/Trail Project	200,000	-	-	-	-
<b>151</b> CR78/CR79 Roundabout (2 x OH + 2 x UG)	Roundabout Impacts	-	300,000	-	-	-
<b>152</b> CR 17 South of CR 42	County Road Project	-	200,000	-	-	-
<b>153</b> Projects Yet to Be Determined 0.50 Ckt. mile	As Necessary	60,000	65,000	65,000	65,000	-
<b>154 Total Relocation Projects</b>		<b>396,864</b>	<b>565,000</b>	<b>65,000</b>	<b>65,000</b>	<b>-</b>
<b>155</b>						
<b>156 Total Relocation Fund</b>		<b>396,864</b>	<b>565,000</b>	<b>65,000</b>	<b>65,000</b>	<b>-</b>
<b>157</b>						
<b>158 Total Electric</b>		<b>9,939,665</b>	<b>7,208,720</b>	<b>14,860,413</b>	<b>14,756,718</b>	<b>4,588,763</b>



SPUC CIP  
Electric System  
2025 - 2029



EXTENSION/REPLACEMENT PROJECT SCHEDULE

- DENOTES 2025
- DENOTES 2026
- DENOTES 2027
- DENOTES 2028
- DENOTES 2029

RELOCATION PROJECT SCHEDULE

- - - DENOTES 2025
- - - DENOTES 2026
- - - DENOTES 2027
- - - DENOTES 2028
- - - DENOTES 2029



**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Water Summary**

Item Description	Justification	2025	2026	2027	2028	2029	TBD
<b><u>Operating Fund</u></b>							
1 Miscellaneous	See Detail	690,000	405,000	240,000	240,000	250,000	-
2 System Upgrades	See Detail	6,020,000	2,370,000	1,522,500	8,632,500	11,077,500	-
3 ADVANCED METERING INFRASTRUCTURE (AMI)	See Detail	274,693	-	-	-	-	-
4 Vehicles/Equipment	See Detail	114,000	140,000	65,000	65,000	65,000	-
5							
6 <b>Total Operating Fund</b>		<b>7,098,693</b>	<b>2,915,000</b>	<b>1,827,500</b>	<b>8,937,500</b>	<b>11,392,500</b>	<b>-</b>
7							
<b><u>Reconstruction Fund</u></b>							
9 Reconstruction Projects	See Detail	330,000	185,000	1,540,000	1,555,000	1,580,000	-
10							
11 <b>Total Reconstruction Fund</b>		<b>330,000</b>	<b>185,000</b>	<b>1,540,000</b>	<b>1,555,000</b>	<b>1,580,000</b>	<b>-</b>
12							
<b><u>Trunk Fund</u></b>							
14 Trunk Water Mains - SPUC Projects	See Detail	100,000	75,000	150,000	-	-	-
15 Over Sizing - Non-SPUC Projects	See Detail	965,000	250,000	-	550,000	540,000	150,000
16							
17 <b>Total Trunk Fund</b>		<b>1,065,000</b>	<b>325,000</b>	<b>150,000</b>	<b>550,000</b>	<b>540,000</b>	<b>150,000</b>
18							
<b><u>Connection Fund</u></b>							
20 Wells	See Detail	-	25,000	165,000	-	-	800,000
21 Water Treatment	See Detail	1,250,000	-	312,500	612,500	3,312,500	-
22 Pump House Additions/Expansions	See Detail	725,000	-	25,000	2,010,000	375,000	-
23 New Tanks and Transmission Water Main	See Detail	5,700,000	-	-	-	-	-
24 Booster Stations	See Detail	300,000	-	-	-	-	6,000,000
25 Auxiliary Facilities	See Detail	60,000	450,000	150,000	-	-	600,000
26							
27 <b>Total Connection Fund</b>		<b>8,035,000</b>	<b>475,000</b>	<b>652,500</b>	<b>2,622,500</b>	<b>3,687,500</b>	<b>7,400,000</b>
28							
29 <b>Total Water</b>		<b>16,528,693</b>	<b>3,900,000</b>	<b>4,170,000</b>	<b>13,665,000</b>	<b>17,200,000</b>	<b>7,550,000</b>
30							
31 <b>Cumulative Total Water</b>		<b>16,528,693</b>	<b>20,428,693</b>	<b>24,598,693</b>	<b>38,263,693</b>	<b>55,463,693</b>	<b>63,013,693</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Water Detail**

Item Description	Justification	2025	2026	2027	2028	2029	TBD
<b>Operating Fund</b>							
<b>Miscellaneous</b>							
Water Meters	PM/Development	175,000	175,000	200,000	200,000	210,000	-
Hydrant Replacement	As Needed (Ops) 672	40,000	40,000	40,000	40,000	40,000	-
Emergency Power Generation Conversion @ Riverview Booster Station	Extended Sustainability	350,000	-	-	-	-	-
Cty Rd 78/79 Roundabout	Water Main Casing	75,000	-	-	-	-	-
CR 15/Marystown Rd @ Vierling Drive and @ Windermere Way Adjustment		30,000	-	-	-	-	-
Chemical Feed Improvements	Safety/Enhanced Accuracy	20,000	-	-	-	-	-
CSAH 16 CIF 22-006 Trail Extension adjust valves & hydrants	Trail Extension	-	15,000	-	-	-	-
Jefferson Street WM Lining 10th to 12th		-	175,000	-	-	-	-
<b>Total Miscellaneous</b>		<b>690,000</b>	<b>405,000</b>	<b>240,000</b>	<b>240,000</b>	<b>250,000</b>	<b>-</b>
<b>System Upgrades / Additions</b>							
Recoat Reservoir #4 Dominion Ave	Preventative Maintenance	125,000	2,080,000	-	-	-	-
Fiber Hardware	AMI and SCADA for 4 tanks	100,000	125,000	-	-	-	-
SCADA Upgrades	Water System Reliability	30,000	-	-	-	-	-
Land Rights (75%)	Water Treatment	3,750,000	-	-	-	-	-
Recoat Reservoir #3 Canterbury Road	Preventative Maintenance	2,000,000	-	-	-	-	-
NES Jordan Well #26 @ Church Addition (75%)	Water Treatment	-	75,000	495,000	-	-	-
Pumphouse #4 Updating (75%)	Safety	-	75,000	-	-	-	-
Raw Watermains Locations TBD (25%)	Water Treatment	-	-	937,500	937,500	937,500	-
NES Pumphouse for Well #26 @ Church Addition (75%)	Water Treatment	-	-	75,000	2,730,000	-	-
Pumphouse #6 Updating and Backup Generation (75%)	Safety / Reliability	-	-	-	112,500	1,125,000	-
NES Water Treatment Plan Design (75%)	Water Treatment	-	-	-	750,000	-	-
PH#2 Conversion to Control House and raw watermain to PH#3 (75%)	Safety / Water Treatment	-	-	-	3,187,500	-	-
NES Water Treatment Plant Site Prep (75%)	Water Treatment	-	-	-	900,000	9,000,000	-
Miscellaneous Equipment	As Needed (Ops) 665-678	15,000	15,000	15,000	15,000	15,000	-
<b>Total System Upgrades</b>		<b>6,020,000</b>	<b>2,370,000</b>	<b>1,522,500</b>	<b>8,632,500</b>	<b>11,077,500</b>	<b>-</b>
<b>Advanced Metering Infrastructure (AMI)</b>							
Construction/Implementation/Hardware/Software/Training/Project Management	Customer Service	274,693	-	-	-	-	-
<b>Total Advanced Metering Infrastructure (AMI)</b>		<b>274,693</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Vehicles/Equipment</b>							
Replace Truck #622 (2023)	Replacement for damage vehicle	52,000	-	-	-	-	-
Replace Truck #630 (2014)	Life Cycle Replacement	62,000	-	-	-	-	-
Replace Truck #626 (2015)	Life Cycle Replacement	-	70,000	-	-	-	-
Replace Truck #634 (2015)	Life Cycle Replacement	-	70,000	-	-	-	-
Replace Truck #650 (2016)	Life Cycle Replacement	-	-	65,000	-	-	-
Replace Truck #619 (2017)	Life Cycle Replacement	-	-	-	65,000	-	-
Replace Truck #649 (2018)	Life Cycle Replacement	-	-	-	-	65,000	-
<b>Total Vehicles/Equipment</b>		<b>114,000</b>	<b>140,000</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>	<b>-</b>
<b>Total Operating Fund</b>		<b>7,098,693</b>	<b>2,915,000</b>	<b>1,827,500</b>	<b>8,937,500</b>	<b>11,392,500</b>	<b>-</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Water Detail**

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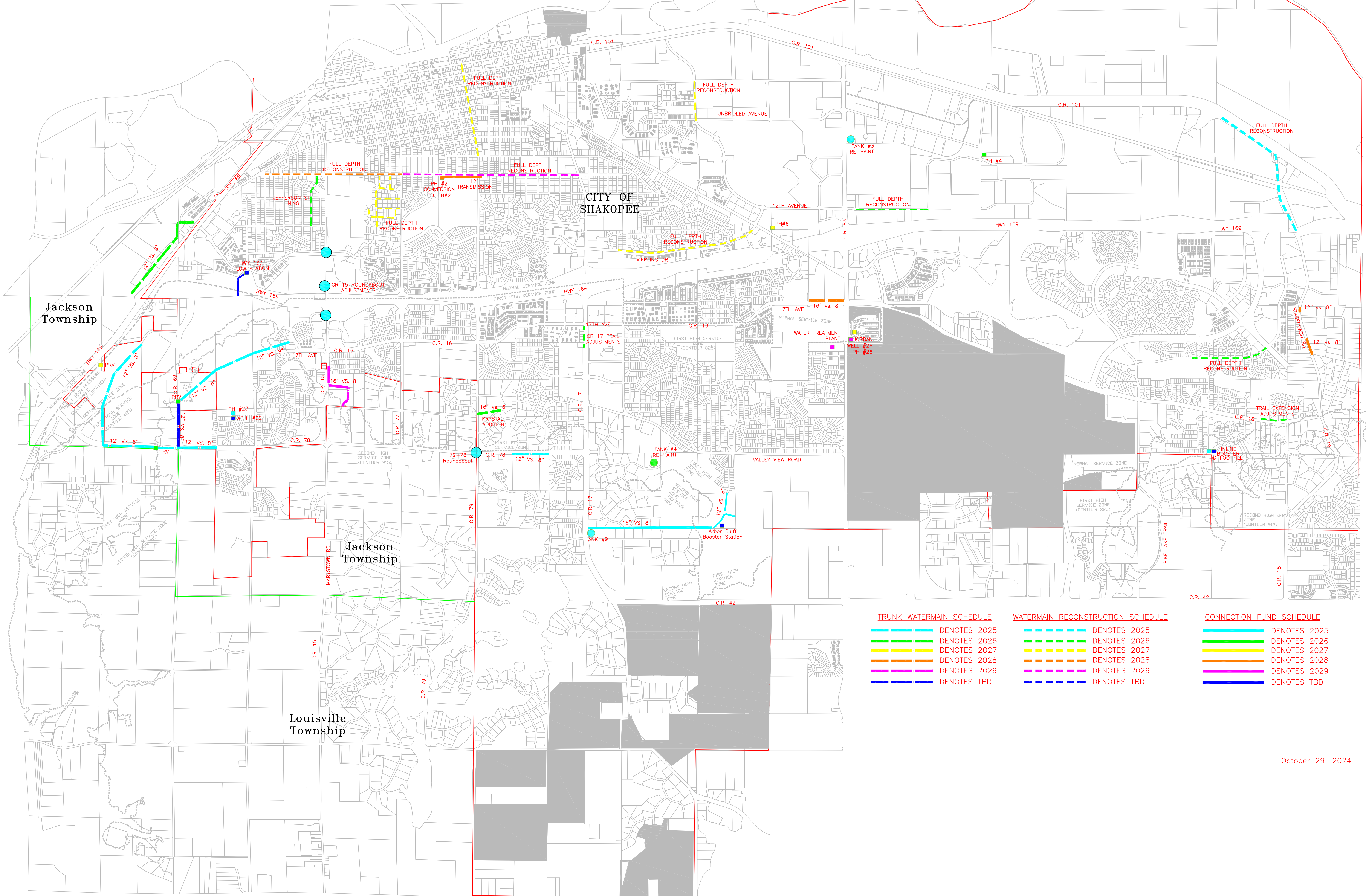
Item Description	Justification	2025	2026	2027	2028	2029	TBD
<b>Reconstruction Fund</b>							
<b>Reconstruction</b>							
Correct Deficient Services / Lead Line Replacement	As Needed	100,000	100,000	40,000	40,000	40,000	-
Full-Depth Pavement Reconstruction	City CIP	100,000	45,000	1,500,000	1,500,000	1,500,000	-
Bituminous Overlay	City CIP	30,000	20,000	-	15,000	40,000	-
Cty 17 Trail Improvments South of 17th Ave adjustments	City Street Recon	-	20,000	-	-	-	-
Project To be determined		100,000	-	-	-	-	-
<b>Total Reconstruction</b>		<b>330,000</b>	<b>185,000</b>	<b>1,540,000</b>	<b>1,555,000</b>	<b>1,580,000</b>	<b>-</b>
<b>Total Reconstruction Fund</b>		<b>330,000</b>	<b>185,000</b>	<b>1,540,000</b>	<b>1,555,000</b>	<b>1,580,000</b>	<b>-</b>
<b>Trunk Fund</b>							
<b>Trunk Water Mains - SPU Projects (Completed by SPU)</b>							
Misc. expenses to coordinated w/County & City Projects	Development	-	75,000	150,000	-	-	-
Projects to be determined		100,000	-	-	-	-	-
<b>Total Trunk Water Mains - SPU Projects</b>		<b>100,000</b>	<b>75,000</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Over Sizing - Non-SPU Projects (Completed by Others)</b>							
12" WM South of VV Road @ Independence 0.50 mile (Arbor Bluff) 1-HES	Development	125,000	-	-	-	-	-
12" WM West of CR 69 thru area B 1.25 miles 1-HES	Development	325,000	-	-	-	-	-
12" WM West of LaTour Drive 0.75 miles 2-HES	Development	195,000	-	-	-	-	-
12" WM CR 16 from CR 15 west to CR 69 - 0.75 mile 2-HES	Development/City Project/Scott County	200,000	-	-	-	-	-
12" WM Notermann Extension CR78 West of Valley Creek Crossing 330'	Development	20,000	-	-	-	-	-
16" WM Krystal Addition to CR 79 (800 ft) NES	Development	-	185,000	-	-	-	-
12" WM Vierling Drive West from CR 69 0.50 mile NES	Development	-	65,000	-	-	-	-
12" WM on Stagecoach Rd from Eagle Creek Preserve to Hansen Ave .025 miles	Development	-	-	-	150,000	-	-
16" WM East from Emblem parallel to 17th Ave 0.75 miles	Development	-	-	-	400,000	-	-
16" WM South of Countryside parallel to CR 15 0.5 miles	Development	-	-	-	-	540,000	-
12" WM CR 69 0.25 miles north of CR 78	Development	-	-	-	-	-	150,000
Projects to be determined		100,000	-	-	-	-	-
<b>Total Over Sizing - Non-SPU Projects</b>		<b>965,000</b>	<b>250,000</b>	<b>-</b>	<b>550,000</b>	<b>540,000</b>	<b>150,000</b>
<b>Total Trunk Fund</b>		<b>1,065,000</b>	<b>325,000</b>	<b>150,000</b>	<b>550,000</b>	<b>540,000</b>	<b>150,000</b>

**Shakopee Public Utilities  
Capital Improvement Plan  
Semi-Final  
Dated: 11/4/24  
Water Detail**

	Item Description	Justification	2025	2026	2027	2028	2029	TBD
76								
77	<b>Connection Fund</b>							
78	<b>Wells</b>							
79	NES Jordan Well #26 @ Church Addition (25%)	Water Treatment	-	25,000	165,000	-	-	-
80	2-HES Jordan Well #22 at Tank #8 (100%)	Water Treatment	-	-	-	-	-	800,000
81	<b>Total Wells</b>		<b>-</b>	<b>25,000</b>	<b>165,000</b>	<b>-</b>	<b>-</b>	<b>800,000</b>
82	<b>Water Treatment</b>							
83	Land Rights (25%)	Water Treatment	1,250,000	-	-	-	-	-
84	Raw Watermain locations TBD (25%)	Water Treatment	-	-	312,500	312,500	312,500	-
85	NES Water Treatment Plant design (25%)	Water Treatment	-	-	-	300,000	-	-
86	NES Water Treatment Plant Construction Site Prep (25%)	Water Treatment	-	-	-	-	3,000,000	-
87	<b>Total Water Treatment</b>		<b>1,250,000</b>	<b>-</b>	<b>312,500</b>	<b>612,500</b>	<b>3,312,500</b>	<b>-</b>
88	<b>Pump House Additions/Expansions</b>							
89	2-HES Pump House 23 @ Tank #8 Site (includes landscaping for tank #8)	Development	725,000	-	-	-	-	-
90	NES Pumphouse for Well #26 @ Church Addition (25%)	Water Treatment	-	-	25,000	910,000	-	-
91	Pumphouse #6 Updating and Backup Generation (25%)	Reliability	-	-	-	37,500	375,000	-
92	PH#2 Conversion to Control House and raw watermain to PH#3 (25%)	Safety / Water Treatment	-	-	-	1,062,500	-	-
93	<b>Total Pump House Additions/Expansions</b>		<b>725,000</b>	<b>-</b>	<b>25,000</b>	<b>2,010,000</b>	<b>375,000</b>	<b>-</b>
94								
95	<b>New Tanks and Transmission Water Main</b>							
96	2-HES District Storage (0.5 MG, Elevated Tank #9) @ Wood Duck Trail	Development	4,500,000	-	-	-	-	-
97	16" Transmission WM East of Tank #9 0.75 miles	Development	1,200,000	-	-	-	-	-
98	<b>Total New Tanks and Transmission Water Main</b>		<b>5,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
99	<b>Booster Stations</b>							
100	Inline Booster Station Site @ Foothill Road and Horizon Drive	Development	200,000	-	-	-	-	-
101	IHES to 2HES Inline Booster Station @ Foothill/Horizon	Development	-	-	-	-	-	1,000,000
102	IHES to 2HES Booster Station @ Arbor Bluffs site/design/construction	Development	100,000	-	-	-	-	5,000,000
103	<b>Total Booster Stations</b>		<b>300,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,000,000</b>
104	<b>Auxiliary Facilities</b>							
105	Pressure Reducing Valve - 2-HES to 1-HES @ CR 78	Development	60,000	150,000	-	-	-	-
106	Normal Zone Elevated Tank Altitude Valves	Pressure Control	-	150,000	-	-	-	-
107	Pressure Reducing Valve - 2-HES to 1-HES @ CR 69	Development	-	150,000	-	-	-	-
108	Pressure Reducing Valve - 1-HES to NES on Hwy 169	Development	-	-	150,000	-	-	-
109	Hwy 169 Flow Station	Development	-	-	-	-	-	600,000
110	<b>Total Auxiliary Facilities</b>		<b>60,000</b>	<b>450,000</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>600,000</b>
111	<b>Total Connection Fund</b>		<b>8,035,000</b>	<b>475,000</b>	<b>652,500</b>	<b>2,622,500</b>	<b>3,687,500</b>	<b>7,400,000</b>
112	<b>Total Water</b>		<b>16,528,693</b>	<b>3,900,000</b>	<b>4,170,000</b>	<b>13,665,000</b>	<b>17,200,000</b>	<b>7,550,000</b>



SPUC CIP  
Water System  
2025 - 2029



TRUNK WATERMAIN SCHEDULE	WATERMAIN RECONSTRUCTION SCHEDULE	CONNECTION FUND SCHEDULE
DENOTES 2025	DENOTES 2025	DENOTES 2025
DENOTES 2026	DENOTES 2026	DENOTES 2026
DENOTES 2027	DENOTES 2027	DENOTES 2027
DENOTES 2028	DENOTES 2028	DENOTES 2028
DENOTES 2029	DENOTES 2029	DENOTES 2029
DENOTES TBD	DENOTES TBD	DENOTES TBD





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Shakopee, Minnesota 55379  
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www.shakopeeutilities.com

**DATE:** October 31, 2024  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *KW*  
**SUBJECT:** 2025 Preliminary Operating Budget

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Over the past several months, staff has been preparing the preliminary operating budget for 2025.

The attached presentation provides the preliminary budget as well as some of the assumptions made to complete the budget.

**No Action Requested:**

The commission is requested to review the preliminary budget and provide input. No formal approval required until 12/2<sup>nd</sup> Commission Meeting.



# **2025 Preliminary Operating Budget**

11/4/2024

- 01 • Electric Fund Budget
- 02 • Electric Usage Assumptions
- 03 • Water Fund Budget
- 04 • Water Usage Assumptions
- 05 • 2025 Wage Assumptions
- 06 • 2025 Benefit Assumptions

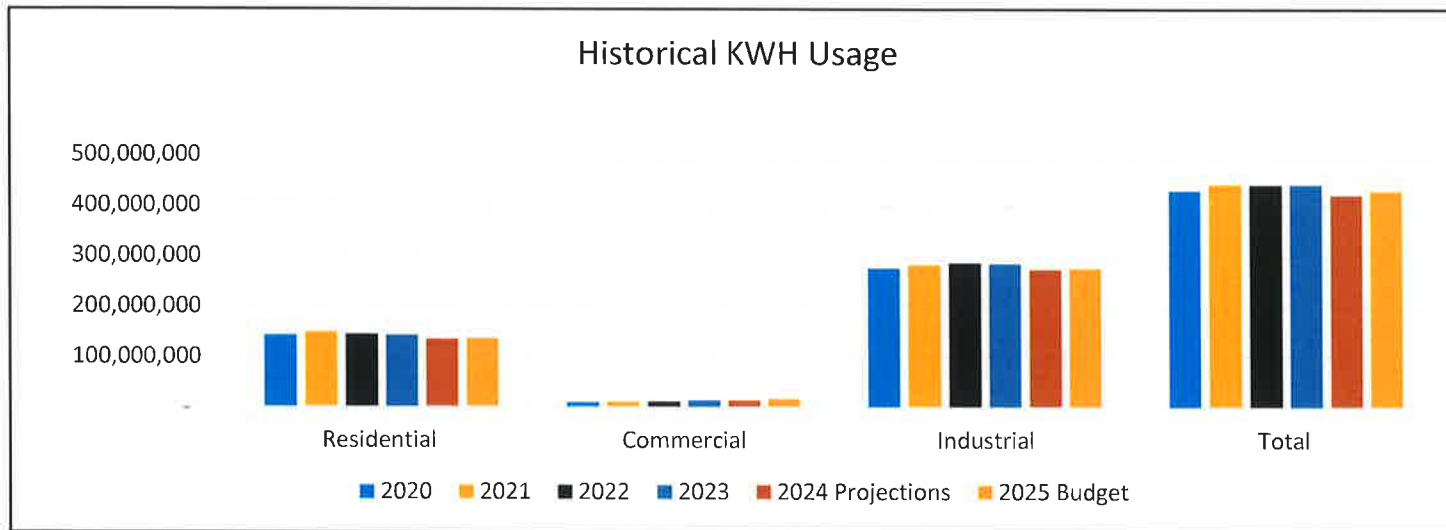


# 2025 Electric Fund Budget Summary

ELECTRIC	2023 ACTUALS	2024 JULY YTD	2024 BUDGET	2025 BUDGET	INCREASE/ (DECREASE)	PERCENT CHANGE
<b>OPERATING REVENUE</b>						
RESIDENTIAL SALES	22,150,118	\$ 11,722,040	\$ 23,316,224	\$ 22,220,981	\$ (1,095,243)	-4.7%
COMMERCIAL SALES	2,489,559	\$ 1,446,361	\$ 2,121,763	\$ 2,487,682	\$ 365,919	17.2%
INDUSTRIAL SALES	35,391,872	\$ 19,000,082	\$ 34,619,135	\$ 35,237,612	\$ 618,477	1.8%
CUSTOMER PENALTIES	373,716	\$ 143,142	\$ 305,619	\$ 320,845	\$ 15,226	5.0%
FREE SERVICE TO CITY	144,062	\$ 84,036	\$ 132,364	\$ 132,364	\$ -	0.0%
CONSERVATION PROGRAM	898,184	\$ 478,729	\$ 900,857	\$ 891,071	\$ (9,786)	-1.1%
UNCOLLECTIBLE ACCOUNTS	(36,664)	\$ -	\$ -	\$ (36,612)	\$ (36,612)	0.0%
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 61,410,847</b>	<b>\$ 32,874,390</b>	<b>\$ 61,395,962</b>	<b>\$ 61,253,943</b>	<b>\$ (142,019)</b>	<b>-0.2%</b>
<b>OPERATING EXPENSES</b>						
PURCHASED POWER	\$ 42,742,370	\$ 22,833,392	\$ 43,755,789	\$ 42,467,665	\$ (1,288,124)	-2.9%
DISTRIBUTION OPERATION EXPENSES	\$ 654,328	\$ 340,988	\$ 892,229	\$ 819,212	\$ (73,017)	-8.2%
DISTRIBUTION SYSTEM MAINTENANCE	\$ 1,113,817	\$ 568,865	\$ 1,238,325	\$ 1,306,445	\$ 68,120	5.5%
MAINTENANCE OF GENERAL PLANT	\$ 445,631	\$ 308,955	\$ 387,721	\$ 483,848	\$ 96,127	24.8%
<b>TOTAL OPERATION AND MAINTENANCE</b>	<b>\$ 44,956,147</b>	<b>\$ 24,052,200</b>	<b>\$ 46,274,064</b>	<b>\$ 45,077,170</b>	<b>\$ (1,196,894)</b>	<b>-2.6%</b>
METER READING EXPENSES	\$ 139,742	\$ 91,333	\$ 150,747	\$ 74,668	\$ (76,079)	-50.5%
CUSTOMER RECORDS AND COLLECTIONS	\$ 648,814	\$ 360,457	\$ 852,178	\$ 729,285	\$ (122,893)	-14.4%
CONSERVATION EXPENSES	\$ 898,184	\$ 90,324	\$ 891,737	\$ 891,069	\$ (668)	-0.1%
<b>TOTAL CUSTOMER ACCOUNTS</b>	<b>\$ 1,686,741</b>	<b>\$ 542,114</b>	<b>\$ 1,894,662</b>	<b>\$ 1,695,022</b>	<b>\$ (199,639)</b>	<b>-10.5%</b>
ADMINISTRATIVE & GEN'L	\$ 782,567	\$ 537,065	\$ 1,138,397	\$ 1,298,848	\$ 160,451	14.1%
OFFICE SUPPLIES AND EXPENSE	\$ 449,970	\$ 305,031	\$ 556,146	\$ 653,479	\$ 97,333	17.5%
OUTSIDE SERVICES EMPLOYED	\$ 390,485	\$ 273,442	\$ 575,627	\$ 434,952	\$ (140,675)	-24.4%
PROPERTY INSURANCE	\$ 178,053	\$ 108,746	\$ 175,000	\$ 175,504	\$ 504	0.3%
EMPLOYEE BENEFITS	\$ 2,210,312	\$ 1,143,531	\$ 1,992,868	\$ 2,493,214	\$ 500,347	25.1%
MISCELLANEOUS GENERAL	\$ 490,087	\$ 332,860	\$ 680,432	\$ 744,648	\$ 64,217	9.4%
<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>\$ 4,501,473</b>	<b>\$ 2,700,675</b>	<b>\$ 5,118,469</b>	<b>\$ 5,800,645</b>	<b>\$ 682,176</b>	<b>13.3%</b>
<b>OPERATING EXPENSE BEFORE DEP &amp; AMT</b>	<b>\$ 51,144,360</b>	<b>\$ 27,294,989</b>	<b>\$ 53,287,195</b>	<b>\$ 52,572,838</b>	<b>\$ (714,357)</b>	<b>-1.3%</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>\$ 3,495,150</b>	<b>\$ 2,369,459</b>	<b>\$ 3,261,970</b>	<b>\$ 3,936,827</b>	<b>\$ 674,857</b>	<b>17.1%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 54,639,510</b>	<b>\$ 29,664,448</b>	<b>\$ 56,549,165</b>	<b>\$ 56,509,665</b>	<b>\$ (39,500)</b>	<b>-0.1%</b>
<b>OPERATING INCOME</b>	<b>\$ 6,771,337</b>	<b>\$ 3,209,942</b>	<b>\$ 4,846,797</b>	<b>\$ 4,744,278</b>	<b>\$ (102,519)</b>	<b>-2.2%</b>
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<b>\$ 2,255,889</b>	<b>\$ 1,482,482</b>	<b>\$ 1,269,971</b>	<b>\$ 2,213,242</b>	<b>\$ 943,271</b>	<b>42.6%</b>
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>\$ 1,580,437</b>	<b>\$ 288,065</b>	<b>\$ 730,662</b>	<b>\$ 738,472</b>	<b>\$ 7,810</b>	<b>1.1%</b>
<b>TOTAL TRANSFER TO MUNICIPALITY</b>	<b>\$ (3,716,567)</b>	<b>\$ (2,204,392)</b>	<b>\$ (3,634,890)</b>	<b>\$ (3,740,706)</b>	<b>\$ 105,816</b>	<b>2.8%</b>
<b>NET INCOME OR CHANGE IN NET ASSETS</b>	<b>\$ 6,891,095</b>	<b>\$ 2,776,096</b>	<b>\$ 3,212,540</b>	<b>\$ 3,955,286</b>	<b>\$ 742,746</b>	<b>18.8%</b>

# Electric Usage Assumptions

Total electric sales are projected at a 1.5% growth rate for residential, .50% growth rate for commercial, and 1% growth rate for industrial.



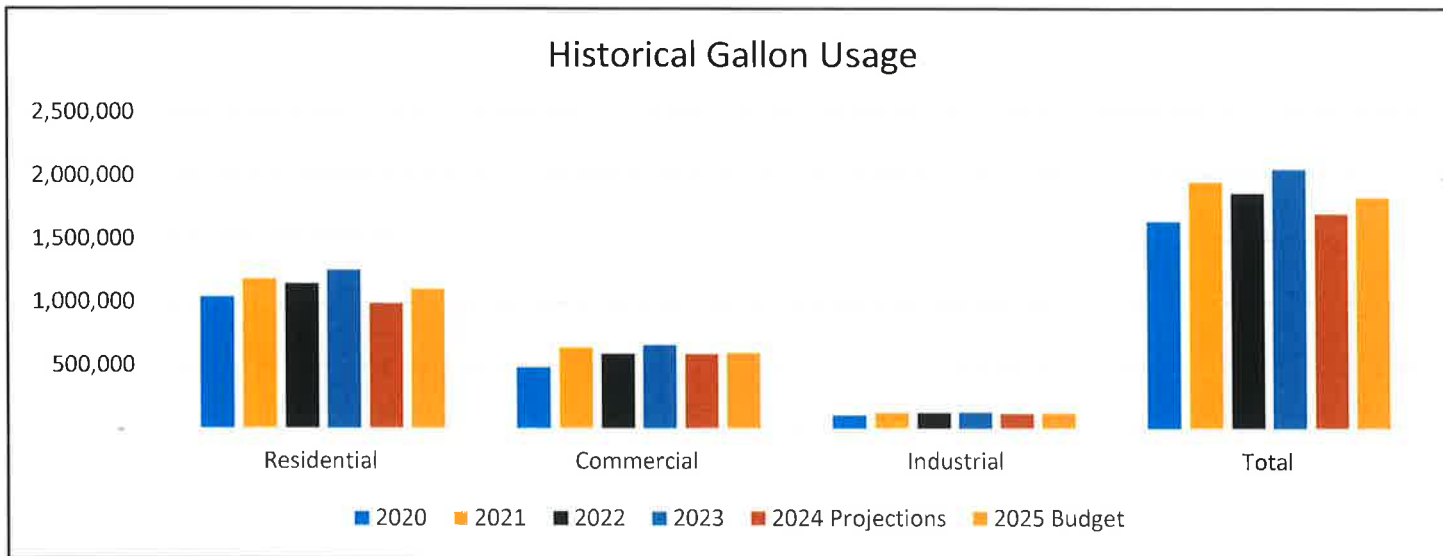
Year	Residential	Commercial	Industrial	Total
2020	142,955,574	10,811,084	276,993,575	430,760,233
2021	148,722,579	11,452,253	283,234,985	443,409,817
2022	144,191,985	11,375,393	286,019,222	441,586,600
2023	143,276,690	14,200,938	285,491,698	442,969,326
2024 Projections	134,779,830	13,696,008	273,566,900	422,042,738
2025 Budget	136,900,574	16,963,112	276,302,570	430,166,256

# 2025 Water Fund Budget Summary

<b>WATER</b>	<b>2023 ACTUALS</b>	<b>2024 JULY YTD</b>	<b>2024 BUDGET</b>	<b>2025 BUDGET</b>	<b>INCREASE/ (DECREASE)</b>	<b>PERCENT CHANGE</b>
<b>OPERATING REVENUE</b>						
RESIDENTIAL SALES	4,452,996	2,065,510	4,109,514	4,633,121	523,607	11.3%
COMMERCIAL SALES	2,023,129	737,976	1,859,789	2,026,247	166,458	8.2%
INDUSTRIAL SALES	360,093	160,122	335,764	416,324	80,560	19.4%
OTHER WATER SALES	910,353	351,497	753,585	819,545	65,960	8.0%
CUSTOMER PENALTIES	29,392	10,230	39,898	47,096	7,198	15.3%
UNCOLLECTIBLE ACCOUNTS	8,835	-	-	3,624	3,624	100.0%
<b>TOTAL OPERATING REVENUE</b>	<b>7,784,799</b>	<b>3,325,336</b>	<b>7,098,550</b>	<b>7,945,957</b>	<b>847,407</b>	<b>11.9%</b>
<b>OPERATING EXPENSES</b>						
PUMPING AND DISTRIBUTION OPERATION	\$ 832,974	\$ 447,174	\$ 828,099	\$ 808,772	\$ (19,327)	-2.4%
DISTRIBUTION SYSTEM MAINTENANCE	\$ 873,183	\$ 378,279	\$ 733,521	\$ 1,013,789	\$ 280,268	27.6%
POWER FOR PUMPING	\$ 358,161	\$ 234,252	\$ 435,129	\$ 366,076	\$ (69,053)	-18.9%
MAINTENANCE OF GENERAL PLANT	\$ 70,023	\$ 39,399	\$ 69,907	\$ 66,991	\$ (2,916)	-4.4%
<b>TOTAL OPERATION AND MAINTENANCE</b>	<b>\$ 2,134,341</b>	<b>\$ 1,099,104</b>	<b>\$ 2,066,656</b>	<b>\$ 2,255,628</b>	<b>\$ 188,972</b>	<b>8.4%</b>
METER READING EXPENSES	\$ 86,087	\$ 43,560	\$ 71,302	\$ 56,689	\$ (14,613)	-25.8%
CUSTOMER RECORDS AND COLLECTIONS	\$ 190,071	\$ 104,764	\$ 239,187	\$ 175,441	\$ (63,746)	-36.3%
CONSERVATION EXPENSES	\$ 12,564	\$ 1,965	\$ 5,974	\$ 6,354	\$ 380	6.0%
<b>TOTAL CUSTOMER ACCOUNTS</b>	<b>\$ 288,722</b>	<b>\$ 150,289</b>	<b>\$ 316,463</b>	<b>\$ 238,484</b>	<b>\$ (77,979)</b>	<b>-32.7%</b>
ADMINISTRATIVE & GEN'L	\$ 469,083	\$ 311,372	\$ 678,176	\$ 621,335	\$ (56,841)	-9.1%
OFFICE SUPPLIES AND EXPENSE	\$ 142,280	\$ 102,679	\$ 137,407	\$ 184,238	\$ 46,831	25.4%
OUTSIDE SERVICES EMPLOYED	\$ 183,325	\$ 112,812	\$ 367,945	\$ 199,400	\$ (168,545)	-84.5%
PROPERTY INSURANCE	\$ 59,351	\$ 36,279	\$ 45,113	\$ 58,519	\$ 13,406	22.9%
EMPLOYEE BENEFITS	\$ 1,054,134	\$ 537,803	\$ 905,569	\$ 945,680	\$ 40,111	4.2%
MISCELLANEOUS GENERAL	\$ 251,333	\$ 131,238	\$ 277,393	\$ 303,504	\$ 26,111	8.6%
<b>TOTAL ADMINISTRATIVE AND GENERAL</b>	<b>\$ 2,159,506</b>	<b>\$ 1,232,183</b>	<b>\$ 2,411,603</b>	<b>\$ 2,312,676</b>	<b>\$ (98,927)</b>	<b>-4.3%</b>
<b>OPERATING EXPENSE BEFORE DEP &amp; AMT</b>	<b>\$ 4,582,569</b>	<b>\$ 2,481,575</b>	<b>\$ 4,794,722</b>	<b>\$ 4,806,788</b>	<b>\$ 12,066</b>	<b>0.3%</b>
<b>DEPRECIATION AND AMORTIZATION</b>	<b>\$ 3,114,412</b>	<b>\$ 1,749,582</b>	<b>\$ 2,006,776</b>	<b>\$ 2,764,778</b>	<b>\$ 758,002</b>	<b>27.4%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>7,696,981</b>	<b>4,231,157</b>	<b>6,801,498</b>	<b>7,571,567</b>	<b>868,995</b>	<b>11.5%</b>
<b>OPERATING INCOME</b>	<b>\$ 87,818</b>	<b>\$ (905,822)</b>	<b>\$ 297,052</b>	<b>\$ 374,390</b>	<b>\$ 77,338</b>	<b>20.7%</b>
<b>TOTAL NON-OPERATING INCOME (EXPENSES)</b>	<b>\$ 1,399,139</b>	<b>\$ 1,394,238</b>	<b>\$ 583,975</b>	<b>\$ 786,772</b>	<b>\$ 202,797</b>	<b>25.8%</b>
<b>CAPITAL CONTRIBUTIONS</b>	<b>\$ 7,572,803</b>	<b>\$ 2,087,482</b>	<b>\$ 3,649,911</b>	<b>\$ 4,224,084</b>	<b>\$ 574,173</b>	<b>13.6%</b>
<b>TOTAL TRANSFER TO MUNICIPALITY</b>	<b>\$ (410,919)</b>	<b>\$ (248,444)</b>	<b>\$ (425,913)</b>	<b>\$ (476,540)</b>	<b>\$ (50,627)</b>	<b>10.6%</b>
<b>NET INCOME OR CHANGE IN NET POSITION</b>	<b>\$ 8,648,841</b>	<b>\$ 2,327,454</b>	<b>\$ 4,105,026</b>	<b>\$ 4,908,706</b>	<b>\$ 803,680</b>	<b>16.4%</b>

# Water Usage Assumptions

Total water sales are projected at a 1.6% growth rate. Irrigation water sales saw a large decline in 2024. Gallons projected were adjusted by irrigation averages.



Year	Residential	Commercial	Industrial	Total
2020	1,045,061	487,527	110,229	1,642,817
2021	1,184,947	643,438	128,129	1,956,514
2022	1,145,577	592,120	125,165	1,862,862
2023	1,256,467	664,289	135,064	2,055,820
2024 Projections	990,598	591,689	121,535	1,703,822
2025 Budget	1,104,666	601,317	127,243	1,833,226

# 2025 Wage Assumptions

- ❑ Market-Based Wage Range Adjustment Recommended (Non-Union) – 3.3%
  - ❖ HRExpertise - Completed an external market analysis and review of SPU's positions to ensure that wage ranges were aligned with the current market rates and standards for similar positions.
  - ❖ All positions were analyzed for proper alignment in their grade levels
- ❑ Performance Reviews were completed by 9/30/24
  - ❖ Provisions for merit increases were included for Non-Union employees based on individual performance scores and percent of midpoint per position (Target range is 96% - 104% of Midpoint)
    - 34% of employees have < 5 Years of service with SPU
    - Non-Union employees had movement in apprenticeship positions
- ❑ Union - 3% Increase for 2025
  - ❖ Additional provisions were included for movement in apprenticeship positions
- ❑ Provisions for three new positions were added in 2025: Technical Services Supervisor, Communication Specialist & AMI Data Analyst
- ❑ Total wage provisions included in budget – \$612K or 10.5%
  - ❖ Employees < 5 years and apprenticeship positions equate to 34% of wage provisions
  - ❖ New positions equate to 47% of wage provisions
  - ❖ Employees greater than 5 years equates to 19%

# 2025 Benefit Assumptions

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- Health Insurance rate change for 2025 – 7%. SPU will do a Request for Proposal in 2026
- Dental Insurance rate change for 2025 – 2%. SPU will do a Request for Proposal in 2026
- HSA annual SPU contribution: Single \$1,550/Family \$2,100
- Long term disability renewal increase 0% (coverage at \$25,000)
- Life Insurance renewal 0% increase: 100% covered
- Deferred Comp: \$2,000 match
- Health SPU contribution: 100% single, 80% dependents
- Dental SPU contribution: 100% single, 80% dependents
- Vacation: Vacation is based on length of service steps
- Vacation Carryover Modification: Up to 40 hours of vacation can transfer to sick leave if employee is at risk to lose the hours



# Medical Insurance – Health Partners (2025 Renewal)

## Shakopee Public Utilities

HealthPartners			
Current Plans	Enrollment	Monthly Rates	
\$3,500-100% HSA		Current	Renewal
Employee	30	\$708.20	\$757.77
Employee + Spouse	6	\$1,947.55	\$2,083.88
Employee + Child(ren)	4	\$1,345.59	\$1,439.78
Family	15	\$2,160.01	\$2,311.21
Monthly Subtotals:	55	\$70,714	\$75,664
Annual Subtotals:		\$848,566	\$907,964
Plan Change %			7%
Est. Annual Dollar Change			\$59,398

# Dental Insurance – Delta Dental 2025 Renewal

Shakopee Public Utilities  
Delta Dental  
Delta Dental Solutions  
Renewal Effective: January 1, 2025

	Enrollment:		<u>Current</u>	<u>Renewal</u>
	27	Employee:	\$51.04	\$52.06
	9	Employee + Spouse:	\$102.09	\$104.13
	4	Employee + Child(ren):	\$132.80	\$135.50
	17	Family:	\$166.75	\$171.38
	57	Monthly Total:	\$5,663	\$5,798
		Annual Total:	\$67,954	\$69,579
		Annual % Change:	N/A	2%
		Annual \$ Change:	N/A	\$1,625
	Employer Contribution:	Employee:	\$51.04	\$52.06
		Employee + Spouse:	\$91.88	\$93.72
		Employee + Child(ren):	\$116.45	\$118.81
		Family:	\$143.61	\$147.52
		Monthly ER Contribution	\$5,112	\$5,232
		Annual ER Contribution	\$61,346	\$62,785



# Questions & Discussion