

AGENDA  
SHAKOPEE PUBLIC UTILITIES COMMISSION  
REGULAR MEETING  
MAY 5, 2025  
at 5:00 PM

1. **Call to Order** at 5:00pm in the SPU Service Center, 255 Sarazin Street
  - 1a) Roll Call
  
2. **Communications**
  - 2a) Customer Communications - SGAC Questions (SW)
  
3. **Consent Agenda**
  - C=> 3a) Approval of April 7, 2025 Minutes (GD)
  - C=> 3b) Approval of May 5, 2025 Agenda (BL)
  - C=> 3c) May 5, 2025 Warrant List (KW)
  - C=> 3d) Monthly Water Dashboard for March 2025 (BC)
  - C=> 3e) MMPA March 2025 Meeting Update (GD)
  - C=> 3f) MMPA April 2025 Meeting Update (GD)
  - C=> 3g) 2025 1<sup>st</sup> Quarter Financial Report (KW)
  - C=> 3h) Res #2025-12 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Arbor Bluff 2nd Addition (JA)
  - C=> 3i) Res #2025-13 Resolution Setting the Amount of the Trunk Water Charge, Approving of Its Collection and Authorizing Water services to Certain Property Described as: Arbor Bluff 2nd Addition (JA)
  - C=> 3j) Res #2025-14 Resolution Approving of the Estimated Cost of Pipe Oversizing on the Watermain Project: Richland Court (JA)
  - C=> 3k) Res #2025-15 Resolution Setting the Amount of the Trunk Water Charge, Approving of Its Collection and Authorizing Water services to Certain Property Described as: Richland Court (JA)
  - \* 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. **Report: Financial Items**
  - 5a) 2024 Audited Financials and Presentation (KW)
  - \* Motion to Accept the Financial statements for the year-ending December 31, 2024
  
6. **Liaison Report** (JD)



7. **Reports: Water Items**

7a) Water System Operations Report – Verbal (BC)

7b) Professional Services Agreement for Arbor Bluff Inline Booster Station Design (RH)

- \* Motion to approve authorizing the execution of a Professional Services Agreement with Barr Engineering in the amount of \$481,000 for the design of an inline booster station at Arbor Bluff Development.

7c) Temporary Construction Easement and Grading Request at Tank #8 Site (JA)

- \* Motion to approve the requested temporary easement until the date the city of Shakopee accepts the finished grade and restoration or December 31, 2025, whichever comes earlier

8. **Reports: Electric Items**

8a) Electric System Operations Report – Verbal (BC)

9. **Reports: General**

9a) Marketing/Key Accounts Report – Verbal (SW)

9b) General Manager Report – Verbal (GD)

9c) NES WTP Site Search Update: Shakopee Gravel/Hawkins potential site plans (GD) \*\*

\*\* A portion of this meeting may be closed under Minnesota Statutes, Section 13D.05, subdivision 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property at 1776 Mystic Lake Drive S

10. **Items for Future Agendas**

11. **Tentative Dates for Upcoming Meetings**

- June 2, 2025
- June 16, 2025 Workshop
- July 7, 2025



12. **Adjournment**





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

April 29, 2025

TO: Greg Drent, General Manager   
FROM: Sharon Walsh, Director of Marketing, Key Accounts and Special Projects   
SUBJECT: Customer Communications – SGAC Questions

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#### Overview

At the April 7<sup>th</sup> Commission Meeting, Mr. Dave Burger distributed a second\* set of SGAC questions for the commission and staff. Attached is staff's written response to those questions/statements. The response letter was mailed to Mr. Burger.

#### Action Requested

Staff is sharing this customer communication for Commission awareness and discussion as the Commission deems appropriate. No requested action by staff.

*\*Previous questions were provided by Mr. Burger at the February meeting. Staff responded to those questions, in writing, on March 10<sup>th</sup>.*





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April 28, 2025

Mr. David Burger  
2680 Maple Trl  
Shakopee, MN 55379

Dear Mr. Burger:

Below are the questions/statements you shared with the Commission at the April 7<sup>th</sup> meeting. SPU's responses are listed below.

- 1) Oppose such a large cap : \$60 **Noted**
  - a. Average Cap of Data provide : \$32.69 (19 coops in sample) **Cooperatives have different demographics than SPU and other municipal utilities.**
  - b. \$60 cap would be the second largest in the sample provided. **Not many municipals have adopted SGAC; we expect several are considering doing so soon. Furthermore, each utility/cooperative has different SGAC fees and different system sizes. It's hard to compare one utility cap to another.**
  - c. Two utilities have a fixed cost of \$750 and \$1000 **Noted**
  - d. Interesting data that all utilities have an exempt amount of 3.5KW / SPU = 5KW **Average customer demand is less for cooperatives than it is municipals with urban/suburban demographics.**
  - e. Would you be willing to move this \$60 charge to everyone bill? **Per the rate analyst, the conditions are unique to DER customers. The charges do not apply to all other customers as those customers are already paying through usage rates and are using the distribution grid less.**
  - f. Cap does very little for me personal as my solar system is just over 20Kw **Commission action was to lower the cap to 15 kW which reduces the fee for your system.**
  - g. Would you be willing to extend the cap to 15 or more years? Solar paybacks are much longer than 10 years. **This is to be determined by future commissions on how long the cap will apply. The intent now is for ten years.**
  - h. I would encourage you to only vote on this issue only if you are clear on how the \$4 kw charge was arrived at and believe it is fair to all customers **Staff and commission believe the rate study rationale is clear and understood.**
- 2) Since the first of the year how many solar permits have been filed? **A typical amount I believe; the number is over 30 now. To compare, 44 solar systems were installed in all of 2024. We have already rebated 14 in 2025.**
  - a. Are you solar customers aware of the access charges **Yes, they are informed at the time of application, and it is posted on our website for everyone.**
  - b. This should be bolded on that application for net metering. **It is not affordably possible to customize the application software itself due to its shared use by several other utilities.**

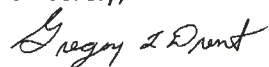


As others adopt their own charge it may be possible to share the cost for custom modifications. In the interim, all customers are informed by notes on our website where they access the online application and through discussions with SPU engineering staff while going through the application process.

- 3) Comment was made that the "Real costs shifted those customers who can afford solar"
- a. My solar system helps reduce the cost of distribution **Not really, according to the rate analyst.** DER's, like solar arrays interconnected to the grid, use the grid to store excess generated energy and then draw it back when the generation is not there. We must maintain a grid with capacity capable of receiving the energy and always delivering the energy.
  - b. Are distribution lines charge to the builders or a home or are they absorbed by the utility? **All developers pay a contribution in aid of construction (which is based only on the initial cost and not maintenance, repair or replacement), and it does not cover 100% of the initial cost, only a portion. The balance is absorbed by the utility and that cost is recovered through sales.**
  - c. I would real encourage the commission to move to a cost of use structure which is where the real cost are that affect peak distribution costs. **The utility and its commission have always applied a cost of use policy when it comes to the rates charged. The SGAC is consistent with that policy.**
  - d. There should be a minimum usage charge for those customers using less than 460KW per month. ( I'm sure there are a small # of customers who apply to this) **We're not sure what point is trying to be made. It appears to be in contradiction with your statement in 3.c.. If you want all customers to be charged the same for the first 460 kwh of energy usage, regardless of if they use all of it, then that would not be consistent with rates set by a cost of use policy. All customers do pay a monthly fixed customer charge to recover the cost of billing and processing payments.**
  - e. I plan to reach out to my representative and explain how destructive this solar access charge is to the solar movement. **Noted.**
- 4.) I have been looking at generator and battery solutions to go off grid. **Please be advised to "go off the grid" means being 100% physically disconnected - not that you just aren't receiving energy on a regular basis. You would no longer be an SPU electric customer.**
- a. This may be my next step if the cap is held at \$60. **The cap was lowered to 15 kW.**
  - b. I have included quotes on sample generator and battery systems. **Noted.**
  - c. I expect that batteries will continue to decrease in cost over next few years and the generator I have quoted is oversized so I should be able to be reduced in size to help with costs. **Noted.**

Thank you for your communication. Your input is appreciated.

Sincerely,



Greg Drent, General Manager



MINUTES OF THE  
SHAKOPEE PUBLIC UTILITIES COMMISSION

April 7, 2025  
Regular Meeting

1. Call to Order. President Krieg called the April 7, 2025 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. Vice President Letourneau participated through interactive technology due to travel for work.
2. Election of Officers. Greg Drent, General Manager, opened the nominations for the offices of President, Vice President, and Secretary, each for a one-year term. Commissioner Mocol nominated Commissioner Letourneau as President. No other nominations were presented. Ayes: Krieg, DuLaney, Fox, Mocol, and Letourneau. Nays: None. Commissioner Krieg nominated Commissioner Mocol as Vice President. No other nominations were presented. Ayes: Krieg, DuLaney, Fox, Mocol, and Letourneau. Commissioner Krieg nominated Greg Drent as Secretary. No other nominations were presented. Ayes: Krieg, DuLaney, Fox, Mocol, and Letourneau. Nays: None. Mr. Drent noted that the Governance Handbook provides for the General Manager to serve as the MMPA Representative and the President as the Alternate. President Letourneau nominated Commissioner Krieg to serve as the Alternate. No other nominations were presented. Ayes: Krieg, DuLaney, Fox, Mocol, and Letourneau. Nays: None.
3. Consent Agenda. Vice President Mocol moved to approve the consent agenda:
  - 3a. Approval of March 3, 2025 Minutes;
  - 3b. Approval of April 7, 2025 Agenda;
  - 3c. April 7, 2025 Warrant List;
  - 3d. Monthly Water Dashboard for February 2025;
  - 3e. Nitrate Report;
  - 3f. Res #2025-08 Resolution Setting the Amount of the Trunk Water Charges, Approving of its Collection and Authorizing Water Service to Certain Property Described as: Highview Park 4<sup>th</sup> Addition;
  - 3g. Res #2025-09 Resolution for Termination of Utility Easement and New Utility Easement with J&J Minneapolis, LLC;
  - 3h. Termination of Electric Utility Underground Easement Agreement.Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, Mocol, DuLaney, and Fox. Nays: None.
4. Public Comment Period. David Burger, 2680 Maple Trail, presented additional comments seeking to decrease the Solar Grid Access Charge.
5. Liaison Report. Commissioner DuLaney reported that at the last City Council meeting, a customer asked about the City Council's jurisdiction as to SPU's AMI Opt-Outside Policy.



6. Water Report. Brad Carlson, Director of Field Operations, reported on the reconditioning of Tower #3 and work on Pumphouse #23, and that AMI meter changeouts continue. He noted that Tank #8 will be taken out of service for warranty work expected to last one week. Mr. Carlson reported that on March 30th, after an equipment communication issue, wells 15, 16, and 17 continued to pump chlorine. In response, SPU staff quickly shut them off, tested, reported to the Minnesota Department of Health, and flushed from approximately 1:00 A.M. until 5:00 P.M. the following day. The isolated pockets of elevated chlorine levels did not enter the full system and were well below levels requiring customer notice.

7. Joint Powers Agreement with the City of Shakopee and the Shakopee Mdewakanton Sioux Community (SMSC) Tribal Utilities Commission. Ryan Halverson, Water Engineering Supervisor, provided background on the request by the Shakopee Mdewakanton Sioux Community Tribal Utilities Commission to provide water and sanitary sewer service to a new medical healing center near City and SPU facilities. Mr. Halverson described the proposed Joint Powers Agreement with the Tribal Utilities Commission, the City, and SPU in this regard. Commissioner DuLaney moved approval of the Joint Powers Agreement as presented. Commissioner Fox seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Fox, and Mocol. Nays: None.

8. Electric Report. Mr. Carlson reported that crews continue finalizing winter construction, including resetting transformers and streetlight poles. He provided an update on the 3-phase loop at Gateway townhomes, tree-trimming, and AMI business meter changeouts. Mr. Carlson reported four outages, which were not significant, since the last Commission meeting.

9. Reliability and Outage Report. Mr. Carlson reported that APPA again awarded SPU the Certificate of Excellence for reliability. He presented the indices and detailed information concerning SPU's reliability and outages in 2024.

10. Underground Electrical Distribution Charge Adjustments. Joseph Adams, Director of Planning and Engineering, discussed the costs for underground electric facilities and the disparity as to fees charged to developers for new residential developments. He presented staff recommendations to adjust these fees by \$162 (one-half of the increase) per lot for single-family home and twin home developments and \$131 (one-half of the increase) for condo/townhouse projects. These changes were included in Resolution 2025-10, which also addressed the solar grid access charge.

11. Solar Grid Access Charge (SGAC). Mr. Adams described the five staff recommendations contained in the proposed resolution 2025-10. After discussion, Commissioner DuLaney moved to adjust the staff recommendation to establish a cap of the charge at 15 kW for existing solar customers. Vice President Mocol seconded the motion. Ayes: Krieg, DuLaney, Fox and Mocol. Nay: Letourneau. The Commission discussed the intent to apply the cap for ten years.

12. Res #2025-10 Resolution Adjusting the Underground Electrical Distribution Charge for Development and Establishing Electric Rates, Fees and Charges for Customers Served by Shakopee Public Utilities for 2025. Mr. Adams presented the highlighted changes to the resolution previously approved in January of 2025, with the additional change of the cap of the



SGAC from 20 kW to 15 kW for the existing systems as of December 31, 2024. Vice President Mocol moved approval of Res #2025-10 Resolution Adjusting the Underground Electrical Distribution Charge for Development and Establishing Electric Rates, Fees and Charges for Customers Served by Shakopee Public Utilities for 2025 as so amended. Commissioner DuLaney seconded the motion. Ayes: Krieg, Letourneau, DuLaney, Mocol, and Fox. Nays: None.

13. Marketing/Key Account Report. Sharon Walsh, Director of Key Accounts/Marketing and Special Projects, reported that the final design for the water tower has been submitted for painting. She noted that SPU will participate in the Shakopee Egg Hunt and Candy Grab on Saturday. Ms. Walsh stated that she is working to publicize the APPA reliability award. Ms. Walsh provided an update on the AMI project, including inventory and firmware updates. She noted that SPU received its first conservation rebate request for electric yard tools. Ms. Walsh noted that water filter pitchers with SPU's logo will be provided to customers who have lead service lines. Commissioner DuLaney asked about the number of customers who requested AMI equipment installed outside under SPU's Opt-Outside policy. Ms. Walsh and Mr. Drent noted that a handful of customers have requested it placed outside, and SPU simply installed the equipment on the outside when some customers had wiring already on the outside.

14. Res #2025-11 Resolution Declaring Equipment or Property as Surplus and Authorizing the Sale of the Same – MobileSub. Mr. Adams noted that because this MobileSub has been in storage and is no longer needed, staff recommends that the Commission declare it as surplus equipment and arrange a sale. Vice President Mocol moved approval, seconded by Commissioner DuLaney, of Res #2025-11 Resolution Declaring Equipment or Property as Surplus and Authorizing the Sale of the Same – MobileSub. Ayes: Krieg, Letourneau, Mocol, DuLaney, and Fox. Nays: None.

15. General Manager Report. Mr. Drent provided an update, including the loop water line for Valley Fair, waiting for information from Anchor Glass, larger customers considering potential sites in Shakopee, and an upcoming meeting with MVEC.

16. NES WTP Site Search Update. Vice President Mocol moved, seconded by Commissioner Fox, to go into closed session under Minnesota Statutes, Sec. 13D.05, subd. 3(c) to review confidential or protected nonpublic appraisal data and to develop or consider offers or counteroffers for the purchase of property located at 1776 Mystic Lake Drive S., Shakopee. Ayes: Krieg, Letourneau, Mocol, DuLaney, and Fox. Nays: None. In open session, Commissioner Krieg noted that the informal working group provided an update.

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

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Greg Drent, Commission Secretary



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\* Motion to approve the Consent Agenda
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  - 5a) 2024 Audited Financials and Presentation (KW)

\* Motion to Accept the Financial statements for the year-ending December 31, 2024
6. **Liaison Report** (JD)



**7. Reports: Water Items**

7a) Water System Operations Report – Verbal (BC)

7b) Professional Services Agreement for Arbor Bluff Inline Booster Station Design (RH)

- \* Motion to approve authorizing the execution of a Professional Services Agreement with Barr Engineering in the amount of \$481,000 for the design of an inline booster station at Arbor Bluff Development.

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**12. Adjournment**



## SHAKOPEE PUBLIC UTILITIES COMMISSION

## WARRANT LISTING

May 5, 2025

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 04/04/2025**

AAR BUILDING SERVICE CO.	\$4,338.46	APRIL CLEANING SPU BLDG
AMARIL UNIFORM COMPANY	\$1,622.89	SPU CLOTHING C.SCHUETT
JAMES ANDERSON	\$500.00	RESIDENTIAL SOLAR REBATE
APPLE FORD OF SHAKOPEE	\$15.35	NUT-W 662327(E)
BORDER STATES ELECTRIC SUPPLY	\$57,071.89	AMI 2718 WATER METER INSTALL
CHOICE ELECTRIC INC	\$782.89	WO#2943 ELBOWS COUPLINGS
CLIFTONLARSONALLEN LLP	\$14,227.50	AUDIT SERVICES FOR 12/31/2024
CORE & MAIN LP	\$9,646.66	740-3M4 1 MIP SWIVEL NO LEAD
CUSTOMER CONTACT SERVICES	\$385.85	ANSWERING SVC 4/1-4/28 2025
EUROFINS EATON ANALYTICAL, LLC	\$5,019.00	PFAS 533 SAMPLING
FERGUSON US HOLDINGS, INC.	\$99.59	METER COUP GSKT(W)
CURTIS FREY	\$500.00	RESIDENTIAL SOLAR REBATE
MARTIN GLYNN	\$99.95	REIMBURSE SAFETY BOOT EXPENSE
GRAINGER INC	\$78.03	54PC IMPACT SET SHOCKWAVE(E)
DAVID HAGEN	\$150.01	BOOT REIMB.
HAWKINS INC	\$380.00	CHLORINE CYLINDERS DEMURRAGE
STEVE HUBBARD	\$500.00	ENERGY STAR COOLING/HEATING REBATE
INT'L UNION OF OPER ENGINEERS LOCAL 49	\$824.00	MARCH MONTHLY UNION DUES
JT SERVICES	\$2,747.31	2.5" CARRIAGE BOLT SET
LAMBERT KUBEI	\$500.00	RESIDENTIAL SOLAR REBATE
MASTER ELECTRIC INC.	\$15,200.00	TEST INSPECTION 14 LOCATIONS
MINN VALLEY TESTING LABS INC	\$218.00	WATER TESTING COLIFORM
DAVID MONTOUR	\$75.00	ENERGY STAR REFRIGERATOR REBATE
MPOWER TECHNOLOGIES, INC.	\$112.50	MPOWER CUSTOMER SUPPORT SVCS
MRA-THE MANAGEMENT ASSOCIATION	\$56.00	BACKGROUND CHECK N.S.
NCPERS GROUP LIFE INS.	\$176.00	MARCH PREMIUMS
GERRY NEVILLE	\$111.30	REIMBURSE 159 MILES
JOANNE PETERSON	\$500.00	RESIDENTIAL SOLAR REBATE
RICE LAKE CONSTRUCTION GROUP	\$79,619.91	WO#2581 P.H.23 PYMT #13
BRANDON SCHWARTZ	\$152.00	REIMBURSE SAFETY BOOTS
SCOTT COUNTY VSQG COLLECTION PROGRAM	\$214.20	WASTE MGMT BILL
ANTHONY SHEAR	\$500.00	RESIDENTIAL SOLAR REBATE
SUBSURFACE SOLUTIONS	\$12,258.18	WO 2971 LOCATING EQUIPMENT
PENNY THIELHORN	\$105.00	ENERGY STAR REFRIGERATOR REBATE
MANUEL VITAL ORTIZ	\$500.00	RESIDENTIAL SOLAR REBATE
VIVID IMAGE, INC.	\$650.00	ESSENTIAL+PLAN 4/1-4/30 2025
TRAN XUONG	\$500.00	RESIDENTIAL SOLAR REBATE
SCOTT COUNTY	\$6,759.96	TABS /TITLE FOR WATER TRUCK #630
HEALTH EQUITY INC.	\$548.00	MARCH ADM. FEE
MN DEPT OF REVENUE ACH PAYMENTS	\$299,775.00	MARCH 2025 SALES & USE TAX PAYABLE
VERIZON WIRELESS SERVICES LLC	\$4,160.64	1/24/25-2/23/25 BILLING PD BANK ACH MAR
MINNESOTA LIFE	\$1,183.85	MARCH LIFE INS. PREMIUMS
HEALTHPARTNERS	\$71,912.66	APRIL PREMIUMS/MARCH CHARGE MONTH
DELTA DENTAL PLAN OF MN	\$5,579.30	MARCH PREMIUMS FOR DENTAL INS.
PRINCIPAL LIFE INS. COMPANY	\$4,969.97	STD AND LTD PREMIUMS FOR MARCH
PAYROLL DIRECT DEPOSIT 04.04.25	\$134,092.22	
BENEFITS & TAXES FOR 04.04.25	\$136,589.12	

**Total Week of 04/04/2025****\$876,008.19**



**WEEK OF 04/11/2025**

ABDO LLP  
ALTEC INDUSTRIES INC  
BORDER STATES ELECTRIC SUPPLY  
BRAVIS MODERN STREET FOOD LLC  
BUDDERFLY INC.  
CITY OF SHAKOPEE  
CITY OF SHAKOPEE  
CITY OF SHAKOPEE  
CITY OF SHAKOPEE  
CONCRETE CUTTING & CORING INC  
CORE & MAIN LP  
DAILY PRINTING, INC.  
EMERGENCY AUTOMOTIVE TECHNOLOGIES  
FIRST INDUSTRIAL, LP  
FLYTE HCM LLC  
FORMSTACK, LLC  
FRONTIER ENERGY, INC.  
GOPHER STATE ONE-CALL  
TIM GROBY  
TYLER HANSON  
HAWKINS INC  
HENNEN'S AUTO SERVICE INC.  
INNOVATIVE OFFICE SOLUTIONS  
INTERSTATE ALL BATTERY CTR  
IRBY - STUART C IRBY CO  
MATTHEW KAHLE  
KATAMA TECHNOLOGIES, INC.  
LANO EQUIPMENT INC  
IAN LARSH  
JENNIFER LIEDTKE  
LUCAS LINHARES  
MIDWEST SAFETY COUNS, INC.  
MINN VALLEY TESTING LABS INC  
MINNESOTA DEPT. OF HEALTH  
MINNESOTA WEATHERIZATION SPECIALISTS LLC  
MMUA  
SYDNEY NAGEL  
NAPA AUTO PARTS  
GERRY NEVILLE  
PARALLEL TECHNOLOGIES INC.  
JACK SCHINTZ  
SCOTT COUNTY CDA  
STAR ENERGY SERVICES  
SW GATEWAY, LLC  
ANDREW THILMANY  
TOM KRAEMER, INC  
USABUEBOOK  
VERIZON  
JAMIE VON BANK  
WATER CONSERVATION SERVICE INC  
WESCO RECEIVABLES CORP.  
XCEL ENERGY  
CREDIT REFUNDS  
MMPA C/O AVANT ENERGY  
VERIZON WIRELESS SERVICES LLC

\$2,945.00 MARCH ACCOUNTING FEES  
\$2,115.12 15 KV ELBOW GROUNDING SET/BUSHING  
\$32,108.49 AMI 2718 WATER METER INSTALL  
\$124.00 REBATE - REPLACEMENT OF EXISTING EQUIPT.  
\$124.00 MOTOR DRIVES REBATE  
\$5,137.05 MARCH FUEL USAGE  
\$560,308.71 SW \$431,299.16 AND SD \$129,009.55  
\$351,483.00 MARCH PILOT TRANSFER FEE  
\$1,080.04 MARCH STORM DRAINAGE/SPU PROPERTIES  
\$861.54 CHAIN LOOPS  
\$848.50 METERS  
\$66.03 BUSINESS CARDS FOR CUSTOMER SERVICE  
\$348.30 SEAT COVER FOR WATER TRK#  
\$1,370.00 2025 COMMERCIAL REBATE  
\$10.00 MARCH COBRA USAGE  
\$63.56 USUERS ANNUAL CHARGE PRORATION  
\$7,382.25 MARCH 2025 C&I IMPLEMENTATION  
\$575.10 MARCH LOCATES  
\$225.00 2025 RES. STAR REBATE  
\$525.54 WO#2976 LINEMAN RODEO REIMB.  
\$3,202.00 WO 2990 SWITCHOVER/REMOTE METER/EJECTOR  
\$241.94 LUBE & CHECK ALL FLUIDS  
\$518.23 OFFICE SUPPLIES  
\$446.07 BATTERIES(E&W)  
\$2,482.50 PIN POLE TOP FIBERGLASS  
\$629.62 LINEMAN RODEO WO#2976 REIMB.  
\$468.75 AMI PROJECT WO#2472  
\$751.64 BOTTLE OF NITRO/10 GREASE(E)  
\$75.00 2025 RES. ENERGY STAR REBATE  
\$225.00 2025 RES. STAR REBATE  
\$150.00 2025 RES. ENERGY REBATE  
\$398.70 MSA FULL FACE RESPIRATOR(W)  
\$385.00 WATER TESTING NITRATES  
\$23.00 WATER OP. CERT.FEE FOR J.HANSON  
\$2,224.00 LIGHTING REBATE  
\$14,566.25 2ND QTR 2025 SAFE MGMT PROG/ELECT TRAIN  
\$304.81 REIMB. APPA E & O CONF. CALIFORNIA  
\$2.07 O-RINGS TRK #598  
\$175.70 251 MILES REIMBURSED  
\$8,817.15 DRIVE THRU/WILL CALL SECURITY UPGRADES  
\$495.22 WO#2976 LINEMAN RODEO REIMB.  
\$323.00 2025 LIGHTING REBATE EXTERIOR  
\$800.00 BLOCK 1 APPLICATIONS (#26-50)  
\$472.00 HVAC & MOTOR UPGRADES - REBATE  
\$25.00 2025 RES. REBATE  
\$173.40 APRIL TANK SITE STORAGE  
\$930.17 REPLACEMENT SAMPLE CELLS FOR HACH  
\$614.25 MARCH TRUCK TRACKING  
\$965.56 WO#2976 RODEO REIMB.  
\$449.85 MARSHALL ROAD WATER LEAK LOCATE  
\$4,001.90 MILWAUKEE TOOL FOR METERS(W)  
\$3,017.63 AMBERGLEN NATURAL GAS 2/25-3/26/25  
\$6,955.51 CREDIT REFUNDS  
\$2,766,439.09 MARCH POWER BILL  
\$4,012.87 2/24-3/23 2025 CELL PHONE BILLING PD

**Total Week of 04/11/2025****\$3,793,464.11**



**WEEK OF 04/18/2025**

JOSEPH D ADAMS  
BARNA GUZY & STEFFEN LTD  
BARR ENGINEERING CO.  
BORDER STATES ELECTRIC SUPPLY  
CDW GOVERNMENT LLC  
CITY OF PRIOR LAKE  
CONCRETE CUTTING & CORING INC  
CORE & MAIN LP  
CORVAL CONSTRUCTORS, INC.  
DGR ENGINEERING  
HAILY DOYLE  
MARTIN DROUILLARD  
ELECTRICAL PRODUCTION SERVICES  
FASTENAL IND & CONST SUPPLIES  
FERRELLGAS  
FRONTIER ENERGY, INC.  
GRAYBAR ELECTRIC COMPANY INC  
HACH COMPANY  
ART HANSEN  
HAWKINS INC  
HIGH POINT NETWORKS, LLC  
MARIAH HUMMEL  
INNOVATIVE OFFICE SOLUTIONS  
INTERSTATE ALL BATTERY CTR  
IRBY - STUART C IRBY CO  
JOHN HENRY FOSTER MINNESOTA INC.  
JOHNSON CONTROLS FIRE PROTECTION LP  
GEORGE JOSEPH  
JT SERVICES  
LOFFLER COMPANIES - 131511  
MIDWAY FORD - ROSEVILLE  
MIDWEST SAFETY COUNS, INC.  
MINN VALLEY TESTING LABS INC  
GERRY NEVILLE  
NISC  
NORTHERN STATES POWER CO  
DOUG OCHIS  
OFFICE OF MNIT SERVICES  
ORACLE AMERICA INC.  
RESCO  
RIES HEATING & A/C INC  
RW BECK GROUP, INC, LEIDOS ENG. LL  
SCOTT COUNTY TREASURER  
DAVID SPANDE  
STATES MANUFACTURING CORPORATION  
STINSON LLP  
UNITED SYSTEMS & SOFTWARE INC  
USABUEBOOK  
WESCO RECEIVABLES CORP.  
AMERICAN NATL BANK\_MASTERCARD\_ACH  
HEALTH EQUITY INC.  
FIRST DATA CORPORATION  
HEALTH EQUITY INC.  
HEALTH EQUITY INC.  
CENTERPOINT ENERGY - ACH  
PAYROLL DIRECT DEPOSIT 04.18.25  
BENEFITS & TAXES FOR 04.18.25

**Total Week of 04/18/2025**

\$358.33 PER DIEM SACRAMENTO CA 3/29-4/2 2025  
\$5,925.00 77283-002 EASEMENT FORMS  
\$26,603.60 WO 2683 WATER TNAK #9 ENG SERVICES  
\$51,411.55 GROUND SLEEVE SWITCHGEAR UNIVERSAL  
\$15,512.36 WATCHGUARD M390  
\$701.65 QTR 1 2025 PL FRANCHISE FEES JAN-MAR  
\$235.56 DIAGNOSTIC FOR STIHL POLESAW HT 101  
\$2,033.85 METER GASKETS  
\$3,702.19 HVAC GLYCOL LEAK REPAIR  
\$4,601.50 WO#2817 WARNET OVERHEAD TIE  
\$75.00 ENERGY STAR REFRIGERATOR REBATE  
\$485.03 PER DIEM APPA E&O/REIMB MILEAGE  
\$2,920.00 WO 2906 SPL PUMPHOUSE 6 SPLICING  
\$194.61 HCS 7/8-9x3 1/2 YZ8 PARTS (W)  
\$52.02 PROPANE TANK RENTAL 3/1/25-2/28/26  
\$24,000.00 ANNUAL P3 SUBS C&I IMP 1/1/25-12/31/25  
\$227.72 WIRE  
\$679.00 RCC DR8XX & DR900(P)(FRRF)  
\$500.00 ENERGY STAR COOLING/HEATING REBATE  
\$3,573.55 CHLORINE CYLINDERS  
\$24,789.61 ARTIC WOLF SECURITY YEAR 1  
\$37.80 REIMBURSE 54 MILES FOR MARCH 2025  
\$644.62 CLOCK FOR DRIVE UP AREA  
\$191.17 BATTERY(E)  
\$741,875.92 750 MCM CABLE  
\$1,240.40 MAINT CONTRACT 4/1/5-9/30/25 HALLI RD  
\$13,880.83 SPRINKLER HEADS PULLED FOR TESTING  
\$150.00 ENERGY STAR DISHWASHER REBATE  
\$19,800.00 PIPE 3" INNERDUCT  
\$2,358.34 METER RENTAL APRIL  
\$96,854.00 WO2979 NEW ELECTRIC TRK #622  
\$91.58 EYEWEAR CLEANING WIPES  
\$375.50 WATER TESTING NITRATES  
\$137.20 REIMBUSE 196 MILES  
\$33,851.53 MARCH PRINT SERVICES  
\$2,885.27 MARCH POWER BILL  
\$175.00 ENERGY STAR CLOTHES WASHER REBATE  
\$734.01 MARCH W.A.N SERVICES  
\$41,724.35 1ST QTR 2025 OPOWER CLOUD SERVICE  
\$51.00 CONNECTOR  
\$119.00 ONSITE SERVICE CALL WATER HEATER TO CHIM  
\$27,874.75 MARCH SPU ARC FLASH/COORD STUDIES  
\$2,100.00 APRIL FIBER  
\$100.00 WATER SENSE TOILET REBATE  
\$1,820.70 REPLACEMENT RELAYS FOR STL CABINETS  
\$362.50 MARCH LABOR MATTER FILE#3522418.0002  
\$479.72 100W/500W REMOTE MOUNTING KIT  
\$1,395.42 HACH CHLORINE  
\$1,588.69 HOT STICK CLEANER/WIPES(E)  
\$16,502.55 MARCH ANB CC STATEMENT  
\$148.74 MEDICAL CLAIM REIMB C.S. BANK 4/8  
\$11,111.51 MARCH 2025 CC FEES  
\$400.00 DAYCARE FLEX CLAIM REIMB C.S.  
\$120.00 MEDICAL CLAIM REIMB C.S.  
\$2,615.58 162 10TH AVE GAS USAGE 3/6-4/4 2025  
\$138,372.23  
\$139,863.01

**\$1,470,615.05**



**WEEK OF 04/25/2025**

AMARIL UNIFORM COMPANY  
RON BARTUSEK  
BELL LUMBER & POLE COMPANY  
KATIE BOEHM  
BORDER STATES ELECTRIC SUPPLY  
BRADLEY CARLSON  
COMCAST CABLE COMM INC.  
CORE & MAIN LP  
CURRENT COMPASS  
EMERGENCY AUTOMOTIVE TECHNOLOGIES  
FERGUSON US HOLDINGS, INC.  
HAWKINS INC  
DAVID L. HEILING  
MUKO HERNANDEZ  
IDEAL SERVICE  
JT SERVICES  
DAMAN KUMAR  
MICHAEL MENDEN  
MINN VALLEY TESTING LABS INC  
MMUA  
JAMES MORAVEC  
GERRY NEVILLE  
SUZANNE PAUL  
RESCO  
ELLE SEAVER  
DANIELLE SKOGLAND  
STURBRIDGE GROUP INC.  
JOSHUA THEISEN  
TOM KRAEMER, INC  
UPS STORE # 4009  
WESCO RECEIVABLES CORP.  
VERIZON WIRELESS SERVICES LLC

\$8,990.51 EE SPU CLOTHING ORDERS  
\$504.00 PER DIEM NE WATER SCHOOL/REIMB MILEAGE  
\$15,031.62 POLES  
\$500.00 ENERGY STAR COOLING/HEATING REBATE  
\$23,241.10 BUSHING INSERT 15KV SCREW IN TYPE  
\$280.54 ELECTRIC & WATER APP MEETING REIMB.  
\$2.29 CABLE FOR BREAKROOMS  
\$35,250.00 IPERL 1" WATER METERS  
\$1,372.50 SERVICE TERRITORY PROF SVCS MARCH  
\$1,117.30 LIGHTBAR WO2978  
\$546.70 7 METER HORNS  
\$6,383.22 CHLORINE CYLINDERS  
\$50.00 ENERGY STAR PUSHMOWER REBATE  
\$275.00 REIMBURSE FOR SAFETY BOOTS  
\$1,350.00 PREVENTATIVE MAINTENANCE  
\$67,192.50 POLE STREET LIGHT BREAKAWAY 30'  
\$100.00 WATER SENSE TOILET REBATE  
\$238.00 PER DIEM NE WATER SCHOOL  
\$388.90 COLIFORM  
\$605.00 REGISTRATION DYLAN RICHARDS SCHOOL  
\$500.00 ENERGY STAR COOLING/HEATING REBATE  
\$72.80 REIMBURSE 104 MILES  
\$900.00 ENERGY STAR CLOTHES WASHER REBATE  
\$302.50 FUSE LINK 15 AMP  
\$275.00 REIMBURSE SAFETY BOOTS  
\$75.00 ENERGY STAR REFRIGERATOR REBATE  
\$5.00 REFUND DUE FOR OVERPYMT WATER METER  
\$75.00 ENERGY STAR REFRIGERATOR REBATE  
\$518.04 NEW STORAGE TANK SITE WO#2769  
\$35.40 ELECTRIC DEPT SHIPMENT  
\$9,361.00 LED 400W FLOODLIGHT  
\$396.89 MONTHLY PEPWAVE POTSOLVE 3/6-4/5 2025

**Total Week of 04/25/2025****\$175,935.81****Grand Total****\$6,316,023.16**



Kelley Willemssen

Presented for approval by: Director of Finance & Administration

Approved by General Manager

Approved by Commission President



# Monthly Water Dashboard

As of: March 2025

Shakopee Public Utilities Commission

ALL VALUES IN MILLIONS OF GALLONS

## Element/Measure

## Water Pumped/Metered

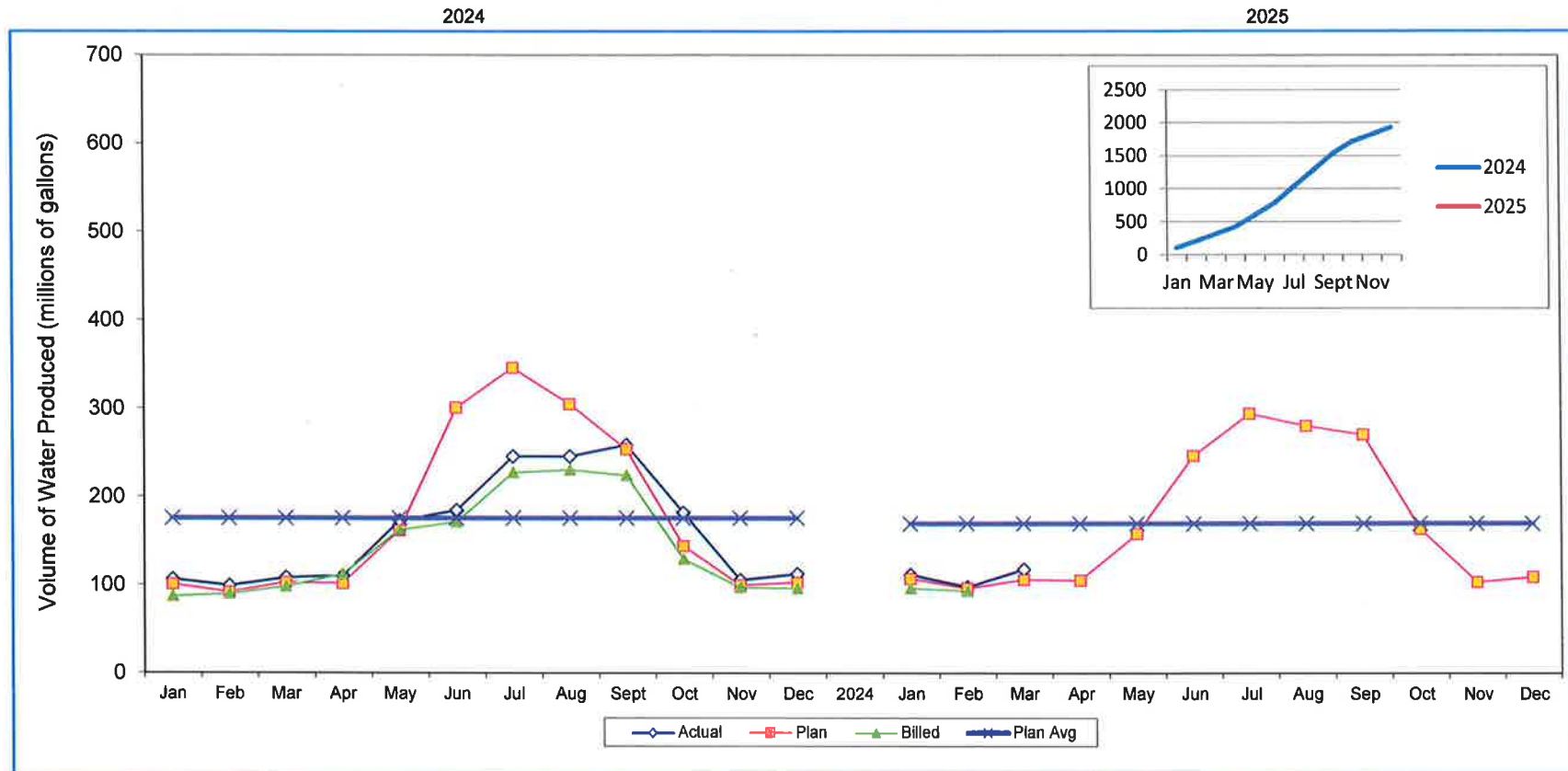
Monthly Avg

2023 187

2025 161

2025 109

Last 6 months actuals 182 106 113 112 98 118



	2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual		107	100	109	111	173	185	246	246	259	182	106	113		112	98	118									
Plan		101	92	103	102	162	301	346	305	254	144	100	103		107	96	106	105	158	246	294	280	270	163	103	109
YTD % *															105%	103%	106%									
Billed		88	91	99	113	163	172	228	231	225	130	98	97		97	94										

\* Actual gallons pumped vs. Plan





To: SPU Commissioners

From: Greg Drent, General Manager *GD*

Date: April 28, 2025

Subject: MMPA March 2025 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on March 25, 2025, at Chaska City Hall in Chaska, Minnesota and via videoconference.

The Board reviewed the Agency's financial and operating performance for February 2025.

Participation in the residential Clean Energy Choice program increased by 57 customers. Customer penetration for the program is 6.1%.

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





Proposed As Consent Item

3f

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

To: SPU Commissioners

From: Greg Drent, General Manager *GD*

Date: April 28, 2025

Subject: MMPA April 2025 Meeting Update

The Board of Directors of the Minnesota Municipal Power Agency (MMPA) met on April 22, 2025, at Faribault Energy Park in Faribault, Minnesota, and via videoconference.

The Board reviewed the Agency's financial and operating performance for March 2025.

Participation in the residential Clean Energy Choice program increased by 57 customers. Customer penetration for the program is 6.2%.

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

Thanks!





PO Box 470 • 255 Sarazin Street  
 Shakopee, Minnesota 55379  
 Main 952.445-1988 • Fax 952.445-7767  
[www.shakopeeutilities.com](http://www.shakopeeutilities.com)

**DATE:** April 24, 2025  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *KW*  
**SUBJECT:** 1<sup>st</sup> Quarter Financials Reports

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As part of the 1<sup>st</sup> Quarter 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 you will see comments at the bottom of each page. The budget is projected on an annual basis rather than a monthly basis so the information in the 1st Quarter financial reports equates to 25% of the annual budget.

#### Key Takeaways for YTD Actuals to Budget

- Electric revenues were 8.5% under budget, mainly due to lower than budgeted power cost adjustment revenue from lower purchased power costs.
- Electric expenses were 17.6% under budget, with major savings in purchase power costs.
- Water revenues were 33.6% under budget due to seasonal usage patterns and should stabilize beginning in July.
- Water expenses were up 9.9% from budget due to the final accelerated depreciation adjustment made in January for the retirement of old water meters.
- Change in Net Position for the electric division as of 3/31/25 is \$2.1M.
- Change in Net Position for the water division as of 3/31/24 is \$669K.

#### Key Takeaways for YTD Actuals to Prior Year

- YTD electric operating revenues are up 1.8% from the prior year.
- YTD electric expenses are down 0.36% from the previous year.
- YTD water revenues are up 15% from the prior year.
- YTD water expenses are down 0.39% from the previous year.

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 – 2024 to 2025
- Water Operating Revenue and Expense – 2024 to 2025

#### Request

The Commission is requested to accept the Financial Reports for the period ending 03/31/2025.



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

	Year to Date Actual - March 31, 2025			Year to Date Budget - March 31, 2025			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>	14,023,003	1,318,280	15,341,283	15,324,917	1,985,583	17,310,501	(1,301,914)	-8.5%	(667,303)	-33.6%	(1,969,217)	-11.4%
<b>OPERATING EXPENSES</b>												
Operation, Customer and Administrative	10,549,596	994,403	11,543,999	13,187,084	1,216,322	14,403,406	2,637,488	20.0%	221,919	18.2%	2,859,407	19.9%
Depreciation	1,125,321	1,101,261	2,226,581	984,207	691,195	1,675,401	(141,114)	-14.3%	(410,086)	-59.3%	(551,180)	-32.9%
Total Operating Expenses	11,674,917	2,095,664	13,770,581	14,171,291	1,907,516	16,078,807	2,496,374	17.6%	(188,147)	-9.9%	2,308,227	14.4%
Operating Income	2,348,086	(777,383)	1,570,703	1,153,626	78,067	1,231,693	1,194,459	103.5%	(855,450)	1095.8%	339,010	27.5%
<b>NON-OPERATING REVENUE (EXPENSE)</b>												
Rental and Miscellaneous	35,821	212,647	248,468	83,004	46,565	129,570	(47,183)	-56.8%	166,081	356.7%	118,898	91.8%
Interdepartment Rent from Water	22,500	-	22,500	22,500	-	22,500	-	0.0%	-	0.0%	-	0.0%
Investment Income	668,737	431,126	1,099,862	453,858	151,286	605,144	214,879	47.3%	279,840	185.0%	494,718	81.8%
Interest Expense	(17,694)	(937)	(18,531)	(20,220)	(1,158)	(21,378)	2,526	12.5%	322	27.8%	2,847	13.3%
Gain/(Loss) on the Disposition of Property	1,222	-	1,222	14,168	-	14,168	(12,946)	0.0%	-	-	(12,946)	-
Total Non-Operating Revenue (Expense)	710,585	642,936	1,353,521	553,311	196,693	750,004	157,275	28.4%	446,243	226.9%	603,517	80.5%
Income Before Contributions and Transfers	3,058,671	(134,447)	2,924,224	1,706,937	274,760	1,981,697	1,351,734	79.2%	(409,207)	-148.9%	942,527	47.6%
<b>CAPITAL CONTRIBUTIONS</b>	30,064	922,973	953,037	184,618	1,089,675	1,274,293	(154,554)	83.7%	(166,702)	-15.3%	(321,256)	-25.2%
<b>MUNICIPAL CONTRIBUTION</b>	(972,199)	(119,136)	(1,091,335)	(935,314)	(119,135)	(1,054,449)	(36,885)	-3.9%	(1)	0.0%	(36,886)	-3.5%
<b>CHANGE IN NET POSITION</b>	\$ 2,116,537	689,389	2,785,926	956,241	1,245,300	2,201,541	1,160,295	121.3%	(575,910)	-46.2%	584,385	26.5%



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

	YTD Actual 3/31/2025	YTD Budget 3/31/2025	YTD Actual v. Budget Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 5,470,868	5,555,817	(84,948)	98.5
Commercial and Industrial	8,259,628	9,433,022	(1,173,395)	87.6
Total Sales of Electricity	13,730,496	14,988,839	(1,258,343)	91.6
Forfeited Discounts	50,382	80,220	(29,837)	62.8 (1)
Free service to the City of Shakopee	37,816	33,091	4,725	114.3
Conservation program	204,308	222,768	(18,459)	91.7
Total Operating Revenues	14,023,003	15,324,917	(1,301,914)	91.5
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	8,389,136	10,616,916	(2,227,780)	79.0
Distribution operation expenses	158,945	204,803	(45,858)	77.6 (2)
Distribution system maintenance	266,771	326,611	(59,840)	81.7
Maintenance of general plant	106,890	120,962	(14,072)	88.4
Total Operation and Maintenance	8,921,742	11,269,293	(2,347,551)	79.2
Customer Accounts				
Meter Reading	9,860	18,667	(8,807)	52.8 (3)
Customer records and collection	118,854	182,321	(63,467)	65.2 (4)
Energy conservation	181,080	222,767	(41,687)	81.3
Total Customer Accounts	309,794	423,756	(113,961)	73.1
Administrative and General				
Administrative and general salaries	288,536	324,712	(36,176)	88.9
Office supplies and expense	143,215	207,245	(64,030)	69.1 (5)
Outside services employed	151,790	108,738	43,052	139.6 (6)
Insurance	41,953	43,876	(1,923)	95.6
Employee Benefits	496,633	623,304	(126,670)	79.7
Miscellaneous general	195,934	186,162	9,772	105.2
Total Administrative and General	1,318,061	1,494,036	(175,976)	88.2
Total Operation, Customer, & Admin Expenses	10,549,596	13,187,084	(2,637,488)	80.0
Depreciation	1,125,321	984,207	(141,114)	114.3
Total Operating Expenses	\$ 11,674,917	14,171,291	(2,496,374)	82.4
Operating Income	\$ 2,348,086	1,153,626	1,194,459	203.5

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

- (1) Variance due to lower than budgeted penalty revenue through March.
- (2) Variance due to lower than budgeted labor and distribution expenses through the first quarter.
- (3) Variance due to lower than budgeted meter reading expenses as AMI is fully deployed.
- (4) Variance due to less credit card and collection fees budgeted for first quarter.
- (5) Variance due to less office supply expenses budgeted for first quarter.
- (6) Variance due to higher than budgeted services through first quarter, should stabilize throughout the year.



# SHAKOPEE PUBLIC UTILITIES

## ELECTRIC OPERATING REVENUE AND EXPENSE

	2025	2024	2024-2025 Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Electricity				
Residential	\$ 5,470,868	4,955,929	514,939	110.4
Commercial and Industrial	8,259,628	8,510,112	(250,484)	97.1
Total Sales of Electricity	<u>13,730,496</u>	<u>13,466,041</u>	<u>264,455</u>	<u>102.0</u>
Forfeited Discounts	50,382	70,382	(20,000)	71.6
Free service to the City of Shakopee	37,816	36,016	1,801	105.0
Conservation program	204,308	200,003	4,306	102.2
Total Operating Revenues	<u>14,023,003</u>	<u>13,772,441</u>	<u>250,562</u>	<u>101.8</u>
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Purchased power	8,389,136	8,420,570	(31,434)	99.6
Distribution operation expenses	158,945	133,956	24,989	118.7
Distribution system maintenance	266,771	289,664	(22,893)	92.1
Maintenance of general plant	106,890	144,790	(37,900)	73.8
Total Operation and Maintenance	<u>8,921,742</u>	<u>8,988,980</u>	<u>(67,238)</u>	<u>99.3</u>
Customer Accounts				
Meter Reading	9,860	37,865	(28,005)	26.0
Customer records and collection	118,854	146,218	(27,364)	81.3
Energy conservation	181,080	(37,712)	218,793	(480.2)
Total Customer Accounts	<u>309,794</u>	<u>146,371</u>	<u>163,423</u>	<u>211.7</u>
Administrative and General				
Administrative and general salaries	288,536	229,854	58,683	125.5
Office supplies and expense	143,215	128,659	14,555	111.3
Outside services employed	151,790	129,561	22,228	117.2
Insurance	41,953	43,460	(1,507)	96.5
Employee Benefits	496,633	491,795	4,838	101.0
Miscellaneous general	195,934	182,466	13,468	107.4
Total Administrative and General	<u>1,318,061</u>	<u>1,205,795</u>	<u>112,266</u>	<u>109.3</u>
Total Operation, Customer, & Admin Expenses	<u>10,549,596</u>	<u>10,341,145</u>	<u>208,451</u>	<u>102.0</u>
Depreciation	1,125,321	1,376,350	(251,029)	81.8
Total Operating Expenses	<u>\$ 11,674,917</u>	<u>11,717,495</u>	<u>(42,578)</u>	<u>99.6</u>
Operating Income	<u>\$ 2,348,086</u>	<u>2,054,946</u>	<u>293,139</u>	<u>114.3</u>



# SHAKOPEE PUBLIC UTILITIES

## WATER OPERATING REVENUE AND EXPENSE

	YTD Actual 3/31/2025	YTD Budget 3/31/2025	YTD Actual v. Budget Increase (decrease)	
			\$	%
<b>OPERATING REVENUES</b>				
Sales of Water	\$ 1,312,451	1,973,809	(661,358)	66.5
Forfeited Discounts	5,829	11,774	(5,945)	49.5
Total Operating Revenues	1,318,280	1,985,583	(667,303)	66.4
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	190,469	202,294	(11,825)	94.2
Pumping and distribution maintenance	106,976	253,447	(146,471)	42.2
Power for pumping	58,145	91,519	(33,374)	63.5
Maintenance of general plant	11,322	16,647	(5,325)	68.0
Total Operation and Maintenance	366,913	563,907	(196,994)	65.1
Customer Accounts				
Meter Reading	6,234	14,172	(7,938)	44.0
Customer records and collection	39,269	43,860	(4,591)	89.5
Energy conservation	418	1,589	(1,171)	26.3
Total Customer Accounts	45,921	59,621	(13,700)	77.0
Administrative and General				
Administrative and general salaries	155,953	155,334	619	100.4
Office supplies and expense	52,086	60,685	(8,599)	85.8
Outside services employed	44,980	49,850	(4,870)	90.2
Insurance	13,984	14,630	(646)	95.6
Employee Benefits	251,683	236,420	15,263	106.5
Miscellaneous general	62,883	75,876	(12,993)	82.9
Total Administrative and General	581,569	592,794	(11,225)	98.1
Total Operation, Customer, & Admin Expenses	994,403	1,216,322	(221,919)	81.8
Depreciation	1,101,261	691,195	410,066	159.3
Total Operating Expenses	\$ 2,095,664	1,907,516	188,147	109.9
Operating Income	\$ (777,383)	78,067	(855,450)	(995.8)

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

- (1) Variance due to lower than budgeted labor and pumping expenses through first quarter, should stabilize throughout the year.
- (2) Variance due to lower than budgeted pumping expenses through first quarter, should stabilize throughout the year.
- (3) Variance due to lower than budgeted labor and general maintenance expenses through first quarter.
- (4) Variance due to lower than budgeted meter reading expenses as AMI is fully deployed.
- (5) Variance due to lower than budgeted water rebate expenses through first quarter.



# SHAKOPEE PUBLIC UTILITIES

## WATER OPERATING REVENUE AND EXPENSE

			2024-2025	
			Increase (decrease)	
	2025	2024	\$	%
<b>OPERATING REVENUES</b>	\$			
Sales of Water	1,312,451	1,142,235	170,216	114.9
Forfeited Discounts	5,829	4,347	1,482	134.1
Total Operating Revenues	1,318,280	1,146,582	171,698	115.0
<b>OPERATING EXPENSES</b>				
Operations and Maintenance				
Pumping and distribution operation	190,469	180,792	9,677	105.4
Pumping and distribution maintenance	106,976	181,797	(74,821)	58.8
Power for pumping	58,145	99,131	(40,986)	58.7
Maintenance of general plant	11,322	23,848	(12,526)	47.5
Total Operation and Maintenance	366,913	485,568	(118,655)	75.6
Customer Accounts				
Meter Reading	6,234	21,265	(15,031)	29.3
Customer records and collection	39,269	42,568	(3,299)	92.3
Energy conservation	418	556	(138)	75.2
Total Customer Accounts	45,921	64,389	(18,468)	71.3
Administrative and General				
Administrative and general salaries	155,953	138,385	17,568	112.7
Office supplies and expense	52,086	44,513	7,573	117.0
Outside services employed	44,980	23,248	21,732	193.5
Insurance	13,984	14,487	(503)	96.5
Employee Benefits	251,683	225,059	26,624	111.8
Miscellaneous general	62,883	61,774	1,109	101.8
Total Administrative and General	581,569	507,466	74,103	114.6
Total Operating Expenses	994,403	1,057,423	(63,020)	94.0
Depreciation	1,101,261	1,046,530	54,731	105.2
Total Operating Expenses	2,095,664	2,103,953	(8,289)	99.6
Operating Income	\$ (777,383)	(957,371)	179,988	81.2



RESOLUTION #2025-12

RESOLUTION APPROVING OF THE ESTIMATED COST OF  
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

ARBOR BLUFF 2<sup>ND</sup> ADDITION

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by Pioneer Engineering, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$317,825.39, and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5<sup>th</sup> day of May, 2025.

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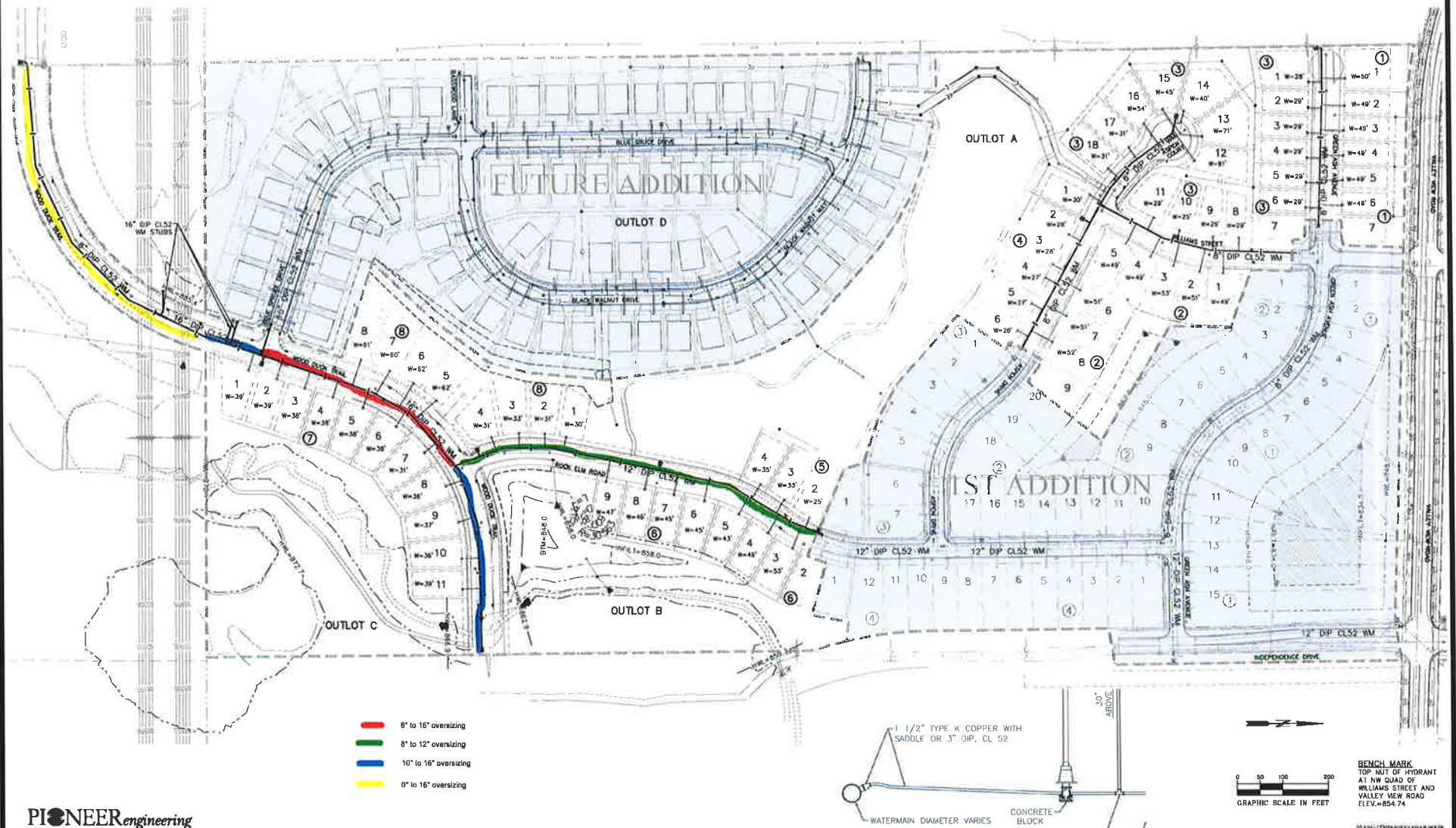
Commission President: BJ Letourneau

ATTEST:

---

Commission Secretary: Greg Drent





**PIONEER**engineering  
 CIVIL & MECHANICAL ENGINEERING  
 2422 Enterprise Drive  
 Mendota Heights, MN 55120  
 (951) 681-1914  
 Fax: (951) 681-1918  
 www.pioneereng.com

I hereby certify that this plan was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer in the State of Minnesota.  
 Name: David J. Peterson  
 License No.: 00011  
 Date: 07-11-2024

Revised: 07-11-2024  
 Drawn: AKM  
 Checked: AKM  
 Date: 07-11-2024  
 Title: OVERALL WATERMAIN PLAN

**OVERALL WATERMAIN PLAN**

**LENNAR**  
 1800 W. AVALON NORTH  
 PLYMOUTH, MINNESOTA 55446

**ARBOR BLUFF 2ND ADDITION**  
 SHAKOPEE, MINNESOTA



RESOLUTION #2025-13

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

ARBOR BLUFF 2<sup>ND</sup> ADDITION

Block 1, Lots 1-7; Block 2, Lots 1-9; Block 3, Lots 1-18; Block 4, Lots 1-6; Block 5, Lots 1-4;  
Block 6, Lots 1-9; Block 7, Lots 1-11; Block 8, Lots 1-8; Outlot A; Outlot B; Outlot C

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

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

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

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$158,708.96 based on 27.42 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

ARBOR BLUFF 2<sup>ND</sup> ADDITION

Block 1, Lots 1-7; Block 2, Lots 1-9; Block 3, Lots 1-18; Block 4, Lots 1-6; Block 5, Lots 1-4;  
Block 6, Lots 1-9; Block 7, Lots 1-11; Block 8, Lots 1-8; Outlot A; Outlot B; Outlot C

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of May, 2025.

---

Commission President: BJ Letourneau

ATTEST:

---

Commission Secretary: Greg Drent



RESOLUTION #2025-14

RESOLUTION APPROVING OF THE ESTIMATED COST OF  
PIPE OVERSIZING ON THE WATERMAIN PROJECT:

RICHLAND COURT

WHEREAS, the Shakopee Public Utilities Commission has been notified of a watermain project, and

WHEREAS, the pipe sizes require for that project have been approved as shown on the engineering drawing by STONEBROOK ENGINEERING, and

WHEREAS, a part, or all, of the project contains pipe sizes larger than would be required under the current Standard Watermain Design Criteria as adopted by the Shakopee Public Utilities Commission, and

WHEREAS, the policy of the Shakopee Public Utilities Commission calls for the payment of those costs to install oversize pipe above the standard size, and

NOW THEREFORE, BE IT RESOLVED, that the total amount of the oversizing to be paid by the Shakopee Public Utilities Commission is approved in the amount of approximately \$88,504.00 and

BE IT FURTHER RESOLVED, the payment of the actual amount for said oversizing will be approved by the Utilities Commission when final costs for the watermain project are known, and

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5<sup>th</sup> day of May, 2025.

---

Commission President: BJ Letourneau

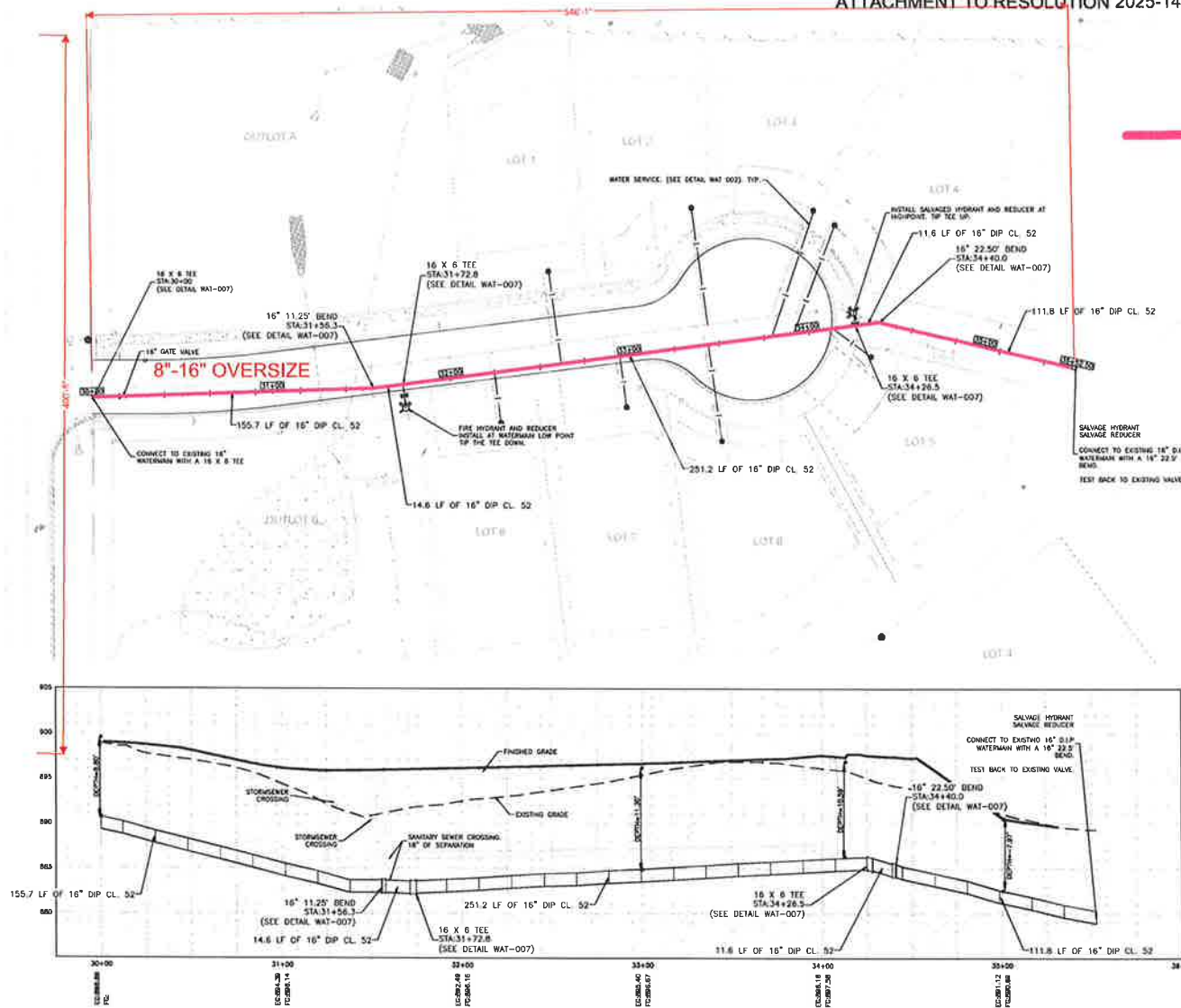
ATTEST:

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Commission Secretary: Greg Drent



# ATTACHMENT TO RESOLUTION 2025-14



## WATERMAIN LEGEND

- FIRE HYDRANT ASSEMBLY (SEE DETAIL WAT - 008)
- WATER SERVICE (SEE DETAIL WAT - 005)
- WATERMAIN
- VALVE (SEE WAT - 002)
- SANITARY SEWER
- SANITARY MANHOLE
- STORM AFRON
- CATCH BASIN
- STORMSEWER

## GENERAL WATERMAIN NOTES:

1. CONTRACTOR SHALL BE RESPONSIBLE FOR COORDINATION WITH UTILITY PROVIDERS FOR REMOVAL AND/OR RELOCATION OF EXISTING UTILITIES AFFECTED BY SITE IMPROVEMENTS, INCLUDING PORTIONS OF WORK WHICH MAY BE PERFORMED BY UTILITY COMPANY'S FORCES. ALL PERMITS, APPLICATIONS, FEES AND CHARGES ARE THE RESPONSIBILITY OF THE CONTRACTOR.
2. UTILITY DISCONNECTIONS, REMOVALS AND/OR ABANDONMENT SHALL BE COORDINATED WITH THE PROJECT PHASE TO ENSURE NEEDED SERVICES ARE MAINTAINED TO ALL BUILDING FACILITIES.
3. THE CONTRACTOR SHALL MEET THE REQUIREMENTS OF THE SHAKOPEE PUBLIC UTILITIES (SPU) FOR CONNECTION TO PUBLIC WATER, AND WORK WITHIN THE PUBLIC RIGHT OF WAY, INCLUDING PROVIDING AN APPROVED TRAFFIC CONTROL PLAN AS NECESSARY.
4. CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS FOR UTILITY CONNECTIONS AND UTILITIES SHALL BE INSPECTED AND APPROVED BY SPU. SPU SHALL BE NOTIFIED 48-HOURS PRIOR TO COMMENCEMENT WITH THE UTILITY CONSTRUCTION OR ANY REQUIRED TESTING. CONTRACTOR SHALL NOT OPERATE, INTERFERE WITH, CONNECT ANY PIPE OR HOSE TO, OR TAP ANY WATER MAIN BELONGING TO SPU UNLESS DULY AUTHORIZED TO DO SO BY SPU. ANY ADVERSE CONSEQUENCES OF SCHEDULED OR UNSCHEDULED OCCUPANCIES OF SERVICE TO THE PUBLIC ARE TO BE THE RESPONSIBILITY OF THE CONTRACTOR.
5. ALL WATERMAIN SHALL BE INSTALLED PER SPU WATER POLICY MANUAL, AND SHALL BE CLASS 52 DIP PIPE WITH V-BID ENHANCED JOINT.
6. ALL WATER SERVICES ARE TO HAVE A MINIMUM OF 7.5 FEET OF COVER.
7. DIP TO HAVE 7.5' MIN COVER.
8. WATERMAIN SHALL BE REINFORCED AT LEAST TO FEET HORIZONTALLY FROM THE SANITARY SEWER. THIS ISOLATION DISTANCE SHALL BE MEASURED FROM THE OUTER EDGE OF THE PIPE TO THE OUTER EDGE OF THE CONTAMINATION SOURCE.
9. SHOULD WATER SERVICE CONFLICT WITH OTHER UTILITIES, DEFLECT WATER SERVICE DOWN TO PROVIDE A MINIMUM VERTICAL CLEARANCE OF 18 INCHES BETWEEN BOTTOM OF UTILITY PIPE AND TOP OF WATERMAIN. CENTER SECTION OF WATERMAIN PIPE AT CROSSINGS TO PROVIDE MAXIMUM DISTANCE OF JOINTS FROM SEWER CROSSINGS. FOLLOW TEN STATE STANDARDS, CITY ENGINEERS ASSOCIATION OF MINNESOTA (CEAM) AND MINNESOTA DEPARTMENT OF HEALTH STANDARDS FOR UTILITY CROSSINGS.
10. ALL WATER SERVICE THRUST FORCE POINTS (INCLUDES VALVES, TEES, WYES, CROSSES, REDUCERS, HYDRANTS, DEAD ENDS AND BENDS) ARE TO BE WELD LOGGED (MECHANICAL JOINTS) VERIFY JOINT RESTRAINT METHOD REQUIREMENTS WITH SPU.
11. FIRE HYDRANT ASSEMBLY SHALL INCLUDE NECESSARY TEES, STUBS, AND GATE VALVES SHOWN ON THE DRAWING AND DETAILS, AND AS REQUIRED BY SPU. VERIFY INSTALLATION REQUIREMENTS WITH LOCAL GOVERNING AUTHORITY REQUIREMENTS.
12. CONTRACTOR TO ADJUST ALL EXISTING AND PROPOSED GATE VALVES AND MANHOLES TO BE FLUSH WITH FINAL GRADE.
13. ALL WATER CONSTRUCTION TO COMPLY WITH CITY ENGINEERING DESIGN STANDARDS.
14. UTILITY CONSTRUCTION PER MINDOT SPECIFICATIONS 2451, 2501, 2502, 2506, 2508, 2511, 2511, 2511, AND 2525.
15. "W" WILL BE PLACED ON THE CURB TO WHICH A SERVICE PUNKS UNDERNEATH FOR WATER.
16. CONTRACTOR TO PROVIDE WATER FLOW AND PRESSURE TEST RESULTS ON EXISTING HYDRANT CLOSEST TO THE PROPOSED CONNECTION POINT.

APPROVED FOR ONE YEAR FROM THIS DATE

SHAKOPEE PUBLIC UTILITIES COMMISSION

DATE

All materials and construction methods shall comply with Shakopee Public Utilities water utility manual 2016, August 24, 2014.

REV. NO.	DATE	BY	CHK	DESCRIPTION

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

NAME \_\_\_\_\_ LIC. NO. \_\_\_\_\_ STATE \_\_\_\_\_

DESIGNED  
A.P.  
DRAWN  
A.P.  
CHECKED  
A.P.



Stonebrooke

RICHLAND HOMES - SHAKOPEE DEVELOPMENT  
UTILITY PLAN - WATERMAIN

14

31



RESOLUTION #2025-15

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

RICHLAND COURT  
Block 1, Lots 1 – 8, and Outlots A and B

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

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

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

NOW THEREFORE, BE IT RESOLVED, that the amount of the Trunk Water Charge is determined to be \$18,174.32 based on 3.14 net acres, and that collection of the Trunk Water Charge is one of the requirements to be completed prior to City water service being made available to that certain property described as:

RICHLAND COURT  
Block 1, Lots 1 – 8, and Outlots A and B

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

Passed in regular session of the Shakopee Public Utilities Commission, this 5th day of May, 2025.

---

Commission President: BJ Letourneau

ATTEST:

---

Commission Secretary: Greg Drent





PO Box 470 • 255 Sarazin Street  
Shakopee, Minnesota 55379  
Main 952.445-1988 • Fax 952.445-7767  
[www.shakopeeutilities.com](http://www.shakopeeutilities.com)

**DATE:** April 28, 2025  
**TO:** Greg Drent, General Manager *GD*  
**FROM:** Kelley Willemssen, Director of Finance & Administration *KW*  
**SUBJECT:** 2024 Audited Financials and Presentation

---

**Background:**

SPU staff met with Clifton Larsen Allen, LLP (CLA), on January 8, 2025, to kick off the 2024 audit. SPU staff collected preliminary audit details throughout January and February. Auditors were onsite for fieldwork during the week of March 10, 2025.

Their time on site was spent assessing internal controls, compliance, transaction testing, reviewing records, and performing other processes necessary to accomplish the audit's objectives. There were no issues or concerns throughout the process, and the fieldwork went smoothly.

The fieldwork exit meeting was completed on March 14, 2025. At this meeting, CLA staff reviewed the audit process and communicated to SPU that there weren't any findings or issues to report.

The 2024 year-end financial statements are attached for review. Ezra Koetz from CLA will present the results at the commission meeting.

**Request**

The Commission is requested to accept the financial statements for year-ended December 31, 2024





Board of Commissioners  
Shakopee Public Utilities Commission  
Shakopee, Minnesota

We have audited the financial statements of the Shakopee Public Utilities Commission (the Commission) as of and for the year ended December 31, 2024, and have issued our report thereon dated April 28, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit in our engagement agreement dated September 9, 2024. Professional standards also require that we communicate to you the following information related to our audit.

**Significant audit findings or issues**

***Qualitative aspects of accounting practices***

*Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Shakopee Public Utilities Commission are described in Note 1 to the financial statements.

As described in Note 1, the entity changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, in 2024. Accordingly, there is no cumulative effect of the accounting change as of the beginning of the year.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

*Accounting estimates*

There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

*Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.



***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management did not identify and we did not notify them of any uncorrected financial statement misstatements.

***Corrected misstatements***

None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated April 28, 2025.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Required supplementary information***

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.



**Supplementary information in relation to the financial statements as a whole**

With respect to the individual fund statements (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated April 28, 2025.

**Other information included in annual reports**

Other information (financial or nonfinancial information other than the financial statements and our auditors' report thereon) is being included in your annual report and is comprised of the introductory section. Our responsibility for other information included in your annual report does not extend beyond the financial information identified in our opinion on the financial statements. We have no responsibility for determining whether such other information is properly stated and do not have an obligation to perform any procedures to corroborate other information contained in your annual report. We are required by professional standards to read the other information included in your annual report and consider whether a material inconsistency exists between the other information and the financial statements because the credibility of the financial statements and our auditors' report thereon may be undermined by material inconsistencies between the audited financial statements and other information. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report. Our auditors' report on the financial statements includes a separate section, "Other Information," which states we do not express an opinion or any form of assurance on the other information included in the annual report. We did not identify any material inconsistencies between the other information and the audited financial statements.

\* \* \*

This communication is intended solely for the information and use of the board of commissioners and management of Shakopee Public Utilities Commission and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 28, 2025





CliftonLarsonAllen LLP  
CLAconnect.com

## INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Board of Commissioners  
Shakopee Public Utilities Commission  
Shakopee, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements, of Shakopee Public Utilities Commission as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the entity's financial statements, and have issued our report thereon dated April 28, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that Shakopee Public Utilities Commission failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the entity's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 28, 2025





CliftonLarsonAllen LLP  
CLAconnect.com

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners and Management  
Shakopee Public Utilities Commission  
Shakopee, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Shakopee Public Utilities Commission, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Shakopee Public Utilities Commission's financial statements, and have issued our report thereon dated April 28, 2025.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Shakopee Public Utilities Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shakopee Public Utilities Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of Shakopee Public Utilities Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Board of Commissioners and Management  
Shakopee Public Utilities Commission

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Shakopee Public Utilities Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 28, 2025



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
A COMPONENT UNIT OF THE  
CITY OF SHAKOPEE, MINNESOTA**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2024**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://CLAconnect.com)



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
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## **INTRODUCTORY SECTION**



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
BOARD OF COMMISSIONERS AND ADMINISTRATION  
DECEMBER 31, 2024**

Officials	Position	Term Expires
Justin Krieg	President/MMPA Alternate Rep	March 31, 2027
Benedict Letourneau	Vice President	March 31, 2027
Kathi Mocol	Commissioner	March 31, 2025
Kayden Fox	Commissioner	March 31, 2026
Jim Dulaney	Commissioner/City Council Member	March 31, 2026

Administration		
Greg Drent	General Manager/MMPA Rep	
Kelley Willemssen	Director of Finance and Administration	



## **FINANCIAL SECTION**





## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
Shakopee Public Utilities Commission  
Shakopee, Minnesota

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of each major fund of the Shakopee Public Utilities Commission, a component unit of the City of Shakopee, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively compromise the Shakopee Public Utilities Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position each major fund of the Shakopee Public Utilities Commission, as of December 31, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Shakopee Public Utilities Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Shakopee Public Utilities Commission ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shakopee Public Utilities Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shakopee Public Utilities Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension schedules as listed in the table of contents be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit for the year ended December 31, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Shakopee Public Utilities Commission's basic financial statements. The individual fund financial statements and schedules for the year ended December 31, 2024 are presented for purposes of additional analysis and are not a required part of the basic financial statements, as listed in the table of contents. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also previously audited, in accordance with GAAS, the basic financial statements of the Shakopee Public Utilities Commission as of and for the year ended **December 31, 2023**, (not presented herein), and have issued our report thereon dated April 29, 2024 which contained unmodified opinions on the respective financial statements of each major fund. The individual fund financial statements and schedules for the year ended **December 31, 2023** are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information was subjected to the audit procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund financial statements and schedules is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended **December 31, 2023**.



***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

***Report on Summarized Comparative Information***

We have previously audited the Shakopee Public Utilities Commission 2023 financial statements, and we expressed unmodified opinions on the respective financial statements of each major fund in our report dated April 29, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended **December 31, 2023** is consistent, in all material respects, with the audited financial statements from which it has been derived.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2025, on our consideration of the Shakopee Public Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Shakopee Public Utilities Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Shakopee Public Utilities Commission's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
April 28, 2025



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

The management of the Shakopee Public Utilities Commission (electric and water utilities) offers all persons interested in the financial position of the utilities an objective, easy to read overview, and analysis of the utilities' financial performance during the years ended December 31, 2024. You are invited to read this narrative in conjunction with the Utilities' financial statements.

**FINANCIAL HIGHLIGHTS**

- The electric utility's net position increased \$7,209,429 to \$110,891,466 in 2024, an increase of 6.95%. Total assets increased by \$7,131,696 due to increases in net capital assets of \$5,802,276 and increases in other assets of \$2,942,506 partially offset by a decrease in accounts receivable of \$1,464,735. Deferred outflows of resources decreased \$446,333 reflecting Governmental Accounting Standards Board (GASB) 68 pension reporting. Total liabilities decreased by \$1,001,057 due to a decrease in net pension liability of \$1,047,813, accounts payable of \$647,413, partially offset by an increase in customer advances of \$418,929 and subscriptions payable of \$169,242. Deferred inflows of resources increased \$476,991 (see Table 1).
- The electric utility's operating revenue decreased by \$2,394,932 or 3.91%, driven by lower-than-average kilowatt hour sales revenue and demand fee revenue. Total kWh sales volume decreased 2.6%. The electric utility added 827 new customers in 2024, an increase of 4.18% (see Table 3).
- The electric utility's operating expenses in 2024 decreased \$2,983,115 or 5.5%, due to decreases in purchased power costs of \$3,186,564 and employee benefits of \$403,037, partially offset by increases in administrative and general salaries of \$149,055, and depreciation expense of \$386,413 and distribution system maintenance of \$99,008.
- The water utility's net position increased \$14,397,381 to \$118,379,078 in 2024, an increase of 13.85%. Total assets increased by \$13,198,912 due to an increase in net capital assets of \$11,887,599, an increase of \$5,960,828 in cash and investments and an increase in the water reconstruction account of \$372,053. Deferred outflows of resources decreased \$197,129 reflecting the GASB 68 pension reporting activity. Total liabilities decreased \$1,393,323 due to decreases in accounts payable of \$1,169,392, and net pension liability of \$453,470. Deferred inflows of resources decreased \$2,275 due to the net impact of a reduction related to GASB 68 pension report activity and the reflection of deferred inflows related to leases receivable (see Table 2).
- The water utility's 2024 operating revenues, generated mostly by sales of water, decreased \$839,453 or 10.78% due to a decrease in water gallons sold. The water utility added 285 new customers in 2024, an increase of 2.32% (see Table 4).
- The water utility's operating expenses in 2024 decreased \$508,544 or 6.6% driven by a decrease in distribution, maintenance, and administrative expenses. Total gallons pumped decreased 13.58%.
- Capital contributions for the utility increased from 2023 to 2024 by \$5,447,344 due to increases in water connection fees and developer capital contributions.
- Municipal contributions expenses to the City of Shakopee decreased from 2023 to 2024 by \$40,665 driven by lower kWh sales, a decrease in purchase power cost adjustment revenue driven by lower kWh sales and lower demand revenue as well as lower water gallons sold.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The electric and water utilities are self-supporting entities and separate enterprise funds of the City of Shakopee. The utilities provide electric and water service to properties within the City of Shakopee and some areas outside the municipality. Water service is provided within the corporate limits of the City of Shakopee. The electric utility service territory is a matter of state law, which became effective in 1975 and is supported by official maps. The areas generally served are the City of Shakopee, Townships of Jackson and Louisville, and part of the City of Prior Lake lying north of Prior Lake and abutting the City of Shakopee.

The electric and water utility is managed by a utilities commission and operates under *Minnesota Statutes* 453. The Commission has, and continues to establish, rates and charges without approval, review, or veto authority of the City Council. The Commission also establishes the policies and service rules that guide the administration and management of the Shakopee Public Utilities. The City Council created the utility commission in the mid- 1950s.

The current utility commission is made up of five members having authority under the Power Agency Law, *Minnesota Statutes* 453, adopted by the State Legislature in 1976. The Power Agency Law replaces the original empowerment authority and provides the legal platform for the Commission to operate as the governing body of the "electric utility" and join other utilities to solve the issues of generation and transmission.

This annual report consists of two parts: Management's Discussion and Analysis and the financial statements as well as the Independent Auditors' Report.

An analysis of the utilities' financial position begins with a review of the statement of net position and the statement of revenues, expenses, and changes in net fund position. These two statements report the Utilities' Net Position and changes therein. The Utilities' Net Position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources, are important in measuring the financial health of the Utility. Over time, increases or decreases in the net position value are an indicator of whether the financial position is improving or deteriorating. However, it should be noted that the financial position may also be affected by other non-financial factors, including economic conditions, customer growth, climate conditions, and new regulations.

**UTILITY FINANCIAL ANALYSIS**

The Statement of Net Position includes all of the Utilities' assets and deferred outflows of resources and liabilities and deferred inflows of resources and provides information about the nature and amount of investments in resources and the obligations to creditors. This Statement provides the basis for evaluating the capital structure and assessing the liquidity and financial flexibility of the Utilities.

A summary of the Utilities' Statement of Net Position is presented in Tables 1 and 2.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

**TABLE 1  
CONDENSED STATEMENT OF NET POSITION – ELECTRIC UTILITY**

	2024	2023	Change
<b>ASSETS</b>			
Current and Other Assets	\$ 56,846,901	\$ 55,517,481	\$ 1,329,420
Net Capital Assets	65,516,313	59,714,037	5,802,276
Total Assets	<u>122,363,214</u>	<u>115,231,518</u>	<u>7,131,696</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>447,900</u>	<u>894,233</u>	<u>(446,333)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 122,811,114</u>	<u>\$ 116,125,751</u>	<u>\$ 6,685,363</u>
<b>LIABILITIES</b>			
Net Pension Liability	\$ 1,701,991	\$ 2,749,804	\$ (1,047,813)
Other Liabilities	8,613,975	8,567,219	46,756
Total Liabilities	<u>10,315,966</u>	<u>11,317,023</u>	<u>(1,001,057)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	1,603,682	1,126,691	476,991
<b>NET POSITION</b>			
Net Investment in Capital Assets	65,513,523	59,344,130	6,169,393
Unrestricted	45,377,943	44,337,907	1,040,036
Total Net Position	<u>110,891,466</u>	<u>103,682,037</u>	<u>7,209,429</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 122,811,114</u>	<u>\$ 116,125,751</u>	<u>\$ 6,685,363</u>

As can be seen from the table above, the electric utility's net position increased \$7,209,429 to \$110,891,466 in 2024, an increase of 6.95%. Total assets increased by \$7,131,696 due to increases in net capital assets of \$5,802,276 and increases in other current assets (excluding accounts receivable) of \$2,942,506, partially offset by a decrease in net accounts receivable of \$1,464,735. Deferred outflows of resources decreased \$446,333 reflecting Governmental Accounting Standards Board (GASB) 68 pension reporting.

Total liabilities decreased by \$1,001,057 due to a decrease in net pension liability of \$1,047,813, accounts payable of \$647,413, partially offset by an increase in customer advances of \$418,929 and subscriptions payable of \$169,2442. Deferred inflows of resources increased \$476,991



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

**TABLE 2  
CONDENSED STATEMENT OF NET POSITION – WATER UTILITY**

	2024	2023	Change
<b>ASSETS</b>			
Current and Other Assets	\$ 41,648,672	\$ 40,337,359	\$ 1,311,313
Net Capital Assets	81,929,868	70,042,269	11,887,599
Total Assets	<u>123,578,540</u>	<u>110,379,628</u>	<u>13,198,912</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>210,666</u>	<u>407,795</u>	<u>(197,129)</u>
Total Assets and Deferred Outflows of Resources	<u><u>\$ 123,789,206</u></u>	<u><u>\$ 110,787,423</u></u>	<u><u>\$ 13,001,783</u></u>
<b>LIABILITIES</b>			
Net Pension Liability	\$ 800,518	\$ 1,253,988	\$ (453,470)
Other Liabilities	1,882,254	2,822,107	(939,853)
Total Liabilities	<u>2,682,772</u>	<u>4,076,095</u>	<u>(1,393,323)</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	2,727,356	2,729,631	(2,275)
<b>NET POSITION</b>			
Net Investment in Capital Assets	81,753,388	70,006,775	11,746,613
Restricted	16,635,861	19,835,106	(3,199,245)
Unrestricted	19,989,829	14,139,816	5,850,013
Total Net Position	<u>118,379,078</u>	<u>103,981,697</u>	<u>14,397,381</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u><u>\$ 123,789,206</u></u>	<u><u>\$ 110,787,423</u></u>	<u><u>\$ 13,001,783</u></u>

As can be seen from the table above, the water utility's net position increased \$14,397,381 to \$118,379,078 in 2024, an increase of 13.85%. Total assets increased by \$13,198,912 due to an increase in net capital assets of \$11,887,599, an increase of \$5,960,828 in cash and investments and an increase in the water reconstruction account of \$372,053, partially offset by a decrease in net accounts receivable of \$1,415,124. Deferred outflows of resources decreased \$197,129 reflecting the GASB 68 pension reporting activity.

Total liabilities decreased \$1,393,323 due to decreases in accounts payable of \$1,169,392, and net pension liability of \$453,470. Deferred inflows of resources decreased \$2,275 due to the net impact of a reduction related to GASB 68 pension report activity and the reflection of deferred inflows related to leases receivable

The restricted portion of net position includes accounts that are limited by bond covenants. Listed below are restricted assets:

*Customer Deposit Account* - Restricted resources from customers required to deposit monies before the utility will begin service. These deposits are subject to repayment when the customer leaves the utility's service area.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

*Connection and Trunk Water Accts* - Restricted resources, per enabling legislation, to be used for future water production and trunk distribution facility acquisitions.

The specific nature or source of these changes becomes more evident in the statement of revenues, expenses, and changes in fund net position as shown in Tables 3 and 4.

The statement of revenues, expenses, and changes in fund net position provide an indication of the utilities' financial health.

**TABLE 3  
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET  
POSITION - ELECTRIC UTILITY**

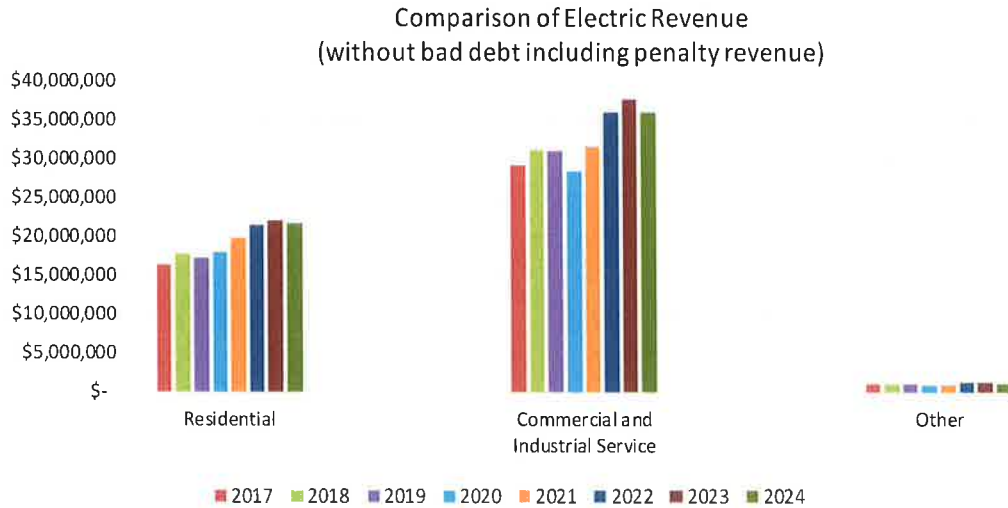
	2024	2023	Change
<b>OPERATING REVENUES</b>	<u>\$ 58,871,852</u>	<u>\$ 61,266,784</u>	<u>\$ (2,394,932)</u>
<b>OPERATING EXPENSES</b>			
Operation, Customer, and Administrative	47,774,832	51,144,360	(3,369,528)
Depreciation and Amortization Expense	<u>3,881,563</u>	<u>3,495,150</u>	<u>386,413</u>
Total Operating Expenses	<u>51,656,395</u>	<u>54,639,510</u>	<u>(2,983,115)</u>
<b>OPERATING INCOME</b>	7,215,457	6,627,274	588,183
Nonoperating Revenues (Expenses)	2,497,894	2,255,889	242,005
Capital Contributions	936,171	1,580,437	(644,266)
Free Electric Service to the City of Shakopee	147,542	144,062	3,480
Transfers to Municipality	<u>(3,587,635)</u>	<u>(3,716,567)</u>	<u>128,932</u>
<b>CHANGE IN NET POSITION</b>	7,209,429	6,891,095	318,334
Net Position - Beginning of Year	<u>103,682,037</u>	<u>96,790,942</u>	<u>6,891,095</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 110,891,466</u></u>	<u><u>\$ 103,682,037</u></u>	<u><u>\$ 7,209,429</u></u>

As can be seen in Table 3, the electric utility's operating revenue decreased by \$2,394,932 or 3.91%, driven by lower-than-average purchase power cost adjustment revenue and demand fee revenue. Total kWh sales volume decreased 3.69%. The electric utility added 827 new customers in 2024, an increase of 4.18%. The electric utility's operating expenses in 2024 decreased \$2,983,115 or 5.5%, due to decreases in purchased power costs of \$3,186,564 and employee benefits of \$403,037, partially offset by increases in administrative and general salaries of \$149,055, and depreciation expense of \$386,413 and distribution system maintenance of \$99,008. Nonoperating income increased \$242,005 due to higher investment income. Capital contributions decreased \$644,266 due to decreases in developer capital contributions year to year. Municipal contributions expenses to the City of Shakopee decreased \$128,932, from \$3,716,567 to \$3,587,635 driven by lower electric sales revenue.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**



Year	Residential	Commercial and Industrial Service	Other
2017	\$ 16,496,838	\$ 29,341,945	\$ 1,100,006
2018	17,891,566	31,414,834	1,158,891
2019	17,314,820	31,261,142	1,135,968
2020	18,032,655	28,553,793	870,373
2021	19,996,991	31,752,298	1,022,634
2022	21,548,095	36,255,304	1,315,038
2023	22,150,117	37,881,431	1,271,900
2024	21,700,887	36,191,894	1,109,763

Residential, Commercial, Industrial, and other sales of electricity (without bad debt) decreased in 2024 by \$2,300,904 or 3.75% due to lower kWh sales volume and purchased power cost adjustment revenue. Purchase power costs decreased in 2024 by \$3,186,564 or 7.5%. Purchased power is the single largest expense item in the electric system operating budget.

Total kWh purchased in 2024 was 449,243,225 as compared to 461,468,537 in 2023, reflecting a decrease of 2.6% year over year. Total kWh sold in 2024 was 426,613,317 as compared to 442,969,326 in 2023, reflecting a decrease of 3.69% for the year 2024. Electric operating revenues, including bad debt totaled \$58,871,852 in 2024 compared to \$61,266,784 in 2023, a decrease of \$2,394,932 or 3.9% driven by lower power cost adjustment revenue due to decreased power cost kWh sales volume as well as lower kilowatt hour demand.

The utility purchases power from MMPA and joined MMPA as a full member in 2004, with a long-term Purchase Power Agreement extending to 2050.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

The following is the total cost of kilowatt-hours purchased, total kilowatt-hours purchased, system peak demand, and total kilowatt-hours delivered for the past ten years.

Historical Power and Energy Requirements				
Energy (kWh)				
Year	Total kWh Purchased	Cost of kWh Purchase	System Peak Demand	Total kWh Delivered
2024	449,243,225	\$ 39,501,717	105,064	426,613,317
2023	461,468,537	42,699,064	109,980	442,969,326
2022	462,160,248	42,865,031	108,770	441,586,600
2021	463,906,473	37,956,344	108,103	443,409,817
2020	449,885,399	32,729,485	100,447	431,784,931
2019	459,120,703	34,198,101	104,661	446,158,441
2018	469,262,264	35,555,031	102,853	454,234,398
2017	452,309,391	33,180,393	99,725	429,261,118
2016	449,534,290	32,282,815	100,501	426,048,194
2015	425,268,243	29,939,985	92,605	406,459,331

Kilowatt (kWh) Hours

**METERED ELECTRIC CUSTOMERS**

The following are the number of metered connections for the past ten years.

Year	Meters
2024	20,600
2023	19,773
2022	19,020
2021	18,837
2020	18,562
2019	17,960
2018	17,575
2017	17,126
2016	17,084
2015	16,885



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

**TABLE 4  
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET  
POSITION - WATER UTILITY**

	2024	2023	Change
<b>OPERATING REVENUES</b>	\$ 6,945,345	\$ 7,784,798	\$ (839,453)
<b>OPERATING EXPENSES</b>			
Operation, Customer, and Administrative	4,381,159	4,582,569	(201,410)
Depreciation and Amortization Expense	2,807,278	3,114,412	(307,134)
Total Operating Expenses	<u>7,188,437</u>	<u>7,696,981</u>	<u>(508,544)</u>
<b>OPERATING INCOME</b>	(243,092)	87,817	(330,909)
Nonoperating Revenues (Expenses)	1,990,580	1,399,139	591,441
Capital Contributions	13,020,147	7,572,803	5,447,344
Transfers to Municipality	<u>(370,254)</u>	<u>(410,919)</u>	<u>40,665</u>
<b>CHANGE IN NET POSITION</b>	14,397,381	8,648,840	5,748,541
Net Position - Beginning of Year	<u>103,981,697</u>	<u>95,332,857</u>	<u>8,648,840</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 118,379,078</u></u>	<u><u>\$ 103,981,697</u></u>	<u><u>\$ 14,397,381</u></u>

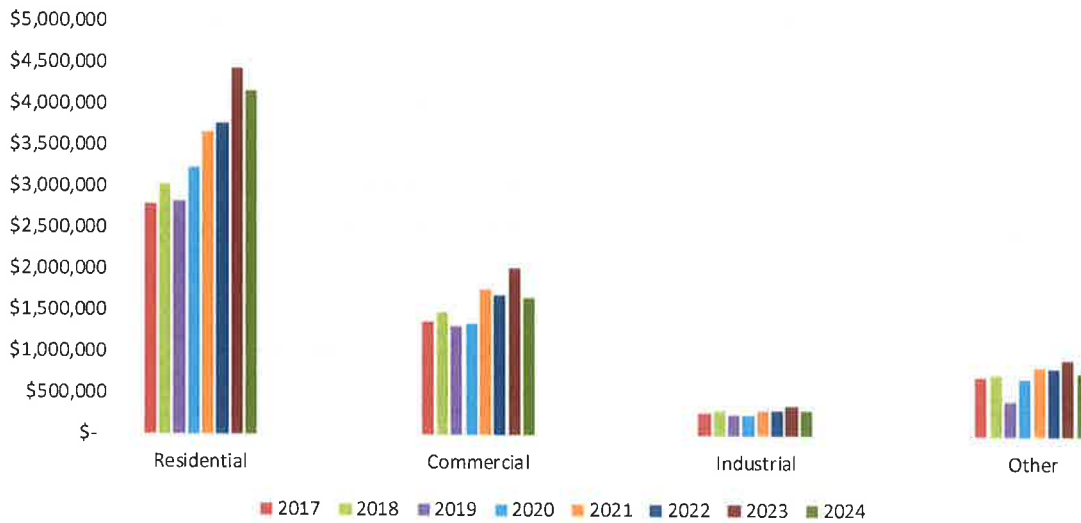
In 2024 the water utility's operating revenues decreased \$839,453, or 10.8%. The water utility's operating expenses in 2024 decreased \$508,544 or 6.6% driven by a decrease in distribution, maintenance, and administrative expenses. Nonoperating income increased \$591,441 from \$1,399,084 to \$1,990,580 reflecting an increase in investment income of \$140,371 and an increase in miscellaneous income of \$471,035. Capital contributions increased \$5,447,344 primarily due to an increase in contributed capital water mains of \$3,993,531, trunk water connections of \$758,427 and water connection fees of \$614,998.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

Comparison of Water Revenues  
(without bad debt and including penalty revenue)



Year	Residential	Commercial	Industrial	Other
2017	\$ 2,804,902	\$ 1,380,349	\$ 281,240	\$ 718,998
2018	3,043,443	1,496,789	306,868	759,531
2019	2,844,970	1,322,398	268,467	433,911
2020	3,257,458	1,358,234	259,951	706,486
2021	3,684,101	1,769,298	304,968	846,419
2022	3,780,680	1,710,132	309,566	828,935
2023	4,452,997	2,023,129	360,093	936,143
2024	4,171,208	1,676,731	321,183	783,629

Sales of water (without bad debt) decreased in 2024 by \$823,212 or 10.59%. The decrease in operating revenues is the result of a decrease in water gallons sold in 2024, the water utility added 285 new customers in 2024.

Water gallons pumped in 2024 totaled 1,936,849 thousand gallons as compared to 2,241,251 thousand gallons in 2023, reflecting a decrease of 13.58% for the year 2024. Water gallons sold including hydrant sales in 2024 totaled 1,740,192 thousand gallons as compared to 2,063,792 thousand gallons in 2023, reflecting a decrease of 15.3% for the year 2024. Water operating revenues excluding reconstruction fees totaled \$6,200,996 in 2024 as compared to \$6,883,125 in 2023, a decrease of 9.91%.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

**WATER DEMAND**

The following is the average daily demand and peak daily demand for the past ten years.

Year	Demand (MGD)	Peak Daily Demand (MGD)
2024	5.306	10.493
2023	6.140	14.185
2022	5.498	13.254
2021	5.699	14.655
2020	4.927	12.81
2019	4.559	11.149
2018	5.054	11.122
2017	4.873	13.234
2016	4.792	11.582
2015	4.556	9.936
2014	4.631	10.878

**WATER METERS/PRODUCTION**

The following shows the number of meters and production for the water utility for the past ten years.

Year	Average Daily Water Pumped (Gallons)	Service Population*	Total Service Connections	Residential Usage	Non-Residential Usage
2024	5,306,440	44,859	12,584	63	37
2023	6,140,414	42,135	12,299	61	39
2022	5,498,474	40,096	12,057	61	39
2021	5,699,129	39,592	11,853	61	39
2020	4,927,033	38,506	11,741	64	34
2019	4,559,496	38,506	11,567	60	40
2018	5,053,767	38,519	11,438	59	41
2017	4,873,381	37,643	11,299	59	41
2016	4,792,447	37,254	11,277	60	40
2015	4,555,603	37,254	11,170	60	40
2014	4,631,167	35,300	11,085	62	38

\*Total City Population per Metropolitan Council estimates less population served by private and community wells.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

The statement of cash flows reports the cash provided and used by operating activities, as well as other cash sources such as investment income and cash payments for repayment of bonds and capital additions.

**TABLE 5  
CONDENSED STATEMENT OF CASH FLOWS – ELECTRIC UTILITY**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM:</b>		
Operating Activities	\$ 12,671,270	\$ 9,467,988
Noncapital Financing Activities	(3,587,635)	(3,716,567)
Capital and Related Financing Activities	(8,465,398)	(8,213,026)
Investing Activities	<u>(109,690)</u>	<u>3,160,044</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	508,547	698,439
Cash and Cash Equivalents - Beginning of Year	<u>4,341,496</u>	<u>3,643,057</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 4,850,043</u></u>	<u><u>\$ 4,341,496</u></u>

**TABLE 6  
CONDENSED STATEMENT OF CASH FLOWS – WATER UTILITY**

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM:</b>		
Operating Activities	\$ 3,001,071	\$ 4,042,297
Noncapital Financing Activities	(370,254)	(410,919)
Capital and Related Financing Activities	(1,187,682)	(2,843,037)
Investing Activities	<u>(761,612)</u>	<u>5,362,490</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	681,523	6,150,831
Cash and Cash Equivalents - Beginning of Year	<u>12,860,659</u>	<u>6,709,828</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 13,542,182</u></u>	<u><u>\$ 12,860,659</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**UTILITY FINANCIAL ANALYSIS (CONTINUED)**

**TABLE 7  
CAPITAL ASSETS – ELECTRIC UTILITY**

	<u>2024</u>	<u>2023</u>
<b>CAPITAL ASSETS</b>		
Distribution	\$ 85,923,127	\$ 72,116,736
General	<u>20,449,905</u>	<u>19,032,941</u>
Total Capital Assets	106,373,032	91,149,677
Less: Accumulated Depreciation and Amortization	(42,462,997)	(38,806,624)
Construction in Progress	<u>1,606,278</u>	<u>7,370,984</u>
Net Capital Assets	<u><u>\$ 65,516,313</u></u>	<u><u>\$ 59,714,037</u></u>

The electric utility's net capital assets increased \$5,802,276 or 9.72% from 2023. This increase is due to investments in new underground construction and transformation driven by new development, substation improvements, and capital equipment. In addition, construction in progress decreased by \$5,764,706. These increases were offset by increases in accumulated depreciation of \$3,656,373.

**TABLE 8  
CAPITAL ASSETS – WATER UTILITY**

	<u>2024</u>	<u>2023</u>
<b>CAPITAL ASSETS</b>		
Distribution	\$ 106,163,174	\$ 95,473,612
General	<u>3,586,099</u>	<u>2,243,178</u>
Total Capital Assets	109,749,273	97,716,790
Less: Accumulated Depreciation	(32,206,535)	(29,574,369)
Construction in Progress	<u>4,387,130</u>	<u>1,899,848</u>
Net Capital Assets	<u><u>\$ 81,929,868</u></u>	<u><u>\$ 70,042,269</u></u>

During 2024, the water utility's net capital assets increased by \$11,887,599 or 17% from 2023. Distribution and other assets increased by \$12,032,483 due to investments in watermain and contributed watermain. In addition, construction in progress increased \$2,487,282. These changes in the value of assets were offset by accumulated depreciation of \$2,632,166.

Please refer to the notes to the financial statements for further detail of the utilities' capital assets.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED DECEMBER 31, 2024**

**LONG-TERM DEBT**

The electric and water utilities have no bonds outstanding as of December 31, 2024. The Shakopee Public Utilities Commission approved defeasance of the remaining bond issue outstanding consisting of \$7,590,000 Crossover Refunding Net Revenue Bonds, Series 2006 as of February 1, 2018.

If the commission were to issue bonds, they would be payable from and secured by a pledge of income and revenue to be derived from the operation of the electric and water utilities and are primarily issued for various infrastructure projects. Expansion of the water and electric utilities is dependent on (1) cash flow from operations (after expenses) for the electric utilities, (2) special water connection and trunk charges for the water utilities, and (3) the ability to access the capital markets to borrow funds. Bonds are issued only on an as needed basis and for projects described within the capital improvement program approved annually by the Commission.

Issued Bonds are limited obligations of the Shakopee Public Utilities Commission, payable solely from net revenues of the Commission. The Bonds are not general obligations of the Commission, and neither the full faith and credit nor the taxing powers of the City of Shakopee, the County.

**CURRENTLY KNOWN FACTS/ECONOMIC CONDITIONS**

The City of Shakopee is located approximately 25 miles southwest of downtown Minneapolis. Shakopee is the county seat of Scott County. The City was organized in 1870 and became a statutory city, Plan A, in April 1975. It is organized under a mayor/council form of government as outlined in Minnesota Statutes 412. A Mayor is elected for a four-year term and four City Council Members are elected to staggered four-year terms. The community is served by US No. 169 and Scott County Highway No. 101; US No. 169 connects Scott County with Hennepin County and the Metro Center of Minneapolis-Saint Paul.

The City Council has the obligation to appoint the members to the Shakopee Public Utilities Commission.

**CONTACTING UTILITY MANAGEMENT**

This financial report is designed to provide our customers, investors, and creditors with a general overview of the utilities' finances. If you have questions about this report, or need additional financial information, contact the Director of Finance and Administration, Post Office Box 470, 255 Sarazin Street, Shakopee, Minnesota 55379.

General information relating to the Shakopee Public Utilities can be found at the Utility web site: <https://www.spucweb.com>.



## **FINANCIAL STATEMENTS**



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	2024			2023
	Electric	Water	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and Investments	\$ 46,880,105	\$ 20,492,612	\$ 67,372,717	\$ 59,001,074
Cash and Investments - Emergency Repairs	100,000	-	100,000	100,000
Accrued Interest Receivable	287,410	156,346	443,756	276,985
Customer Accounts Receivable	4,698,820	450,033	5,148,853	5,656,953
Allowance for Uncollectible Amounts	(62,076)	(2,078)	(64,154)	(24,237)
Other Accounts Receivable	171,984	1,522,524	1,694,508	4,018,491
Due from City of Shakopee	223,261	84,709	307,970	315,829
Prepaid Supplies	2,850,835	52,715	2,903,550	2,423,718
Prepaid Expenses	90,730	26,532	117,262	139,825
Lease Receivable	-	135,813	135,813	127,494
Total Current Assets	55,241,069	22,919,206	78,160,275	72,036,132
<b>NONCURRENT ASSETS</b>				
Restricted Cash and Investments:				
Customer Deposit Accounts	1,605,832	77,298	1,683,130	1,847,971
Connection Account	-	14,552,241	14,552,241	18,107,049
Water Reconstruction Account	-	2,006,322	2,006,322	1,634,269
Lease Receivable	-	2,093,605	2,093,605	2,229,419
Capital Assets:				
Plant in Service	106,373,032	109,749,273	216,122,305	188,866,467
Accumulated Depreciation and Amortization	(42,462,997)	(32,206,535)	(74,669,532)	(68,380,993)
Construction in Progress	1,606,278	4,387,130	5,993,408	9,270,832
Total Noncurrent Assets	67,122,145	100,659,334	167,781,479	153,575,014
Total Assets	122,363,214	123,578,540	245,941,754	225,611,146
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	447,900	210,666	658,566	1,302,028
Total Assets and Deferred Outflows Resources	\$ 122,811,114	\$ 123,789,206	\$ 246,600,320	\$ 226,913,174

See accompanying Notes to Financial Statements.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION AS OF DECEMBER 31, 2023)

	2024			2023
	Electric	Water	Total	Total
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 3,672,157	\$ 719,254	\$ 4,391,411	\$ 6,118,287
Due to City of Shakopee	459,479	-	459,479	491,484
Subscriptions Payable	127,873	130,757	258,630	41,068
Other Current Liabilities	789,782	441,640	1,231,422	1,010,066
Total Current Liabilities	5,049,291	1,291,651	6,340,942	7,660,905
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS CUSTOMER DEPOSITS</b>				
	1,605,832	77,298	1,683,130	1,847,971
<b>NONCURRENT LIABILITIES</b>				
Customer Advances	1,508,299	179,700	1,687,999	1,505,369
Subscriptions Payable	450,553	333,605	784,158	375,081
Net Pension Liability	1,701,991	800,518	2,502,509	4,003,792
Total Noncurrent Liabilities	3,660,843	1,313,823	4,974,666	5,884,242
Total Liabilities	10,315,966	2,682,772	12,998,738	15,393,118
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Lease Related Amounts	-	2,132,991	2,132,991	2,309,436
Regulatory Collections to Cover Future Costs	339,995	-	339,995	205,267
Pension Related Amounts	1,263,687	594,365	1,858,052	1,341,619
Total Deferred Inflows of Resources	1,603,682	2,727,356	4,331,038	3,856,322
<b>NET POSITION</b>				
Net Investment in Capital Assets	65,513,523	81,753,388	147,266,911	129,350,905
Restricted	-	16,635,861	16,635,861	19,835,106
Unrestricted	45,377,943	19,989,829	65,367,772	58,477,723
Total Net Position	110,891,466	118,379,078	229,270,544	207,663,734
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 122,811,114	\$ 123,789,206	\$ 246,600,320	\$ 226,913,174

See accompanying Notes to Financial Statements.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	Electric	2024 Water	Total	2023 Total
<b>OPERATING REVENUES</b>				
Sales	\$ 58,871,852	\$ 6,945,345	\$ 65,817,197	\$ 69,051,582
<b>OPERATING EXPENSES</b>				
Operation, Customer and Administrative	47,774,832	4,381,159	52,155,991	55,726,929
Depreciation and Amortization of Capital Assets	3,881,563	2,807,278	6,688,841	6,609,562
Total Operating Expenses	51,656,395	7,188,437	58,844,832	62,336,491
<b>OPERATING INCOME</b>	7,215,457	(243,092)	6,972,365	6,715,091
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Rentals and Miscellaneous	587,675	556,445	1,144,120	249,469
Interdepartmental Rent from Water	90,000	-	90,000	90,000
Investment Income	1,890,260	1,387,537	3,277,797	3,248,155
Interest from Leases	-	53,017	53,017	54,735
Interest Expense	(85,997)	(4,670)	(90,667)	(83,750)
Gain (Loss) on Disposition of Property	15,956	(1,749)	14,207	96,419
Total Nonoperating Revenues (Expenses)	2,497,894	1,990,580	4,488,474	3,655,028
Income Before Contributions and Transfers	9,713,351	1,747,488	11,460,839	10,370,119
Capital Contributions	936,171	13,020,147	13,956,318	9,153,240
Free Electric Service to the City of Shakopee	147,542	-	147,542	144,062
Contributions to City of Shakopee	(3,587,635)	(370,254)	(3,957,889)	(4,127,486)
<b>CHANGE IN NET POSITION</b>	7,209,429	14,397,381	21,606,810	15,539,935
Net Position - Beginning of Year	103,682,037	103,981,697	207,663,734	192,123,799
<b>NET POSITION - END OF YEAR</b>	<u>\$ 110,891,466</u>	<u>\$ 118,379,078</u>	<u>\$ 229,270,544</u>	<u>\$ 207,663,734</u>

See accompanying Notes to Financial Statements.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	2024			2023
	Electric	Water	Total	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers and Users	\$ 61,629,464	\$ 8,551,540	\$ 70,181,004	\$ 68,497,387
Payments to Employees	(4,136,524)	2,097,672	(2,038,852)	(5,389,646)
Payments to Suppliers	(44,821,670)	(7,648,141)	(52,469,811)	(49,597,456)
Net Cash Provided by Operating Activities	12,671,270	3,001,071	15,672,341	13,510,285
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Payments to City of Shakopee	(3,587,635)	(370,254)	(3,957,889)	(4,127,486)
Net Cash Used by Noncapital Financing Activities	(3,587,635)	(370,254)	(3,957,889)	(4,127,486)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from the Sale of Capital Assets	47,710	41,829	89,539	96,419
Leasing Activities	-	75,455	75,455	99,441
Interest from Leases	-	53,017	53,017	54,735
Subscription Activities	(189,484)	(335,170)	(524,654)	(206,638)
Acquisition of Capital Assets	(8,323,624)	(6,297,249)	(14,620,873)	(14,923,786)
Installation Fees	-	225,815	225,815	148,750
Connection Charges	-	3,651,655	3,651,655	3,036,657
Trunk Charges	-	1,396,966	1,396,966	638,359
Net Cash Used by Capital and Related Financing Activities	(8,465,398)	(1,187,682)	(9,653,080)	(11,056,063)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Redemption (Purchase) of Investments	(1,902,268)	(2,080,060)	(3,982,328)	5,430,297
Interest and Dividends Received	1,792,578	1,318,448	3,111,026	3,092,237
Net Cash Provided (Used) by Investing Activities	(109,690)	(761,612)	(871,302)	8,522,534
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	508,547	681,523	1,190,070	6,849,270
Cash and Cash Equivalents - Beginning of Year	4,341,496	12,860,659	17,202,155	10,352,885
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,850,043</u>	<u>\$ 13,542,182</u>	<u>\$ 18,392,225</u>	<u>\$ 17,202,155</u>

See accompanying Notes to Financial Statements.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

	2024			2023
	Electric	Water	Total	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS OPERATING ACTIVITIES</b>				
Operating Income	\$ 7,215,457	\$ (243,092)	\$ 6,972,365	\$ 6,715,091
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating Activities:				
Free Electric Service to City of Shakopee	147,542	-	147,542	144,062
Nonoperating Revenues	591,678	427,370	1,019,048	131,314
Depreciation and Amortization Expense	3,881,563	2,807,278	6,688,841	6,434,137
Deferred Pension Outflows	446,333	197,129	643,462	439,438
Deferred Pension Inflows	342,263	174,170	516,433	1,129,777
Net Pension Liability	(1,047,813)	(453,470)	(1,501,283)	(1,286,790)
Allowance for Uncollectible Accounts	-	682	682	(23,771)
Change in Assets and Liabilities				
Customer Accounts Receivable	561,212	(13,877)	547,335	(123,313)
Other Accounts Receivable	885,775	1,438,208	2,323,983	(1,297,342)
Due from City of Shakopee	17,748	(9,889)	7,859	387,328
Inventory	(459,676)	(20,156)	(479,832)	(542,386)
Prepaid Items	25,667	(3,104)	22,563	50,464
Accounts Payable	(557,484)	(1,169,392)	(1,726,876)	1,111,911
Customer Deposits	148,351	(16,490.00)	131,861	(119,569)
Unearned Revenue	134,728	-	134,728	15,545
Customer Advances	270,578	(236,299.0)	34,279	330,057
Due to City of Shakopee	(32,005)	-	(32,005)	(71,800)
Other Liabilities	99,353	122,003	221,356	86,132
Total Adjustments	5,455,813	3,244,163	8,699,976	6,795,194
Net Cash Provided by Operating Activities	<u>\$ 12,671,270</u>	<u>\$ 3,001,071</u>	<u>\$ 15,672,341</u>	<u>\$ 13,510,285</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Customer Deposits Account	\$ 1,605,832	\$ 77,298	\$ 1,683,130	\$ 1,847,971
Emergency Repairs Account	100,000	-	100,000	100,000
Connection Account	-	14,552,241	14,552,241	18,107,049
Water Reconstruction Account	-	2,006,322	2,006,322	1,634,269
Cash and Investments	46,880,105	20,492,612	67,372,717	59,001,074
Total	48,585,937	37,128,473	85,714,410	80,690,363
Less: Investments	(43,735,894)	(23,586,291)	(67,322,185)	(63,488,208)
Total Cash and Cash Equivalents	<u>\$ 4,850,043</u>	<u>\$ 13,542,182</u>	<u>\$ 18,392,225</u>	<u>\$ 17,202,155</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Contributions of Capital Assets from the Municipality and Developers	\$ 936,171	\$ 7,740,914	\$ 8,677,085	\$ 5,327,820
Free Electric Service to City of Shakopee	147,542	-	147,542	144,062



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**REPORTING ENTITY**

The electric and water utilities of the Shakopee Public Utilities Commission (the "Commission") are self-supporting entities and reported as a component unit of the City of Shakopee (the "City"). The Commission provides electric and water operations to properties within the City as well as electric distribution to certain other areas outside of the City. The Commission accounts for the costs of electric and water operations on a continuing basis and is managed by the Commission. The Commission consists of five members who serve three-year terms.

Customer and service rates are established by the Commission.

**FUND FINANCIAL STATEMENTS**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, costs incurred, and net income is necessary for management accountability.

**MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**DESCRIPTION OF FUNDS**

Proprietary Funds:

- Electric Fund - This fund accounts for the operations of the Commission's electric utility.
- Water Fund - This fund accounts for the operations of the Commission's water utility.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Electric and Water Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

**1. DEPOSITS AND INVESTMENTS**

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The Commission's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

*Minnesota Statutes* authorizes the Commission to invest in obligations of the U.S. Treasury, agencies and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the Commission are reported at fair value as disclosed in Note 2. The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days. Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

**2. RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending or borrowing arrangements outstanding at the end of the year are referred to as advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the Commission and other funds of the City are reported as receivables from or payables to the City. An allowance for uncollectible accounts is used to account for delinquent customer balances greater than 120 days overdue as of December 31, 2024. Bad debts are expensed annually when deemed uncollectible.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)**

**3. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses or prepaid supplies in the financial statements.

**4. RESTRICTED ASSETS**

Customer Deposit Account - Restricted resources from customers required to deposit monies before the Commission will begin electric or water service. These deposits are subject to repayment when the customer leaves the Commission's service area.

Connection Account - Restricted resources, per enabling legislation, to be used for future expansion of the water system.

Water Reconstruction Account - Restricted resources to be used for future water reconstruction projects.

**5. CAPITAL ASSETS**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$3,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets are capitalized as projects are constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the Commission are depreciated using a half year convention the first year with the straight-line method over the remaining estimated useful lives.

	<u>Years</u>
Electric	
Distribution	10 - 40
General	4 - 20
Water	
Distribution	20 - 75
General	4 - 40



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)**

**6. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Commission has one item that qualifies for reporting in this category. The Commission presents deferred outflows of resources on the Statement(s) of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position and fund financial statements reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission has two items that qualify for reporting in this category. The Commission presents deferred inflows of resources on the Statement(s) of Net Position for deferred inflows of resources related to pensions, leases receivable and deferred inflows for regulatory collections.

**7. CUSTOMER ADVANCES FOR CONSTRUCTION**

This account represents customer advances for construction which may be refundable in part or in whole.

**8. CUSTOMER DEPOSITS**

This account represents required deposits to be used to guaranty electric and water utility billings.

**9. COMPENSATED ABSENCES**

Commission employees earn vacation time based on years of Commission service. Employees also can earn compensatory time for hours worked above 80 hours per pay period. The liability for compensated absences reported in financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave. Employees also earn sick leave which is paid out at separation to the employee's Health Care Savings Plan based on years of Commission service.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)**

**10. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**11. LONG-TERM OBLIGATIONS**

Long-term debt and other obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method.

**12. CAPITAL CONTRIBUTIONS**

Cash and capital assets are contributed to the Commission from customers, the municipality, or external parties. The value of property contributed to the utility is reported as revenues on the statement of revenues, expenses, and changes in fund net position.

**13. MUNICIPAL CONTRIBUTIONS**

Municipal contributions include the contribution in lieu of taxes to the municipality and free service to the municipality for streetlights.

**14. NET POSITION**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in the financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net Position is reported as restricted in the financial statements when there are limitations on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position includes resources that are not subject to externally imposed stipulations. Such resources are derived from user fees (not restricted to use), and other revenues. This component is used for transactions related to general operations of SPU and may be designated for specific purposes by action of the Board.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (CONTINUED)**

**15. USE OF ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

**16. COMPARATIVE DATA**

The financial statements include certain prior year summarized comparative information in total but not at the level of detail required for a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended December 31, 2023, from which the summarized information was derived. Certain comparative information has been reclassified to conform to the current year presentation.

**17. ADOPTION OF NEW ACCOUNTING STANDARDS**

**GASB Statement No. 101, *Compensated Absences***

Effective January 1, 2024, the Commission implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. There was no material impact as a result of the implementation of this standard.

**NOTE 2 CASH AND INVESTMENTS**

Cash balances of the Commission's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and investments". For purposes of identifying risk of investing public funds, the balances and related restrictions are summarized as follows.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

In accordance with applicable *Minnesota Statutes*, the Commission maintains deposits at depository banks authorized by the Commission Board.

**A. Deposits**

**Custodial Credit Risk - Deposits:** This is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission has a deposit policy that requires the Commission's deposits to be collateralized as required by *Minnesota Statutes* 118.03 for an amount exceeding FDIC, SAIF, BIF, FCUA, or other federal deposit coverage. As of December 31, 2024, the Commission's bank balance was not exposed to custodial credit risk because it was insured and fully collateralized with securities held by the pledging financial institution's trust department or agent and in the Commission's name.

The Commission's deposits had a book balance as follows:

	2024
Checking	<u>\$ 13,542,181</u>
Total Deposits	<u><u>\$ 13,542,181</u></u>

**B. Investments**

As of December 31, 2024, the Commission had the following investments:

	Rating	Total Value	Years to Maturity			
			Less than 1 Year	1-5 Years	Over 5 Years	No Maturity
U.S. Agencies	AAA	\$ 6,492,381	\$ 2,855,919	\$ 3,492,560	\$ 143,902	\$ -
U.S. Treasuries	N/A	45,184,864	8,779,528	36,405,336	-	-
4M Fund	NR	2,609,275	-	-	-	2,609,275
4M Plus Fund	NR	8,994,140	-	-	-	8,994,140
Municipal Bonds	AA	660,501	509,193	151,308	-	-
Commercial Paper	N/A	4,936,879	4,936,879	-	-	-
Money Market	NR	3,292,189	-	-	-	3,292,189
Total		<u>\$ 72,170,229</u>	<u>\$ 17,081,519</u>	<u>\$ 40,049,204</u>	<u>\$ 143,902</u>	<u>\$ 14,895,604</u>

The Commission has the following recurring fair value measurements as of December 31, 2024:

	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
U.S. Agencies	\$ 6,492,381	\$ -	\$ 6,492,381	\$ -
U.S. Treasuries	45,184,864	45,184,864	-	-
Municipal Bonds	660,501	-	660,501	-
Total	<u>52,337,746</u>	<u>\$ 45,184,864</u>	<u>\$ 7,152,882</u>	<u>\$ -</u>

**Investments Measured at the Amortized Cost**

Investments Measured at Amortized Cost	<u>19,832,483</u>
Total Investments	<u><u>\$ 72,170,229</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**B. Investments (Continued)**

The Commission has a formal investment policy in place as of December 31, 2024, to address the following risks:

*Credit Risk* - This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes 118A.04 and 118A.05 limit investments that are in the top two ratings issued by nationally recognized statistical rating organizations. The Commission's policy states to ensure safety, it is the policy of the Shakopee Public Utilities Commission that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the Shakopee Public Utilities Commission will approve all financial institutions, brokers, and advisers with which the Shakopee Public Utilities Commission will do business.

*Concentration of Credit Risk – Investments* - This is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Commission's policy states they will minimize risk by only purchasing investments that are held in safekeeping with a Federal Reserve bank, United States Bank with corporate trust powers, a primary reporting dealer to the Federal Reserve Bank of New York, or a broker dealer having its principal executive office in Minnesota, and that designated brokers have insurance through the SIPC (Securities Investor Protection Corporation).

As of December 31, 2024, the Commission was not exposed to concentration of credit risk. U.S. Treasuries and investments in external investment pools and money markets are excluded from this requirement.

*Interest Rate Risk* - This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates. The Commission's policy states it will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

*Custodial Credit Risk- Investments* - This is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Commission's policy states they will minimize risk by only purchasing investments that are held in safekeeping with a Federal Reserve bank, United States Bank with corporate trust powers, a primary reporting dealer to the Federal Reserve Bank of New York, or a broker dealer having its principal executive office in Minnesota and that designated brokers have insurance through the SIPC (Securities Investor Protection Corporation).



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Deposits and Investments**

Summary of cash, deposits, and investments as of December 31, 2024:

Deposit (Note 2.A)	\$ 13,542,181
Investments (Note 2.B.)	72,170,229
Petty Cash	<u>2,000</u>
Total Deposits	<u><u>\$ 85,714,410</u></u>

Deposits and investments are presented in the December 31, 2024, financial statements as follows:

Statement of Net Position

Current Assets

Cash and Investments	\$ 67,372,717
Cash and Investments - Emergency Repairs Account	100,000

Noncurrent Assets

Restricted Cash and Investments	
Customer Deposit Account	1,683,130
Connection Account	14,552,241
Water Reconstruction Account	<u>2,006,322</u>
Total	<u><u>\$ 85,714,410</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 CAPITAL ASSETS**

Electric capital asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>CAPITAL ASSETS NOT BEING DEPRECIATED</b>				
Land and Land Rights	\$ 6,203,804	\$ -	\$ -	\$ 6,203,804
Construction in Progress	7,370,984	4,271,735	(10,036,441)	1,606,278
Total Capital Assets Not Being Depreciated	13,574,788	4,271,735	(10,036,441)	7,810,082
<b>CAPITAL ASSETS BEING DEPRECIATED</b>				
Distribution Infrastructure	42,873,868	8,325,096	(35,899)	51,163,065
Distribution Equipment	23,039,064	5,517,194	-	28,556,258
General Infrastructure	11,931,955	12,650	-	11,944,605
General Equipment	6,578,641	1,049,838	(165,790)	7,462,689
Total Capital Assets Being Depreciated	84,423,528	14,904,778	(201,689)	99,126,617
<b>LESS: ACCUMULATED DEPRECIATION</b>				
Distribution Infrastructure	(18,264,321)	(2,004,722)	24,265	(20,244,778)
Distribution Equipment	(10,681,986)	(943,907)	-	(11,625,893)
General Infrastructure	(5,413,170)	(361,637)	-	(5,774,807)
General Equipment	(4,376,702)	(451,574)	145,670	(4,682,606)
Total Accumulated Depreciation	(38,736,179)	(3,761,840)	169,935	(42,328,084)
Total Capital Assets Being Depreciated, Net	45,687,349	11,142,938	(31,754)	56,798,533
<b>SUPSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS</b>	522,345	575,521	(55,255)	1,042,611
<b>LESS: ACCUMULATED AMORTIZATION</b>				
Subscription Based Information Technology Arrangements	(70,445)	(119,723)	55,255	(134,913)
Total Subscription Based Information Technology Arrangement Assets, Net	451,900	455,798	-	907,698
Total Capital Assets, Net	\$ 59,714,037	\$ 15,870,471	\$ (10,068,195)	\$ 65,516,313



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 CAPITAL ASSETS (CONTINUED)**

Water capital asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>CAPITAL ASSETS NOT BEING DEPRECIATED</b>				
Land and Land Rights	\$ 2,944,778	\$ -	\$ -	\$ 2,944,778
Construction in Progress	1,899,848	4,391,240	(1,903,958)	4,387,130
Total Capital Assets Not Being Depreciated	4,844,626	4,391,240	(1,903,958)	7,331,908
<b>CAPITAL ASSETS BEING DEPRECIATED</b>				
Distribution Infrastructure	83,661,927	10,805,592	(141,252)	94,326,267
Distribution Equipment	8,866,907	25,222	-	8,892,129
General Infrastructure	963,639	31,198	-	994,837
General Equipment	1,123,842	693,666	(77,438)	1,740,070
Total Capital Assets Being Depreciated	94,616,315	11,555,678	(218,690)	105,953,303
<b>LESS: ACCUMULATED DEPRECIATION</b>				
Distribution Infrastructure	(22,699,505)	(2,215,012)	141,252	(24,773,265)
Distribution Equipment	(5,422,972)	(372,029)	-	(5,795,001)
General Infrastructure	(651,479)	(44,044)	-	(695,523)
General Equipment	(786,249)	(104,549)	33,860	(856,938)
Total Accumulated Depreciation	(29,560,205)	(2,735,634)	175,112	(32,120,727)
Total Capital Assets Being Depreciated, Net	65,056,110	8,820,044	(43,578)	73,832,576
<b>SUPSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS</b>	155,697	695,495	-	851,192
<b>LESS: ACCUMULATED AMORTIZATION</b>				
Subscription Based Information Technology Arrangements	(14,164)	(71,644)	-	(85,808)
Total Subscription Based Information Technology Arrangement Assets, Net	141,533	623,851	-	765,384
Total Capital Assets, Net	<u>\$ 70,042,269</u>	<u>\$ 13,835,135</u>	<u>\$ (1,947,536)</u>	<u>\$ 81,929,868</u>

Depreciation and amortization expense for 2024 for Electric and Water totaled \$3,881,563 and \$2,807,278 respectively.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 4 MUNICIPAL RECEIVABLES, PAYABLES, AND CONTRIBUTIONS**

Amounts receivable from and payable to the City of Shakopee as of December 31, 2024, are as follows:

<u>Receivable Fund/Municipality</u>	<u>Payable Fund/Municipality</u>	<u>Amount</u>
Electric Fund	City of Shakopee	\$ 223,261
City of Shakopee	Electric Fund	459,479
Water Fund	City of Shakopee	84,709

The receivables and payables generally represent billing expenses, general operating expenses, and capital projects.

The composition of municipal contributions as of December 31, 2024, was as follows:

<u>Contributions To</u>	<u>Contributions From</u>	<u>Amount</u>
City of Shakopee	Electric Fund	\$ 3,587,635
City of Shakopee	Water Fund	370,254
Total		<u>\$ 3,957,889</u>

Contributions were made from the Water and Electric Funds to the City for contributions in lieu of taxes and for free service to the City.

**NOTE 5 DEFINED-BENEFIT PENSION PLAN - STATEWIDE**

**A. Plan Description**

The Commission participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

**1. General Employees Retirement Fund**

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED-BENEFIT PENSION PLAN - STATEWIDE (CONTINUED)**

**B. Benefits Provided (Continued)**

When a member is “vested,” they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

**1. General Employees Plan Benefits**

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2% of the highest average salary for each of the first 10 years of service and 1.7% for each additional year. Under the Level formula, General Plan members receive 1.7% of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25% for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25% for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. The 2024 annual increase was 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a prorated increase.

**C. Contributions**

*Minnesota Statutes* chapters 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

**1. General Employees Fund Contributions**

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the Commission was required to contribute 7.50% for Coordinated Plan members. The Commission's contributions to the General Employees Fund for the year ended December 31, 2024, were \$429,682. The Commission's contributions were equal to the required contributions as set by state statute.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED-BENEFIT PENSION PLAN - STATEWIDE (CONTINUED)**

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2024, the Commission reported a liability of \$2,502,508 for its proportionate share of the General Employees Fund's net pension liability. The Commission's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a nonemployer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the Commission totaled \$64,710.

Commission's Proportionate Share of the Net Pension Liability	\$    2,502,508
State of Minnesota's Proportionate Share of the Net Pension Liability Associated with the Commission	<u>64,710</u>
Total	<u><u>\$    2,567,218</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Commission's proportion of the net pension liability was based on the Commission's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The Commission's proportion was .0677% at the end of the measurement period and .0716% for the beginning of the period.

For the year ended December 31, 2024, the Commission recognized pension expense of \$212,399 for its proportionate share of the General Employees Plan's pension expense.

At December 31, 2024, the Commission reported its proportionate share of the General Employees Plans' deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Economic Experience	\$       235,302	\$           -
Changes in Actuarial Assumptions	12,218	947,158
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	726,708
Changes in Proportion	192,243	184,186
Commission Contributions Subsequent to the Measurement Date	<u>218,803</u>	<u>-</u>
Total	<u><u>\$       658,566</u></u>	<u><u>\$    1,858,052</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5    DEFINED-BENEFIT PENSION PLAN - STATEWIDE (CONTINUED)**

**D. Pension Costs (Continued)**

\$218,803 reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Pension Expense Amount</u>
2025	\$ (733,453)
2026	(125,026)
2027	(368,008)
2028	(191,802)

**E. Long-Term Expected Return on Investments**

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	33.5 %	5.10 %
International Equity	16.5	5.30
Fixed Income	25.0	0.75
Private Markets	25.0	5.90
Totals	<u>100.0 %</u>	

**F. Actuarial Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 5    DEFINED-BENEFIT PENSION PLAN - STATEWIDE (CONTINUED)**

**F. Actuarial Assumptions (Continued)**

- Inflation is assumed to be 2.25 percent for the General Employees Plan.
- Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3% after 27 years of service

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

**Changes in Actuarial Assumptions:**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**Changes in Plan Provisions:**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 5 DEFINED-BENEFIT PENSION PLAN - STATEWIDE (CONTINUED)**

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employee Plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

The following presents the Commission's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Commission's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

Description	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
General Employees Fund Discount Rate	6.00 %	7.00 %	8.00 %
Commission's Proportionate Share of the General Employees Fund Net Pension Liability	\$ 5,465,881	\$ 2,502,508	\$ 64,864

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 6 LEASES**

The Commission, acting as lessor, leases water tower space for cellular services under long-term, non-cancelable lease agreements. The leases expire at various dates through 2038. During the year ended December 31, 2024, the Commission recognized \$176,446 and \$53,017 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments of either 3 percent or 4 percent.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6 LEASES (CONTINUED)**

The future payments to be received under lease agreements are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 135,812	\$ 51,151
2026	144,524	49,131
2027	153,639	46,943
2028	115,509	44,707
2029	123,093	42,670
2030-2034	572,336	180,944
2035-2039	538,221	121,585
2040-2044	241,844	64,591
2045-2049	204,440	8,989
Total Payments	<u>\$ 2,229,418</u>	<u>\$ 601,722</u>

**NOTE 7 SUBSCRIPTIONS PAYABLE**

A summary of the changes in the Commission's Electric subscriptions payable for the year ended December 31, 2024, are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amount Due</u>
	<u>Beginning of Year,</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>	<u>Within</u>
					<u>One Year</u>
Subscriptions Payable	<u>\$ 312,112</u>	<u>\$ 400,445</u>	<u>\$ (134,131)</u>	<u>\$ 578,426</u>	<u>\$ 127,873</u>

A summary of the changes in the Commission's Water subscriptions payable for the year ended December 31, 2024, are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Amount Due</u>
	<u>Beginning of Year,</u>	<u>Additions</u>	<u>Deletions</u>	<u>End of Year</u>	<u>Within</u>
					<u>One Year</u>
Subscriptions Payable	<u>\$ 104,037</u>	<u>\$ 499,643</u>	<u>\$ (139,318)</u>	<u>\$ 464,362</u>	<u>\$ 130,757</u>

The Entity has entered into a subscription based-information technology arrangement (SBITA) for an accounting and HR information system, with 75% attributable to the Electric Fund and 25% attributable to the Water Fund. Management is reasonably certain that the period covered by the SBITA arrangement will end in 2033.

As of December 31, 2024, SBITA assets and the related accumulated amortization in the Electric Fund totaled \$1,042,611 and 134,914, respectively.

As of December 31, 2024, SBITA assets and the related accumulated amortization in the Water Fund totaled \$851,191 and 85,808, respectively.



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 7 SUBSCRIPTIONS PAYABLE**

The future Electric subscription payments under SBITA agreements are as follows:

<u>Year Ending December 31,</u>	Electric Fund		Total
	Principal	Interest	
2025	\$ 127,873	\$ 15,178	\$ 143,051
2026	130,672	11,748	142,420
2027	134,194	8,226	142,420
2028	33,458	4,609	38,067
2029	34,373	3,694	38,067
2030-2035	117,856	5,392	123,248
Total	<u>\$ 578,426</u>	<u>\$ 48,847</u>	<u>\$ 627,273</u>

The future Water subscription payments under SBITA agreements are as follows:

<u>Year Ending December 31,</u>	Water Fund		Total
	Principal	Interest	
2025	\$ 130,757	\$ 12,344	\$ 143,101
2026	134,054	8,836	142,890
2027	137,654	5,234	142,888
2028	11,154	1,536	12,690
2029	11,458	1,231	12,689
2030-2035	39,285	1,796	41,081
Total	<u>\$ 464,362</u>	<u>\$ 30,977</u>	<u>\$ 495,339</u>

**NOTE 8 RISK MANAGEMENT**

The Commission is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions, workers compensation, and health care of its employees. These risks are covered through the purchase of commercial insurance, with minimal deductibles.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The Commission's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2024 is estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2024, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires a liability for claims be reported if information prior to the issuance of the financial statements indicates it is probable a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

**NOTE 9    COMMITMENTS**

The Commission has in process various multi-year construction projects which were not completed in the current fiscal year. As of December 31, 2024, outstanding commitments for these multi-year projects total approximately \$890,232.



## **REQUIRED SUPPLEMENTARY INFORMATION**



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
GENERAL EMPLOYEES FUND SCHEDULE OF THE COMMISSION'S  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
LAST TEN MEASUREMENT PERIODS**

	Measurement Date June 30,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Commission's Proportion of the Net Pension Liability	0.0677 %	0.0716 %	0.0668 %	0.0634 %	0.0678 %	0.0639 %	0.0645 %	0.0644 %	0.0621 %	0.0608 %
Commission's Proportionate Share of the Net Pension Liability	\$ 2,502,508	\$ 4,003,792	\$ 5,290,582	\$ 2,707,464	\$ 4,064,920	\$ 3,532,888	\$ 3,578,196	\$ 4,111,253	\$ 5,042,212	\$ 3,150,972
State's Proportionate Share of the Net Pension Liability Associated with the Commission	64,710	110,260	155,198	82,761	125,364	109,829	117,344	51,656	65,842	-
Total	<u>\$ 2,567,218</u>	<u>\$ 4,114,052</u>	<u>\$ 5,445,780</u>	<u>\$ 2,790,225</u>	<u>\$ 4,190,284</u>	<u>\$ 3,642,717</u>	<u>\$ 3,695,540</u>	<u>\$ 4,162,909</u>	<u>\$ 5,108,054</u>	<u>\$ 3,150,972</u>
Commission's Covered Payroll	\$ 5,863,021	\$ 5,478,816	\$ 5,009,118	\$ 4,553,229	\$ 3,516,627	\$ 3,854,427	\$ 4,145,653	\$ 4,333,280	\$ 3,854,427	\$ 3,516,627
Commission's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	42.68 %	73.08 %	105.62 %	59.46 %	115.59 %	91.86 %	86.31 %	94.68 %	130.82 %	89.60 %
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.08 %	83.10 %	76.67 %	87.00 %	79.06 %	80.23 %	79.53 %	75.90 %	68.91 %	78.19 %

The Amounts Presented for Each Fiscal Year were determined as of 6/30.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
GENERAL EMPLOYEES FUND SCHEDULE OF COMMISSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended December 31,									
	2024	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily Required Contribution	\$ 429,682	\$ 417,048	\$ 401,135	\$ 359,999	\$ 360,080	\$ 350,018	\$ 339,188	\$ 315,791	\$ 299,473	\$ 277,221
Contributions in Relation to the Statutorily Required Contribution	(429,682)	(417,048)	(401,135)	(359,999)	(360,080)	(350,018)	(339,188)	(315,791)	(299,473)	(277,221)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's Covered Payroll	\$ 5,729,093	\$ 5,560,640	\$ 5,348,467	\$ 4,799,987	\$ 4,801,067	\$ 4,666,907	\$ 4,522,507	\$ 4,210,547	\$ 3,992,973	\$ 3,696,280
Contributions as a Percentage of Covered Payroll	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%	7.50%



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS**

**General Employees Fund**

**2024 Changes**

**Changes in Actuarial Assumptions**

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

**Changes in Plan Provisions**

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions

**2023 Changes**

**Changes in Actuarial Assumptions**

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent.

**Changes in Plan Provisions**

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.
- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

**2022 Changes**

**Changes in Actuarial Assumptions**

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021

**Changes in Plan Provisions**

- There were no changes in plan provisions since the previous valuation.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**General Employees Fund (Continued)**

**2021 Changes:**

**Changes in Actuarial Assumptions:**

- The investment return and single discount rates were changed from 7.50% to 6.50%, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

**Changes in Plan Provisions:**

- There were no changes in plan provisions since the previous valuation.

**2020 Changes:**

**Changes in Actuarial Assumptions:**

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

**Changes in Plan Provisions:**

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**General Employees Fund (Continued)**

**2019 Changes:**

**Changes in Actuarial Assumptions:**

- The morality projection scale was changed from MP-2017 to MP-2018.

**Changes in Plan Provisions:**

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

**2018 Changes:**

**Changes in Actuarial Assumptions:**

- The morality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00% per year through 2044 and 2.50% per year thereafter to 1.25% per year.

**Changes in Plan Provisions:**

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**General Employees Fund (Continued)**

**2017 Changes:**

**Changes in Actuarial Assumptions:**

- The combined service annuity (CSA) loads were changed from 0.80% for active members and 60.00% for vested and nonvested deferred members. The revised CSA load are now 0.00% for active member liability, 15.00% for vested deferred member liability, and 3.00% for nonvested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00% per year for all years to 1.00% per year through 2044 and 2.50% per year thereafter.

**Changes in Plan Provisions:**

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

**2016 Changes:**

**Changes in Actuarial Assumptions:**

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2035 and 2.50% per year thereafter to 1.00% per year for all years.
- The assumed investment return was changed from 7.90% to 7.50%. The single discount rate changed from 7.90% to 7.50%.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

**Changes in Plan Provisions:**

- There have been no changes since the prior valuation.



**SHAKOPEE PUBLIC UTILITIES COMMISSION  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
YEAR ENDED DECEMBER 31, 2024**

**CHANGES IN SIGNIFICANT PLAN PROVISIONS, ACTUARIAL METHODS, AND ASSUMPTIONS  
(CONTINUED)**

**General Employees Fund (Continued)**

**2015 Changes:**

**Changes in Actuarial Assumptions:**

- The assumed postretirement benefit increase rate was changed from 1.00% per year through 2030 and 2.50% per year thereafter to 1.00% per year through 2035 and 2.50% per year thereafter.

**Changes in Plan Provisions:**

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.



**SUPPLEMENTARY INFORMATION**  
**ELECTRIC UTILITY FUND**



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION – ELECTRIC UTILITY**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 46,880,105	\$ 44,469,290
Cash and Investments - Emergency Repairs	100,000	100,000
Accrued Interest Receivable	287,410	189,728
Customer Accounts Receivable	4,698,820	5,220,797
Allowance for Uncollectible Amounts	(62,076)	(22,841)
Other Accounts Receivable	171,984	1,057,759
Due from City of Shakopee	223,261	241,009
Prepaid Supplies	2,850,835	2,391,159
Prepaid Expenses	90,730	116,397
Total Current Assets	<u>55,241,069</u>	<u>53,763,298</u>
<b>NONCURRENT ASSETS</b>		
Restricted Cash and Investments:		
Customer Deposit Accounts	1,605,832	1,754,183
Capital Assets:		
Plant in Service	106,373,032	91,149,677
Accumulated Depreciation and Amortization	(42,462,997)	(38,806,624)
Construction in Progress	1,606,278	7,370,984
Total Noncurrent Assets	<u>67,122,145</u>	<u>61,468,220</u>
Total Assets	<u>122,363,214</u>	<u>115,231,518</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Amounts	<u>447,900</u>	<u>894,233</u>
 Total Assets and Deferred Outflows Resources	 <u><u>\$ 122,811,114</u></u>	 <u><u>\$ 116,125,751</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION – ELECTRIC UTILITY (CONTINUED)**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

LIABILITIES	2024	2023
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 3,672,157	\$ 4,229,641
Due to City of Shakopee	459,479	491,484
Subscriptions Payable	127,873	30,801
Other Current Liabilities	789,782	690,429
Total Current Liabilities	<u>5,049,291</u>	<u>5,442,355</u>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS CUSTOMER DEPOSITS</b>	1,605,832	1,754,183
<b>NONCURRENT LIABILITIES</b>		
Customer Advances	1,508,299	1,089,370
Subscriptions Payable	450,553	281,311
Net Pension Liability	1,701,991	2,749,804
Total Noncurrent Liabilities	<u>3,660,843</u>	<u>4,120,485</u>
Total Liabilities	<u>10,315,966</u>	<u>11,317,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Regulatory Collections to Cover Future Costs	339,995	205,267
Pension Related Amounts	1,263,687	921,424
Total Deferred Inflows of Resources	<u>1,603,682</u>	<u>1,126,691</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	65,513,523	59,344,130
Unrestricted	45,377,943	44,337,907
Total Net Position	<u>110,891,466</u>	<u>103,682,037</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 122,811,114</u>	<u>\$ 116,125,751</u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION – ELECTRIC UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Sales	\$ 58,871,852	\$ 61,266,784
<b>OPERATING EXPENSES</b>		
Operation, Customer and Administrative	47,774,832	51,144,360
Depreciation and Amortization of Capital Assets	<u>3,881,563</u>	<u>3,495,150</u>
Total Operating Expenses	<u>51,656,395</u>	<u>54,639,510</u>
<b>OPERATING INCOME</b>	7,215,457	6,627,274
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Rentals and Miscellaneous	587,675	164,059
Interdepartmental Rent from Water	90,000	90,000
Investment Income	1,890,260	2,000,989
Interest Expense	(85,997)	(79,294)
Gain (Loss) on Disposition of Property	<u>15,956</u>	<u>80,135</u>
Total Nonoperating Revenues (Expenses)	<u>2,497,894</u>	<u>2,255,889</u>
Income Before Contributions and Transfers	9,713,351	8,883,163
Capital Contributions	936,171	1,580,437
Free Electric Service to the City of Shakopee	147,542	144,062
Contributions to City of Shakopee	<u>(3,587,635)</u>	<u>(3,716,567)</u>
<b>CHANGE IN NET POSITION</b>	7,209,429	6,891,095
Net Position - Beginning of Year	<u>103,682,037</u>	<u>96,790,942</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 110,891,466</u></u>	<u><u>\$ 103,682,037</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF CASH FLOWS – ELECTRIC UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 61,629,464	\$ 61,433,517
Payments to Employees	(4,136,524)	(3,686,580)
Payments to Suppliers	(44,821,670)	(48,278,949)
Net Cash Flows Provided by Operating Activities	12,671,270	9,467,988
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payments to City of Shakopee	(3,587,635)	(3,716,567)
Net Cash Flows Used by Noncapital Financing Activities	(3,587,635)	(3,716,567)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from the Sale of Capital Assets	47,710	80,135
Acquisition of Capital Assets	(8,323,624)	(8,138,183)
Subscription Activities	(189,484)	(154,978)
Net Cash Flows Used by Capital and Related Financing Activities	(8,465,398)	(8,213,026)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption (Purchase) of Investments	(1,902,268)	1,259,764
Interest and Dividends Received	1,792,578	1,900,280
Net Cash Provided by Investing Activities	(109,690)	3,160,044
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	508,547	698,439
Cash and Cash Equivalents - Beginning of Year	4,341,496	3,643,057
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,850,043</u>	<u>\$ 4,341,496</u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF CASH FLOWS – ELECTRIC UTILITY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	2024	2023
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS OPERATING ACTIVITIES</b>		
Operating Income	\$ 7,215,457	\$ 6,627,274
Adjustments to Reconcile Operating Income (Loss) to Cash		
Provided by Operating Activities:		
Free Electric Service to City of Shakopee	147,542	144,062
Nonoperating Revenues	591,678	174,765
Depreciation and Amortization Expense	3,881,563	3,424,705
Deferred Pension Outflows	446,333	311,210
Deferred Pension Inflows	342,263	774,787
Net Pension Liability	(1,047,813)	(912,337)
Change in Assets and Liabilities:		
Customer Accounts Receivable	561,212	(109,388)
Other Accounts Receivable	885,775	(693,599)
Due from City of Shakopee	17,748	396,570
Inventory	(459,676)	(547,056)
Prepaid Items	25,667	55,023
Accounts Payable	(557,484)	(402,597)
Customer Deposits	148,351	(118,075)
Unearned Revenue	134,728	15,545
Customer Advances	270,578	356,853
Due to City of Shakopee	(32,005)	(71,800)
Other Liabilities	99,353	42,046
Total Adjustments	5,455,813	2,840,714
Net Cash Provided by Operating Activities	<u>\$ 12,671,270</u>	<u>\$ 9,467,988</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Customer Deposits Account	\$ 1,605,832	\$ 1,754,183
Emergency Repairs Account	100,000	100,000
Cash and Investments	46,880,105	44,469,290
Total	48,585,937	46,323,473
Less: Investments	(43,735,894)	(41,981,977)
Total Cash and Cash Equivalents	<u>\$ 4,850,043</u>	<u>\$ 4,341,496</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contributions of Capital Assets from the Municipality and Developers	\$ 936,171	\$ 1,580,437
Free Electric Service to City of Shakopee	147,542	144,062



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES – ELECTRIC UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Sales of Electricity:		
Residential	\$ 21,700,887	\$ 22,150,117
Commercial	36,191,894	37,881,431
Uncollectible Accounts	(130,692)	(36,664)
Total Sales of Electricity	<u>57,762,089</u>	<u>59,994,884</u>
Forfeited Discounts	247,691	373,716
Conservation Program	862,072	898,184
Total Operating Revenues	<u>58,871,852</u>	<u>61,266,784</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Purchased Power	39,555,806	42,742,370
Distribution Operation Expenses	595,222	654,327
Distribution System Maintenance	1,253,951	1,154,943
Maintenance of General Plant	456,189	404,506
Total Operation and Maintenance	<u>41,861,168</u>	<u>44,956,146</u>
Customer Accounts:		
Meter Reading	118,770	139,742
Customer Records and Collection	519,929	648,814
Energy Conservation	862,071	898,184
Total Customer Accounts	<u>1,500,770</u>	<u>1,686,740</u>
Administrative and General:		
Administrative and General Salaries	931,622	782,567
Office Supplies and Expense	491,829	449,970
Outside Services Employed	464,496	390,485
Insurance	171,829	178,053
Employee Benefits	1,807,274	2,210,311
Miscellaneous General	545,844	490,088
Total Administrative and General	<u>4,412,894</u>	<u>4,501,474</u>
Total Operation, Customer, and Administrative Expenses	<u>47,774,832</u>	<u>51,144,360</u>
Depreciation / Amortization of Capital Assets	3,881,563	3,495,150
Total Operating Expenses	<u>51,656,395</u>	<u>54,639,510</u>
Total Operating Income	<u><u>\$ 7,215,457</u></u>	<u><u>\$ 6,627,274</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**SCHEDULE OF PLANT IN SERVICE – ELECTRIC UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**

	Balance 12/31/2023	Additions	Retirements/ Adjustments	Balance 12/31/2024
<b>CAPITAL ASSETS</b>				
Distribution:				
Land and Land Rights	\$ 2,652,475	\$ -	\$ -	\$ 2,652,475
Structures and Improvements	460,701	-	-	460,701
Station Equipment	23,037,208	5,517,194	-	28,554,402
Station Battery	1,857	-	-	1,857
Poles, Towers, and Fixtures	523,377	-	1,627	521,750
Overhead Conductors and Devices	3,707,076	39,223	3,786	3,742,513
Underground Conduit	906,281	-	-	906,281
Underground Conductors and Devices	26,438,382	2,045,361	30,486	28,453,257
Line Transformers	8,726,689	2,424,186	-	11,150,875
Services	50,643	-	-	50,643
Meters	2,060,718	3,816,326	-	5,877,044
Total Distribution	68,565,407	13,842,290	35,899	82,371,798
General:				
Computer Hardware	931,053	489,229	-	1,420,282
Land and land rights	3,551,329	-	-	3,551,329
Structures and improvements	11,832,487	12,650	-	11,845,137
Office furniture and equipment	1,222,151	52,249	-	1,274,400
Transportation equipment	2,788,410	500,966	165,790	3,123,586
Tools, shop and garage equipment	201,467	7,394	-	208,861
Laboratory equipment	37,660	-	-	37,660
Power operated equipment	1,040,779	-	-	1,040,779
Communication equipment	357,121	-	-	357,121
Miscellaneous equipment	99,468	-	-	99,468
Total General	22,061,925	1,062,488	165,790	22,958,623
Computer Software	522,345	575,521	55,255	1,042,611
 Total Plant in Service	 <u>\$ 91,149,677</u>	 <u>\$ 15,480,299</u>	 <u>\$ 256,944</u>	 <u>\$ 106,373,032</u>



**SUPPLEMENTARY INFORMATION  
WATER UTILITY FUND**



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION – WATER UTILITY**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

<b>ASSETS</b>	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash and Investments	\$ 20,492,612	\$ 14,531,784
Accrued Interest Receivable	156,346	87,257
Customer Accounts Receivable	450,033	436,156
Allowance for Uncollectible Amounts	(2,078)	(1,396)
Other Accounts Receivable	1,522,524	2,960,732
Due from City of Shakopee	84,709	74,820
Prepaid Supplies	52,715	32,559
Prepaid Expenses	26,532	23,428
Lease Receivable	135,813	127,494
<b>Total Current Assets</b>	<u>22,919,206</u>	<u>18,272,834</u>
<b>NONCURRENT ASSETS</b>		
Restricted Cash and Investments:		
Customer Deposit Accounts	77,298	93,788
Connection Account	14,552,241	18,107,049
Water Reconstruction Account	2,006,322	1,634,269
Lease Receivable	2,093,605	2,229,419
Capital Assets:		
Plant in Service	109,749,273	97,716,790
Accumulated Depreciation and Amortization	(32,206,535)	(29,574,369)
Construction in Progress	4,387,130	1,899,848
<b>Total Noncurrent Assets</b>	<u>100,659,334</u>	<u>92,106,794</u>
<b>Total Assets</b>	<u>123,578,540</u>	<u>110,379,628</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension Related Amounts	<u>210,666</u>	<u>407,795</u>
<b>Total Assets and Deferred Outflows Resources</b>	<u><u>\$ 123,789,206</u></u>	<u><u>\$ 110,787,423</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF NET POSITION – WATER UTILITY (CONTINUED)**  
**DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

<b>LIABILITIES</b>	<u>2024</u>	<u>2023</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 719,254	\$ 1,888,646
Subscriptions Payable	130,757	10,267
Other Current Liabilities	441,640	319,637
Total Current Liabilities	<u>1,291,651</u>	<u>2,218,550</u>
<b>LIABILITIES PAYABLE FROM RESTRICTED ASSETS</b>		
Customer Deposits	77,298	93,788
<b>NONCURRENT LIABILITIES</b>		
Customer Advances	179,700	415,999
Subscriptions Payable	333,605	93,770
Net Pension Liability	800,518	1,253,988
Total Noncurrent Liabilities	<u>1,313,823</u>	<u>1,763,757</u>
Total Liabilities	<u>2,682,772</u>	<u>4,076,095</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Lease Related Amounts	2,132,991	2,309,436
Pension Related Amounts	594,365	420,195
Total Deferred Inflows of Resources	<u>2,727,356</u>	<u>2,729,631</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	81,753,388	70,006,775
Restricted	16,635,861	19,835,106
Unrestricted	19,989,829	14,139,816
Total Net Position	<u>118,379,078</u>	<u>103,981,697</u>
 Total Liabilities, Deferred Inflows of Resources, and Net Position	 <u><u>\$ 123,789,206</u></u>	 <u><u>\$ 110,787,423</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES**  
**IN FUND NET POSITION – WATER UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	<u>2024</u>	<u>2023</u>
<b>OPERATING REVENUES</b>		
Sales	\$ 6,945,345	\$ 7,784,798
<b>OPERATING EXPENSES</b>		
Operation, Customer and Administrative	4,381,159	4,582,569
Depreciation and Amortization of Capital Assets	2,807,278	3,114,412
Total Operating Expenses	<u>7,188,437</u>	<u>7,696,981</u>
<b>OPERATING INCOME</b>	(243,092)	87,817
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Rentals and Miscellaneous	556,445	85,410
Investment Income	1,387,537	1,247,166
Interest from Leases	53,017	54,735
Interest Expense	(4,670)	(4,456)
Gain (Loss) on Disposition of Property	(1,749)	16,284
Total Nonoperating Revenues (Expenses)	<u>1,990,580</u>	<u>1,399,139</u>
Income Before Contributions and Transfers	1,747,488	1,486,956
Capital Contributions	13,020,147	7,572,803
Contributions to City of Shakopee	<u>(370,254)</u>	<u>(410,919)</u>
<b>CHANGE IN NET POSITION</b>	14,397,381	8,648,840
Net Position - Beginning of Year	<u>103,981,697</u>	<u>95,332,857</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 118,379,078</u></u>	<u><u>\$ 103,981,697</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF CASH FLOWS – WATER UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers and Users	\$ 8,551,540	\$ 7,063,870
Payments to Employees	2,097,672	(1,703,066)
Payments to Suppliers	(7,648,141)	(1,318,507)
Net Cash Flows Provided by Operating Activities	<u>3,001,071</u>	<u>4,042,297</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payments to City of Shakopee	(370,254)	(410,919)
Net Cash Flows Provided by Noncapital Financing Activities	<u>(370,254)</u>	<u>(410,919)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from the Sale of Capital Assets	41,829	16,284
Leasing Activities	75,455	99,441
Interest from Leases	53,017	54,735
Subscription Activities	(335,170)	(51,660)
Acquisition or Construction of Capital Assets	(6,297,249)	(6,785,603)
Installation Fees	225,815	148,750
Connection Charges	3,651,655	3,036,657
Trunk Charges	1,396,966	638,359
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	<u>(1,187,682)</u>	<u>(2,843,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Redemption (Purchase) of Investments	(2,080,060)	4,170,533
Interest and Dividends Received	1,318,448	1,191,957
Net Cash Provided (Used) by Investing Activities	<u>(761,612)</u>	<u>5,362,490</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	681,523	6,150,831
Cash and Cash Equivalents - Beginning of Year	<u>12,860,659</u>	<u>6,709,828</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 13,542,182</u></u>	<u><u>\$ 12,860,659</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**STATEMENT OF CASH FLOWS – WATER UTILITY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)

	2024	2023
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS OPERATING ACTIVITIES</b>		
Operating Income	\$ (243,092)	\$ 87,817
Adjustments to Reconcile Operating Income (Loss) to Cash Provided by Operating		
Nonoperating Revenues	427,370	(43,451)
Depreciation and Amortization Expense	2,807,278	3,009,432
Deferred Pension Outflows	197,129	128,228
Deferred Pension Inflows	174,170	354,990
Net Pension Liability	(453,470)	(374,453)
Allowance for Uncollectible Accounts	682	(23,771)
Change in Assets and Liabilities		
Customer Accounts Receivable	(13,877)	(13,925)
Other Accounts Receivable	1,438,208	(603,743)
Due from City of Shakopee	(9,889)	(9,242)
Inventory	(20,156)	4,670
Prepaid Items	(3,104)	(4,559)
Accounts Payable	(1,169,392)	1,514,508
Customer Deposits	(16,490)	(1,494)
Customer Advances	(236,299)	(26,796)
Due to City of Shakopee	-	-
Other Liabilities	122,003	44,086
Total Adjustments	3,244,163	3,954,480
Net Cash Provided by Operating Activities	<u>\$ 3,001,071</u>	<u>\$ 4,042,297</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Customer Deposits Account	\$ 77,298	\$ 93,788
Connection Account	14,552,241	18,107,049
Water Reconstruction Account	2,006,322	1,634,269
Cash and Investments	20,492,612	14,531,784
Total	37,128,473	34,366,890
Less Investments	(23,586,291)	(21,506,231)
Total Cash and Cash Equivalents	<u>\$ 13,542,182</u>	<u>\$ 12,860,659</u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Contributions of Capital Assets from the Municipality and Developers	\$ 7,740,914	\$ 3,747,383



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**DETAILED STATEMENT OF OPERATING REVENUES AND EXPENSES – WATER UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**  
(WITH SUMMARIZED FINANCIAL INFORMATION FOR YEAR ENDED DECEMBER 31, 2023)



	2024	2023
<b>OPERATING REVENUES</b>		
Sales of Water	\$ 6,930,475	\$ 7,746,571
Forfeited Discounts	22,276	29,392
Uncollectible Accounts	(7,406)	8,835
Total Operating Revenues	<u>6,945,345</u>	<u>7,784,798</u>
<b>OPERATING EXPENSES</b>		
Operation and Maintenance:		
Pumping and Distribution Operation	760,523	832,974
Pumping and Distribution Maintenance	703,189	873,183
Power for Pumping	349,815	358,161
Maintenance of General Plant	48,464	70,023
Total Operating and Maintenance	<u>1,861,991</u>	<u>2,134,341</u>
Customer Accounts:		
Meter Reading	68,850	86,087
Customer Records and Collection	154,889	190,071
Energy Conservation	4,922	12,564
Total Customer Accounts	<u>228,661</u>	<u>288,722</u>
Administrative and General:		
Administrative and General Salaries	536,788	469,083
Office Supplies and Expense	164,750	142,280
Outside Services Employed	357,288	183,325
Insurance	57,306	59,351
Employee Benefits	952,603	1,054,134
Miscellaneous General	221,772	251,333
Total Administrative and General	<u>2,290,507</u>	<u>2,159,506</u>
Total Operation, Customer, and Administrative Expenses	4,381,159	4,582,569
Depreciation / Amortization of Capital Assets	2,807,278	3,114,412
Total Operating Expenses	<u>7,188,437</u>	<u>7,696,981</u>
Total Operating Income	<u><u>\$ (243,092)</u></u>	<u><u>\$ 87,817</u></u>



**SHAKOPEE PUBLIC UTILITIES COMMISSION**  
**SCHEDULE OF PLANT IN SERVICE – WATER UTILITY**  
**YEAR ENDED DECEMBER 31, 2024**

	Balance 12/31/2023	Additions	Retirements/ Adjustments	Balance 12/31/2024
<b>CAPITAL ASSETS</b>				
Distribution:				
Land and Land Rights	\$ 2,944,778	\$ -	\$ -	\$ 2,944,778
Wells	5,170,570	32,820	15,931	5,187,459
Electric Pumping Equipment	8,866,906	25,221	-	8,892,127
Towers and Pump Houses	12,063,063	-	-	12,063,063
Distribution system	61,334,941	8,429,813	121,321	69,643,433
Meters	5,093,353	2,342,960	4,000	7,432,313
Total Distribution	95,473,611	10,830,814	141,252	106,163,173
General:				
Computer Hardware	203,329	521,842	-	725,171
Structures Improvements	351,331	-	-	351,331
Furniture-Equipment	154,518	-	-	154,518
Transportation equipment	646,426	60,995	77,438	629,983
Tools, Shop-Garage	22,396	5,000	-	27,396
Laboratory Equipment	64,427	-	-	64,427
Power operated equipment	10,268	-	-	10,268
Communication equipment	22,480	105,828	-	128,308
SCADA Equipment	612,307	31,199	-	643,506
Total General	2,087,482	724,864	77,438	2,734,908
Subscription Based Information Technology Arrangement Assets:				
Subscription Based Information Technology Arrangements	155,697	695,495	-	851,192
Total Plant in Service	\$ 97,716,790	\$ 12,251,173	\$ 218,690	\$ 109,749,273



DATE: April 30, 2025  
TO: SPU Commissioners  
FROM: Greg Drent, General Manager   
Ryan Halverson, Water Engineering Supervisor   
SUBJECT: Professional Services Agreement for Arbor Bluff Inline Booster Station Design

---

**ISSUE:**

Staff is seeking approval of a Professional Services agreement with Barr Engineering in the amount of \$481,000 for the design of an inline booster station in the Arbor Bluffs residential development.

**BACKGROUND:**

In 2025, SPU will start construction of Tank 9, a 0.5MG elevated storage tank, in the 2-HES pressure zone at Wood Duck Trail and Marshall Road (CR17). Staff and consultants are also in design to construct a transmission watermain from the Tank 9 site, running east approximately 4200-ft and connecting to the Arbor Bluffs 2<sup>nd</sup> Addition development, situated off Valley View Road and proceeding up the adjacent bluff and terminating near the east end of Wood Duck Trail. The next phase, Arbor Bluffs 3<sup>rd</sup> Addition, will most likely begin construction in 2026, and will create additional residential lots in the 2-HES pressure zone. Approximately 200 more residential lots in the 2-HES pressure zone are expected on the 80-acres to the west of Arbor Bluff. Timeline for this development is uncertain.

SPU is currently working to acquire land in the vicinity of the gravel pit for the development of a water treatment plant. The treatment plant will be able to provide treated water during average day pumping conditions to the entire city, as proposed in the 2024 SPU Comprehensive Water Plan. The plan proposes a booster station site near the pressure zone boundary in the vicinity of the Arbor Bluff development that ties together all of the improvements previously mentioned. The booster station is proposed to pump water from the 1-HES pressure zone into the 2-HES pressure zone and push water from east to west across the 2-HES Zone. It will provide redundant pressure to fill Tank 9 and the 2-HES pressure zone, using the transmission water main, allowing for routine maintenance or providing redundancy due to unexpected service disruption to the transmission line, Tank 9, or the Valley Creek Booster station. Construction of the booster station could start in spring 2026 and be put into service later that year. This timeline would support continued development in the 2-HES pressure zone.

SPU staff has discussed potential site acquisition with the Arbor Bluff developer, Lennar Homes. Representatives from Lennar were receptive to SPU purchasing a lot for a booster station. They requested mock up elevation views of the booster station to ensure that the facility fits with the residential development.





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SPU staff needs assistance from a design consultant to develop engineered plans for the inline booster station. SPU staff has worked with Barr to develop a scope of work and professional services agreement needed to deliver the design (see attached). Barr has the experience, technical skill and capacity to provide the services needed, and is a part of the SPU consultant pool.

The current Capital Improvement Plan (CIP) includes \$100,000 budgeted in 2025 for acquisition of a booster station site in the vicinity of the Arbor Bluffs development, with an additional \$5,000,000 in the TBD column for construction of the booster station. Staff recommends moving ahead with design and construction of the booster station concurrent with the residential development rather than afterwards. This will provide for a smoother and less disruptive experience for the adjacent neighborhood, and the redundancy needed for additional residential lots in the 2-HES. The proposed engineering design amount of \$481,000 is not in the current CIP, however the Connection Fund has adequate funds to cover the cost of the design. Approximately half of the design amount would be anticipated to be paid in 2025 and the remaining half in early 2026. The next CIP update would include the necessary funds for the engineering design and an updated price for construction of the booster station established during the design phase.

Staff will seek an appraisal and continue negotiations for the booster station site with Lennar Homes. Formal approval for the purchase of the booster station site and bid award of the booster station actions will be brought back to the Commission for consideration.

**ACTION REQUESTED:**

Staff recommends approving a motion, authorizing the execution of a Professional Services Agreement with Barr Engineering in the amount of \$481,000 for the design of an inline booster station at Arbor Bluff development.



April 30, 2025

Mr. Ryan Halverson  
Water Engineering Supervisor  
Shakopee Public Utilities  
255 Sarazin St.  
Shakopee, MN 55379

Sent via e-mail to <mailto:rhalverson@shakopeeutilities.com>

**Re: Fee Proposal for Arbor Bluffs Water Booster Station**

Dear Mr. Halverson,

Barr Engineering Co. (Barr) appreciates the opportunity to submit this proposal for engineering services to complete design, bidding and construction services for a new potable water booster station located in Shakopee, Minnesota. The proposed scope of services is based on meetings with the Shakopee Public Utilities (SPU) team and subsequent coordination with SPU staff.

We understand that SPU requires engineering and architectural related design, bidding and construction administration services for a water booster station located within the new Arbor Bluffs residential development area along the south line of Section 20, Township 115, Range 22, Scott County.

The Barr team includes Jay P. Nelson Architect company as a subconsultant for design of architectural elements including building ADA and exterior aesthetics. All other design services, including Civil, Process, Structural, Mechanical, Electrical, Construction Erosion Control, and Landscape Architecture design, will be completed by Barr staff.

The existing proposed site is un-platted and consists of undeveloped farmland. The booster station facility exterior design will complement adjacent residential homes, utilizing a rambler style home design concept with a single level water pumping area and an attached two-car garage. The booster station will consist of a redundant in-line water booster pump arrangement, pumping water from the distribution system 1-HES pressure zone to Water Tank No. 9 located in the 2-HES pressure zone. A standby generator will be stationed inside one bay of the attached two-bay garage with engine exhaust and the engine cooling system (radiator) directed outside of the garage. Preliminary design efforts will include facility footprint determination, building exterior aesthetics, civil site grading, and location identification of underground street utilities at the property right-of-way. The civil grading and utility location plan sheets will be reviewed and approved by SPU for delivery to the residential contractor for construction installation. The Arbor Bluffs Booster Station will utilize the preliminary design grading and utility design as existing site conditions for final design efforts. The facility structural skeleton will consist of strip frost footings, CMU foundation, CMU exterior walls with architectural furring, precast plank ceiling and a wood truss roof system. The precast plank ceiling and wood truss roof system design will be completed by the selected general contractor's sub-contractors after project bidding.



SPU responsibility:

1. Conditional Use Permit (CUP) legal documents, public hearing coordination, and application submittal (as applicable)
2. Identify equipment requiring backup power and associated loads
3. Provide the following:
  - a. Residential neighborhood plat map
  - b. Residential contractor ALTA/NSPS Land Title Survey
  - c. Street and utility final design CAD drawings including:
    - i. Final grade contours for adjacent property grade tie-in
    - ii. Overall Arbor Bluffs residential development area grading for water pressure zone evaluation
  - d. Arbor Bluffs residential contractor's Stormwater Pollution Prevention Plan (SWPPP)
4. Provide 3<sup>rd</sup> party easement documentation influencing the site
5. Water utility coordination including: planning, design and installation in accordance with current SPU policy
6. Electrical utility coordination including: planning, design and installation in accordance with current SPU policy
7. Provide desired firm pumping capacity of the booster station and the high, low and average-pressure delivery requirements.

Barr Assumptions:

1. Stormwater management for the booster station site will be designed by others.
2. A stormwater management design will not be required in Barr's scope of work
3. The garage FFE will be located at grade and the booster station FFE will be elevated with front entry stoop and an ADA ramp from garage FFE to booster station area FFE
4. Preliminary design grading and surface features will be implemented by the residential developer and will be utilized as existing plan sheet backgrounds for the booster station project design
5. Final grading and civil planning will be included in Barr's scope
6. Structural design of precast plank ceiling and wood truss roof system will be completed by the suppliers and submitted as construction shop drawings
7. Barr survey will consist of the following:
  - a. Topographical survey during the preliminary design task
  - b. Construction control establishment and building corner staking during the construction task
8. The generator will be located on flat surface inside the attached garage and is anticipated to be diesel fueled.
9. No property fence or gate will be required at the site
10. Site lighting will be included in the residential contractor's scope of work
11. Building accent lighting will be included in the booster station scope of work
12. Utilities will be designed by others and installed to the right-of-way by the residential contractor
13. An ALTA/NSPS Land Title Survey was completed by the residential contractor and will be delivered to Barr for inclusion in the plan set



## Proposed Scope of Work

Barr proposes to provide engineering and architectural services for the Arbor Bluffs Booster Station facility design and specifications, public bidding, permitting, construction administration and observation, and project closeout. These services will be completed in accordance with the following Scope of Work.

### **Task 1: Preliminary Design**

- a. In-person project kickoff and scoping meeting with SPU staff (1 meeting)
- b. Existing site topographic survey (no RLS related requirements)
- c. In-person preliminary design staff meeting (1 meeting)
- d. Determine type of in-line booster pump to be installed
- e. Determine number of pumps and range of flow and pressure delivery
- f. Preliminary hydraulic analysis including surge analysis and to inform valve operation and pump start up and shut down procedures
- g. Prepare brief basis of design memorandum
- h. Develop facility footprint, location, orientation and piping layout
- i. Prepare preliminary site utility and grading plan for SPU authorization and delivery to residential contractor for implementation
  - i. Preliminary plan will become existing utility and grading conditions for project
- j. Architectural renderings
- k. Review and select generator fuel type
- l. Prepare preliminary design memo for SPU coordination with City of Shakopee

**Deliverables:** Meeting minutes  
Basis of design memorandum  
Facility footprint and architectural renderings  
Preliminary grading and utility plan for residential contractor implementation  
Draft and Final Preliminary Design Memo

**Meetings:** 2-meetings

### **Task 2: Design**

- a. Prepare 60% Construction Plans and submit to SPU for review
- b. Prepare 90% Construction Plans and Specifications and submit to SPU for review
- c. Prepare issued for bid Construction Plans and Specifications and submit to SPU for record
- d. Attend SPU and/or City coordination meetings
  - i. SPU Staff design meetings (2 Meetings)
  - ii. City coordination meeting (1 Meeting)
- e. Submit final plans and specifications to Minnesota Department of Health (MDH) for Plan Review and respond to MDH review comments

**Deliverables:** 60% Draft Plans  
90% Draft Plans and Specifications  
Final Project Plans and Specifications

**Meetings:** 3-meetings



**Task 3: Bidding Services**

- a. Advertise Project
  - i. Submit Advertisement for Bid to official newspaper for publication
  - ii. Upload bidding documents on QuestCDN for public bidding
- b. Prepare Addendums, Exhibits and Plan Revisions (Fee is based on two addendums)
- c. Conduct Bid opening meeting (1 Meeting)
- d. Provide recommendation for Bid Award and assist with Contract Execution

**Deliverables:** Advertisement for Bid  
Official newspaper affidavit  
Issued for Bid Project Manual

**Meetings:** 1 meeting for bid opening

**Task 4: Building and Grading Permits**

- a. Submit plans, specifications and exhibits for city permit review
- b. Respond to city plan review comments and resubmit if necessary

**Deliverables:** Submit plans, specifications and exhibits for City permit review

**Meetings:** N/A

**Task 5: Construction Administration and Observation:**

- a. Conduct pre-construction meeting (1 meeting)
- b. Survey: control point establishment and building corner staking
- c. Shop drawing review
- d. Review and recommend pay requests
- e. Respond to contractor Request for Information (RFI's)
- f. Prepare change orders, field orders and work orders (Fee based on 4 construction orders)
- g. Conduct construction progress meetings as needed and prepare minutes (12 meetings)
- h. Prepare punch lists
- i. Prepare record drawings and conduct project close out

**Deliverables:** Approved Shop Drawings  
RFI Responses  
Meeting Minutes  
Construction orders (e.g. change order, field order and work order)  
Record Drawings

**Meetings:** 1 pre-construction meeting  
12 construction progress meetings

**Task 6: Reimbursables:**

- a. Mileage for survey travel, periodic construction observation site visits and meetings
- b. Survey equipment reimbursables



## Project Delivery Plan

Barr proposes to use the following project management tools to collaborate with SPU staff during the project's implementation.

### Project Communications

Barr emphasizes outstanding client service. At the outset of this project, we will work with you to create a client service plan (CSP) that will detail the project-specific expectations, goals, and communication preferences of the SPU team. The CSP will serve as a guide throughout the project for communicating work status. It will also include contact information for project team members, billing and communication criteria, and additional details that will help our project team respond quickly and appropriately to your needs throughout the project.

### Personnel Availability

Barr closely tracks staff workloads on a routine basis. We first review projections for all key team members to assess their availability and then verify this by personally contacting all members of the team. With more than 1,000 staff members firmwide, we have the depth of bench to provide appropriate staffing for your project.

### Quality Assurance and Quality Control (QA/QC)

Barr is committed to performing high-quality work and delivering high-quality products. Our service delivery plan for this project includes a dedicated QA/QC reviewer. We employ several QA/QC approaches and apply them on a project-specific basis. Among the strategies are:

- Creation of a project-specific QA/QC plan at project kickoff
- High-level, early review of concepts by senior staff
- Review of project deliverables by technical staff with experience on similar project work

## Project Team

Our proposed team for the standby generator project will include:

- **Brian LeMon, PE** principal in charge
- **Mike Burdorf, PE** project manager/civil engineer of record
- **Jay Nelson, AIA** architect/architect of record
- **Neil Oftelie PE**, electrical engineer/electrical engineer of record
- **Zach Nesler**, electrical engineer
- **Nathan Thomas**, civil engineer
- **Karl Stauty, PE** mechanical engineer/mechanical engineer of record
- **Seth Strelow, PE** structural engineer/structural engineer of record
- **Marcy Bean, PLA** landscape architect/landscape architect of record



## Schedule and Fee Estimate

Barr's proposed schedule and fee estimate to complete the tasks described above is provided in the following Table 1:

**Table 1 Project Schedule and Fee Estimate**

<b>Task</b>	<b>Estimated Completion Date</b>	<b>Estimated Fee</b>
<b>Task 1: Preliminary Design</b>	July 2025	\$65,000
<b>Task 2: Design</b>	November 2025	\$269,000
<b>Task 3: Bidding Service</b>	December 2025	\$9,500
<b>Task 4: Building and Grading Permits</b>	January 2026	\$5,500
<b>Task 5: Construction Administration and Observation</b>	May 2027	\$129,000
<b>Task 6: Reimbursables (Permits to be direct charge to SPU)</b>	-	\$3,000
<b>Total</b>		<b>\$481,000</b>

Thank you for the opportunity to provide this proposal. If this proposal is acceptable to Shakopee Public Utilities, please return the Work Order No. 4 with your signature. If you have questions about our team's scope or budget, please contact either Mike Burdorf ([mburdorf@barr.com](mailto:mburdorf@barr.com), 507-380-6521) or Brian LeMon ([blemon@barr.com](mailto:blemon@barr.com), 612-669-6797).

Sincerely,



Mike Burdorf  
Sr. Water/Wastewater Engineer, Project Manager



Brian LeMon, PE  
Vice President, Principal in Charge

CC: Brad Carlson  
Joe Adams

Enclosure: Work Order No. 4





**Work Order No. 4**

**Applicable to Agreement Dated June 17, 2022**

**between**

**Barr Engineering Co. (Barr)**  
**4300 MarketPointe Dr., Suite 200**  
**Minneapolis, MN 55435**

**Shakopee Public Utilities**  
**255 Sarazin Street**  
**Shakopee, MN 55379**

**Designated Representatives:**

PM: Mike Burdorf

PIC: Brian LeMon

**I. Scope Language**

In accordance with attached proposal document:

*Fee Proposal for Arbor Bluffs Water Booster Station dated April 30, 2025*

**II. Estimated Compensation and Assumptions ("Service Assumptions") Upon Which Fee is Based**

**\$481,000.00**

**III. Schedule and Assumptions Upon Which Schedule is Based**

In accordance with attached proposal document:

*Fee Proposal for Arbor Bluffs Water Booster Station dated April 30, 2025*

**ACCEPTED AND AGREED TO:**

**BARR ENGINEERING CO. / BARR ENGINEERING  
AND ENVIRONMENTAL SCIENCE CANADA LTD.**

**Shakopee Public Utilities**

By: B. LeMon  
Brian LeMon

By: \_\_\_\_\_

Title: Vice President

Title: \_\_\_\_\_

Date: May 5, 2025

Date: \_\_\_\_\_



**SHAKOPEE PUBLIC UTILITIES  
MEMORANDUM**

TO: Greg Drent, General Manager *GD*  
FROM: Joseph D. Adams, Planning & Engineering Director *J Adams*  
SUBJECT: Temporary Construction Easement and Grading Request at Tank #8 Site  
DATE: April 30, 2025

**ISSUE**

Summergeate, who is the residential developer of the property immediately north and adjacent to the Tank #8 and PH #23 site is requesting the Utilities Commission grant a temporary construction easement for the purpose of blending the necessary grading on their site with the SPU site.

**BACKGROUND**

SPU purchased the site for water facilities. Presently Tank #8 a 750,000 gallon elevated water storage tank serving the 2nd High Elevation Service (2HES) District and Water Supply Well #23 and Pumphouse #23 are located on the west side of the SPU parcel.

Future planned facilities include Well #24 on the east side of the parcel plus a potential water treatment plant for the 2HES District in the middle.

Other water supply wells could also be connected to the treatment plant, including one on the adjacent parcel known as outlot B acquired from DR Horton in their Windemere South addition. Outlot B was acquired via a land rights exchange allowing DR Horton to expand SPU's pond into a regional pond for their development via a drainage and utility easement granted to the city of Shakopee.

**DISCUSSION**

The emergency overflow outlet for the regional pond exits to the NE via a channel and across SPU's present gravel driveway from Zumbro Avenue. Summergeate is required by the city to re-





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grade their parcel and the channel so that the overflow water will not impact the planned lots in their Bluffview addition. The easement requested would allow Summergate to enter the SPU property and construct the necessary grades. Once the grading is completed per city requirements access via the Zumbro Avenue driveway will be restored. In the interim access can be via outlot B parcel's driveway off Ardmore Street.

#### REQUESTED ACTION

Staff requests the Commission approve the requested temporary easement until the date the city of Shakopee accepts the finished grade and restoration or December 31, 2025, whichever comes earlier.



## **TEMPORARY CONSTRUCTION AND GRADING EASEMENT AGREEMENT**

**THIS TEMPORARY CONSTRUCTION AND GRADING EASEMENT AGREEMENT**, made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2025, by and between **SHAKOPEE PUBLIC UTILITIES COMMISSION**, (a municipal utility commission under the laws of the State of Minnesota) (“Grantor”).and **SUMMERGATE DEVELOPMENT, LLC**, a Minnesota limited liability company (hereinafter "Grantee").

### **WITNESSETH**

**WHEREAS**, Grantor is the owner of fee title in and to that certain real property legally described as follows:

Lot 1, Block 1, LaTour Terrace, Scott County, Minnesota.

**(“Grantor’s Property”)**

**WHEREAS**, Grantee is now the fee owner of that certain real property land located in Scott County, Minnesota and adjacent to Grantor’s Property, and legally described as follows:

That part of the North Half of the Northwest Quarter, that part of the Southwest Quarter of the Northwest Quarter, that part of the Southeast Quarter of the Northwest Quarter and that part of the Northeast Quarter of the Southwest Quarter all in Section 14, Township 115 North, Range 23 West, Scott County, Minnesota, lying Southeasterly of the following described line: Commencing at the North Quarter corner of said Section 14; thence South 00 degrees 18 minutes 42 seconds East, assumed bearing along the East line of said North Half of the Northwest Quarter; a distance of 991.16 feet to the point of beginning of the line to be described; thence South 27 degrees 42 minutes 44 seconds West, a distance of 403.01 feet to the North line of said Southeast Quarter of the Northwest Quarter; thence South 88 degrees 00 minutes 32 seconds West, along said North line a distance of 538.78 feet; thence South 48 degrees 56 minutes 59 seconds West, a distance of 409.28 feet; thence South 00 degrees 45 minutes 22 seconds West, a distance of 320.82 feet; thence South 67 degrees 26 minutes 45 seconds West, a distance of 657.15 feet; thence South 60 degrees 11 minutes 35 seconds West, a distance of 255.97 feet; thence South 89 degrees 42 minutes 07 seconds West, a distance of 243.61 feet; thence South 12 degrees 35 minutes 35 seconds West, a distance of 211.40 feet to the Northwest corner of the East 216.0 feet of the West 698.0 feet of the South 202.0 feet of said Southwest Quarter of the Northwest Quarter; thence South 00 degrees 17 minutes 53 seconds East, along the West line of



said East 216.0 feet of the West 698.0 feet of the South 202.0 feet of the Southwest Quarter of the Northwest Quarter; a distance of 202.06 feet to the South line of said Southwest Quarter of the Northwest Quarter and said line there terminating.

**EXCEPTING THEREFROM**

The East 216.0 feet of the West 698.0 feet of the South 202.0 feet of the Southwest Quarter of the Northwest Quarter.

**AND**

Commencing at the Southeast corner of the Northeast Quarter of the Southwest Quarter (NE1/4 of SW1/4) of said Section 14, thence running West thirty-five (35) feet, thence Northeasterly to a point thirty-five (35) feet North of the Southeast corner of said Northeast Quarter of the Southwest Quarter (NE1/4 of SW1/4), thence South thirty-five (35) feet to the place of beginning, all in Section Fourteen (14), Township One Hundred Fifteen (115), Range Twenty-three (23), now platted as part of Outlot B, Windermere South 4<sup>th</sup> Addition, according to the recorded plat thereof, Scott County, Minnesota

("Grantee's Property"); and

**WHEREAS**, Grantee requires certain temporary easements in connection with Grantee's efforts to develop Grantee's Property into a residential subdivision known, or to be known, as BLUFF VIEW, Scott County, Minnesota ("the **Plat**"); and

**WHEREAS**, Grantee's engineers and surveyors, in connection with their efforts to produce a plan for the grading and development of the Plat have prepared a detailed approved grading plan which contemplates the temporary occupancy of portions of Grantor's Property for purposes of temporary construction and permanent grading; and

**WHEREAS**, as of the date of this instrument, Grantor and Grantee are mutually desirous of (i) allowing and permitting the construction and establishment of permanent grades and contours upon Grantor's Property consistent with Grantee's Plat grading plan and (ii) providing for a temporary right of access to Grantee and Grantee's respective agents, contractors and grading and construction work forces for purposes of the conducting the grading upon Grantor's Property; and

**WHEREAS**, Grantor will benefit from the construction and proposed grading improvements, slopes, building pads, and contours proposed to be installed and constructed on Grantor's Property, and is therefore willing to permit Grantee a right of temporary entry upon Grantor's Property for the purposes of conducting such grading and installation activity as is above referenced, but only subject to the covenants and agreements more fully set forth below.

**NOW, THEREFORE**, in consideration of the foregoing, and for One Dollar (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee agree as follows:

**1. Grant of Easement.** Grantor herewith grants to Grantee a temporary construction and permanent grading easement ("**Easement**") over and upon those portions of Grantor's Property (the "**Easement Area**") legally described as follows:

That part of Lot 1, Block 1, LA TOUR TERRACE, according to the recorded plat thereof, Scott County, Minnesota, described as follows: Commencing at the southeast corner of said Lot 1; thence North 00 degrees 18 minute 20 seconds West, assumed bearing along the east line of said



Lot 1, a distance of 199.31 feet to the point of beginning; thence continuing North 00 degrees 18 minutes 20 seconds West, along said east line a distance of 27.70 feet to the north line of said Lot 1; thence South 88 degrees 03 minutes 54 seconds West, along said north line a distance of 38.08 feet; thence South 88 degrees 38 minutes 29 seconds West, along said north line of Lot 1, a distance of 328.47 feet; thence South 01 degrees 03 minutes 39 seconds East, a distance of 77.95 feet; thence South 81 degrees 27 minutes 02 seconds East, a distance of 101.02 feet; thence South 19 degrees 51 minutes 36 seconds East, a distance of 52.91 feet; thence South 74 degrees 45 minutes 19 seconds East, a distance of 30.24 feet; thence North 72 degrees 59 minutes 56 seconds East, a distance of 82.58 feet; thence North 44 degrees 03 minutes 55 seconds East, a distance of 106.25 feet; thence North 64 degrees 11 minutes 16 seconds East, a distance of 72.45 feet to the point of beginning.

The Easement Area is graphically depicted in **Exhibit A**, attached hereto. **Exhibit A** is for illustrative purposes, only, and the legal description of the Easement Area set forth above shall govern and control.

**2. Purpose.** The purpose of the Easement is to allow Grantee, and Grantee's contractors, agents, employees and consultants, to temporarily enter upon Grantor's Property within the Easement Area to alter grades and conduct construction related activity thereupon, and to maintain the grades and contours thus established, all for the purposes described herein above, as generally shown in the Grading Plan depicted in **Exhibit B**, attached hereto.

**3. Term.** The term of the temporary construction easement granted hereunder shall commence with the full execution by Grantor of this instrument, and shall terminate on the earlier of, (i) the completion by Grantee of all grading and subdivision construction consistent with Grantee's plans for BLUFF VIEW, and the final acceptance of such improvements by the City of Shakopee, or (ii) December 31, 2025, whichever first occurs.

**4. Damage.** Grantor and Grantee will each be responsible for any damage caused in any way by, or which arises out of, their respective use of the Easement Area.

**5. Indemnity.** Grantee, in consideration of the grant of easement herein contained, herewith unconditionally and irrevocably agrees to indemnify Grantor, and hold Grantor harmless from and against, all manner of claims, actions, and causes of action arising from, or related to, Grantee's exercise of its easement rights contained herein, or arising or in any way related to construction activity conducted upon the Easement Area by Grantee's agents, contractors, or other labor forces.

**6. Expenses.** All expenses incurred in connection with the exercise by Grantee of any right granted by this instrument including, but not limited to, all expenses incurred in altering grades upon the Easement Area shall be borne solely by Grantee.

**7. Stabilization.** At the conclusion of the work contemplated to be undertaken by Grantee, Grantee shall seed and stabilize the Easement Area in the manner directed by the City of Shakopee, or consistent with the provisions of the Development Agreement for the Plat.

**8. Miscellaneous.** This Agreement, in all respects, shall be construed pursuant to the laws of the State of Minnesota. Any suit, action, or other proceeding arising out of this Agreement shall be brought in the District Court in the County of Scott, State of Minnesota. In the event of any action brought to enforce the rights or obligations arising hereunder, or to recover damages, the prevailing party in any such action shall further be entitled to a recovery of costs, disbursements, expert witness fees and attorney fees incurred in any such action. There are no unintended third party beneficiaries to this instrument.



**IN WITNESS WHEREOF**, Grantee and Grantor have executed this instrument as of the date and year first above written.

**GRANTOR:**

**SHAKOPEE PUBLIC UTILITIES COMMISSION**,  
a municipal utility commission under the laws of the State  
of Minnesota

By: \_\_\_\_\_

Its: \_\_\_\_\_

**STATE OF MINNESOTA**       )  
  )**ss.**  
**COUNTY OF SCOTT**       )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025 by  
\_\_\_\_\_, the \_\_\_\_\_ of Shakopee Public Utilities Commission.

\_\_\_\_\_  
Notary Public

**GRANTEE:**

**SUMMERGATE DEVELOPMENT, LLC**,  
a Minnesota limited liability company

By: \_\_\_\_\_

Casey Wollschlager  
Its: Chief Operating Officer

**STATE OF MINNESOTA**       )  
  )**ss.**  
**COUNTY OF DAKOTA**       )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2025,  
by Casey Wollschlager, the Chief Operating Officer of Summergate Development, LLC.

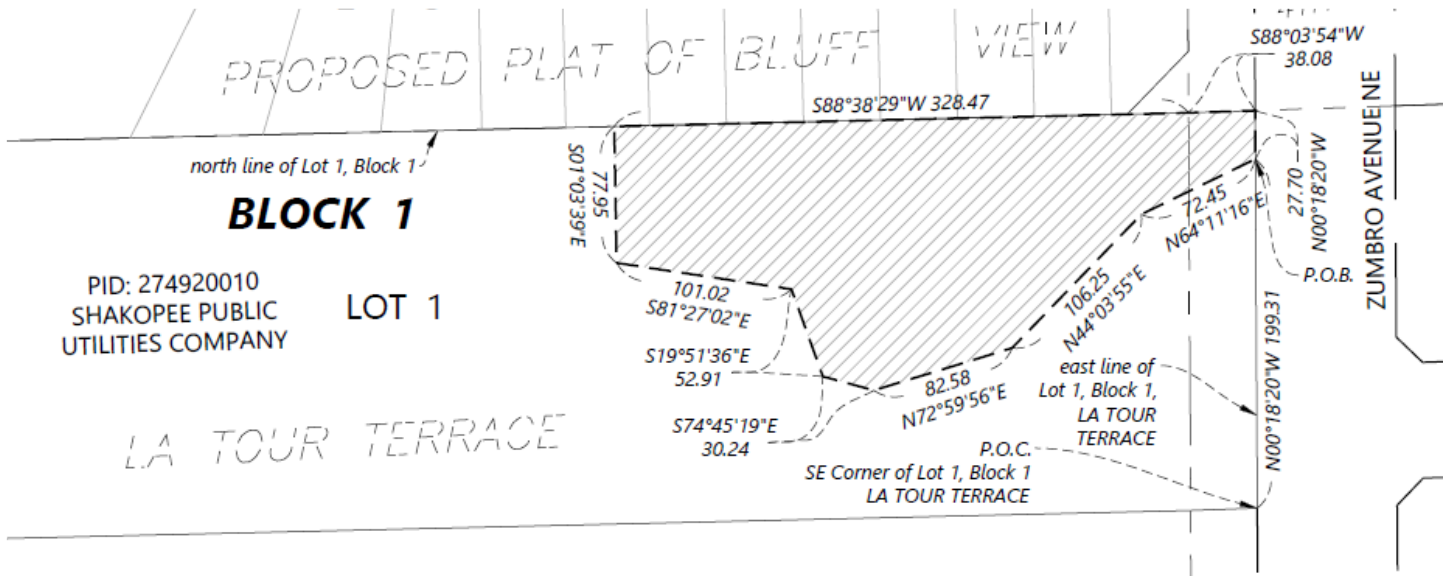
\_\_\_\_\_  
Notary Public

This instrument drafted by, and  
After recording, return to:

S. Todd Rapp, P.A.  
13316 Caffrey Avenue  
Rosemount, Minnesota 55068



**EXHIBIT A TO**  
**TEMPORARY CONSTRUCTION AND GRADING EASEMENT AGREEMENT**  
Graphic Depiction of Easement Area



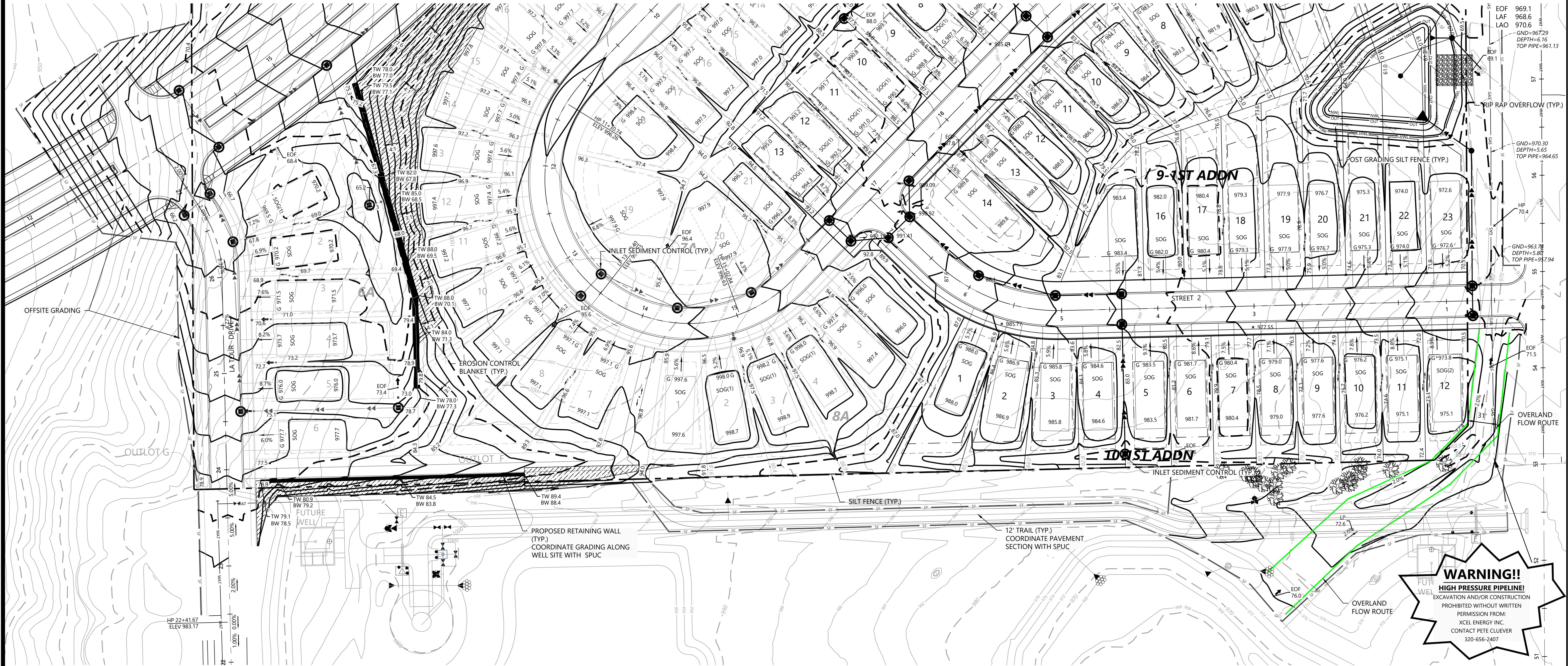


**EXHIBIT B**  
**GRADING PLAN BLUFF VIEW**

See Exhibit B (next sheet)



EXHIBIT B



GRADING LEGEND

EXISTING	PROPOSED
SB-19	SB-19
980	980
982	982
900.00	900.00
HP/LP	HP/LP
900.00	900.00

PROPERTY LINE  
SOIL BORING LOCATION  
INDEX CONTOUR  
INTERVAL CONTOUR  
SPOT ELEVATION  
HIGH/LOW POINT

EXISTING	PROPOSED
STD	STD
STD	STD
STD	STD
STD	STD
STD	STD
STD	STD

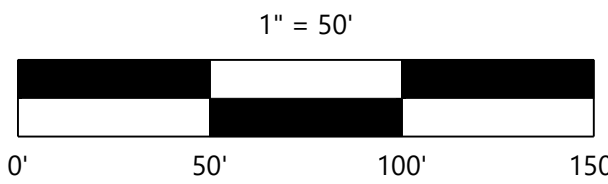
STORM SEWER  
INLET PROTECTION  
TREE LINE  
RETAINING WALL (MODULAR BLOCK)  
POND NORMAL WATER LEVEL  
SILT FENCE-POST GRADING

PROPOSED
CL-CL 900.00
0.00%
TW=XXX.XX BW=XXX.XX
E.O.F.
X.XX%

CL-CL ELEVATION  
FLOW DIRECTION  
TOP AND BOTTOM OF RETAINING WALL  
EMERGENCY OVERFLOW  
PROPOSED STREET PROFILE GRADE

PROPOSED
STD
STD
STD
SF
HD-SF
RSC

ROCK CONSTRUCTION ENTRANCE  
EROSION CONTROL BLANKET  
TURF REINFORCEMENT MAT  
SILT FENCE  
HEAVY DUTY SILT FENCE  
REDUNDANT SEDIMENT CONTROL



FINAL

Call 48 Hours before digging:  
811 or call811.com  
Common Ground Alliance

DESIGNED: CUJ  
CHECKED: RMB  
DRAWN: EJK  
HORIZONTAL SCALE: 50'  
VERTICAL SCALE:

INITIAL ISSUE: 03/18/25  
REVISIONS:

PREPARED FOR:

SUMMERGATE COMPANIES LLC

17305 CEDAR AVENUE, SUITE 200  
LAKEVILLE, MINNESOTA, 55044

I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME  
OR UNDER MY DIRECT SUPERVISION AND THAT I AM A  
DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS  
OF THE STATE OF MINNESOTA

RYAN M. BLUHM  
DATE: 03/18/25 LICENSE NO. 41257

BLUFF VIEW- FINAL GRADING

SHAKOPEE, MINNESOTA

Westwood

Phone (952) 937-5150 12701 Whitewater Drive, Suite #300  
Fax (952) 937-5822 Minneapolis, MN 55434  
Toll Free (888) 937-5150 westwoodps.com  
Westwood Professional Services, Inc.

FINAL GRADING  
DRAINAGE & EROSION  
CONTROL PLAN

PROJECT NUMBER: 0057465.00

SHEET NUMBER:

3

OF

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DATE: 03/18/25