

**AGENDA**  
**PUBLIC UTILITIES COMMISSION**  
**October 2, 2019**  
**3:00 P.M.**

- A. Call to Order
  
- B. Roll Call
  
- C. Approve Consent Agenda
  - 1. Approve Agenda
  - 2. Approve Meeting Minutes
  - 3. Payments Report
  
- D. 2020 Budget
  - Draft Electric Budget
  
- E. Commissioner Reports
  
- F. Adjourn

***Public Utilities Commission***  
***Minutes***  
***September 11, 2019***

Meeting was called to order by Tim Kennedy at 3:02 p.m.

Members present: Ann Possis and Tim Kennedy  
Absent: George Wilkes  
Staff Present: Haden Hinchman and Jeff Eliassen  
Others Present:

**Motion by Kennedy, seconded by Possis to approve the Agenda; August 7, 2019 Minutes; and Payment of Bills. Approved unanimously.**

Haden Hinchman presented two purchase orders that detail the final inventory needed to build out the rest of the electric side of the AMI project.

**Motion by Kennedy, seconded by Possis to approve the spending of \$153,206.02 to Eaton for AMI meters. Approved unanimously.**

Jeff Eliassen presented upcoming projects associated with Highway 61 utility relocation.

Commissioner Reports:

Tim – Nothing to report.  
Ann – Nothing to report.

There being no further business, the meeting adjourned at 3:24 p.m.



**CITY OF GRAND MARAIS**

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**Payments**

**City of Grand Marais**

**Current Period: September 2019**

Batch Name	09-13-19 APP	User Dollar Amt	\$171,504.10	
	Payments	Computer Dollar Amt	\$171,504.10	
				\$0.00 <b>In Balance</b>
Refer	<u>78223 MN DEPT OF REVENUE-EFTPS</u>	Ck#	<u>004701E 9/10/2019</u>	
Cash Payment	G 601-20800 Taxes Due (State MN)			\$1,760.00
Invoice	1-982-666-784 8/31/2019			
Cash Payment	G 604-20800 Taxes Due (State MN)			\$14,083.00
Invoice	1-982-666-784 8/31/2019			
Transaction Date	9/10/2019	MAIN CHECKING G 10100		<b>Total \$15,843.00</b>
Refer	<u>78224 WEX BANK</u>	Ck#	<u>004702E 9/9/2019</u>	
Cash Payment	E 604-49570-212 Motor Fuels			\$28.83
Invoice Multi	9/6/2019			
Cash Payment	E 602-49490-212 Motor Fuels			\$8.23
Invoice Multi	9/6/2019			
Cash Payment	E 601-49440-212 Motor Fuels			\$8.24
Invoice Multi	9/6/2019			
Transaction Date	9/10/2019	MAIN CHECKING G 10100		<b>Total \$45.30</b>

**Fund Summary**

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$60,963.47
211 LIBRARY		\$49.00
601 WATER		\$1,768.24
602 SEWER		\$8.23
604 ELECTRIC		\$14,111.83
609 MUNICIPAL LIQUOR FUND		\$94,603.33
		<u>\$171,504.10</u>

Pre-Written Checks	\$15,888.30
Checks to be Generated by the Computer	\$0.00
Total	<u>\$15,888.30</u>



# CITY OF GRAND MARAIS

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## Payments

City of Grand Marais

Current Period: September 2019

Batch Name	9-26-19 AP	User Dollar Amt	\$327,324.28
	Payments	Computer Dollar Amt	\$327,324.28

\$0.00 In Balance

Refer	<u>78246 WEX BANK</u>	Ck# 004704E 9/18/2019		
Cash Payment	E 604-49570-212 Motor Fuels			\$40.55
Invoice	61357288	9/15/2019		
Cash Payment	E 601-49440-212 Motor Fuels			\$11.59
Invoice	61357288	9/15/2019		
Cash Payment	E 602-49490-212 Motor Fuels			\$11.59
Invoice	61357288	9/15/2019		
Cash Payment	E 604-49570-212 Motor Fuels			\$180.95
Invoice	61350443	9/15/2019		
Cash Payment	E 601-49440-212 Motor Fuels			\$60.07
Invoice	61340643	9/15/2019		
Cash Payment	E 602-49490-212 Motor Fuels			\$60.07
Invoice	61340643	9/15/2019		
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b> \$364.82
Refer	<u>78247 US BANK</u>	-		
Cash Payment	E 601-47027-611 Bond Interest			\$747.92
Invoice	LOAN PAY 142	9/19/2019		
Cash Payment	E 601-47027-620 Fiscal Agent s Fees			\$195.97
Invoice	LOAN PAY 142	9/19/2019		
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b> \$943.89
Refer	<u>78248 SUMMIT COMPANIES</u>	-		
Cash Payment	E 604-49551-210 Operating Supplies (GEN			\$90.00
Invoice	1423042	8/30/2019		
Cash Payment	E 604-49551-210 Operating Supplies (GEN			\$125.00
Invoice	1423038	8/30/2019		
Cash Payment	E 601-49440-317 Contracted Services			\$165.00
Invoice	1423064	8/30/2019		
Cash Payment	E 602-49490-317 Contracted Services			\$150.00
Invoice	1423054	8/30/2019		
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b> \$530.00
Refer	<u>78249 BUCK S HARDWARE HANK</u>	-		
Cash Payment	E 604-49570-221 Equipment Parts/Building			\$24.40
Invoice	2088	8/31/2019		
Cash Payment	E 602-49480-210 Operating Supplies (GEN			\$18.52
Invoice	1160	8/31/2019		
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b> \$42.92
Refer	<u>78263 COOK COUNTY HOME CENTER</u>	-		
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE			\$1,879.43
Invoice	2088	8/31/2019		
Cash Payment	E 601-49420-210 Operating Supplies (GEN			\$17.98
Invoice	1160	8/31/2019		
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b> \$1,897.41
Refer	<u>78265 ROTH, MIKE</u>	-		



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## Payments

City of Grand Marais

Current Period: September 2019

<b>Cash Payment</b>	E 604-49590-330 Transportation/School	LITCHFIELD			\$364.83
Invoice SMMPA MEETIN 9/19/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$364.83</b>
Refer	78267	TEAM LABORATORY CHEMICAL C	-		
<b>Cash Payment</b>	E 602-49480-210 Operating Supplies (GEN				\$2,297.50
Invoice INV0017908 9/12/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$2,297.50</b>
Refer	78268	W.W. GOETSCH ASSOCIATES, INC	-		
<b>Cash Payment</b>	E 602-49451-580 Capital Outlay (Equipme				\$8,374.15
Invoice 102723 9/10/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$8,374.15</b>
Refer	78271	LOCATORS & SUPPLIES, INC	-		
<b>Cash Payment</b>	E 604-49570-210 Operating Supplies (GEN				\$234.33
Invoice 0279331-IN 9/13/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$234.33</b>
Refer	78273	EHLERS	-		
<b>Cash Payment</b>	E 604-47032-620 Fiscal Agent s Fees				\$3,450.00
Invoice 81268 9/9/2019					
<b>Cash Payment</b>	E 604-47032-620 Fiscal Agent s Fees				\$475.00
Invoice 51754 9/12/2019					
<b>Cash Payment</b>	E 604-47030-611 Bond Interest				\$8,918.75
Invoice 51634 9/12/2019					
<b>Cash Payment</b>	E 604-47032-611 Bond Interest				\$10,500.00
Invoice 51635 9/12/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$23,343.75</b>
Refer	78277	CENTURYLINK	-		
<b>Cash Payment</b>	E 601-49440-321 Telephone				\$69.36
Invoice 218 D24-1002 9/1/2019					
<b>Cash Payment</b>	E 601-49440-321 Telephone				\$69.36
Invoice 218 D24-1001 9/1/2019					
<b>Cash Payment</b>	E 601-49440-321 Telephone				\$57.23
Invoice 218 387-1788 9/1/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$195.95</b>
Refer	78278	HAWKINS, INC.	-		
<b>Cash Payment</b>	E 601-49420-218 Operating Supplies- Che				\$1,097.18
Invoice 4574102 9/3/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$1,097.18</b>
Refer	78279	STUART C IRBY CO	-		
<b>Cash Payment</b>	E 604-49570-210 Operating Supplies (GEN				\$94.83
Invoice S011539561.001 9/5/2019					
<b>Cash Payment</b>	E 604-49570-210 Operating Supplies (GEN				\$36,591.41
Invoice S011531385.001 9/5/2019					
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$36,686.24</b>
Refer	78280	WESTERN LAKE SUPERIOR SANIT	-		
<b>Cash Payment</b>	E 602-49480-317 Contracted Services				\$9,089.09
Invoice 7810 9/4/2019					



**CITY OF GRAND MARAIS**

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**Payments**

**City of Grand Marais**

**Current Period: September 2019**

Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$9,089.09</b>
Refer	78281 <i>FLAHERTY &amp; HOOD, P.A.</i>	-			
Cash Payment	E 604-49590-304 Attorney(Civil)				\$315.00
Invoice	13511 9/3/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$315.00</b>
Refer	78286 <i>SMMPA</i>	<u>Ck# 004705E 9/25/2019</u>			
Cash Payment	E 604-49560-388 Purchase Power				\$129,316.54
Invoice	AUG-19 9/1/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$129,316.54</b>
Refer	78293 <i>FERGUSON WATERWORKS#2516</i>	-			
Cash Payment	E 601-49430-220 Repair/Maint Supply (GE				\$414.07
Invoice	0341545 8/15/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$414.07</b>
Refer	78294 <i>METERING &amp; TECHNOLOGY SOLU</i>	-			
Cash Payment	E 601-49430-220 Repair/Maint Supply (GE				\$2,162.94
Invoice	15155 9/5/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$2,162.94</b>
Refer	78295 <i>MN DEPT OF COMMERCE</i>	-			
Cash Payment	E 604-49590-390 Conservation Improve				\$498.99
Invoice	1000042308 9/3/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$498.99</b>
Refer	78298 <i>JAVA MOOSE</i>	-			
Cash Payment	E 604-49590-200 Office Supplies (GENER				\$55.00
Invoice	968 9/11/2019				
Transaction Date	9/19/2019	MAIN CHECKING G	10100	<b>Total</b>	<b>\$55.00</b>

**Fund Summary**

	10100 MAIN CHECKING GMSB
101 GENERAL FUND	\$98,496.69
211 LIBRARY	\$424.71
215 LIBRARY RESTRICTED FUND	\$5,487.12
601 WATER	\$5,068.67
602 SEWER	\$20,000.92
604 ELECTRIC	\$193,155.01
609 MUNICIPAL LIQUOR FUND	\$4,691.16
	<u>\$327,324.28</u>

Pre-Written Checks	\$129,681.36
Checks to be Generated by the Computer	\$88,543.24
<b>Total</b>	<u>\$218,224.60</u>

# City of Grand Marais

## MEMO

TO: Chair Hansen  
Public Utilities Commissioners

FROM: Michael J. Roth, City Administrator

DATE: September 27, 2018

SUBJECT: 2020 Electric Fund Budget and Rates

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Here is the draft Electric Fund budget for 2020. SMMPA is considering making no change to wholesale rates for 2020. They will adopt rates at their October meeting. Rate adjustments since 2012 include 2% in 2014-2015, 3% in 2016, 2% in 2017, no change in 2018, and a 4% reduction in 2019. I am recommending no rate increase for 2020.

### Expenses

Category	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Personnel	\$298,726	\$238,315	\$266,290	\$287,921	\$297,699
Supplies	\$101,325	\$35,356	\$57,442	\$65,600	\$47,200
Services	\$187,413	\$191,870	\$284,719	\$205,200	\$206,800
Purch. Power	\$1,687,559	\$1,760,140	\$1,797,746	\$1,725,000	\$1,850,000
Miscellaneous	\$33,615	\$25,890	\$16,546	\$38,762	\$15,362
Depreciation	\$213,469	\$213,167	\$236,719	\$212,582	\$236,719
Debt Service	\$81,142	\$74,365	\$104,058	\$42,906	\$75,856
Staffing Reserve				\$65,000	\$65,000
Capital Reserve			\$237,875	\$200,000	\$150,000
<b>Total</b>	<b>\$2,603,249</b>	<b>\$2,539,275</b>	<b>\$3,001,395</b>	<b>\$2,842,971</b>	<b>\$2,944,636</b>

### Staffing

The personnel budget proposed for 2020 includes support for 2 Lineworkers, 32% of the City Administrator, Finance Director, City Secretary, and Communication Coordinator. The staffing reserve in the budget is a placeholder to ensure we can add an additional lineworker such as an apprentice if the need becomes apparent.

### Other Factors

[See attached table] Power sales peaked in 2014 at 23.97 GWH. 2015 sales (22.7GWH) finished slightly lower than 2013 (22.9 GWH). 2016 sales were 22.3 GWH, with 2017 ending up slightly higher at 22.6 GWH and 2018 a GWH higher at 23.6. 2019 is almost even with 2018 through August.

The refinance of the power plant bond in 2012 and the refinance of our other two bonds in 2013 continue to provide a significant decrease in debt service, which includes only the interest portion of the debt payment. New to 2020 is the addition of 38% of the public works facility debt service.

The City Council has discussed increasing the administrative support percentage from the Electric Fund and the franchise fee, which is currently \$40,000 plus 1.5% of gross revenues. This ends up being about 2.5 % of gross revenues, with bond rating agencies reporting that 5% is a median amount.

### Revenues

Category	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Utility Bills and Fees	\$2,571,643	\$2,619,213	\$2,718,204	\$2,620,000	\$2,700,000
Miscellaneous	\$40,272	\$33,910	\$28,900	\$33,380	\$30,000
SMMPA Payments	\$267,540	\$239,120	\$275,305	\$216,000	\$216,000
Rate Increase					
<b>Total</b>	<b>\$2,879,455</b>	<b>\$2,892,243</b>	<b>\$3,022,409</b>	<b>\$2,869,380</b>	<b>\$2,946,000</b>

### Capital Budget

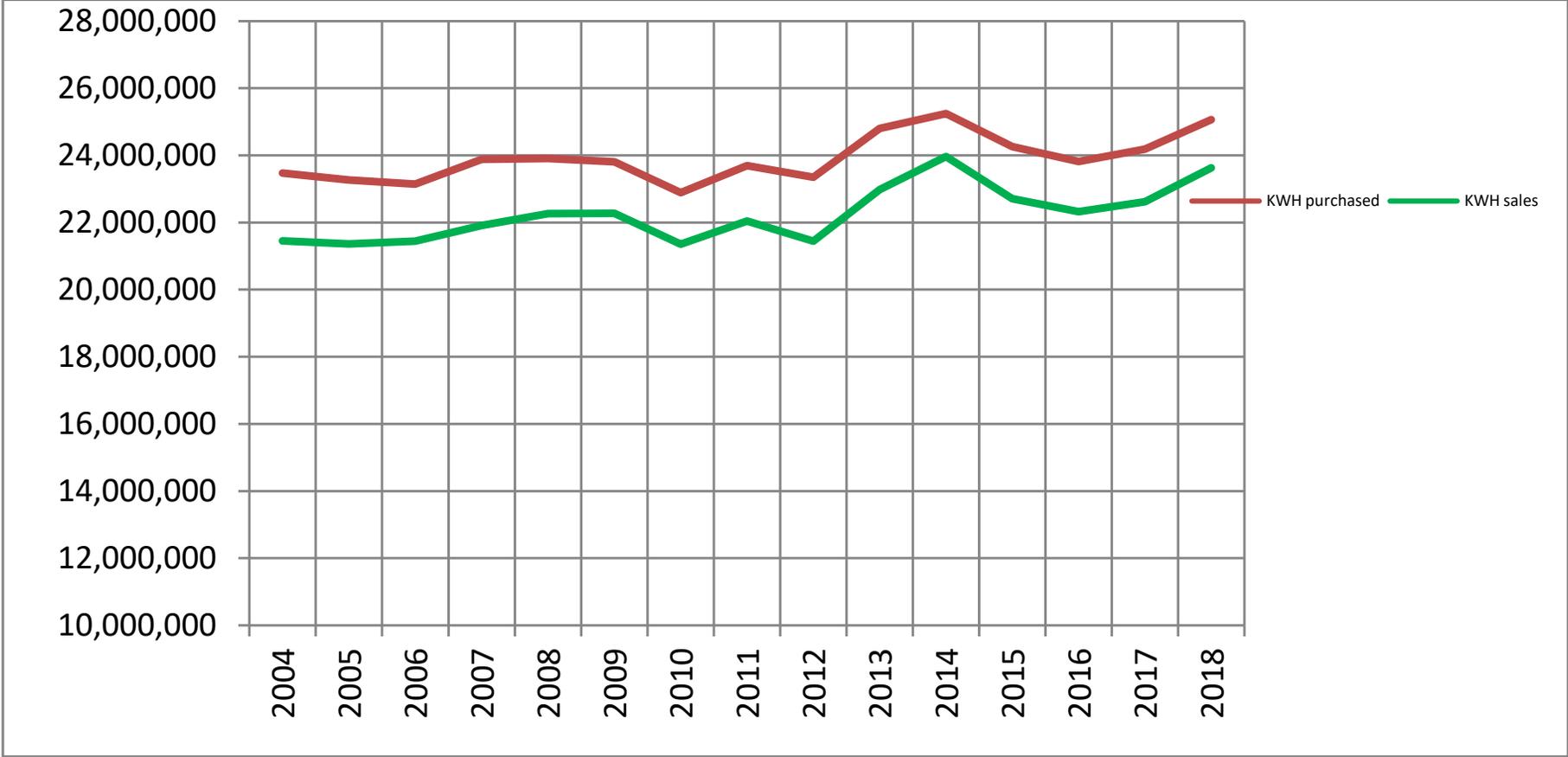
The following expense line items in the budget are used to make debt payments and to build reserves.

Depreciation	\$236,719
Debt Service	\$75,856
Capital Reserve	\$150,000
<b>Total:</b>	<b>\$462,575</b>

### Current Debt Commitments

2012A Power Plant Refund Bond	\$199,563
2013A Reconstruction Refund Bond	\$129,800
2017A GO CIP Bond (PW Facility)	\$112,418
<b>Total:</b>	<b>\$441,781</b>

We have \$20,632 in excess capital funds for new debt payments and adding to reserves. Planned capital improvements using reserves include Highway 61 construction activities and system upgrades. There are no current plans for additional debt supported projects. Two of our existing debt payments expire in 2023.



**ESR Activity**  
**Nancy Kelly – September 19, 2019**

**All Cities**

- I am reviewing signage in offices, will be delivering bulbs for next year, working on Be Bright and Holiday light campaigns, Visiting stores for Energy Star Appliance and Appliance Recycling Options.
- All sites now have sponsorship signs for events, will be bringing these to offices for local storage

**Grand Marais**

Next visit scheduled for Sept. 16<sup>th</sup> – 18<sup>th</sup>. Next visit scheduled for Nov 18<sup>th</sup> – 20<sup>th</sup>

Currently talking to:

- Grand Marais Business Coalition - On Sept 18<sup>th</sup> at 9 am Nancy will present an overview of programs.
- Low Income Residential – met with Shane Steele to discuss work with CERTS and Clean Action Plan. Shared CEE research document on cold climate heat pumps and concerns with contractor familiarity. Provided link to Enerlyte home energy calculator to get feedback on potential uses with residential customers.
- Homestead Cooperative – replaced off-peak units that were not working versus using baseboard electric, off peak rate and AMI control will be in place soon
- Grand Marais Art Colony – met with Director to discuss new space. Looking to install electric heat with off peak capability, replacing sections of roof, new windows, new lighting
- Marathon Gas Station – evaluated rooftop unit for rebate. Unit did not meet efficiency requirements. Also reviewed Energy Star washer and dryer which met requirements.
- Fire Hall – conducted walkthrough of building to look at T12 light fixtures and ideas for retrofitting to TLED
- 1-Roof Housing – met with Housing Development Coordinator to discuss residential rebates on recently completed homes and complete initial inspection of homes
- Questline – added 5 new contacts for Questline emails.

**Electric Utility Goal**

As of this report Grand Marais is at 225% of goal.