

AGENDA
PUBLIC UTILITIES COMMISSION
November 6, 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 Water Budget
 - Draft Sewer Budget

- E. Commissioner Reports
 - Wilkes Climate Discussion Memo

- F. Adjourn

Public Utilities Commission
Minutes
October 2, 2019

Meeting was called to order by Chair George Wilkes at 3:01 p.m.

Members present: Ann Possis George Wilkes, and Tim Kennedy

Absent:

Staff Present: Mike Roth and Haden Hinchman

Others Present:

Motion by Kennedy, seconded by Possis to approve the Agenda; September 11, 2019 Minutes; and Payment of Bills. Approved unanimously.

Mike Roth presented the preliminary electric budget for 2020. The Commission discussed load growth projections, changes to city franchise fees, upcoming SMMPA budget meeting, and the increase of capital capacity after the payoff of the power plant in 2023.

Commissioner Reports:

Tim – Nothing to report.

Ann – Nothing to report.

George – Nothing to report.

There being no further business, the meeting adjourned at 4:02 p.m.



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Payments

City of Grand Marais

Current Period: October 2019

Batch Name	10/10/19 AP	User Dollar Amt	\$2,467,408.50
Payments		Computer Dollar Amt	\$2,467,408.50
			\$0.00 In Balance

Refer 78313 MN DEPT OF TRANSPORTATION -

Cash Payment E 601-49431-530 Capital Outlay Improvem Agr 1033338 \$554,128.30
 Invoice 00000566364 9/19/2019

Cash Payment E 602-49431-530 Capital Outlay Improvem Agr 1033338 \$875,671.18
 Invoice 00000566364 9/19/2019

Cash Payment E 604-49570-522 Capital Outlay (Construct Agr 1033338 \$581,842.98
 Invoice 00000566364 9/19/2019

Transaction Date 9/26/2019 MAIN CHECKING G 10100 **Total** \$2,011,642.46

Refer 78325 PUBLIC UTILITIES COMMISSION1 Ck# 004713E 10/2/2019

Cash Payment E 602-49451-380 Utility Services (GENER \$1,326.30
 Invoice OCT BILLING 10/1/2019

Cash Payment E 602-49480-380 Utility Services (GENER \$4,566.90
 Invoice OCT BILLING 10/1/2019

Cash Payment E 601-49420-380 Utility Services (GENER \$1,887.16
 Invoice OCT BILLING 10/1/2019

Cash Payment E 604-49551-380 Utility Services (GENER \$34.40
 Invoice OCT BILLING 10/1/2019

Transaction Date 10/1/2019 MAIN CHECKING G 10100 **Total** \$7,814.76

Refer 78326 ARROWHEAD COOPERATIVE Ck# 004714E 10/20/2019

Cash Payment E 604-49590-321 Telephone \$188.20
 Invoice 2244 10/1/2019

Cash Payment E 602-49490-321 Telephone \$131.18
 Invoice 2121 10/1/2019

Transaction Date 10/2/2019 MAIN CHECKING G 10100 **Total** \$319.38

Refer 78327 STUART C IRBY CO -

Cash Payment E 604-49570-210 Operating Supplies (GEN \$292.61
 Invoice S011579168.002 10/1/2019

Cash Payment E 604-49570-210 Operating Supplies (GEN \$8,522.83
 Invoice S011579168.001 10/1/2019

Cash Payment E 604-49570-210 Operating Supplies (GEN \$557.69
 Invoice S011531385.003 9/18/2019

Cash Payment E 604-49570-210 Operating Supplies (GEN \$4,844.36
 Invoice S011552333.001 9/20/2019

Transaction Date 10/2/2019 MAIN CHECKING G 10100 **Total** \$14,217.49

Refer 78328 UTILITY CONSULTANTS, INC -

Cash Payment E 602-49480-300 Professional Svcs (GENE \$403.97
 Invoice 102798 9/26/2019

Transaction Date 10/2/2019 MAIN CHECKING G 10100 **Total** \$403.97

Refer 78329 BANYON DATA SYSTEMS, INC -

Cash Payment E 604-49590-310 Service Agreements \$395.00
 Invoice 00159353 10/1/2019

Transaction Date 10/2/2019 MAIN CHECKING G 10100 **Total** \$395.00

Refer 78330 LOCATORS & SUPPLIES, INC -



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Payments

City of Grand Marais

Current Period: October 2019

Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$201.62
Invoice	0279767-IN	10/1/2019			
Transaction Date	10/2/2019	MAIN CHECKING G	10100	Total	\$201.62
Refer	78331	MN RURAL WATER ASSOCIATION	-		
Cash Payment	E 602-49490-436 Membership Dues				\$275.00
Invoice	ANNUAL MEMBE	9/18/2019			
Transaction Date	10/2/2019	MAIN CHECKING G	10100	Total	\$275.00
Refer	78347	GRAND MARAIS AUTO PARTS, INC	-		
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE				\$100.71
Invoice	2088	9/23/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$100.71
Refer	78348	PDO REPAIR	-		
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE				\$200.00
Invoice	130	9/24/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$200.00
Refer	78351	GOPHER STATE ONE CALL	-		
Cash Payment	E 601-49440-317 Contracted Services				\$27.00
Invoice	9090985	9/30/2019			
Cash Payment	E 602-49490-317 Contracted Services				\$27.00
Invoice	9090985	9/30/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$54.00
Refer	78352	G&G SEPTIC	-		
Cash Payment	E 602-49480-317 Contracted Services				\$6,370.00
Invoice	19138	10/2/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$6,370.00
Refer	78353	SAWTOOTH MOUNTAIN CLINIC, IN	-		
Cash Payment	E 604-49570-308 Safety Assistance Progra				\$103.00
Invoice	293878	9/20/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$103.00
Refer	78355	T & R SERVICE	-		
Cash Payment	E 604-49570-222 Transformers				\$585.00
Invoice	80488	9/19/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$585.00
Refer	78356	PSN	<u>Ck# 004715E 10/3/2019</u>		
Cash Payment	E 601-49440-432 Credit Card Charges				\$122.82
Invoice	203575	10/2/2019			
Cash Payment	E 602-49490-432 Credit Card Charges				\$122.82
Invoice	203575	10/2/2019			
Cash Payment	E 604-49590-432 Credit Card Charges				\$436.70
Invoice	203575	10/2/2019			
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$682.34
Refer	78357	NEON LINK	-		
Cash Payment	E 604-49590-310 Service Agreements				\$416.20
Invoice	1706	8/30/2019			
Cash Payment	E 601-49440-310 Service Agreements				\$117.06
Invoice	1706	8/30/2019			



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Current Period: October 2019

Cash Payment	E 602-49490-310 Service Agreements				\$117.06
Invoice 1706	8/30/2019				
Cash Payment	E 604-49590-310 Service Agreements				\$465.32
Invoice 1704	7/29/2019				
Cash Payment	E 601-49440-310 Service Agreements				\$130.87
Invoice 1704	7/29/2019				
Cash Payment	E 602-49490-310 Service Agreements				\$130.87
Invoice 1704	7/29/2019				
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$1,377.38
Refer	78358 <i>ULINE</i>				
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$78.27
Invoice 112240318	9/11/2019				
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$78.27
Refer	78362 <i>TOSHIBA BUSINESS SOLUTIONS</i>				
Cash Payment	E 601-49440-200 Office Supplies (GENER				\$4.95
Invoice 5071954	9/24/2019				
Cash Payment	E 602-49490-200 Office Supplies (GENER				\$4.95
Invoice 5071954	9/24/2019				
Cash Payment	E 604-49590-200 Office Supplies (GENER				\$17.60
Invoice 5071954	9/24/2019				
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$27.50
Refer	78363 <i>EGGER TURO PUMPS</i>				
Cash Payment	E 602-49480-404 Repairs/Maint Machinery				\$1,198.00
Invoice SO-011830	9/30/2019				
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$1,198.00
Refer	78365 <i>GEORGE BOUGALIS AND SONS, C</i>				
Cash Payment	E 602-49451-530 Capital Outlay Improvem				\$33,879.07
Invoice 2920	5/22/2019				
Transaction Date	10/3/2019	MAIN CHECKING G	10100	Total	\$33,879.07

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$336,092.19
211 LIBRARY		\$2,081.51
215 LIBRARY RESTRICTED FUND		\$397.18
601 WATER		\$556,418.16
602 SEWER		\$924,224.30
604 ELECTRIC		\$599,282.49
609 MUNICIPAL LIQUOR FUND		\$48,912.67
		<hr/>
		\$2,467,408.50

Pre-Written Checks	\$8,816.48
Checks to be Generated by the Computer	\$2,071,108.47
Total	<hr/> \$2,079,924.95



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Payments

City of Grand Marais

Current Period: October 2019

Batch Name	10/31/19 AP	User Dollar Amt	\$241,585.26
Payments		Computer Dollar Amt	\$241,585.26

\$0.00 In Balance

Refer	78418	WEX BANK	Ck# 004738E	10/24/2019		
Cash Payment	E 604-49570-212	Motor Fuels				\$19.01
Invoice	61865635			10/15/2019		
Cash Payment	E 601-49440-212	Motor Fuels				\$5.43
Invoice	61865635			10/15/2019		
Cash Payment	E 602-49490-212	Motor Fuels				\$5.43
Invoice	61865635			10/15/2019		
Cash Payment	E 601-49440-212	Motor Fuels				\$135.75
Invoice	61865634			10/15/2019		
Cash Payment	E 602-49490-212	Motor Fuels				\$135.75
Invoice	61865634			10/15/2019		
Cash Payment	E 604-49570-212	Motor Fuels				\$311.91
Invoice	61867677			10/15/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$613.28
Refer	78419	VISA	Ck# 004739E	10/23/2019		
Cash Payment	E 604-49590-200	Office Supplies (GENER				\$38.80
Invoice	3814			10/2/2019		
Cash Payment	E 601-49440-200	Office Supplies (GENER				\$10.92
Invoice	3814			10/2/2019		
Cash Payment	E 602-49490-200	Office Supplies (GENER				\$10.92
Invoice	3814			10/2/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$60.64
Refer	78422	MPCA-FISCAL SVC	-			
Cash Payment	E 602-49490-330	Transportation/School	WATEWATER TREATMENT BASIC			\$390.00
Invoice	TRAINING			10/1/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$390.00
Refer	78424	US BANK	-			
Cash Payment	E 601-47027-601	Debt Srv Bond Principal				\$10,000.00
Invoice	LOAN #143			10/18/2019		
Cash Payment	E 601-47027-611	Bond Interest				\$747.92
Invoice	LOAN #143			10/18/2019		
Cash Payment	E 601-47027-620	Fiscal Agent s Fees				\$191.81
Invoice	LOAN #143			10/18/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$10,939.73
Refer	78430	LOCATORS & SUPPLIES, INC	-			
Cash Payment	E 604-49570-210	Operating Supplies (GEN				\$102.89
Invoice	0280137-IN			10/15/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$102.89
Refer	78431	GREAT RIVER ENERGY	-			
Cash Payment	E 604-49570-317	Contracted Services				\$208.00
Invoice	U1909G375			10/16/2019		
Transaction Date	10/24/2019	MAIN CHECKING G	10100		Total	\$208.00
Refer	78437	BUCK S HARDWARE HANK	-			



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Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$149.31
Invoice 2088	9/30/2019				
Cash Payment	E 602-49480-210 Operating Supplies (GEN				\$17.11
Invoice 1160	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$166.42
Refer	78439 HAWKINS, INC.	-			
Cash Payment	E 601-49420-218 Operating Supplies- Che				\$236.03
Invoice 4592671	10/3/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$236.03
Refer	78444 MARINE GENERAL	-			
Cash Payment	E 604-49570-241 Safety Equipment				\$379.97
Invoice 1298	10/9/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$379.97
Refer	78445 MMUA	-			
Cash Payment	E 604-49570-308 Safety Assistance Progra				\$450.00
Invoice 54171	10/9/2019				
Cash Payment	E 604-49570-308 Safety Assistance Progra				\$62.00
Invoice 53967	9/30/2019				
Cash Payment	E 602-49490-430 Miscellaneous (GENERA				\$93.00
Invoice 53967	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$605.00
Refer	78446 NORDIC ELECTRIC	-			
Cash Payment	E 602-49480-317 Contracted Services				\$95.00
Invoice 16475	10/7/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$95.00
Refer	78447 STEVE S SPORTS AND AUTO	-			
Cash Payment	E 601-49430-240 Small Tools and Minor E				\$406.46
Invoice 1160	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$406.46
Refer	78448 NORTHERN TOOL & EQUIPMENT	-			
Cash Payment	E 601-49430-404 Repairs/Maint Machinery				\$44.00
Invoice 0841128372	10/4/2019				
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$77.00
Invoice 0841128372	10/4/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$121.00
Refer	78449 ZIEGLER INC.	-			
Cash Payment	E 601-49430-404 Repairs/Maint Machinery				\$15.90
Invoice 3313800	10/4/2019				
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$27.84
Invoice 3313800	10/4/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$43.74
Refer	78450 COOK COUNTY HOME CENTER	-			
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$1,231.98
Invoice 2088	9/30/2019				
Cash Payment	E 601-49430-240 Small Tools and Minor E				\$509.97
Invoice 1160	9/30/2019				



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Current Period: October 2019

Cash Payment	E 601-49430-210 Operating Supplies (GEN				\$109.13
Invoice 1160	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$1,851.08
Refer	78451 STUART C IRBY CO	-			
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$4,240.35
Invoice S011579797.001	10/2/2019				
Cash Payment	E 604-49570-210 Operating Supplies (GEN				\$1,402.23
Invoice S011540334.001	10/2/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$5,642.58
Refer	78452 NORTH SHORE WASTE	-			
Cash Payment	E 602-49480-384 Refuse/Garbage Dispos				\$92.43
Invoice 69234	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$92.43
Refer	78453 MY BROTHERS PLACE AUTO REP	-			
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE				\$1,541.22
Invoice 5688	10/4/2019				
Cash Payment	E 602-49490-404 Repairs/Maint Machinery				\$130.25
Invoice 5610	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$1,671.47
Refer	78457 WESTERN LAKE SUPERIOR SANIT	-			
Cash Payment	E 602-49480-317 Contracted Services				\$4,361.45
Invoice 7810	10/2/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$4,361.45
Refer	78458 EDWIN E. THORESON, INC.	-			
Cash Payment	E 601-49430-317 Contracted Services				\$268.13
Invoice 27139	9/30/2019				
Cash Payment	E 601-49430-317 Contracted Services				\$380.00
Invoice 27124	9/30/2019				
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE				\$160.00
Invoice 27124	9/30/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$808.13
Refer	78459 SMMPA	-			
					<u>Ck# 004741E 10/25/2019</u>
Cash Payment	E 604-49560-388 Purchase Power				\$121,144.62
Invoice SEP 19	10/1/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$121,144.62
Refer	78460 FLAHERTY & HOOD, P.A.	-			
Cash Payment	E 604-49590-304 Attorney(Civil)				\$455.00
Invoice 13644	10/2/2019				
Transaction Date	10/24/2019	MAIN CHECKING G	10100	Total	\$455.00
Refer	78461 CENTURYLINK	-			
Cash Payment	E 601-49440-321 Telephone				\$57.29
Invoice 218 387-1788	10/1/2019				
Cash Payment	E 601-49440-321 Telephone				\$69.36
Invoice 218 D24-1002	10/1/2019				
Cash Payment	E 601-49440-321 Telephone				\$69.36
Invoice 218 D24-1001	10/1/2019				



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Payments

City of Grand Marais

Current Period: October 2019

Transaction Date	10/24/2019	MAIN CHECKING G 10100	Total	\$196.01
Refer	78462 1 ROOF COMMUNITY HOUSING	-		
Cash Payment	E 604-49590-390 Conservation Improve			\$325.00
Invoice Rebate	10/9/2019			
Transaction Date	10/24/2019	MAIN CHECKING G 10100	Total	\$325.00
Refer	78479 ROTH, MIKE	-		
Cash Payment	E 604-49590-330 Transportation/School	BLOOMINGTON AND ROCHESTER		\$967.39
Invoice SMMPA	10/24/2019			
Transaction Date	10/24/2019	MAIN CHECKING G 10100	Total	\$967.39

Fund Summary

	10100 MAIN CHECKING GMSB
101 GENERAL FUND	\$76,574.04
211 LIBRARY	\$6,299.06
215 LIBRARY RESTRICTED FUND	\$493.38
601 WATER	\$13,257.46
602 SEWER	\$5,331.34
604 ELECTRIC	\$133,294.52
609 MUNICIPAL LIQUOR FUND	\$6,335.46
	<u>\$241,585.26</u>

Pre-Written Checks	\$121,818.54
Checks to be Generated by the Computer	\$30,064.78
Total	<u>\$151,883.32</u>

City of Grand Marais

MEMO

TO: Chair Wilkes
Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: October 31, 2019
SUBJECT: 2020 Water Fund Budget and Rates

Here is the draft Water Fund budget for 2020. I am recommending no rate increase for 2020. Our current revenues allow the water fund to cover system repairs and improvements, and position the fund to contribute to City priority projects: AMI meter replacement, Highway 61 reconstruction, the 1st Street area reconstruction, and the 5th Avenue reconstruction. Our expense budget consists of the following components.

Category	WATER FUND				
	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Personnel	\$98,142	\$87,772	\$96,225	\$95,685	\$97,073
Supplies	\$16,597	\$22,787	\$23,721	\$31,000	\$37,750
Services	\$48,345	\$45,239	\$55,527	\$55,515	\$62,500
Miscellaneous	\$5,968	\$5,269	\$10,798	\$6,688	\$9,688
Depreciation	\$160,711	\$161,117	\$160,729	\$161,117	\$166,817
Debt Service	\$35,322	\$33,546	\$51,922	\$45,687	\$36,723
Capital Reserve				\$50,000	\$35,000
Total	\$365,085	\$355,730	\$398,922	\$445,692	\$445,551

Revenue is provided by the following sources.

Category	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Utility Bills	\$385,251	\$391,963	\$401,649	\$400,000	\$400,000
Fees	\$9,052	\$27,573	\$11,485	\$6,200	\$6,500
SA & Debt Levy	\$35,483	\$34,859	\$34,189	\$34,858	\$34,382
Miscellaneous	\$5,173	\$13,448	\$7,880	\$7,000	\$6,000
Rate Increase					
Total	\$415,287	\$434,959	\$455,203	\$448,058	\$446,882

We made a small increase of 2% to the rates from 2014-2018 and no change for 2019.

Capital Budget

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

Depreciation	\$166,817
Debt Service	\$36,723
Capital Reserve	\$35,000
Total:	\$238,540

Current Debt Commitments

2004 PFA Loan	\$55,287
2007 MMUA Loan	\$40,520
2008 Improvements	\$45,315
2017A CIP (PW Facility)	\$35,501
Total:	\$176,623

The remaining \$61,917 is available for future capital projects. These funds are also available for meter improvements, the 1st St reconstruction project, 5th Avenue reconstruction, and potential treatment plant improvements, including energy efficiency projects we have discussed.

An existing water debt, a 2004 loan from the Public Facilities Authority that paid for water reconstruction downtown is currently being funded through special assessment and debt levy of approximately \$55,000 per year. The City Council has discussed transferring some or all of this obligation back to water rates as a property tax relief mechanism.

City of Grand Marais

MEMO

TO: Chair Wilkes
Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: October 31, 2019
SUBJECT: 2020 Sewer Fund Budget and Rates

Here is the draft Sewer Fund budget for 2020. I recommend an increase of 2% in sewer rates for 2020. The increase continues to position the sewer fund to contribute to multiple City priority projects: the public works facility, AMI meter upgrades, the 1st Street area reconstruction, 5th Avenue reconstruction, and Highway 61. One additional significant capital item, mercury reduction in the treatment plant, is not sufficiently understood to set a good budget number. We should expect more information on this by the end of the year. We continue to fully fund depreciation allowing our reserves to pay for minor plant improvements and system repairs. Recent rates include no increases in 2011-13, a 2% increase in 2014-2015, 4% in 2016, 3% in 2017, 5% in 2018, and 3% in 2019. Our expense budget consists of the following components.

Budget Overview

Category	SEWER FUND				
	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Personnel	\$194,521	\$195,054	\$196,092	\$202,503	\$210,821
Supplies	\$32,306	\$44,978	\$36,199	\$34,250	\$31,750
Services	\$246,486	\$280,279	\$573,340	\$239,800	\$238,300
Miscellaneous	\$15,511	\$8,742	\$22,467	\$16,100	\$19,800
Depreciation	\$140,415	\$141,694	\$146,776	\$141,694	\$141,934
Debt Service	\$35,772	\$36,369	\$73,531	\$36,369	\$29,518
Capital Reserve					\$19,000
Total	\$665,011	\$707,116	\$1,048,405	\$670,716	\$681,123

The major ongoing component of the services category is sludge processing. 2017 actual services included work on mercury regulations. 2018 services included approximately \$200,000 to repair a broken force main along Highway 61.

Revenue is provided by the following sources.

Category	2016 Actual	2017 Actual	2018 Actual	2019 Budget	2020 Budget
Utility Bills	\$520,374	\$536,714	\$572,409	\$565,000	\$585,000
Fees	\$4,807	\$27,083	\$10,400	\$4,000	\$7,500
GW/Leach/Sludge	\$82,101	\$84,224	\$76,070	\$80,000	\$82,000
Miscellaneous	\$7,555	\$9,976	\$13,800	\$5,000	\$4,968
Rate Increase				\$16,950	\$11,700
Total	\$614,837	\$657,997	\$672,679	\$670,950	\$691,168

The 2019 revenues are running even with actual 2018 through October. The rate increase insulates us from the potential in falling sales.

Capital Budget

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

Depreciation	\$141,934
Debt Service	\$29,518
Capital Reserve	\$19,000
Total:	\$190,452

Current Debt Commitments

2013A Refunding	\$90,210
2017 CIP (PW Facility)	\$35,501
Total:	\$125,711

The remaining \$64,741 is available to pay for future capital projects. Future capital projects include potential improvements to the sewer treatment facility, AMI meter upgrades, the 1st Street area reconstruction, 5th Avenue reconstruction, and Highway 61 sewer replacement.

Memo

10/30/19

I would like to suggest that the PUC articulate more clearly that the climate change crisis is a significant and impending threat to the health, safety and economic prosperity of our community. And, that one of our highest priorities is to decarbonize our power supply and reduce our community's carbon emissions. If we can agree on that, then I would further suggest that we ask staff to help us move more aggressively to implement the City's Climate Action Plan and undertake any other steps to reduce carbon emissions.

More specifically, I hope we can consider the following steps:

- 1) Lack of administrative staff has been identified as a primary limiting factor in implementing elements of the Climate Action Plan. I suggest that we encourage the City Administrator to hire additional staff as soon as possible to help us move forward on climate change solutions.
- 2) Establish a decarbonization fund within the PUC Budget. Such a designation would signal to ourselves, staff, and our customers, that decarbonization of our power supply and our community is a high priority goal of the PUC. It may also help us better understand the extent of financial resources available for implementation of decarbonization activities.
- 3) Continue and intensify staff-level engagement with SMMPA staff and fellow SMMPA members to encourage SMMPA to achieve 80% carbon-free power by 2030.
- 4) Continue and intensify advocacy for state and federal policies such as a carbon tax or carbon fee that would help us to achieve our decarbonization goals as set out in the Climate Action Plan.
- 5) Develop an electric vehicle charging incentivization program that would assist and encourage our local tourism businesses to install EV charging infrastructure. As a starting point, I would suggest that the PUC offer to cover equipment costs for the installation of level 2 chargers at commercial locations within the City.
- 6) Consider a larger scale PV project (50-200kW) that could be funded by a third party developer and contracted to the City at a price close to what SMMPA will pay us through their solar program (\$.079/kWh). Such a project might be located on the grounds of the Public Works Garage. I have had initial discussions with TruNorth Solar about such a project and am awaiting further details.

Thank you,

George Wilkes