

AGENDA
PUBLIC UTILITIES COMMISSION
December 5, 2018
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. Budget and Rate Approval

- E. Wastewater Pump Replacement

- F. Other Items

- G. Adjourn

Public Utilities Commission
Minutes
November 14, 2018

Meeting was called to order by Karl Hansen at 3:05 p.m.

Members present: Tim Kennedy, George Wilkes, and Karl Hansen

Absent:

Staff Present: Mike Roth and Haden Hinchman

Others Present:

The Commission briefly spoke about G&G septic relationship with the PUC and how that may be impacted by his appointment on the City Council. Roth summarized everything G&G does for the city and what would be done differently.

Motion by Kennedy, seconded by Wilkes to approve the consent agenda. Approved unanimously.

Roth presented staff recommendations for next year's budget. Staff recommends a 2% rate increase for sewer considering the future projects happening in the next few years. Staff recommends no increase to the water rate considering that capital improvements are built into the current rate and the water system is working better than expected. Staff recommends no increase to the electric rate considering the rate decreases from SMMPA and decreases in medical insurance price. The Commission looked at budget trends and discussed possibilities, however, they would like to dig into the numbers and bring it back for the next meeting.

Roth presented updates about the AMI project including the press release that will be put in the paper and sent out with utility bills. The Commission briefly discussed possibilities for people who may want other options.

There being no further business, the meeting adjourned at 4:20 p.m.



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Payments

City of Grand Marais

Current Period: November 2018

Batch Name	11-15-18 AP	User Dollar Amt	\$223,805.28
Payments		Computer Dollar Amt	\$223,805.28
			\$0.00 In Balance

Refer	76450	TOSHIBA BUSINESS SOLUTIONS	-	
Cash Payment	E 604-49590-200	Office Supplies (GENER		\$76.19
Invoice	14903362	10/25/2018		
Cash Payment	E 601-49440-200	Office Supplies (GENER		\$21.42
Invoice	14903362	10/25/2018		
Cash Payment	E 602-49490-200	Office Supplies (GENER		\$21.43
Invoice	14903362	10/25/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$119.04

Refer	76451	LHB ENGINEERS & ARCHITECTS	-	
Cash Payment	E 601-49431-303	Engineering Fees		\$1,638.00
Invoice	160861.00-13	10/12/2018		
Cash Payment	E 602-49431-303	Engineering Fees		\$702.00
Invoice	160861.00-13	10/12/2018		
Cash Payment	E 602-49451-530	Capital Outlay Improvem		\$7,545.77
Invoice	180719.00-1	10/17/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$9,885.77

Refer	76452	ALLIED GENERATORS	-	
Cash Payment	E 604-49551-317	Contracted Services		\$1,623.40
Invoice	18079	10/22/2018		
Cash Payment	E 604-49551-317	Contracted Services		\$680.27
Invoice	18643	10/22/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$2,303.67

Refer	76454	PUBLIC UTILITIES COMMISSION1	Ck# 004400E 11/9/2018	
Cash Payment	E 602-49451-380	Utility Services (GENER		\$960.94
Invoice	November Bills	11/1/2018		
Cash Payment	E 602-49480-380	Utility Services (GENER		\$4,057.25
Invoice	November Bills	11/1/2018		
Cash Payment	E 601-49420-380	Utility Services (GENER		\$1,455.98
Invoice	November Bills	11/1/2018		
Cash Payment	E 604-49551-380	Utility Services (GENER		\$32.40
Invoice	November Bills	11/1/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$6,506.57

Refer	76458	GRAND MARAIS SUPERAMERICA	-	
Cash Payment	E 604-49570-212	Motor Fuels		\$59.93
Invoice	554446	10/19/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$59.93

Refer	76459	STEVE S SPORTS AND AUTO	-	
Cash Payment	E 604-49570-220	Repair/Maint Supply (GE		\$22.63
Invoice	275695	10/29/2018		
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total \$22.63

Refer	76460	JOHNSON S FOODS	-	
Cash Payment	E 604-49570-210	Operating Supplies (GEN		\$12.12
Invoice	1848	1/21/2018		



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Payments

City of Grand Marais

Current Period: November 2018

Cash Payment	E 604-49570-210 Operating Supplies (GEN)				\$21.98
Invoice 1848	10/17/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$34.10
Refer	76461 JAY S HEATING	-			
Cash Payment	E 604-49570-210 Operating Supplies (GEN)				\$129.00
Invoice 2088	11/1/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$129.00
Refer	76462 POWER PLANT COMPLIANCE	-			
Cash Payment	E 604-49551-317 Contracted Services				\$13,750.00
Invoice 15645	11/1/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$13,750.00
Refer	76463 NORTH SHORE WASTE	-			
Cash Payment	E 602-49480-384 Refuse/Garbage Dispos				\$92.43
Invoice 64571	10/31/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$92.43
Refer	76464 EATON	-			
Cash Payment	E 604-49570-227 Utility Maint Supplies				\$4,510.13
Invoice 934607217	10/20/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$4,510.13
Refer	76466 GOPHER STATE ONE CALL	-			
Cash Payment	E 604-49570-317 Contracted Services				\$20.25
Invoice 8100972	10/31/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$20.25
Refer	76467 G&G SEPTIC	-			
Cash Payment	E 602-49480-317 Contracted Services				\$18,892.50
Invoice 16961	10/30/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$18,892.50
Refer	76471 TEAM LABORATORY CHEMICAL C	-			
Cash Payment	E 602-49480-210 Operating Supplies (GEN)				\$1,071.34
Invoice INV0013667	10/26/2018				
Cash Payment	E 602-49451-220 Repair/Maint Supply (GE)				\$610.66
Invoice INV0013667	10/26/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$1,682.00
Refer	76472 BANYON DATA SYSTEMS,INC	-			
Cash Payment	E 604-49590-310 Service Agreements				\$1,721.60
Invoice 00158000	10/20/2018				
Cash Payment	E 601-49440-310 Service Agreements				\$484.20
Invoice 00158000	10/20/2018				
Cash Payment	E 602-49490-310 Service Agreements				\$484.20
Invoice 00158000	10/20/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$2,690.00
Refer	76476 METERING & TECHNOLOGY SOLU	-			
Cash Payment	E 601-49430-210 Operating Supplies (GEN)				\$1,535.43
Invoice 12940	11/5/2018				
Transaction Date	11/9/2018	MAIN CHECKING G	10100	Total	\$1,535.43



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Payments

City of Grand Marais

Current Period: November 2018

Refer	76477	NORTHERN DEWATERING	-				
Cash Payment	E 602-49451-530	Capital Outlay Improvem				\$6,200.00	
Invoice	36318	10/24/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$6,200.00
Refer	76478	STUART C IRBY CO	-				
Cash Payment	E 604-49570-210	Operating Supplies (GEN				\$121.20	
Invoice	S010988995.001	10/26/2018					
Cash Payment	E 604-49570-210	Operating Supplies (GEN				\$411.23	
Invoice	S010906305.002	10/26/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$532.43
Refer	76481	WESTERN LAKE SUPERIOR SANIT	-				
Cash Payment	E 602-49480-317	Contracted Services				\$5,508.81	
Invoice	7810	11/2/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$5,508.81
Refer	76486	UTILITY CONSULTANTS, INC	-				
Cash Payment	E 602-49480-300	Professional Srvs (GENE				\$743.27	
Invoice	99822	11/1/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$743.27
Refer	76490	LEAGUE OF MN CITIES - W/C	-				
Cash Payment	E 604-49590-360	Insurance (GENERAL)				-\$995.50	
Invoice	WC 1003965-1	11/5/2018					
Cash Payment	E 601-49440-360	Insurance (GENERAL)				-\$343.53	
Invoice	WC 1003965-1	11/5/2018					
Cash Payment	E 602-49490-360	Insurance (GENERAL)				\$327.51	
Invoice	WC 1003965-1	11/5/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	-\$1,011.52
Refer	76495	WEX BANK			Ck# 004401E 11/7/2018		
Cash Payment	E 602-49490-212	Motor Fuels				\$11.21	
Invoice	56356691	10/23/2018					
Cash Payment	E 601-49440-212	Motor Fuels				\$11.21	
Invoice	56356691	10/23/2018					
Cash Payment	E 604-49570-212	Motor Fuels				\$39.24	
Invoice	56356691	10/23/2018					
Cash Payment	E 602-49490-212	Motor Fuels				\$169.11	
Invoice	56366225	10/23/2018					
Cash Payment	E 604-49570-212	Motor Fuels				\$95.59	
Invoice	56350080	10/23/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$326.36
Refer	76497	ARROWHEAD COOPERATIVE			Ck# 004403E 11/20/2018		
Cash Payment	E 602-49490-321	Telephone				\$130.61	
Invoice	2121	11/1/2018					
Cash Payment	E 604-49590-321	Telephone				\$192.41	
Invoice	2244	11/1/2018					
Transaction Date	11/9/2018		MAIN CHECKING G	10100		Total	\$323.02
Refer	76498	SIVERTSON PROPERTIES LLC	-				
Cash Payment	E 602-49451-228	Repair & Maintenance			Full settlement and release	\$10,364.00	
Invoice	Settlement&Rele	1/10/2018					



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Current Period: November 2018

Transaction Date	11/9/2018	MAIN CHECKING G 10100	Total	\$10,364.00
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Fund Summary

	10100 MAIN CHECKING GMSB
101 GENERAL FUND	\$135,350.70
211 LIBRARY	\$1,542.18
215 LIBRARY RESTRICTED FUND	\$857.38
601 WATER	\$4,802.71
602 SEWER	\$57,893.04
604 ELECTRIC	\$22,524.07
609 MUNICIPAL LIQUOR FUND	\$835.20
	<u>\$223,805.28</u>

Pre-Written Checks	\$7,155.95
Checks to be Generated by the Computer	\$78,063.87
Total	<u>\$85,219.82</u>



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Payments

City of Grand Marais

Current Period: November 2018

Batch Name	11-19-18 APP	User Dollar Amt	\$144,102.29	
	Payments	Computer Dollar Amt	\$144,102.29	
				\$0.00 In Balance
Refer	76500 MN DEPT OF REVENUE-EFTPS	Ck# 004404E	11/13/2018	
Cash Payment	G 604-20800 Taxes Due (State MN)			\$14,292.00
Invoice	1-728-223-680		10/31/2018	
Cash Payment	G 601-20800 Taxes Due (State MN)			\$1,221.00
Invoice	1-728-223-680		10/31/2018	
Transaction Date	11/13/2018	MAIN CHECKING G	10100	Total \$15,513.00
Refer	76522 VISA	Ck# 004409E	11/19/2018	
Cash Payment	E 602-49451-210 Operating Supplies (GEN)			\$31.79
Invoice	0224		11/2/2018	
Cash Payment	E 604-49590-330 Transportation/School			\$205.00
Invoice	0224		11/2/2018	
Cash Payment	E 604-49570-430 Miscellaneous (GENERA)			\$70.36
Invoice	3814		11/2/2018	
Transaction Date	11/19/2018	MAIN CHECKING G	10100	Total \$307.15

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$84,755.89
211 LIBRARY		\$58.99
215 LIBRARY RESTRICTED FUND		\$1,333.68
601 WATER		\$1,221.00
602 SEWER		\$31.79
604 ELECTRIC		\$14,567.36
609 MUNICIPAL LIQUOR FUND		\$42,133.58
		\$144,102.29

Pre-Written Checks	\$15,820.15
Checks to be Generated by the Computer	\$0.00
Total	\$15,820.15



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Payments

City of Grand Marais

Current Period: November 2018

Batch Name	11-29-18 AP Payments	User Dollar Amt	\$212,826.03		
		Computer Dollar Amt	\$212,826.03		
			\$0.00	In Balance	
Refer	76530 <i>BUCK S HARDWARE HANK</i>	-			
Cash Payment	E 604-49570-220 Repair/Maint Supply (GE				\$178.02
Invoice	2088 10/31/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$178.02
Refer	76531 <i>US BANK</i>	-			
Cash Payment	E 601-47027-611 Bond Interest				\$777.83
Invoice	LOAN PAY 132 11/20/2018				
Cash Payment	E 601-47027-620 Fiscal Agent s Fees				\$203.21
Invoice	LOAN PAY 132 11/20/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$981.04
Refer	76546 <i>MN DEPT OF HEALTH-DRINKING</i>	-			
Cash Payment	G 601-20803 State Water Connection Fee				\$1,124.00
Invoice	QUARTERLY W 11/14/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$1,124.00
Refer	76550 <i>BRONIKOWSKI, MATT</i>	-			
Cash Payment	E 604-49590-330 Transportation/School				\$8.39
Invoice	MNDOT TRIP 11/13/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$8.39
Refer	76551 <i>SMMPA</i>	-			
Cash Payment	E 604-49560-388 Purchase Power				\$145,509.10
Invoice	OCTOBER 2018 11/1/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$145,509.10
Refer	76554 <i>ROTH, MIKE</i>	-			
Cash Payment	E 604-49590-330 Transportation/School				\$432.70
Invoice	SMMPA AND MN 11/21/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$432.70
Refer	76559 <i>EATON</i>	-			
Cash Payment	E 604-49570-227 Utility Maint Supplies				\$4,439.39
Invoice	934725197 11/2/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$4,439.39
Refer	76560 <i>CENTURYLINK</i>	-			
Cash Payment	E 601-49440-321 Telephone				\$138.72
Invoice	218 D24-1001 11/1/2018				
Cash Payment	E 601-49440-321 Telephone				\$138.72
Invoice	218 D24-1002 11/1/2018				
Cash Payment	E 601-49440-321 Telephone				\$113.58
Invoice	218 387-1788 11/1/2018				
Transaction Date	11/21/2018	MAIN CHECKING G	10100	Total	\$391.02



City of Grand Marais

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Current Period: November 2018

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$9,542.44
211 LIBRARY		\$466.82
215 LIBRARY RESTRICTED FUND		\$1,762.36
429 PUBLIC WORKS FACILITY		\$26,620.00
601 WATER		\$2,496.06
604 ELECTRIC		\$150,567.60
609 MUNICIPAL LIQUOR FUND		\$21,370.75
		<hr/>
		\$212,826.03

Pre-Written Checks	\$145,509.10
Checks to be Generated by the Computer	\$7,554.56
Total	<hr/>
	\$153,063.66

City of Grand Marais

MEMO

TO: Chair Hansen
Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: November 9, 2018
SUBJECT: 2019 Sewer Fund Budget and Rates

Here is the draft Sewer Fund budget for 2019. I recommend an increase of 2% in sewer rates for 2019. 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, and 5% in 2018. Our expense budget consists of the following components.

Budget Overview

SEWER FUND					
Category	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Personnel	\$182,022	\$194,521	\$195,054	\$214,724	\$202,503
Supplies	\$21,034	\$32,306	\$44,978	\$38,000	\$34,250
Services	\$178,232	\$246,486	\$280,279	\$199,100	\$239,800
Miscellaneous	\$23,430	\$15,511	\$8,742	\$12,450	\$16,100
Depreciation	\$139,105	\$140,415	\$141,694	\$140,415	\$141,694
Debt Service	\$42,424	\$35,772	\$36,369	\$41,170	\$36,369
Debt Transfers					
Capital Reserve					
Total	\$586,247	\$665,011	\$707,116	\$645,859	\$670,716

The major component of the services category is sludge processing. Another significant factor in 2017 actual services is mercury regulations. We have \$25,000 budgeted in 2019 for this issue, which can be funded by reserves.

Revenue is provided by the following sources.

Category	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Utility Bills	\$495,158	\$520,374	\$536,714	\$526,000	\$565,000
Fees		\$4,807	\$27,083	\$4,000	\$4,000
GW/Leach/Sludge	\$71,961	\$82,101	\$84,224	\$80,000	\$80,000
Miscellaneous	\$7,793	\$7,555	\$9,976	\$9,000	\$5,000
Rate Increase				\$26,500	\$16,950
Total	\$575,500	\$614,837	\$657,997	\$645,500	\$670,950

The 2018 revenues are running about \$40,000 over 2017 through September. This creates the \$565,000 baseline with a conservative estimate in sales. 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	\$141,694
Debt Service	\$36,369
Total:	\$178,063

Current Debt Commitments

2013A Refunding	\$90,210
2017 CIP (PW Facility)	\$50,000
Total:	\$140,210

The remaining \$37,853 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 that will include sewer facility replacement.

City of Grand Marais

MEMO

TO: Chair Hansen
Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: November 9, 2018
SUBJECT: 2019 Water Fund Budget and Rates

Here is the draft Water Fund budget for 2019. I am recommending no rate increase for 2019. Our current revenues are insulated from potential declining water sales, allow the water fund to cover system repairs and improvements, and position the fund to contribute to City priority projects: the public works facility, 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				
	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Personnel	\$99,392	\$98,142	\$87,772	\$93,526	\$95,685
Supplies	\$29,929	\$16,597	\$22,787	\$29,900	\$31,000
Services	\$61,941	\$48,345	\$45,239	\$53,100	\$55,515
Miscellaneous	\$8,216	\$5,968	\$5,269	\$2,000	\$6,688
Depreciation	\$160,191	\$160,711	\$161,117	\$160,711	\$161,117
Debt Service	\$50,808	\$35,322	\$33,546	\$44,656	\$45,687
Capital Reserve				\$60,000	\$50,000
Total	\$408,840	\$365,085	\$355,730	\$443,893	\$445,692

Revenue is provided by the following sources.

Category	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Utility Bills	\$375,266	\$385,251	\$391,963	\$388,800	\$400,000
Fees		\$9,052	\$27,573	\$6,200	\$6,200
SA & Debt Levy	\$31,475	\$35,483	\$34,859	\$35,631	\$34,858
Miscellaneous	\$8,546	\$5,173	\$13,448	\$6,000	\$7,000
Rate Increase				\$7,900	
Total	\$415,287	\$434,959	\$467,843	\$444,531	\$448,058

Water sales are leveling off as you can see on the attached chart. Our fund balance is now healthy. We made a small increase of 2% to the rates the previous five years as well.

Capital Budget

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

Depreciation	\$161,117
Debt Service	\$45,687
Capital Reserve	\$50,000
Total:	\$256,804

Current Debt Commitments

1999 PFA Water Loan	\$32,819
2004 PFA Loan	\$55,473
2007 MMUA Loan	\$31,520
2008 Improvements	\$45,315
2017A CIP (PW Facility)	\$50,000
Total:	\$215,127

The remaining \$41,677 is available for future capital projects. 2019 will be the last year for the 1999 PFA Water Loan. These funds are also available for meter improvements, the 1st St reconstruction project and potential treatment plant improvements, including energy efficiency projects we have discussed.

City of Grand Marais

MEMO

TO: Chair Hansen
Public Utilities Commissioners
FROM: Michael J. Roth, City Administrator
DATE: November 9, 2018
SUBJECT: 2019 Electric Fund Budget and Rates

Here is the draft Electric Fund budget for 2019. SMMPA is proposing to lower wholesale rates by 4% for 2019. Rate adjustments since 2012 include 2% in 2014-2015, 3% in 2016, 2% in 2017, and no change in 2018. I am recommending no rate increase for 2019.

Our expense budget consists of the following components.

Category	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Personnel	\$276,870	\$298,726	\$238,315	\$262,556	\$287,921
Supplies	\$27,243	\$101,325	\$35,356	\$61,600	\$65,600
Services	\$153,030	\$187,413	\$191,870	\$181,750	\$205,200
Purch. Power	\$1,628,897	\$1,687,559	\$1,760,140	\$1,700,000	\$1,725,000
Miscellaneous	\$44,085	\$33,615	\$25,890	\$28,882	\$38,762
Depreciation	\$209,009	\$213,469	\$213,167	\$212,582	\$212,582
Debt Service	\$87,245	\$81,142	\$74,365	\$55,300	\$42,906
Staffing Reserve				\$65,000	\$65,000
Capital Reserve	\$2,785			\$200,000	\$200,000
Total	\$2,429,164	\$2,603,249	\$2,539,275	\$2,767,670	\$2,842,971

Staffing

The personnel budget proposed for 2018 included support for 2 Lineworkers and 32% of the City Administrator, Finance Director, .5 Secretaries, and two full time positions to support administrative programming such as billing, capital improvement planning, strategic planning, customer outreach, and conservation. Our current staffing plan solidifies the office with two full-time positions in place of the 2.5 in 2018. 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. Given our year of operation, the addition of an apprentice would require us to evaluate the administrative and managerial plan. We will spend more time on this during strategic planning in the next quarter.

Other Factors

[See attached tables] 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. So far in 2018 we are tracking almost a GWH higher. 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.

Revenue is provided by the following sources.

Category	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget
Utility Bills and Fees	\$2,530,529	\$2,571,643	\$2,619,213	\$2,580,000	\$2,620,000
Miscellaneous	\$58,159	\$40,272	\$33,910	\$40,000	\$33,380
SMMPA Payments	\$229,524	\$267,540	\$239,120	\$216,000	\$216,000
Rate Increase					
Total	\$2,818,212	\$2,879,455	\$2,892,243	\$2,836,000	\$2,869,380

Capital Budget

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

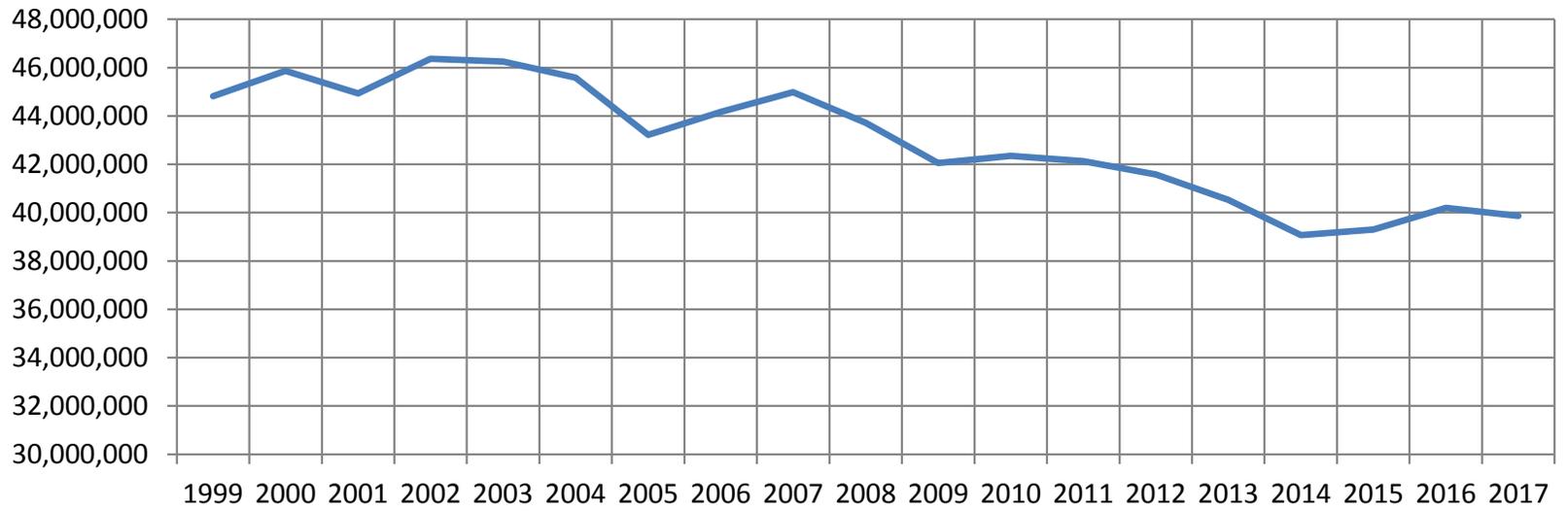
Depreciation	\$212,582
Debt Service	\$42,906
Capital Reserve	\$200,000
Total:	\$455,488

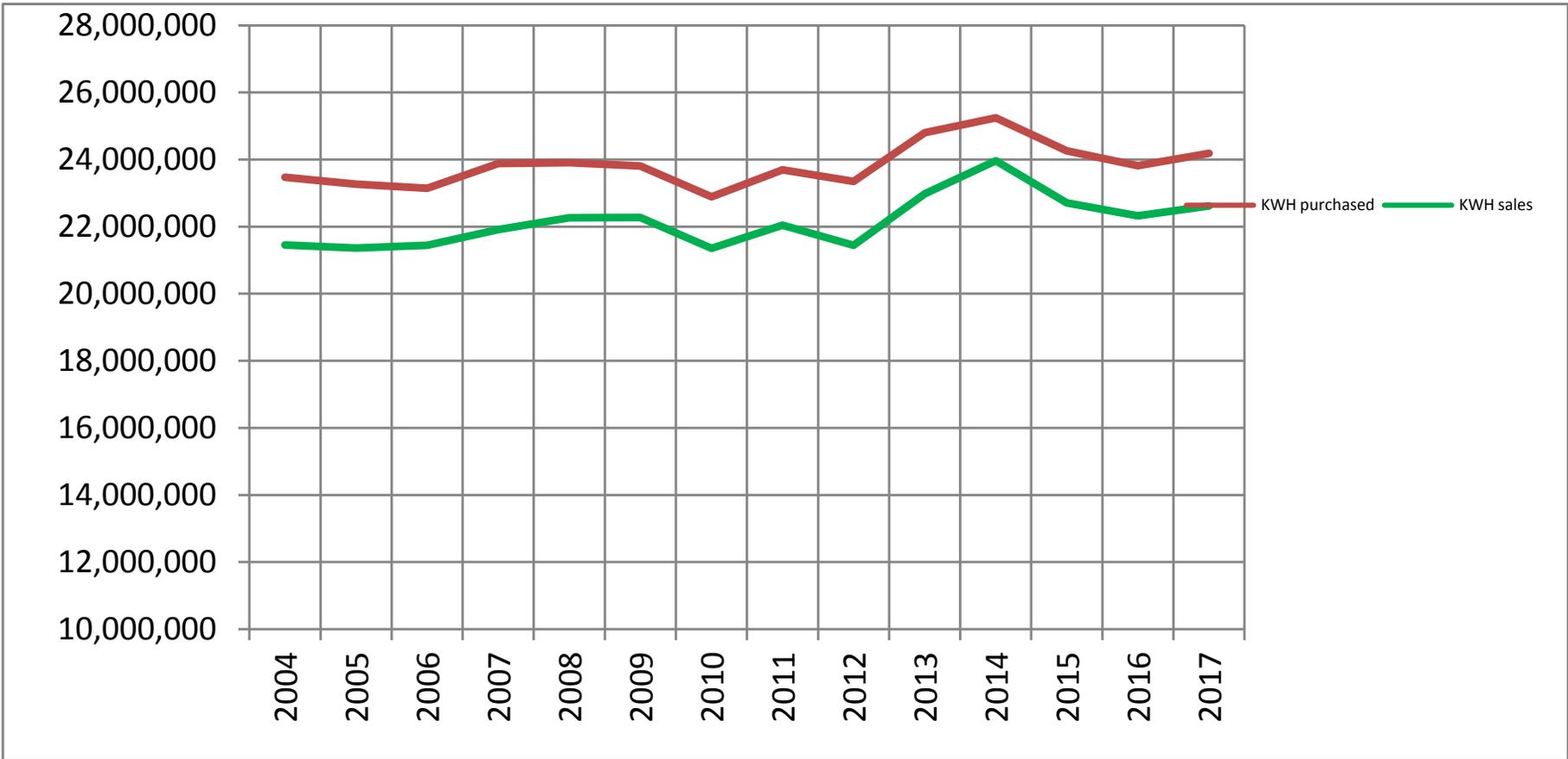
Current Debt Commitments

2012A Power Plant Refund Bond	\$197,756
2013A Reconstruction Refund Bond	\$133,100
2017A GO CIP Bond (PW Facility)	\$75,000
Total:	\$405,856

We have \$49,632 in excess capital funds for new debt payments and adding to reserves. Our budget still shows revenues netting \$26,409 more than expenses, leaving room (\$76,041) for additional capital investment in the public works facility, paying cash for additional system improvements, and increasing our savings for electric capital projects. Potential system improvements include further plant upgrades, a new load management system, meter upgrades, and Highway 61 construction.

Gallons Sold





DATE: August 20, 2018

TO: Mike Roth, City Administrator
Grand Marais Public Utility Commission
Grand Marais Council

FROM: Thomas Nelson
Wastewater/Water Superintendent

RE: Return Activated Sludge pump (RAS)

Request to purchase a new RAS pump at the wastewater treatment facility. The current pump is 30 years old and has been rebuilt twice. It now needs to be replaced.

Thomas Nelson
Water/Wastewater Superintendent.



8217 Upland Circle, Chanhassen, MN 55317 • Phone: (952) 941-2678 • Fax: (952) 941-0796

FLOW CONTROL DIVISION

QUOTATION

QUOTE #: 102518JTM.2

Date: 10/25/2018

of pages 1 OF 9

TO: Thomas Nelson
City of Grand Marais, MN

QUOTED BY:
Joel Morgan
jmorgan@vessco.com Cell: 763-276-4262

RE: Replacement Wemco Pump

TERMS:
Net 30 Days
F.O.B. : Factory
FREIGHT: Allowed

Phone #: 218-387-1160

E-Mail: wwtf@boreal.org

Item #	Qty	Size	Description	Price Ea.	Ext. Price
1	1		Wemco Pump Model SFD4-V Horizontal per attached quote from Weir. Please make order to: Vessco, Inc., Attn: Joel Morgan	\$9,484.00	\$9,484.00
				Total Price = \$9,484.00	

Shipment: Approx. 12-14 weeks after receipt of order.

Pricing is firm for 30 days from date of quote. Subject to Vessco Standard Terms & Conditions;
Quote does NOT include any taxes unless specifically stated; Credit Card orders subject to 3.5% processing fee.

Thank you for giving us the opportunity to provide this quote!



Quotation Summary

24 Oct 2018

Vessco, Inc
8217 Upland Circle
Chanhasen, MN 55317

Quotation number:
Revision: 000

Attn: Joel Morgan

Project: Replacement for SN 8710655-2
Your reference: Grand Marias, MN

The following is a price summary for this quotation. Please see item specific pages for more details.

Item number	Service	Size	Unit Price	Unit Freight	Qty	Extended Price
001		SFD4-V Horizontal	\$ 9249	\$ 235	1	\$ 9484
Grand Total						\$ 9484

PUMP FEATURES: All Weir Specialty Pumps are designed to reduce maintenance costs through greater pump reliability and improved mean time between failure.

SCOPE OF SUPPLY: Only that material detailed in this quotation is being offered. No assumptions should be made that anything not specifically specified is included.

QUALITY STANDARDS: Weir Specialty Pumps - Salt Lake City, UT is an ISO 9001-2008 certified plant.

VALIDITY: This offer is valid for 30 days from date issued. Quoted prices will be held firm through shipment if order is released for manufacture within 60 days from order entry date.

PRICE: Price quoted is for all items purchased at one time. In the event of a partial order, we will review and adjust accordingly.

SHIPMENT: Approximately 12-14 weeks after receipt of approved purchase order and/or final approval of submittal and drawings.

START-UP: Not included.

TERMS AND CONDITIONS: Weir Specialty Pumps General Sales Policy (GSD-30) applies.

PAYMENT TERMS: 100% Net 30 days (subject to credit approval)

Customer Price Sheet

Customer	Vessco, Inc	Size / Stages	SFD4-V Horizontal / 1
Item number	001	Pump speed	1,300
Customer reference	Grand Marias, MN	Quote number	871085

Totals

Grand Total	\$ 9484	Lead Time Total	N/A
Pump	\$ 9484	Total unit weight	358.0 lb

Pump

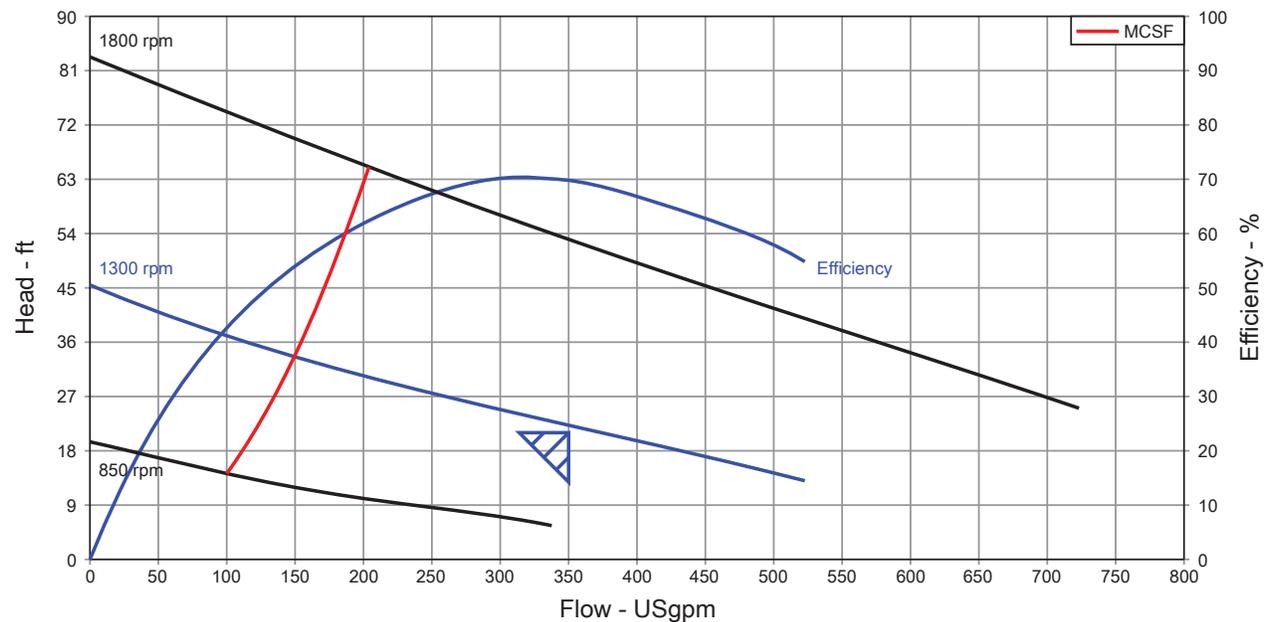
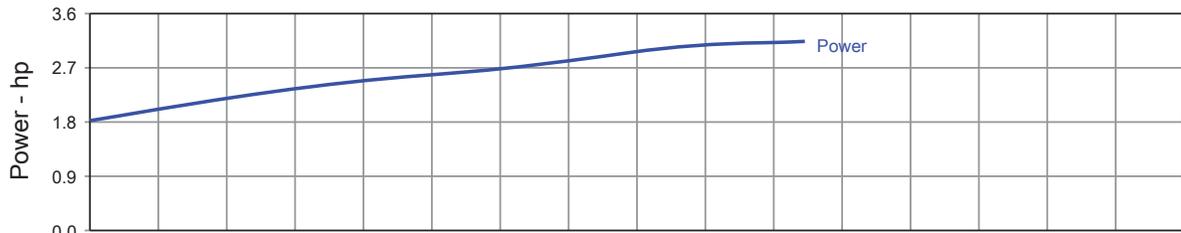
Qty	Description	Unit Price	Extended Price
1	<p><i>SFD4-V Horizontal</i></p> <p>Wet End</p> <p>Pump Options</p> <ul style="list-style-type: none"> Cast Iron Case Liner Material <ul style="list-style-type: none"> High Chrome Liner (non-regulable) Grooved Liner Buna Wet End O-rings Steel Pump Hardware High Chrome Impeller <p>Bearing Frame</p> <p>Bearing Frame</p> <ul style="list-style-type: none"> Cast Iron Bearing Frame BFDOS Bearing Frame <p>Pump Sealing</p> <p>Pump sealing</p> <ul style="list-style-type: none"> Seal Type: Packing Acrylic/graphite packing Cast iron gland housing/backplate Stainless steel gland <p>Driver</p> <p>Motors</p> <ul style="list-style-type: none"> WSP Supplied Motor: WSP Supplied Motor 5HP 184T 1800RPM Premium Efficiency TEFC Horizontal Motor <p>All motors are sized and selected in accordance with Hydraulic Institute Grade 2 - 2B performance test acceptance grades and tolerances which adds 8% to the rated horsepower requirement of the pump. This calculation has not changed the rated horsepower or efficiency shown on the Performance Data Sheet. View the link for more information from Hydraulic Institute.</p> <ul style="list-style-type: none"> Motor manufacturer - WSP Standard <p>Baseplate and Drive</p> <ul style="list-style-type: none"> Belt Drive Baseplate - Side Mount Steel Baseplate WSP Standard Baseplate Design Steel Baseplate Hardware Fiberglass/Polyethylene Guards Left Hand Side Mount Motor <p>Belts and Sheaves</p> <ul style="list-style-type: none"> Variable Speed Belts and Sheaves - Stationary Control <p>Protective Coatings</p> <p>Paint type</p> <ul style="list-style-type: none"> Epoxy 2 Coat Paint - Blue (Prime and Top Coat) <p>Unless otherwise noted all motors will receive top coat only of specified paint</p>	\$ 9484	\$ 9484

Pump			
Qty	Description	Unit Price	Extended Price
	Packing & Shipping Shipping No Boxing WSP Decision Carrier Freight Rates Freight Rates - Minnesota: Minnesota Material Testing Material Testing No Hardness Testing No Non-Destructive Testing Testing Testing No Testing Estimated Weights Bareshaft Pump 243.lbs: 243.0 lb Baseplate 0.lbs: 0.00 lb Driver 115.lbs: 115.0 lb Misc. Weight 0.lbs: 0.00 lb Misc. Weight 0.lbs: 0.00 lb Misc. Weight 0.lbs: 0.00 lb Total Per Unit Weight 358.lbs: 358.0 lb		

Pump Performance Datasheet

Customer	: Vessco, Inc	Quote number	:
Customer reference	: Grand Marias, MN	Size	: SFD4-V Horizontal
Item number	: 001	Stages	: 1
Service	:	Based on curve number	: P25-D95
Quantity	: 1	Date last saved	: 24 Oct 2018 9:35 PM

Operating Conditions		Liquid	
Flow, rated	: 350 USgpm	Liquid type	: User defined
Differential head / pressure, rated (requested)	: 21.0 ft	Additional liquid description	:
Differential head / pressure, rated (actual)	: 22.2 ft	Solids diameter, max	: 0.00 in
Suction pressure, rated / max	: 0.00 / 0.00 psi.g	Solids concentration, by volume	: 0.00 %
NPSH available, rated	: Ample	Temperature, max	: 68.00 deg F
Frequency	: 60 Hz	Fluid density, rated / max	: 1.000 / 1.000 SG
Performance		Viscosity, rated	: 1.00 cP
Speed, rated	: 1300 rpm	Vapor pressure, rated	: 0.00 psi.a
Speed, maximum	: 1800 rpm	Material	
Speed, minimum	: 850 rpm	Material selected	: Standard
Efficiency	: 69.81 %	Pressure Data	
NPSH required / margin required	: - / 0.00 ft	Maximum working pressure	: 9.63 psi.g
Ns (imp. eye flow) / Nss (imp. eye flow)	: 2,196 / - US Units	Maximum allowable working pressure	: 130.0 psi.g
MCSF	: 149 USgpm	Maximum allowable suction pressure	: N/A
Head maximum, rated speed	: 45.5 ft	Hydrostatic test pressure	: N/A
Head rise to shutoff	: 104.48 %	Driver & Power Data (@Max density)	
Flow, best eff. point	: 316 USgpm	Driver sizing specification	: Rated power
Flow ratio, rated / BEP	: 110.75 %	Margin over specification	: 0.08 %
Speed ratio (rated / max)	: 72.22 %	Service factor	: 1.00
Head ratio (rated speed / max speed)	: 41.93 %	Power, hydraulic	: 1.97 hp
Cq/Ch/Ce/Cn [ANSI/HI 9.6.7-2010]	: 1.00 / 1.00 / 1.00 / 1.00	Power, rated	: 2.82 hp
Selection status	: Acceptable	Power, maximum, rated speed	: 3.14 hp
		Minimum recommended motor rating	: 3.00 hp / 2.24 kW



**Construction Datasheet**

Customer	: Vessco, Inc	Quote Number	:
Project	: Grand Marias, MN	Model / Size	: SFD4-V Horizontal
Item number	: 001	Stages	: 1
Service	: -	Pump speed	: 1,300
Quantity of pumps	: 1	Date last saved	: 24 Oct 2018 9:35 PM

Construction**Driver Information**

Nozzle	Size	Rating (ANSI)	Face	Pos'n	Manufacturer	: WSP Choice
Suction	4 in	125 lbs	RF	Left	Power	: 5.00 hp
Discharge	4 in	125 lbs	RF	Right	Service factor	: -
Impeller Type	: Screw-Centrifugal				Speed	: 1800
Impeller Design	: Non-Clog				Orientation / Mounting	: Horizontal/Foot
Pump Orientation	: Horizontal				Driver type	: Horizontal
Bearing Type (Rad/Thr)	: Ball/Ball				Frame-size	: 184T
Bearing Lubrication	: Grease				Enclosure	: -
Rotation (view from shaft-end)	: CW				Hazardous area class	: -
Materials					Explosion rating	: -
Casing	: Cast Iron				Volts / Phase / Hz	: -
Impeller	: High Chrome				Insulation	: -
-	: High Chrome (non-regulable)				Temperature Rise	: -
Elastomer	: Buna Wet End O-rings				Motor mounted by	: WSP
Shaft	: Steel					
Sleeve	: -					

Seal, Gland and Piping**Baseplate, Connection and Guard**

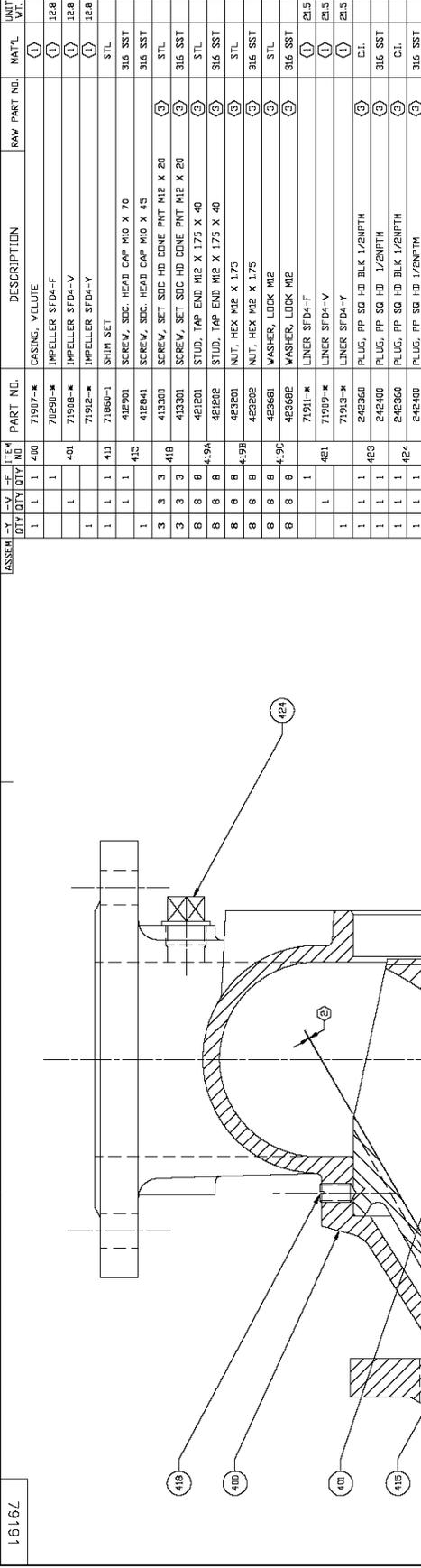
Baseplate Type	: Belt Drive - Side Mount	Seal Arrangement	: Packing
Baseplate Material	: Steel	Seal Size	: N/A
Orientation	: Left Hand	Manufacturer	: N/A
Connection Type	: Belt drive	Gland Material	: Stainless Steel
Guard	: Fiberglass/Polyethylene	Seal Face Mat'l	: N/A
Weights (Approx.)		Throat Bushing	: N/A
Bareshaft pump	: 243.0 lb	Seal Flush Plan	: -
Baseplate	: 0.00 lb	Seal Flush Construction	: -
Driver	: 115.0 lb		
Total weight	: 358.0 lb		

General Arrangement Drawing

Customer : Vessco, Inc
 Customer reference : Grand Marias, MN
 Item number : 001
 Service :
 Quantity of pumps : 1.0

Quote number :
 Size : SFD4-V Horizontal
 Stages : 1
 Pump speed : 1,300
 Date last saved : 24 Oct 2018 9:35 PM

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NOTES:

- (1) MATERIALS OF CONSTRUCTION
 - 1 = CAST IRON FOR VOLUTE CASING & LINER ONLY?
 - 2 = CAST IRON FOR IMPELLER ONLY?
 - 3 = CAST IRON (NOT AVAILABLE FOR VOLUTE CASTING)
 - 7 = HI-CHROME (NOT AVAILABLE FOR VOLUTE CASTING)
- (E) SET IMPELLER CLEARANCE TO .014" MAXIMUM. CLEARANCE SHOULD BE CHECKED ALONG ENTIRE IMPELLER EDGE. AND AGAIN AFTER ROTATING IMPELLER 1/4, 1/2 AND 3/4 TURNS.
- (3) FASTENER MATERIALS PER APPLICATION

REV	BY	DATE	DESCRIPTION	ISSUE	DATE	DESCRIPTION	ISSUE
1			REVISED FOR WENCO SCREW CENTRIFUGAL PUMP	1			
2			NEW ISSUE	2			

791917	INC	500					
DIMENSIONS ARE IN INCHES							
TOLERANCES:							
XX ± .02							
XXX ± .001							
FRACTIONS ± 1/16							
ANGLE ±							
SURF. FINISH							

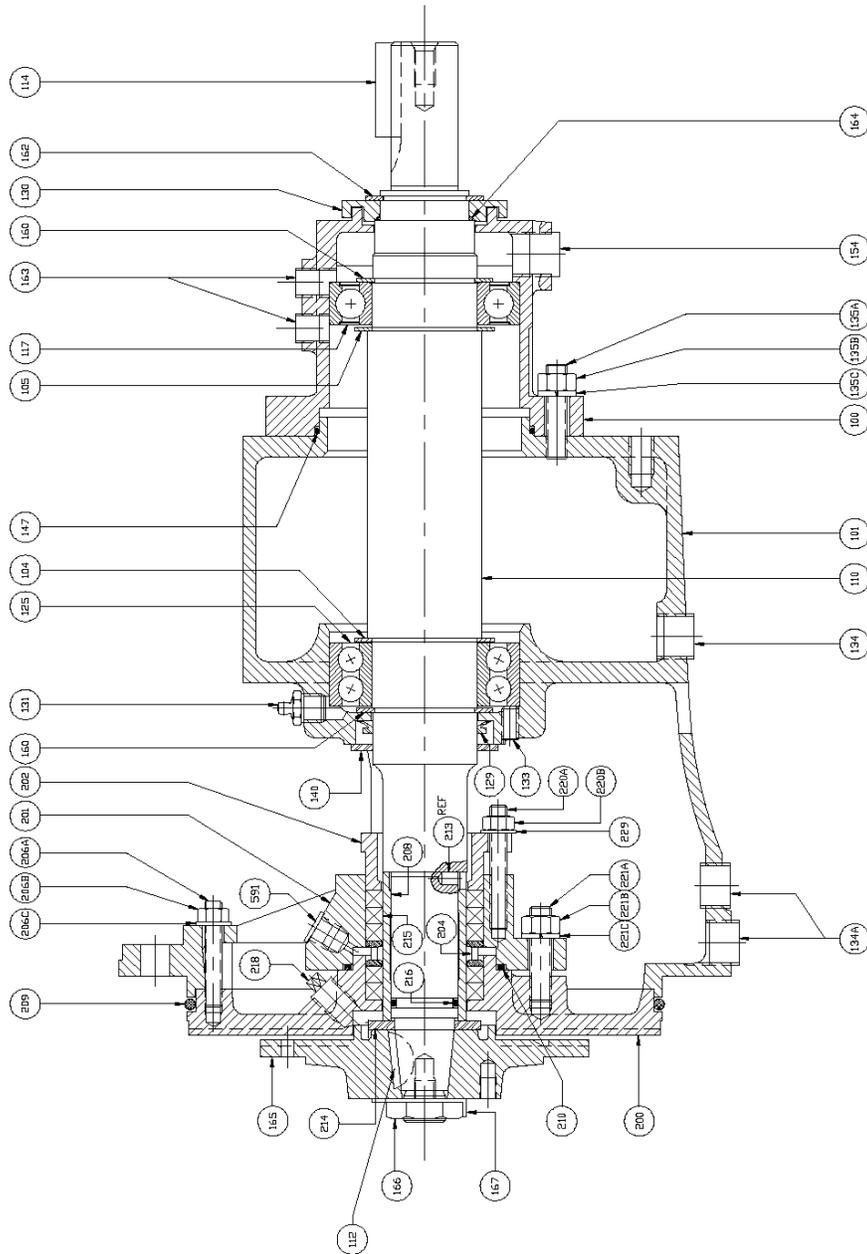
DESCRIPTION	QTY	UNIT	RAW PART NO.	MAT'L	UNIT
CASING, VOLUTE	1	1	71917-M	(1)	21.5
IMPELLER SFD4-F	1	1	71916-M	(1)	12.8
IMPELLER SFD4-V	1	1	71915-M	(1)	12.8
IMPELLER SFD4-Y	1	1	71914-M	(1)	12.8
SHIM SET	1	1	71913-M	STL	
SCREW, SDC. HEAD CAP MID X 70	1	1	412901	316 SST	
SCREW, SDC. HEAD CAP MID X 45	1	1	412841	316 SST	
SCREW, SET SDC HD CONE PNT M12 X 20	3	3	413300	316 SST	
SCREW, SET SDC HD CONE PNT M12 X 20	3	3	413300	316 SST	
STUD, TAP END M12 X 1.75 X 40	8	8	421201	316 SST	
STUD, TAP END M12 X 1.75 X 40	8	8	421202	316 SST	
NUT, HEX M12 X 1.75	8	8	423201	316 SST	
NUT, HEX M12 X 1.75	8	8	423202	316 SST	
WASHER, LOCK M12	8	8	423681	316 SST	
WASHER, LOCK M12	8	8	423682	316 SST	
LINER SFD4-F	1	1	71911-M	(1)	21.5
LINER SFD4-Y	1	1	71912-M	(1)	21.5
LINER SFD4-Y	1	1	71913-M	(1)	21.5
PLUG, PP SO HD BLK 1/2NPTM	1	1	242360	C.I.	
PLUG, PP SO HD 1/2NPTM	1	1	242400	316 SST	
PLUG, PP SO HD BLK 1/2NPTM	1	1	242360	C.I.	
PLUG, PP SO HD 1/2NPTM	1	1	242400	316 SST	

General Arrangement Drawing

Customer : Vessco, Inc
 Customer reference : Grand Marias, MN
 Item number : 001
 Service :
 Quantity of pumps : 1.0
 Quote number :
 Size : SFD4-V Horizontal
 Stages : 1
 Pump speed : 1,300
 Date last saved : 24 Oct 2018 9:35 PM

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General Arrangement Drawing

Customer : Vessco, Inc
 Customer reference : Grand Marias, MN
 Item number : 001
 Service :
 Quantity of pumps : 1.0
 Quote number :
 Size : SFD4-V Horizontal
 Stages : 1
 Pump speed : 1,300
 Date last saved : 24 Oct 2018 9:35 PM

