



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION REGULAR WORK SESSION MEETING AGENDA

Wednesday, April 10, 2024

8:00 AM

**CALL TO ORDER:** Pursuant to due notice and call thereof, a Work Session Meeting of the Grand Rapids Public Utilities Commission will be held on Wednesday, April 10, 2024 at 8:00 AM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street, Grand Rapids, Minnesota.

**CALL OF ROLL:**

**BUSINESS:**

1. Consider a motion to approve \$1,119,060.60 verified claims for March 2024.
2. 2023 Financial Review
3. Legionella and Drinking Water Update

**ADJOURNMENT:**

The next Special meeting/Work Session is scheduled for Wednesday, April 24, 2024 at 3:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The next Regular Meeting of the Commission is scheduled for Wednesday, April 24, 2024 at 4:00 PM in the conference room of the Public Works/Public Utilities Service Center at 500 SE 4th Street.

The GRPUC has adopted a Meeting Protocol Policy, which informs attendees of the GRPUC's desire to conduct meetings in an orderly manner which welcomes all civil input from interested parties. If you are unaware of the policy, please contact our office at 218-326-7024 and we will provide you with a copy of the policy.



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** April 10, 2024

**AGENDA ITEM:** Consider a motion to approve \$1,119,060.60 verified claims for March 2024.

**PREPARED BY:** Jean Lane, Business Services Manager

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## **BACKGROUND:**

See attached check registers:

Computer check register \$1,119,060.60

Total \$1,119,060.60

## **RECOMMENDATION:**

Consider a motion to approve \$1,119,060.60 of verified claims for March 2024.

Grand Rapids Public Utilities  
 Accounts Payable  
 March 2024  
 (Meeting Date: 4/10/2024)

Item 1.

NAME	AMOUNT	NAME	AMOUNT
American Public Power	680.00	McMaster-Carr	3,701.56
Border States	1,306.35	MN Energy	30.00
Burggraf's	190.91	MN Power	981,403.29
Carquest	61.08	North Central Laboratories	1,100.67
Central McGowan	2,885.32	Northern Dewatering	500.00
Cole Hardware	171.05	NOS Automation	4,331.25
Cooperative Response Center	2,055.69	Public Utilities	9,696.52
Dakota Supply Group	128.03	Railroad Management	3,758.80
Fastenal	417.13	RMB	101.60
Frontier Energy	7,724.01	Sandstroms	753.92
Gopher State One	37.80	Stuart Irby	63,579.20
Grainger	736.81	United Rentals	1,062.27
Graybar	5,876.82	UPS	888.35
Hawkins	3,835.80	Viking Electric	1,840.25
Herc-U-Lift	575.46	Wesco	297.60
Idexx	10,221.95	Ziegler	7,698.11
InLighten	788.00		
Itasca County Auditor/Treasurer	225.00		
		Energy Efficiency Rebate:	
		Rother, Stacey	400.00
		Total	1,119,060.60



# GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** April 10, 2024

**AGENDA ITEM:** 2023 Financial Review.

**PREPARED BY:** Jean Lane, Business Services Manager

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## **BACKGROUND:**

### 2023 Financial Review

- Operations – Revenue and Expense
- Capital and Utility Replacement Funds
- Unusual and Extraordinary transaction(s) – Land purchase
- Contributions to City of Grand Rapids – PILOT & Infrastructure
- Audit findings – pass adjustment(s)

## **RECOMMENDATION:**

Review and discuss 2023 financial health of GRPU.

# OPERATIONS - REVENUES



- Electric - \$18M vs \$18.6M budget mostly ↓ retail sales
- Water - \$2.3M vs \$2.1M budget mostly ↑ retail sales
- WW Collection - \$2M vs \$1.97M budget ↑ mostly city commercial retail sales
- Other - Investment interest \$197K vs 17K budget & Penalties \$214K vs \$23K budget ↑



# OPERATIONS - EXPENSES

- Electric - \$16.2M vs \$16.9M budget mostly ↓ purchased power
- Water - \$2.13M vs \$1.98M budget mostly ↑ repairs/maintenance
- WW Collection - \$1.723M vs \$2M budget ↓ repairs/maintenance
- Other – Interest customer deposits \$17K vs 5K budget ↑



# CAPITAL



- Electric - \$562K vs \$949K budget mostly ↓ shifted projects
- Water - \$501K vs \$630K budget mostly ↓ shifted projects
  - Ainsworth \$1.160M plus Sylvan Bay \$1.347M = \$2.5M *BONDS*
  - Land 902 NW 6<sup>th</sup> Ave = \$232K *OPERATIONS*
- WW Collection - \$686K vs \$753K budget ↓ shifted projects
  - Ainsworth \$681K plus Sylvan Bay \$1.1M = \$1.8M *BONDS*



# CAPITAL FUNDING

- Operations
- Capital Replacement Funds
- Debt
- Grants





# Capital Replacement Funds

Electric - \$800K added from operations less planned capital projects & debt principal & interest payments

- EOY 2023 \$949,000 balance
- EOY 2024 (\$101,000) balance



Water - \$309,837 added from operations less planned capital projects

- EOY 2023 \$790,000 balance
- EOY 2024 (\$305,000) balance
- No debt coverage



WW Collection - \$377,858 added from operations less planned capital projects

- EOY 2023 \$272,000 balance
- EOY 2024 (\$6,900) balance
- No debt coverage



# Unusual & Extraordinary

Water – Land purchase at 902 NW 6<sup>th</sup> Avenue

- \$232,288
- GRPU cannot own land – not PU asset
- Accounting transaction between City & PU
  - Some type of water utility expense recorded 2023



# Contributions to City



Item 2.

PILOT – electric utility - **\$868,000 annually**

Streets – water and sanitary sewer utilities

Sylvan Bay Project – phase one = \$2,562,000

\$879,000 sanitary sewer

\$1,067,000 water

**\$616,000** streets = 24% of total costs

Streets are not GRPU assets

Some type of water & sewer utility expense recorded 2023



*Draft street funding policy presented at joint City Council/GRPU Commission meeting*



# Audit Finding



Item 2.

2023 Pass Adjustment from 2022 implementation of lease standard > \$200,000

2023 Pass Adjustment \$109,000 bond issuance cost expensed at issue

2023/2022 Restatement for landfill closure & postclosure costs \$3M

New set of eyes reviewing accounting related processes, transactions, records

- Interfund accounting transactions between City and GRPU
  - Capital – street contribution for Sylvan Bay
  - Capital – \$5M Ainsworth water loop and sanitary sewer which the GRPU contributed \$1.84M





# GRAND RAPIDS PUBLIC UTILITIES COMMISSION AGENDA ITEM

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**AGENDA DATE:** April 10, 2024

**AGENDA ITEM:** Legionella and Drinking Water Update

**PREPARED BY:** Julie Kennedy, General Manager

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**BACKGROUND:**

Update on the latest efforts.

**RECOMMENDATION:**

Update on the latest efforts.