



# CITY OF GRAND RAPIDS

## Meeting Agenda Full Detail City Council Work Session

---

Monday, February 11, 2013

4:00 PM

Conference Room 2A

---

**CALL TO ORDER:** Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council will be held on Monday, February 11, 2013 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

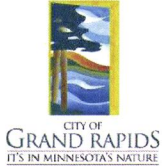
**CALL OF ROLL:** On a call of roll, the following members were present:

### Discussion Items

1. [13-0076](#) Review NW Gas proposed natural gas rate  
**Attachments:** [2-11-13 Attachment NW Gas Rate.pdf](#)
2. [13-0064](#) Review list of applicants for Boards & Commissions and discuss appointment process.  
**Attachments:** [List of applicants for 2013 Appointments](#)
3. [13-0082](#) Review regular agenda for 5:00 pm meeting and other business as noted.

**ADJOURN**

**Attest: Shawn Gillen, City Administrator**



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 13-0076      **Version:** 1      **Name:** NW Gas Rate Review  
**Type:** Agenda Item      **Status:** CC Worksession  
**File created:** 2/6/2013      **In control:** City Council Work Session  
**On agenda:** 2/11/2013      **Final action:**  
**Title:** Review NW Gas proposed natural gas rate

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [2-11-13 Attachment NW Gas Rate.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

*Title*

Review NW Gas proposed natural gas rate

*Body*

**Background Information:**

The City of Grand Rapids is responsible for approving NW Gas' natural gas rate. They currently are providing natural gas service to residents generally located along the Isleview Road corridor. Mike Gorham, President, NW Gas will be present at the work session to review the attached material.

**Staff Recommendation:**

City staff is recommending discussing the attached material.

**Requested City Council Action**

Consider discussing the attached material.



**NORTHWEST  
GAS**

February 6, 2013

To: Honorable Grand Rapids City Council Members

Re: Isle View Road extension gas rate approval

Dear Council Members,

Please accept this letter as my request to approve our initial gas service rates applicable to our Isle View Road gas main extension. I have provided an affidavit certifying our eligibility to be locally-regulated, a copy of our initial rates, an estimated project cost spread sheet, our pro-forma cash flow estimates and a draft resolution covering the requested action.

Please review these documents in preparation for discussion at the currently-scheduled February 11 Council Work Session. I am looking forward to attending this session to answer any questions and to help move this along.

Thanks you very much for your cooperation in this project – it is appreciated!!

Sincerely,

Mike Gorham  
Northwest Gas

**1608 NW 4<sup>TH</sup> STREET, GRAND RAPIDS, MN 55744**  
**(218)326-3495 or 1-888-367-6957**



**NORTHWEST GAS**  
**GAS AND SERVICES SCHEDULE**  
(Isle View System)  
Effective 9/01/12

GAS PRICING

RESIDENTIAL ACCOUNTS

MONTHLY CUSTOMER CHARGE	\$8.00
BASE ENERGY CHARGE PER THERM	\$1.01

Note: The actual energy charge per therm billed each month is the sum of the base cost of gas per therm (see below) and the variance from that base cost of gas per therm for gas delivered that month.

**MISCELLANEOUS CHARGES**

A collection fee of \$25.00 is assessed if we collect an account while on-site to perform a meter shut-off due to non-payment. Meter shut-offs for non-payment are at no charge to the customer. Meter turn-ons following shut-off for non-payment are billed at \$40.00 during regular business hours and \$50.00 after business hours.

"Vacation" meter shut-offs done at the customer's request will be at no charge, although a charge of \$18.00 will be made for the meter turn-on following the vacation.

A charge of \$15.00 will be made for each change of billing.

Cost of gas used in base energy charge is \$ .311 per Therm. (BASE .21 + .10 TRANSP)

**ISLE VIEW EXTENSION PROJECT COST**

<b>BID ITEM</b>	<b>QUANTITY</b>	<b>UNIT</b>	<b>PRICE BID</b>	<b>EXTENSION</b>
F & 14" PE PIPE	11,652	LF	\$8.75	\$101,955.00
F & 12" PE PIPE	19,224	LF	\$6.75	\$129,762.00
F & 1 1/2" CTS SERVICE	80	EA	\$655.00	\$52,400.00
BORE 4" PE	2200	FT	\$5.50	\$12,100.00
BORE 2" PE	3800	FT	\$3.50	\$13,300.00
BORE 1/2" CTS SERVICE	4000	FT	\$5.40	\$21,600.00
FURNISH, FAB & INSTALL METER STATION	1	EA	\$15,000.00	\$15,000.00
			<b>TOTAL SYSTEM COST</b>	<b>\$346,117.00</b>
			<b>COST PER CUST.</b>	<b>\$4,326.46</b>

ISLE VIEW CASH FLOW

Per-Therm margin	\$0.699
Monthly meter charge	\$8.00
Residential meters	87
Therms per meter	950
Residential gross profit	\$66,124
Commercial meters	0
Therms per meter	2500
Commercial gross profit	\$0
Total gross profit	\$66,124
Billing services	\$6,097
O&M services	\$12,000
Personal property taxes	\$10,384
EBITDA	\$37,644
Project asset base	\$346,117
Per-customer asset base	\$3,978
Allowable return on asset base	\$41,534
Over/(Under) recovery	(\$3,890)

**CITY OF GRAND RAPIDS, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

WHEREAS, Gorhams', Inc. doing business as Northwest Gas (hereinafter called "Franchisee"), has been granted a franchise to install pipelines and serve customers with natural gas within the City, and

WHEREAS, the provisions of Minnesota Statutes Section 216B.02 provide that the rate regulation provisions of the chapter shall not apply to Franchisee if a resolution of the City Council requesting exemption is filed with the Public Utilities Commission, and

WHEREAS, the Council finds that Franchisee could better serve the citizens of the City if it were exempted from the rate regulation provisions of Minnesota Statutes Chapter 216B,

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Grand Rapids requests that Gorhams', Inc. doing business as Northwest Gas be exempted from the rate regulation provisions of Minnesota Statutes Chapter 216B, and

BE IT FURTHER RESOLVED, that the Clerk - Administrator is directed to file a certified copy of this resolution and a copy of the City-approved rate schedule with the Minnesota Public Utilities Commission.

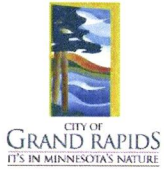
\_\_\_\_\_  
Clerk - Administrator

\_\_\_\_\_  
Date executed

Attest:

\_\_\_\_\_  
Mayor





# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

---

**File #:** 13-0064      **Version:** 1      **Name:** Board & Commission Applications  
**Type:** Agenda Item      **Status:** CC Worksession  
**File created:** 2/5/2013      **In control:** City Council Work Session  
**On agenda:** 2/11/2013      **Final action:**  
**Title:** Review list of applicants for Boards & Commissions and discuss appointment process.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [List of applicants for 2013 Appointments](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

**Title**  
Review list of applicants for Boards & Commissions and discuss appointment process.

**Board & Commission Applicants**  
**February 11, 2013**

- Please note that some applicants have expressed interest in more than one Board/Commission. In these instances, I have placed a number next to their name indicating the order in which they are most interested.

Board of Appeal & Equalization (1 vacancy)

Shelly Steere

Economic Development Authority (2 vacancies)

Susan Zeige – new applicant (1)

Chris Lynch

Sholom Blake

Pokegama Golf Board (2 vacancies)

Dan Richter – new applicant

Ronald Iannelli – new applicant

Pat Pollard – term expired (not eligible under current rule)

Kimberly Smith – new applicant (2)

Human Rights Commission (3 vacancies, including one unexpired term)

Melanie DeBay – new applicant

Doug Learmont

Becky LaPlant – new applicant

Karen Noyce – (filled unexpired term for 6 months)

Planning Commission (2 vacancies)

Shane McKellep

Julie Fedje-Johnston

Susan Zeige – new applicant (2)

Park/Rec/Civic Center Board (2 vacancies)

Kimberly Smith – new applicant (1)

Gus Hendrickson

Thomas Lemaheiu

PUC (1 vacancy)

June Johnson

Thomas Stanley – new applicant

Wayne Lenius – new applicant

Don Evans