

A REGULAR MEETING OF THE PUBLIC UTILITIES COMMISSION OF THE CITY OF VIRGINIA, MINNESOTA WAS HELD AT THE OFFICE OF THE DEPARTMENT OF PUBLIC UTILITIES ON TUESDAY, DECEMBER 27, 2016 AT 3:30 P.M.

Commission President Raplinger called the meeting to order at 3:30 PM.

**APPROVED**

Present: Commissioners Johnson, Marks, Marwick and Raplinger  
Absent: Commissioner Culbert  
Also Present: Greg French – General Manager; Bill Hafdahl – Finance Director; Mary Johnson – Supervisor – Customer Relations; Representative – Virginia Public Access TV

Item 2 – Motion to approve the agenda by Marks and supported by Marwick, motion carried.

Item 4 – Mr. French stated the LEA Meeting scheduled for January 23, 2017, in Virginia at 4:30 PM.

Item 5 – (a) and (b) – A motion was made by Johnson and supported by Marks that financial resolution No. 5235 – Authorizing the payroll dated December 8, 2016 in the amount of \$134,057.68 checks #48994 through #48997 and direct deposits #26076 through #26149; and the payroll dated December 22, 2016 in the amount of \$107,865.85 checks #48998 through #49001 and direct deposits #26150 through #26223; and the bills dated November 28, 2016 through December 27, 2016 in the amount of \$819,391.31, checks #97925 through #98152 and wire and electronic transfers in the amount of \$1,860,319.20 be adopted. The same motion approved the Regular Commission Meeting Minutes for the November 28, 2016 meeting. Motion carried.

Item 6 (a) – Mr. French stated there were no injuries reported for the month.

Item 6 (b) – Mr. French stated the Finance Committee unanimously supported the 2017 Budget which included a \$0.002/kwh increase in the residential electric base rate which is roughly a 2% increase and which amounts to \$1.40 per month for the average residential customer (700 kwh). Also included was a \$0.42 increase in the water rate which amounts to \$2.10 per month for the average residential customer (5 units – 750 gallons/unit). The Utility has not had an increase in its base electric rate since 2010 and no water rate increase since 2012. Commissioner Marks stated there would be no increase to steam rates and Mr. French added the Finance Committee, in lieu of an increase, would be looking into cost saving measures including the possibility of passing on to the customer some of the credit card purchasing fees that are billed to the Utility. A motion was made by Johnson and supported by Marks to approve the 2017 Budget. Motion carried.

Item 7 (a) – Mr. French gave an Electric Charging Stations update informing the Commission it's been determined that the station must be located on the corridor of a highway. He indicated that Jeff Judnick, Director of Electric Distribution, has approached Jody Vest of Thunderbird Mall and was told the mall's local representative said they're willing to work with us on determining a location.

Item 8 (a) – Mr. French recommended Commission approval of the People Service Inc, Water Treatment Plant Contract indicating it was good for 5 years and started at a cost of \$35,340.00 per year with CPIU (Consumer Price Index for Urban Consumers). He stated even by contracting out this service, the Utility is still realizing a cost savings by not having 2 FTE's including on-call and ongoing training. A motion was made by Marwick and supported by Johnson. Motion approved.

Item 8 (b) – Mr. French discussed the proposed write-offs for 2016 indicating the total was quite low considering the Utility is a \$21 million operation. He credited employees for their diligence in staying on top of the accounts and recommended Commission approval. Commissioner Marks made a motion to approve the write-offs and was supported by Johnson. Motion carried.

Item 8 (c) – Mr. French stated the MMUA Winter Legislative Conference will be held January 31 - February 1, 2017, and indicated he will be attending. He stated any interested commissioners and/or managers are welcome to attend and that a decision must be made by 1/31/17 for a room reservation and 1/1/17 for the conference registration. He recommended the Commission approve the travel request for anyone interested in attending. A motion to approve was made by Marwick and supported by Johnson, motion carried.

Item 8 (d) – Mr. French discussed the travel request for up to 2 employees in the Meter or Customer Service Departments to attend the MMUA Meter School scheduled for February 14-17, 2017 in Marshall, MN. He stated at this time a determination has not been made on attendance, but recommended the Commission approve the request allowing Management to make the final determination. A motion was made by Marks and supported by Marwick. Motion carried.

Item 9 (a) – Mr. French reported that we've been running 14.2 megawatts from #6 Turbine Generator with #9 coal and #11 wood boilers. He stated #5 Turbine Generator was brought offline for condensing tube cleaning, but is now ready to go. He further stated we will be increasing production to 18.5 megawatts in January as scheduled. Commissioner Marwick commended the Utility and its electric distribution system as there were no service interruptions resulting from the recent ice/wind storm. Commissioner Marks inquired as to recent CIP activity and Mr. Hafdahl responded there was a large rebate issued to Twistar Gymnastics.

A motion to adjourn at 4:00 was made by Marks and supported by Johnson. Motion carried.

ATTEST:

APPROVED:

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Bill Culbert, Secretary

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Rob Raplinger, President