

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 MONDAY, JANUARY 23, 2017 AT 3:30 P.M.

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

Approved

Present: Commissioners Culbert, Johnson, Marks, Marwick and Raplinger
Absent: None
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 Culbert and supported by Marks, motion carried.

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

Item 5 – (a) and (b) – A motion was made by Marks and supported by Culbert that financial resolution No. 5236 – Authorizing the payroll dated January 5, 2017 in the amount of \$115,412.99 checks #49002 through #49005 and direct deposits #26224 through #26295; and the payroll dated January 19, 2017 in the amount of \$114,019.39 checks #49006 through #49009 and direct deposits #26296 through #26366; and the bills dated December 27, 2016 through January 23, 2017 in the amount of \$765,174.55, checks #98153 through #98339 and wire and electronic transfers in the amount of \$730,504.56 be adopted. The same motion approved the Regular Commission Meeting Minutes for the December 27, 2016 meeting. Motion carried.

Item 6 (a) – Mr. French stated there was one injury reported for the month resulting in no restrictions or lost time.

Item 7 (a) – Mr. French updated the commission on 8-1/2 Street S steam. He stated the working group met and since previous phone surveys and letters yielded few responses they decided a certified letter indicating the steam main would be abandoned by mid-October 2017 would be the best way to reach those customers impacted. Furthermore they determined there would be no costs to disconnect from steam and no gas installation costs since there is already gas to those properties. Commissioner Johnson asked about the availability of financing and Mr. French stated there was none at this time, but that may change as the process gets underway. Commissioner Raplinger emphasized that substantial issues with the steam main and the financial impact to the affected customers drove the decision to abandon the main. A motion to send the certified letters was made by Marwick and supported by Culbert. Motion carried.

Item 7 (b) – Mr. French gave an Electric Charging Station update informing the Commission that finding a location has been difficult. There is no infrastructure to the site that the mall suggested, so discussions have now begun with other businesses local to the mall. Mr. French will update the commission as we move forward.

Item 8 (a) – Mr. French recommended approval of the travel request for the Director of Outside Distribution to attend the MN Ops Education Conference scheduled for April 17-20, 2017 in Brainerd, MN. A motion was made by Culbert and supported by Marks. Motion carried.

Item 9 (a) – Mr. French reported that we've been running 19.2 megawatts from both turbine generators with coal and wood boilers. Although the LEA schedule requires 18 megawatts, we've been holding production at this level for quite a while as Hibbing has been running below schedule. He further explained that the lake discharge temps are running close to our permit discharge limit due to the warm temperatures outside, but with Hibbing coming on-line we should be able to back off to our scheduled production. Mr. French also informed the commission that we've entered into discussions with the MPCA as they are reviewing permits / CO violations back to 2013. He indicated the MPCA is very happy with our operations now and found it favorable that we took it upon ourselves to install the gas burners in wood boiler #11. Furthermore they are open to forgiving some of the penalties as discussions/negotiations continue.

Item 9 (b) – Mr. Hafdahl gave a CIP update stating AEOA completed just short of 50 audits for the year costing about \$30,000 and resulting in a total deemed savings of over 100,000 kwh or ¼ of our mandate. He also stated that about 10% of our total customers are commercial and generate about 2/3 of our electric sales, therefore larger CIP savings are found in commercial projects. Mr. Hafdahl also mentioned the Virginia School District received a significant rebate of \$16,000 for the Parkview project and is hoping the district will continue its efforts in the high school, Roosevelt and bus garage buildings.

A motion to adjourn at 4:03 was made by Marks and supported by Johnson. Motion carried.

ATTEST:

APPROVED:

Bill Culbert, Secretary

Rob Raplinger, President