

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, JULY 23, 2018 AT 3:30 P.M.

Item 1. - Commission President Raplinger called the meeting to order at 3:30 PM.

Present: Commissioners Johnson, Marwick, Petroskey and Raplinger

Absent: Commissioner Culbert

Also Present: Greg French – General Manager; Bill Hafdahl – Finance Director; Mary Johnson – Supervisor – Customer Relations; Charlie Baribeau – Virginia City Council; Representative – Virginia Public Access TV

Approved

Item 2 – Commissioner Raplinger noted that Item 8 (b) – Transfer of Ownership of LEA Loader was added to the agenda. A motion to approve the amended agenda was made by Petroskey and supported by Johnson. Motion carried unanimously.

Item 3 – None

Item 4 – Commissioner Raplinger stated the next LEA meeting was scheduled for July 24, 2018 at 4:00 in Hibbing.

Item 5 – (a) and (b) Mr. Hafdahl mentioned the addition of Net Payment Adjustments to the Consent Agenda. He stated there were reports from January – June 2018, but moving forward they would be provided on a monthly basis. He stated these numbers are not a part of Accounts Payable, but are payment adjustments made directly to customer accounts, so the Commission should be aware of them. A motion was made by Petroskey and supported by Johnson that financial resolution No. 5262 - Authorizing the payroll dated July 5, 2018 in the amount of \$100,004.49, direct deposits #28865 through #28933 and the payroll dated July 19, 2018 in the amount of \$103,894.40, direct deposits #28934 through #29002; and the bills dated June 25, 2018 through July 23, 2018 in the amount of \$1,732,327.40, checks #102007 through #102229 and wire and electronic transfers in the amount of \$224,347.71; and Net Payment Adjustments for the months of January 2018 through June 2018 in the amount of \$11,677.73 be adopted and to approve the Regular Commission Meeting minutes from the June 25, 2018 meeting. Motion carried unanimously.

Item 6 (a) – Mr. French stated there was one injury reported for the month resulting in light restrictions and a couple days of lost time.

Item 7 – None

Item 8 (a) – Mr. French recommended Commission approval of Resolution #5263 authorizing expenditures of the Xcel Energy Purchase Power Agreement (PPA) Termination funds. He stated the Commission had already informally approved utilizing the funds on the expenditures listed in the Resolution, but now that the money was here a formal resolution was needed. He reminded the Commission that the LEA bonds would be paid off and there would also be a transaction from VPU to LEA for a negative receivable. He stated HPU would also be making a payment to LEA and then LEA would divide the total in half and reimburse each Utility. A motion was made by Johnson and supported by Petroskey to approve resolution #5263. Motion carried.

Item 8 (b) – Mr. French stated a motion was needed to transfer ownership of one loader from LEA to VPU at a book value of \$121,131.00. He further stated VPU would leave the loader at the wood yard for the winter months when the wood boiler would be utilized. A motion was made by Marwick and supported by Petroskey to transfer ownership of the loader at book value. Motion carried unanimously.

Item 9 (a) - Mr. French stated that the plant was running approximately 50,000 pounds of live steam off the gas boiler indicating the other boilers were down for maintenance. He further stated that utilizing the turbines would be more efficient than running live steam, therefore VPU has put out a RFP for the sale of 5 megawatts of power and by the August meeting he anticipated being able to report on the response to the RFP. Additionally he stated a deal would likely not be made until October. Mr. French also informed the Commission that as of the end of the day 170 gas services would have been placed. In addition he stated VPU ran a notice in the MDN indicating we were ahead of schedule for gas service line placements giving first opportunity to those customers on Southside who hadn't done anything yet and potentially to any interested customers in the Northside conversion area in a couple weeks. He also mentioned a letter was sent out to Southside customers impacted by the conversion. Mr. French stated he wanted to place as many services as possible to get ahead for next year.

Item 9 (b) – Mr. Hafdahl stated Energy Insights had provided a list of 22 customers they have been working with. Additionally Mr. Hafdahl indicated the CIP report was filed with the Department of Commerce by the due date of 6/1/18. He stated the Utility met all of the mandated requirements with the exception of total spending. However, with the steam conversion project, he anticipated the Utility being over the requirement next year.

Item 10 – A motion to adjourn at 3:56 was made by Marwick and supported by Petroskey. Motion carried unanimously.

ATTEST:

APPROVED:

Bill Culbert, Secretary

Rob Raplinger, President