

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, JUNE 26, 2017 AT 3:30 P.M.

Item 1. - Commission Secretary Culbert called the meeting to order at 3:30 PM.

Present: Commissioners Culbert, Johnson, and Marks

Absent: Commissioner Marwick and Raplinger

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

**Approved**

Item 2 –Mr. French requested the modification of Item 4 (a) – LEA Items: Next meeting tentatively moved to July 5, 2017 in Hibbing at 2:00 PM and the addition of Item 7 (a) – Accept 2016 VPU Audit Report. Motion to approve the amended agenda by Johnson and supported by Marks. Motion carried unanimously.

Item 3 – No appearances.

Item 4 – Mr. French announced that the next LEA Commission is tentatively scheduled July 5, 2017 in Hibbing at 2:00 PM.

Item 5 – (a), (b) and (c) – A motion was made by Johnson and supported by Marks that financial resolution No. 5244 - Authorizing the payroll dated May 25, 2017 in the amount of \$104,138.78, checks #49048 through #49051 and direct deposits #26922 through #26990; and the payroll dated June 8, 2017 in the amount of \$119,849.25 checks #49052 through #49055 and direct deposits #26991 through #27057; and the payroll dated June 22, 2017 in the amount of \$100,166.06 checks #49056 through #49059 and direct deposits #27058 through #27123; and the bills dated May 22, 2017 through June 26, 2017 in the amount of \$2,388,473.99, checks #99199 through #99444 and wire and electronic transfers in the amount of \$2,487,281.21 be adopted and to approve the Regular Commission Meeting minutes from the May 22, 2017 and Special Commission Meeting minutes from the May 31, 2017 meeting. Motion carried unanimously.

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 briefly discussed the 2016 VPU Final Audit Report. Mr. Hafdahl further explained that the statements given to the commission were draft statements and there would be a couple minor changes on the Final Report expected this week. He further stated he would provide the commission with the Final Audit Report once he gets it. After some discussion on the findings of this report by Mr. Hafdahl, Mr. French recommended that the commission accept the 2016 VPU Audit Report as presented. Motion to approve by Johnson and supported by Marks. Motion carried unanimously.

Item 8 (a) – Mr. French recommended Commission approval for the Accounting Supervisor and one CSBS staff member to attend the Caselle Conference in October 2017. Motion to approve by Marks and supported by Johnson. Motion carried unanimously.

Item 8 (b) – Mr. French recommended the Commission approve the retirement notice for Jim Hancock as presented. Motion to approve by Johnson and supported by Marks. Motion carried unanimously.

Item 9 (a) – Mr. French gave an Operations Update stating the power plant is currently producing 15.5 MW of energy with both turbine generators off of the wood and gas boilers. He sated the coal boiler was offline due to electrical repairs, but hoped testing could be done and the boiler brought back online by Wednesday. Mr. French also stated we are actively negotiating with Xcel on (1) a Grant Agreement as to how legislative money (RDF) flows between us and (2) a Termination Agreement which is the agreement to terminate LEA and Xcel Energy’s Purchase Power Agreement. He presented the Commissioners with both Draft agreements stating they are still changing everyday with a strong emphasis on the materials being very confidential at this time.

Item 9 (b) – No discussion.

Commissioner Culbert adjourned the meeting at 3:55.

ATTEST:

APPROVED:

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Bill Culbert, Secretary

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Rob Raplinger, President