

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, NOVEMBER 27, 2017 AT 3:30 P.M.

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

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; Charlie Baribeau – Virginia City Council; Representative – Virginia Public Access TV

**Approved**

Item 2 – Commissioner Raplinger requested the agenda be amended to include Item 8 (e) – Leoni International, LLC. Motion to approve the amended agenda by Culbert, supported by Johnson. Motion carried unanimously.

Item 3 – No Appearances

Item 4 – Commissioner Raplinger announced that the next LEA Commission meeting is tentatively scheduled for January 22, 2018 in Virginia at 4:30 PM.

Item 5 – (a) and (b) A motion was made by Johnson and supported by Culbert that financial resolution No. 5250 - Authorizing the payroll dated October 26, 2017 in the amount of \$102,796.33, direct deposits #27649 through #27717; and the payroll dated November 9, 2017 in the amount of \$102,055.80, direct deposits #27718 through #27786; and the payroll dated November 22, 2017 in the amount of \$105,044.57, direct deposits #27787 through #27855; and the bills dated October 23, 2017 through November 27, 2017 in the amount of \$1,770,187.10, checks #100294 through #100538 and wire and electronic transfers in the amount of \$2,247,571.64 be adopted; and to approve the Regular Commission Meeting minutes from the October 23, 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 6 (b) – Mr. French stated the Strategic Planning Committee has been focusing specifically on residential steam conversions and how buy-out funds, low gas pricing, the rebate program and interest free loans might be utilized. He further stated the Mayor and two Councilors attended the last meeting which was helpful. Commissioner Raplinger thanked the Mayor for attending.

Item 7 (a) - Mr. French reported on the Highway 53 Project stating that for over a month the Utility has been servicing water to Midway via the pipe crossing the new bridge and booster system.

Item 8 (a) – Mr. French indicated VPU is getting to the end of the Grant Contract with DEED for the Highway 53 project. He stated the electric project finished up on budget while the gas project came in under budget. Therefore, the electric and gas projects have been paid off entirely. Remaining DEED funds are being transferred to the City and an extension with DEED will be requested by the City. The GAP money will all be allocated towards the water and sewer work performed through the MnDOT project, since all of the cost overruns were in that contract.

Item 8 (b) – Mr. French discussed the date for the December meeting. He stated the office will be closed on Monday, December 25<sup>th</sup> for the Christmas holiday and in the past the Commission voted to move the meeting up by a week. A motion was made by Marks and supported by Johnson to hold the next meeting on Monday, December 18, 2017 at 3:30pm. Motion carried unanimously.

Item 8 (c) – Mr. French stated there were two retirement notices. The first notice was for John Sopp who worked as a service person for over 30 years and the other for Glenn Flaim who worked on the Line Crew for over 37 years. Mr. French stated both were fantastic employees and recommended the Commission approve the payout of benefits as earned. A motion was made by Culbert and supported by Marwick to approve the payout of benefits to both employees. The motion carried unanimously. On behalf of the commission, Commissioner Raplinger thanked both employees for many decades of good service.

Item 8 (d) – Mr. Hafdahl explained that resolution #5251 – Second Allonge was an extension to the line of credit with US Bank giving the City time to see if, through a legislative effort, funds could be obtained to cover the shortfall on the Highway 53 project. A motion to approve Resolution #5251 was made by Marks and supported by Johnson. Motion carried unanimously.

Item 8 (e) – Commissioner Raplinger stated Terry Leoni had a meeting with Larry McGuire, and himself representing a working group for the LEA Board (Ron Dicklich was also appointed to the group but was not available to attend). He stated Mr. Leoni wanted to discuss the ongoing involvement with LEA. Commissioner Raplinger stated Mr. Leoni proposed a month-to-month agreement with a 60% reduction in hours and pay. Mr. French indicated VPU may utilize the wood yard a little more than Hibbing, but would need to get through the next year or more to have a better idea of its needs. He stated as of today the agreement is with the LEA Board month-to-month with a 90 day notice of termination.

Item 9 (a) - Mr. French stated VPU has been generating 15.5 megawatts on #6 turbine generator created off the coal and gas boilers. He stated production is slightly behind, but levels will jump back up to 18-19 megawatts as of December 1, 2017. He indicated the wood boiler will be brought online early next week once induction fan issues are resolved. He also stated #5 turbine generator is currently offline due to issues with the condensate pump caused by debris. He stated divers were coming this week to clean out the debris. Lastly Mr. French stated the outside crews have been doing some last minute steam repairs with the favorable weather we've been having.

Item 9 (b) – Mr. Hafdahl updated the Commission indicating around \$25,000 in commercial rebates have been applied for. He further stated the residential program was done for this year with about fifty customers being serviced.

Item 10 – A motion to adjourn at 4:02 was made by Marks and supported by Marwick. Motion carried unanimously.

ATTEST:

APPROVED:

Bill Culbert, Secretary

Rob Raplinger, President