

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 24, 2023 AT 3:30 P.M.

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

Approved

Present: Commissioners Johnson, Makowsky, Marwick, and Petroskey
Absent: None, noting there is currently an empty chair on the Commission.
Also Present: Greg French – General Manager; Cassandra Belak – Director of Finance; Mary Johnson – Supervisor – Customer Relations; Liz Motley – Virginia City Council; Representative – Virginia Public Access TV

Item 2 – Mr. French stated the agenda has been amended to include Item 6 (c) – LEA Buyout Update. A motion was made by Commissioner Johnson and supported by Commissioner Petroskey to approve the amended meeting agenda. Motion carried unanimously.

Item 3 – Devin Ceglar – Walker, Giroux and Hahne. Update provided in Item 6 (a).

Item 4 (a) and (b) - A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to approve financial resolution No. 5339 - Authorizing the payroll dated June 29, 2023 in the amount of \$87,310.47, direct deposits #37192 through #37240; and the payroll dated July 13, 2023 in the amount of \$86,416.68, direct deposits #37241 through #37288; and the bills dated June 26, 2023 through July 21, 2023 in the amount of \$1,032,328.71, checks #115217 through #115378 and wire and electronic transfers in the amount of \$801,637.37; and Net Payment Adjustments for the month of June 2023 in the amount of \$5,748.87 and the Regular Commission Meeting minutes from the June 26, 2023 meeting.

Item 5 (a) – Commissioner Marwick stated there were no injuries reported for the month.

Item 6 (a) – Devin Ceglar from the Walker, Giroux and Hahne Accounting Firm reported on the 2022 audited financial statements. Mr. Ceglar stated the audit found the statements met the best practices as set forth by GAAP. He further stated the last two years working with VPU have been good, and he noted the transition from Mr. Hafdahl to Ms. Belak was smooth. A motion was made by Commissioner Petroskey and supported by Commissioner Makowsky to accept the 2022 Audited Financial Statements. Motion carried unanimously.

Item 6 (b) – Mr. French gave a college conversion update stating the steam system has been removed from their facility, and they are moving forward with a natural gas system. He further stated VPU will be changing a valve on the 8” hospital line. He added the 14” line to the college will be abandoned this week or next once the new valve is in place.

Item 6 (c) – Mr. French gave a LEA buyout update stating HPU and VPU have negotiated a buyout price of \$756,249.00 for VPU’s share of the LEA assets. Mr. French asked the Commission to make a motion accepting the negotiated buyout amount, as well as allowing him to move forward with a final purchase agreement. He stated the final draft will be reviewed by VPU’s attorney, as well as be sent to the Commission. He is hoping to have the closing on August 15th. A motion was made by Commissioner Petroskey and supported by Commissioner Makowsky to approve the buyout price of \$756,249.00 and to proceed with closing contingent upon attorney review of the purchase agreement. Motion carried unanimously.

Item 7 (a) – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to approve the travel request for 2 - meter technicians to attend the MN Electric Meter School; September 11-13, 2023 in Roseville, MN. Motion carried unanimously.

Item 7 (b) – Mr. French stated the plant has not run #11 wood boiler since the Xcel buyout of the LEA contract. He further stated it would take a major investment in the boiler for VPU to meet permitting requirements. Mr. French recommended the Commission move to approve removing the wood portion of #11 boiler from the permit, but continue permitting the gas portion of the boiler. A motion was made by Commissioner Petroskey and supported by Commissioner Johnson. Motion carried unanimously. Additionally, Mr. French discussed future decommissioning of all super-heated boilers due to a reduction in plant staffing, as well as a reduced core steam district that can be adequately fed from the two package boilers. Mr. French stated the one-year maintenance on #1 boiler has been completed. He stated a couple of minor tube leaks were found and repaired.

Item 7 (c) – Mr. French informed the Commission that the Wellness Fair this year will be held on October 12, 2023.

Item 7 (d) – Mr. French updated the Commission on the water tower projects stating both the main and hospital towers are done. Work being done to the Midway tower is still in process.

Item 8 (a) – Mr. French stated #1 package boiler is back online, and running about 20,000 lb/hr of steam.

Item 8 (b) – Other discussion included the replacement of the transformer in the plant yard, and an update on the Malone Hall demo.

Item (9) – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to adjourn at 4:21 p.m. Motion carried unanimously.

ATTEST:

APPROVED:

James Petroskey, Secretary

Jeff Marwick, President