

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, MARCH 27, 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; Charlie Baribeau – Virginia City Council; Representative – Virginia Public Access TV

Item 1 – Motion was made by Marks and supported by Johnson to nominate Commissioner Raplinger for the office of President. Motion carried. A motion was made by Johnson and supported by Marks to nominate Commissioner Marwick for the office of Vice-President. Motion carried. A motion was made by Marks and supported by Marwick to nominate Commissioner Culbert for the office of Secretary. Motion carried.

Item 2 – Mr. French requested the addition of Item 7 (b) – MPCA Stipulation Agreement Update and Mr. Hafdahl requested the addition of Item 8 (a) – Signature Plate Remains for AP. Motion to approve the agenda by Marwick and supported by Johnson. Motion carried.

Item 3 – No appearances.

Item 4 – Mr. French explained that the minutes from the February 27th meeting reflected the LEA meeting was scheduled for March 28, 2017 in Hibbing, but due to member availability the meeting was moved up to Monday, March 27th in Virginia at 4:30 PM.

Item 5 – (a) and (b) – A motion was made by Culbert and supported by Marks that financial resolution No. 5238 – Authorizing the payroll dated March 2, 2017 in the amount of \$107,808.18 checks #49018 through #49021 and direct deposits #26509 through #26578; and the payroll dated March 16, 2017 in the amount of \$104,892.05 checks #49022 through #49025 and direct deposits #26579 through #26648; and the bills dated February 27, 2017 through March 27, 2017 in the amount of \$1,684,360.21, checks #98611 through #98802 and wire and electronic transfers in the amount of \$1,845,245.47 be adopted. The same motion approved the Regular Commission Meeting Minutes for the February 27, 2017 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 gave an Electric Charging Station Update informing the Commission that a location has not been determined, but there is some land between Village Inn and Pizza Hut that is being considered due to its proximity to the highway and access to power. He stated we will hopefully be moving the project forward with the owners of Village Inn on that location.

Item 7 (b) – Mr. French stated VPU has been working with the MPCA on finalizing a Stipulation Agreement regarding air emissions violations for the years 2013-2016. He stated these violations were being looked at due to the diligence of VPU staff in working toward improvements. He further stated the Utility has had near perfect compliance since the installation of the gas burners in #11 wood boiler. Mr. French indicated he signed a Stipulation Agreement so his update was for information purposes only.

Item 8 (a) – Mr. Hafdahl indicated the Utility would need to update the signature plate for AP with the newly elected officers and requested commission authorization to use the current signatures in the meantime. A motion was made by Culbert and supported by Marks. Motion carried.

Item 9 (a) – Mr. French gave an operations update stating we've been running 18 megawatts from both turbine generators with coal and wood boilers. The annual outage for wood boiler #11, which is planned during road restrictions, is scheduled for the 1st of April and will last 4 weeks. The Utility has had approximately 6 water main breaks this winter. He indicated our winter was warmer than normal, so there may be the need to cut back on some capital projects budgeted for the year. Mr. French also informed the Commission that he and Mr. Hafdahl attended a meeting at City Hall regarding the Highway 53 Relocation project. He stated MNDOT project managers were there to talk about the project which should be finalized by September. There will be a short time where Midway residents will be served water from Eveleth while the final connections are made.

9 (b) – Mr. Hafdahl gave a CIP Update. He stated the 2015 CIP report filed with the Department of Commerce was accepted. He further stated that, in both 2015 & 2016, VPU more than exceeded the required 1-1/2% deemed kilowatt savings, but did not meet the spending requirement of 1-1/2%. He further stated that, as of yet, there was no consequences to not meeting the spending requirement for 2015, but it was likely we would have to increase planned spending for 2017 to meet the requirement.

Item 9 (c) – Commissioner Johnson asked if the Director – Outside Distribution position had been filled. Mr. French stated he's interviewed a few candidates, but has not yet filled the position. In the interim Mr. French reached out to former Director of Electric & Gas - Don Rindfuss to assist with the Gas Department and to provide training to the future hire. Mr. French stated he is very appreciative of Mr. Rindfuss coming back to help out and for the other managers and staff stepping up to fill in the gaps.

A motion to adjourn at 4:10 was made by Marks and supported by Johnson. Motion carried.

ATTEST:

APPROVED:

Bill Culbert, Secretary

Rob Raplinger, President