

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 27, 2022 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, Petroskey and Teasck  
Absent: None  
Also Present: Greg French - General Manager; Bill Hafdahl – Assistant General Manager; Mary Johnson – Supervisor – Customer Relations; Cassandra Belak – Accounting Supervisor; Representative – Virginia Public Access TV

Item 2 – A motion was made by Commissioner Petroskey and supported by Commissioner Makowsky to approve the meeting agenda. Motion carried unanimously.

Item 3 – None

Item 4 (a) and (b) - A motion was made by Commissioner Petroskey and supported by Commissioner Johnson that financial resolution No. 5321 - Authorizing the payroll dated June 2, 2022 in the amount of \$111,861.56, direct deposits #35715 through #35773; and the payroll dated June 16, 2022 in the amount of \$94,648.91, direct deposits #35774 through #35831; and the bills dated May 23, 2022 through June 27, 2022 in the amount of \$1,289,019.95, checks #113019 through #113242 and wire and electronic transfers in the amount of \$2,367,615.19; and Net Payment Adjustments for the month of May 2022 in the amount of \$1637.58; and to approve the Regular Commission Meeting minutes from the May 23, 2022 meeting. Motion carried unanimously.

Item 5 (a) – Mr. French reported there was one injury reported for the month resulting in no restrictions or lost time.

Item 6 (a) – Mr. French informed the Commission that VPU received no bids for the 3<sup>rd</sup> Street N Water Project indicating contractors are hesitant because of the groundwater level and the presence of a fiber optic cable. Mr. French stated that VPU is working with contractors and engineers on finding the best way to get the project done.

Item 6 (b) – Mr. French stated the 10<sup>th</sup> Street S Substation has been online for month and has had no issues.

Item 7 (a) – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to approve the travel request for Mr. Hafdahl, Ms. Belak, Mr. French, and any interested commissioners to attend the 2022 MMUA Summer Conference.

Item 7 (b) – Mr. Hafdahl gave a gas hedging update stating natural gas prices have gone up since the 1<sup>st</sup> of the year, primarily as a result of the Ukraine War. He further stated this summer we will see a purchased gas fuel adjustment as a result. Mr. Hafdahl stated that 50% of the 2022 winter load has already been purchased, and that he is buying additional gas when prices are more favorable in an effort to avoid/minimize fuel adjustments being passed on to customers. Mr. Hafdahl also indicated that he has purchased 30% of the 2023 load, and pricing for that period is more favorable. Mr. French stated that while there may be some fuel adjustment passed through to customers, he is hoping it will be at a minimum. He further reminded the commission that the steam fuel adjustment follows gas.

Item 8 (a) – Mr. French gave an operations update stating the new boiler has been producing 7,000-15,000 lb/hr of steam with no issues. He further stated the well, located in the plant, is online and feeding the RO System, so water is no longer being pulled from Silver Lake. Mr. French stated that on July 13<sup>th</sup>, there will be a 12+ hour steam outage impacting the downtown core. He further stated there will be a subsequent outage that VPU will put out on Facebook and in the paper.

Item 8 (b) – Other discussion included the relocating of a steam line at the new high school, Malone Hall demo, establishing a financial plan for abandonment of the plant, and the Mesabi Community College steam line.

Item (9) – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to adjourn at 3:42 p.m. Motion carried unanimously.

ATTEST:

APPROVED:

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James Petroskey, Secretary

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Jeff Marwick, President