

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, SEPTEMBER 26, 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; Cassandra Belak – Director of Finance; Mary Johnson – Supervisor – Customer Relations; Representative – Virginia Public Access TV

Item 2 – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson 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 Teasck to approve financial resolution No. 5327 - Authorizing the payroll dated August 25, 2022 in the amount of \$92,207.25, direct deposits #36064 through #36119; and the payroll dated September 8, 2022 in the amount of \$109,288.01, direct deposits #36120 through #36173; and the payroll dated September 22, 2022 in the amount of \$91,278.27, direct deposits #36174 through #36226; and the bills dated August 22, 2022 through September 26, 2022 in the amount of \$1,615,118.96, checks #113602 through #113802 and wire and electronic transfers in the amount of \$1,716,366.70; and Net Payment Adjustments for the month of August 2022 in the amount of \$6684.57; and to approve the Regular Commission Meeting minutes from the August 22, 2022 meeting. Motion carried unanimously.

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

Item 6 (a) – Mr. French stated information regarding the commission-approved incentive, available to Mesabi Community College for converting off of steam by October 31, 2023, was forwarded to the College. Mr. French hasn't received any updates from the College as of yet.

Item 6 (b) – Mr. French stated he is trying to get a meeting scheduled with HPU to discuss the sale of VPU's share of the LEA assets. He is hoping for a meeting the 1st week in October.

Item 6 (c) – Mr. French stated the upcoming VPU Newsletter features an article that indicates natural gas prices will be a little higher this year. Mr. Hafdahl gave an update stating he has already hedged 91% of the average gas usage, but still has two small purchases to make. He stated the rates are expected to be higher with a starting estimated price of \$.87 - \$.88. That price is expected to peak around \$1.13, and then fall off closer to \$.87 by April. He further stated the rates began to spike this past February, with the Ukraine War and the huge increase in the amount of liquified gas being sent to Europe, as the largest contributing factors.

Item 7 (a) – Mr. Hafdahl stated VPU would like to begin splitting the \$100 reconnection fee by applying \$75 to the account as a deposit, and the remaining \$25 as a reconnection fee. In the case of a \$200 reconnection fee, \$150 would be applied as a deposit, and \$50 as a fee. A motion was made by Commissioner Petroskey and supported by Commissioner Teasck to approve Resolution #5328 – Application of Shut-off Fees which acknowledges the change. Motion carried unanimously.

Item 8 (a) – Mr. French gave an operations update stating the new boiler is here, and he is hoping it will be online by year-end. He further stated VPU plans to burn coal during the months of October – December, and then #7 coal boiler will be in limited use with plans to decommission it by 2025. Mr. French also stated that while VPU was working to repair a leaking expansion joint in a manhole by the hospital, the abandoned Northside feedline was also cutoff. He further discussed the most recent power outage stating a switch in a transformer by the College was burnt and had to be changed out along with a section of underground wires.

Item 8 (b) – None

Item (9) – A motion was made by Commissioner Petroskey and supported by Commissioner Johnson to adjourn at 3:43 p.m. Motion carried unanimously.

ATTEST:

APPROVED:

James Petroskey, Secretary

Jeff Marwick, President