

# **MINUTES OF THE PROCEEDINGS**

## **of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota**

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Page One

August 13, 2018

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on August 13, 2018, at Hibbing Public Utilities, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746. Chairperson Garrity called the meeting to order at 5:01 p.m. In attendance were Chairperson Garrity; Commissioner McGuire; Commissioner Hart; Commissioner Bugliosi; Commissioner Rian; Legal Counsel, Andy Borland; General Manager, Scott Hautala; Director of Finance, Jean Lane; Director of Power Production, Bob Nyberg; Director of Utility Operations, Corey Lubovich; Administrative Assistant, Penny Lange; Safety/Environmental Coordinator, Pete Karakash; and Superintendent of Electrical systems, Esko Savela. Also in attendance were Zef Representative, Jim Goodman; HPAT, Gail Adams; Local 94 employees, J. Sanborn, P. Petrich, W. Kampen, B. Berg, and M. Reger.

### **ADDS/DELETES**

- S. Hautala requested to add Item No. 9.C. Consider Approving Letter of Interest for the Electric Vehicle Fast Charging Corridor Grant.

### **APPROVAL OF MINUTES**

Motion made by Commissioner McGuire, supported by Commissioner Rian, to approve the regular meeting minutes of July 24, 2018.

Motion carried unanimously.

### **CITIZENS FORUM - None**

### **CONSENT AGENDA**

Motion by Commissioner Rian supported by Commissioner McGuire to approve the following consent agenda items:

- Review and approve the payroll paid and overtime report for the August 2, 2018 pay date.
- MMUA Delegate Appointment for Summer Conference
- Request for Contribution – Hibbing Volleyball Club
- Accept the Resignation of D. Anderson, Plant Electrician

Motion carried unanimously.

- Commissioner McGuire requested to pull Item 5.F Consider Insurance Renewal from the LMCIT & Approve the Resolution Regarding Liability Coverage Waiver for further discussion.
- Commissioner Hart requested to pull item 5.A. Ratification of Blanket Quotes greater than \$5,000 and & 5.B. Review and approve the bills from July 20, 2018 through August 8, 2018, check numbers 38391 through 38475 & ACH transfer 7201801 through 78011802 for further discussion.

# **MINUTES OF THE PROCEEDINGS**

## **of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota**

Page Two

August 13, 2018

- Commissioner Hart questioned the HDR billing and asked if it was the final bill and what the project cost was. S. Hautala stated that it was HDR's final billing for the long range study and that HPU did not exceed the authorized amount for the project.
- Commissioner Hart inquired about Micro Motion. S. Hautala stated that Micro Motion was for a water meter transmitter to measure water to power plant. Meter is being replaced. This item was previously approved by the Commission for a Plant project but is over the \$5,000 allowable limit for General Manager approval, as the reason why it was brought before the Commission.
- Commissioner McGuire inquired about ATW Consulting. S. Hautala stated that it was the finalization of the MP Bridge Agreement.

Motion by Commissioner Hart, supported by Commissioner Rian, to approve Items 5.A. and 5.B.

Motion carried unanimously.

Commissioner McGuire inquired about Item 5.F. J. Lane gave presentation. This item will be brought back to Commission after detailed information is obtained. Commissioner McGuire questioned if it could be month-to-month or on an annual basis, and requested more information before making any decisions. Self-insured is an issue with some Commission members. Commissioner McGuire requested dollar values, percentage of claims paid, premium amounts and with the high premium what claims are paid. Can the insurance be split e.g., property/liability/auto? Is it separate from workers comp? FM Global insures the Power Plant. LMCIT is non-profit and is currently being utilized. Chair Garrity stated that there will be a big risk of LMCIT is dropped and HPU self-insures liability and vehicle insurance. September 15, 2018 is policy renewal date. J. Lane gave presentation to tort liability waiver.

Motion by Commissioner McGuire, seconded by Commissioner Bugliosi, to approve request to go out for further information from LMCIT, and that HPU does "not waive" the tort liability.

Motion carried unanimously.

### **PERSONNEL/POLICY**

The Commission reviewed the correspondence dated August 10, 2018 from S. Hautala regarding Request to Approve Director of Electrical Systems Job Description. S. Hautala gave background information.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to approve the Director of Electrical Systems Job Description, as presented.

Motion carried unanimously.

# **MINUTES OF THE PROCEEDINGS**

## **of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota**

---

Page Three

August 13, 2018

Motion by Commissioner McGuire supported by Commissioner Rian to proceed with the Hiring Process of the Director of Electrical Systems.

Motion carried unanimously.

The Commission reviewed the correspondence dated August 13, 2018 from J. Lane regarding Consider Contracting with CorVel Rehabilitation Services for Job Description Physical Qualifications Assessment. J. Lane gave presentation. Discussed reasonable accommodations and liability issue for physical job requirements.

Motion by Commissioner Rian, supported by Commissioner McGuire, to authorize Contracting with CorVel Rehabilitation Services for Job Description Qualifications Assessment in the amount of \$15,750.

Commissioner Rian – yes  
Commissioner McGuire – yes  
Chair Garrity – no  
Commissioner Hart – no  
Commissioner Bugliosi – no  
Motion failed.

### **PUBLIC BIDS & QUOTES**

The Commission reviewed the correspondence dated August 6, 2018 from S. Hautala regarding Airgas – Removal of Bulk Nitrogen Tank: Project Approval - \$6,000.

Motion by Commissioner Rian, supported by Commissioner McGuire, to authorize the Removal of Bulk Nitrogen Tank by Airgas in the amount of \$6,000.

Motion carried unanimously.

### **OLD BUSINESS**

The Commission reviewed the correspondence dated August 10, 2018 from S. Hautala regarding Long Range Plan Scenario Update. S. Hautala gave verbal presentation. Commissioner McGuire & Hart expressed frustration and disappointment. This item was placed in the Commission file.

No action taken.

The Commission reviewed the correspondence dated August 9, 2018 from S. Hautala regarding Results of Performance Review of Director of Finance.

Motion by Chairperson Garrity, supported by Commissioner Bugliosi, to approve the review and placed in the Commission file. No action taken.

Motion carried unanimously.

# **MINUTES OF THE PROCEEDINGS**

## **of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota**

---

Page Four

August 13, 2018

The Commission reviewed the correspondence dated July 18, 2018 from P. Karakash regarding Elevator Service & Maintenance Contract. This item was tabled from the July 24, 2018 regular Commission meeting. HPU is currently without a contract and the Safety/Environmental Coordinator expressed the importance and safety aspects of having the contract in place. This contract is less expensive from the previous contract with another company.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to authorize the Elevator Service & Maintenance Contract of a two year amount of \$7,380.00.

Motion carried unanimously.

The Commission reviewed the correspondence dated August 8, 2018 from S. Hautala regarding Consideration of Letter of Understanding between HPUC and Local 94 - Temporary Transfer Provisions with the end date of December 31, 2018.

Motion by Commissioner McGuire, supported by Commissioner Rian, to authorize the signature for the Letter of Understanding between HPUC and Local 94 Temporary Transfer Provisions and adopt the Resolution as follows:

WHEREAS: The employer is going through a restructuring and rightsizing process due to the loss of the Xcel Energy contract; and

WHEREAS: It is the goal of both the Union and the Employer to keep as many individuals employed as possible; and

WHEREAS: The CBA restricts the Employer's right to redirect certain staff to work outside of their regularly scheduled work role; and

NOW THEREFORE: The Employer and the Union agree it is necessary to outline the terms and conditions of a temporary waiver of the provisions related to the temporary reassignment of the below identified classification.

**BE IT RESOLVED:**

This document is intended to be a clarification of a document presented to the PUC at their June 26<sup>th</sup> meeting about the waiving some of the current bargaining agreement

The Union is agreeing to waive contract language pertaining to the Fireman Helper's ability to work outside of the Power Plant area. (Art XII Sect 1 d)

The Helper will be treated the same as the Employees with "Utility" designations in their titles so far as transfers are concerned.

Both parties agree that any additional issues (i.e. violation of the 30 day transfer into a department) arise due to the nature of this agreement, the harmed party shall request a meeting to address concerns and issues on a case by case basis, prior to initiation of the

# **MINUTES OF THE PROCEEDINGS**

## **of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota**

---

Page Five

August 13, 2018

grievance process. It is understood by both parties that individual waivers shall be justified due to the nature of this agreement. Alternatively, it is also understood that this agreement shall not lead to the intentional elimination of permanent and necessary positions at HPUC.

BE IT FURTHER RESOLVED: The terms and conditions agreed to in this Letter of Understanding shall be sunset with the expiration of the Labor Agreement, December 31, 2019.

FINALLY, This Letter of Understanding represents the full and complete agreement between the parties regarding this matter. The provisions of this LOU do not modify the parties Labor Agreement, but instead are in addition to the existing provisions. All other provisions of the collective bargaining agreement continue to apply including but not limited to Art XII Sect 1 c.(30 day maximum transfer language).

Motion carried unanimously.

The Commission reviewed the correspondence dated August 10, 2018 from S. Hautala regarding Electric Generation Credits and Revenue. S. Hautala gave presentation.

Motion by Commissioner McGuire, supported by Commissioner Hart, to approve the Electric Generation Credits and Revenue by coding them to the Power Plant Station Power account.

Motion carried unanimously.

Commissioner McGuire requested an update on what the plant personnel are working on due to the consequence of generation curtailment. S. Hautala gave verbal update and stated a more extensive update will be coming to the August 28, 2018 regular meeting.

No action taken.

Chair Garrity asked about the status of the Washington School steam line and the safety issue of open areas. Work was to begin today, pouring forms, etc. Per C. Lubovich, the completion date will be as soon as possible.

No action taken.

### **NEW BUSINESS**

The Commission reviewed the correspondence dated August 10, 2018 from S. Hautala regarding Consider Revising HPU Natural Gas Service Application Fee. Lengthy discussion held. C. Lubovich gave background.

Motion by Commissioner McGuire, supported by Commissioner Hart to revise the policy application to waive the fee with the stipulations of: 1) must be a steam to gas

# MINUTES OF THE PROCEEDINGS

of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota

Page Six

August 13, 2018

conversion; and 2) the gas meter shall be activated with constant flow within one year of gas line installation. If not, the applicant will be charged the fee. This waiver fee applies to any application made during the 2018 calendar year and in effect until other Commission action. The 11 applicants for steam to gas conversions that have paid the fee will receive credit.

Commissioner McGuire – yes  
Commissioner Hart – yes  
Commissioner Bugliosi – yes  
Commissioner Rian – yes  
Chairperson Garrity – no  
Motion carried.

The Commission reviewed the correspondence dated August 10, 2018 from S. Hautala regarding Consider Setting a Special Meeting to Discuss Long Range Plan Scenario. Commissioner McGuire asked what the agenda is going to be, and requested the information be presented no later than August 28, 2018, unless special meeting is set. Commissioner Rian suggested presenting information at the August 28, 2018 regular meeting, then set special meeting date.

No action taken.

The Commission reviewed the correspondence dated August 13, 2018 from S. Hautala regarding Approving Letter of Interest collaborating with Zef Energy and Minnesota Power for the Electric Vehicle Fast Charging Corridor Grant.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to authorize HPU to write a non-binding Letter of Interest supporting the Electric Vehicle Fast Charging Corridor Grant.

Motion carried unanimously.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to adjourn the meeting at 7:21 p.m.

Motion carried unanimously.

Attest:

  
Patrick Garrity, Chairperson

  
Jean Lane, Commission Secretary

*The next regular Commission meeting is scheduled for Tuesday, August 28, 2018 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746*

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