

MINUTES OF THE PROCEEDINGS

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

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September 25, 2018

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on September 25, 2018, at Hibbing Public Utilities, 1902 E. 6th Ave., Hibbing, MN 55746. Chairperson Garrity called the meeting to order at 5:01 p.m. In attendance were Chairperson Garrity; 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; and Safety/Environmental Coordinator, Pete Karakash. Also in attendance were HPAT, Gail Adams; Hibbing Daily Tribune, Carrie Manner; Local 94 employees, M. Reger, T. Garrity, & P. Plombon. Absent from the meeting was Commissioner McGuire.

ADDS/DELETES

- J. Lane clarified that Item 8 is an information only item.
- Add Under New Business Per Chair Garrity: Move Forward with #4 Boiler Maintenance

APPROVAL OF MINUTES

Motion made by Commissioner Rian, supported by Commissioner Bugliosi, to approve the regular meeting minutes of September 11, 2018.

Motion carried unanimously.

CITIZENS FORUM - None

CONSENT AGENDA

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

- 5.A. Review and approve the items over \$5,000
- 5.B. Review and approve the bills from September 7, 2018 through September 20, 2018, check numbers 38617 through 38702 & ACH transfer 9071801 through 9071803.
- 5.D. 2019 Salvation Army HeatShare Participation Authorization.
- 5.E. Principles of Substation Design & Construction: Overnight Travel Request.

Motion carried unanimously.

Motion by Chairperson Garrity, supported by Commissioner Rian to pull for discussion Item 5.C. Review and approve the payroll paid and overtime report for the September 13, 2018 pay date. Discussion held.

Motion by Commissioner Bugliosi, supported by Commissioner Rian, to approve Consent Agenda Item 5.C. payroll paid and overtime report for the September 13, 2018 paydate.

Motion carried unanimously.

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PERSONNEL/POLICY

The Commission reviewed the correspondence dated September 21, 2018 from S. Hautala regarding Award Job Posting No. 18-01: Heat Foreman.

Motion by Chairperson Garrity, supported by Commissioner Bugliosi, to award Job Posting No. 18-01 to P. Vendetti, as the senior qualified employee.

Commissioner Rian – No
Commissioner Hart – No
Motion fails due to tie vote.

Motion by Commissioner Rian, supported by Commissioner Hart, to Award Job Posting No. 18-01: Heat Foreman on the basis of the senior qualified employee that accepts the position, as per the discussion held.

Chairperson Garrity – No
Motion carries.

The Commission reviewed the correspondence dated September 21, 2018 from S. Hautala regarding Award Job Posting No. 18-02: Transportation Mechanic.

Motion by Chairperson Garrity, supported by Commissioner Hart to table the Award Job Posting No. 18-02: Transportation Mechanic until testing is complete.

Motion carried unanimously.

PUBLIC BIDS & QUOTES

The Commission reviewed the correspondence dated September 21, 2018 from S. Hautala regarding Power Plant Solid Fuel Power Plan: Consider Approval of the 2019 MERC Coal Supply Agreement.

Motion by Commissioner Rian, supported by Commissioner Hart to approve the Power Plant Solid Fuel Power Plan: Consider Approval of the 2019 MERC Coal Supply Agreement.

Motion carried unanimously.

The Commission reviewed the correspondence dated September 21, 2018 from P. Karakash regarding Compact Logic PLC (Programmable Logic Controller).

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Motion by Commissioner Hart, supported by Commissioner Rian, to authorize one Compact Logic PLC's (Programmable Logic Controllers) for Boiler #1, #2, #3.

Motion carried unanimously.

The Commission reviewed the correspondence dated September 25, 2018 from J. Lane regarding Financials: Expense Allocations. Lengthy discussion held.

No action taken.

Chairperson Garrity stated that due to RDF payments it is time to go on record and instruct management to begin the annual maintenance on Boiler #4.

Motion by Chairperson Garrity, supported by Commissioner Rian to begin the annual maintenance on Boiler #4.

Commissioner Hart – opposed.
Motion carried.

Motion by Chairperson Garrity, supported by Commissioner Bugliosi, to authorize HPU to meet and negotiate amounts and terms with the loggers; and bring back to the Commission the results of the meeting.

Commissioner Hart – opposed.
Motion carried.

OLD BUSINESS

The Commission reviewed the department reports.

Steam/Water/Natural Gas: C. Lubovich was present and requested questions from Commission members.

- Commissioner Rian inquired regarding new downtown water standpipes. C. Lubovich to investigate this item as per which services did not have a sleeve to prevent the rising of the water standpipe.
- Chairperson Garrity asked about the steam vault on 12th Ave. & 25th Street which feeds the College. C. Lubovich gave update that the crew is cleaning out debris and groundwater. Installing a second pump for backup. They will be installing a split sleeve for outer wall of vault to reduce debris and groundwater infiltration.
- Commissioner Bugliosi inquired about the water treatment plant dehumidifier. C. Lubovich stated that it is in need of replacement due to its age and difficulty getting parts.

Power Plant: R. Nyberg requested questions regarding his narrative.

- FM Global inspectors were on site. Sent out an RFP on the East Cooling Tower Demolition.

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- Safety valve replacement has been completed.
- Due to Commission action in that Boiler #4 will be used, Boiler #4 will also need internal boiler tube cleaning.

Electrical: S. Hautala was present to give update on the following:

- 22kV FM #309 replacement in MP's Hibbing Substation with a target completion date by October 4, 2018 has begun.
- Mine View electrical estimate for voltage usage.
- L&M Radiator underground design being worked on.
- Power Outages:
 - One (1) scheduled outage to upgrade secondary feeds for increased load, 2 customers affected.
 - One (1) major outage due to insulator failure on 22kV FDR #309 – 730 customers affected.
 - One (1) momentary outage on 13.8kV FDR #4 due to tree falling on the line – 1500 customers affected for 45 seconds.
- Commissioner Hart inquired about the voltages at the Mine View and feels 3 phase is unnecessary to keep costs down. S. Hautala stated it has been changed. Commissioner Rian asked this is being reimbursed by the City. S. Hautala stated that two poles are included in the policy but that the City will be billed installation.

Finance: J. Lane requested to stand for questions.

- J. Lane thanked the customers who are and have participated in the steam conversion survey. Chairperson Garrity had concern of asking the customers monetary guidelines and having the customers calculate their savings. J. Lane stated that it is for demographic purposes and that the monetary item is optional.

Steam System: S. Hautala gave presentation.

- S. Hautala gave presentation regarding the core area and steam conversion survey. Per S. Hautala, another survey will be sent to all steam customers in the near future. Lengthy discussion held.

No action taken.

The Commission reviewed the correspondence from C. Lubovich dated September 18, 2018 regarding State of the Steam Distribution System – Central Addition. C. Lubovich gave presentation.

No action taken.

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Motion by Commissioner Rian, supported by Commissioner Bugliosi, to adjourn the meeting at 7:15 p.m.

Motion carried unanimously.

Attest:


Patrick Garrity, Chairperson


Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, October 16, 2018 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6th Ave., Hibbing, MN 55746

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