

MINUTES OF THE PROCEEDINGS

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

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November 13, 2018

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on November 13, 2018, at Hibbing Public Utilities, 1902 E. 6th Ave., Hibbing, MN 55746. Chairperson Garrity called the meeting to order at 5:02 p.m. In attendance were Chairperson Garrity; Commissioner McGuire; Commissioner Hart;; Commissioner Rian; Commissioner Bugliosi; 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; Superintendent of Electrical Systems, Esko Savela; and Safety/ Environmental Coordinator, Pete Karakash. Also in attendance were HPAT, Gail Adams; Hibbing Daily Tribune, Carrie Manner; Mayor Canatta; Councilperson Hoffman-Saccoman; Citizen's Kim McLaughlin, Jeff Stokes; Dukek Logging Reps., Leslie & Joe Dukek; Local 94 employees, J. Sanborn, M. Reger, T. McGuire, and T. Garrity.

CITIZENS FORUM

Mayor Cannata presented his feelings of dissatisfaction regarding the Commission's direction relating to the Xcel Termination Agreement Funds and the future direction of the Utility. Requested more community input as well as holding work sessions. Spoke of concern that the Commission was not updating the Council as per the happenings of the HPU.

Councilperson Hoffman-Saccoman presented her concern regarding the Commission's operations relating to the Xcel Termination Agreement Funds and the future direction the HPU. She suggested to the Commission that someone contact the CDBG to inquire for qualification for conversion grant funding.

ADDS/DELETES

Commissioner McGuire requested to add under Finance: 2019 Budget
Commissioner McGuire requested to add under New Business: Procedures

APPROVAL OF MINUTES

Motion by Commissioner Rian, supported by Commissioner McGuire, to approve the regular meeting minutes of October 30, 2018.

Motion carried unanimously.

CONSENT AGENDA

Commissioner McGuire requested to pull Consent Agenda Items as follows:

- 5.G. Expansion Joint Purchase
- 5.K. Approve Amended 457(b) Deferred Compensation Plan
- 5.L. Move Boiler #4 Performance Testing under Old Business

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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 October 26, 2018 through November 9, 2018, check numbers 38905 through 38995 & ACH transfer 10261801 through 11021802.
- 5.C. Review and approve the payroll paid and overtime report for the October 25, 2018 payday.
- 5.E. Conservation Improvement Program (CIP) Increase LED Bulb Distribution from 3 Bulbs to 4 Bulbs per Customer per Year.
- 5.F. Request for Contribution: Fairview Range Health Expo - \$100 per Policy
- 5.H. Approve Re-Consideration & Award Job Posting 18-02: Transportation Mechanic, Award to Chris Adams, Senior Qualified Person, per Bargaining Agreement.
- 5.I. Approve Contract with Milliman for Professional Actuary Services: 2018 GASB 75 Valuation in the amount of \$11,000.
- 5.J. Authorize American Bank Loan Payoff but Keep the Line of Credit Open.
- 5.M. Request to Call for Public Bid No. 04-18: Dig Preparation & Restoral
- 5.N. Request to Call for Public Bid No. 05-18: Pipefitter Services

Motion carried unanimously.

Motion by Commissioner McGuire, supported by Commissioner Rian to approve the following items that were pulled from the Consent Agenda.

- 5.G. Expansion Joint Purchase
- 5.K. Approve Amended 457(b) Deferred Compensation Plan
- 5.L. Move Boiler #4 Performance Testing under Old Business after item 7.A.

Motion carried unanimously.

PERSONNEL/POLICY

The Commission reviewed the correspondence dated November 9, 2018 regarding Update of the Director of Electrical Systems Interview Process.

Motion by Chairperson Garrity, supported by Commissioner McGuire, to clarify that upon retirement, individuals hired from today's date, November 13, 2018, are not to receive the 95% health benefit payout after ten (10) years of service, as per past practice.

Motion carried unanimously.

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OLD BUSINESS

Motion by Chairperson Garrity, supported by Commissioner Bugliosi, to burn wood and use LEA profits from this year's funds for the 2018-19 heating season.

Commissioner McGuire – no
Commissioner Bugliosi – yes
Commissioner Rian – yes
Commissioner Hart – no
Chairperson Garrity – yes
Motion carried 3-2.

The Commission reviewed the correspondence dated November 9, 2018 from S. Hautala regarding Consider Approving Fuel Supply (Logger) Contracts: Dukek Logging 30,000 tons; Waste Wood Recyclers 15,000 tons. Lengthy discussion followed.

Motion by Commissioner Bugliosi, supported by Commissioner Rian, to Consider Approving Fuel Supply (Logger) Contracts and include a Performance Bond into the Logger Contracts.

Commissioner McGuire – no
Commissioner Hart – no
Chairperson Garrity – yes
Motion carried 3-2.

The Commission reviewed the correspondence dated November 5, 2018 from P. Karakash regarding Boiler #4 Performance Testing in the amount of \$12,385.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to authorize Boiler #4 Performance Testing.

Commissioner Bugliosi – yes
Commissioner McGuire – no
Commissioner Rian – yes
Commissioner Hart – no
Chairperson Garrity – yes
Motion carried 3-2.

Motion by Commissioner Rian, supported by Commissioner Bugliosi, to reconsider the motion pertaining to the steam distribution downsizing plan that was passed at the October 30, 2018 regular Commission meeting. Lengthy discussion held.

Commissioner McGuire – no
Commissioner Bugliosi – yes
Commissioner Rian – yes
Commissioner Hart – no
Chairperson Garrity – yes
Motion carried 3-2.

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FINANCIALS

Commissioner McGuire requested 2019 conceptual framework regarding the 2019 preliminary budget. J. Lane gave presentation.

OLD BUSINESS

Commissioner McGuire made a statement regarding the General Manager's performance.

No action taken.

Commissioner McGuire made a statement regarding the procedures and Commission meeting agenda preparations.

No action taken.

The Commission reviewed the correspondence dated November 9, 2018 from S. Hautala regarding Steam Distribution Downsizing Implementation Plan. Discussion held regarding the framework and a working session.

Motion by Commissioner Hart, supported by Commissioner McGuire, to set a tentative working session for Monday, November 19, 2018 at 5:00 p.m.

Motion carried unanimously.

Motion by Commissioner McGuire, supported by Commissioner Hart, to adjourn the meeting at 7:22 p.m.

Motion carried unanimously.

Attest:


Patrick Garrity, Chairperson


Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, November 13, 2018 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6th Ave., Hibbing, MN 55746