

MINUTES OF THE PROCEEDINGS

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

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April 9, 2019

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on April 9, 2019, at Hibbing Public Utilities, 1902 E. 6th Ave., Hibbing, MN 55746. First Vice Chair McGuire called the meeting to order at 5:03 p.m. In attendance were First Vice Chair McGuire; Commissioner Hart; Commissioner Rian; Commissioner Bugliosi; Commissioner Bayliss; Legal Counsel, Andy Borland; Director of Finance, Jean Lane; Director of Electrical Systems, Dan Chase; and Administrative Assistant, Penny Lange. Also in attendance were HPAT, R. Wirkkula; Hibbing Daily Tribune, C. Manner; City Administrator T. Dicklich, Mayor, R. Cannata; MP Rep., Luke Peterson; future Commissioner, J. Stokes; Local 94 employees M. Reger, E. Savela, P. Petrich & T. Garrity. Absent from the meeting was General Manager, Scott Hautala; Director of Utility Operations, Corey Lubovich; and Director of Power Production, Bob Nyberg.

APPOINTMENTS FOR ENSUING YEAR

Item 2.A.&B. The Commission reviewed the correspondence dated April 9, 2019, from J. Lane regarding Appointment/Election of the Chairperson First Vice Chair and Second Vice Chair.

Item 2.A. Motion by First Vice Chair McGuire, supported by Commissioner Hart, to nominate Commissioner Hart as the Chairperson for the ensuing year, and LEA Board Rep.

Commissioner Hart – yes
Commissioner Rian – no
Commissioner Bayliss – no
Commissioner Bugliosi – no
Commissioner McGuire – yes
Motion failed 3-2.

Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to nominate Commissioner Rian as the Chairperson for the ensuing year.

Commissioner Hart – no
Commissioner Rian – yes
Commissioner Bayliss – yes
Commissioner Bugliosi – yes
Commissioner McGuire – no
Motion passed 3-2.

Item 2.B. Motion by Commissioner McGuire, supported by Commissioner Hart, to nominate Commissioner Hart as the First Vice Chairperson for the ensuing year.

Motion carried unanimously.

Item 2.C. Motion by Commissioner McGuire, supported by Commissioner Bayliss, to nominate Commissioner Bugliosi as the Second Vice Chairperson.

Motion carried unanimously.

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Item 2.D. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Commission Secretary.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi, that Jean Lane will be Secretary to the Commission for the ensuing year.

Motion carried unanimously.

Item 2.E. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Legal Counsel Appointment.

Commissioner McGuire nominated A. Borland of Sellman Borland & Simon, as Legal Counsel for ensuing year, supported by Commissioner Bugliosi.

Commissioner Hart, nominated Trenti Law Firm as Legal Counsel for the ensuing year, supported by Commissioner Bayliss,

No other nominations were heard.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi, to nominate A. Borland of Sellman Borland & Simon Law Offices as Legal Counsel for the ensuing year.

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

Item 2.F. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Auditor Appointment.

Motion by Commissioner McGuire supported by Commissioner Bugliosi that Sterle & Company will be Auditor for the ensuing year.

Motion carried unanimously.

Item 2.G. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Appointment of the Official newspaper and Public Posting Site.

Motion by Commissioner Hart, supported by Commissioner Bayliss, that the official newspaper will be Hibbing Daily Tribune.

Motion carried unanimously.

Motion by Commissioner Bugliosi, supported by Commissioner McGuire, that the official posting site is the Administration Building entry way and www.hpuc.com.

Motion carried unanimously.

Item 2.H. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Financial Depositories Appointment.

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Motion by Commissioner Bugliosi, supported by Commissioner McGuire, that the Official Depositories for the Hibbing Public Utilities Commission for the ensuing year will be as follows: Security State Bank; Wells Fargo Investment Services; American Bank; Republic Bank; U.S. Bank, and Xpress Bill Pay.

Motion carried unanimously.

Motion by Commissioner Bugliosi, supported by Commissioner McGuire, that the Commission adopt the following Resolution regarding Primary Depository for the Hibbing Public Utilities Commission:

WHEREAS, the Hibbing Public Utilities Commission requested management to perform a request for proposal for banking services, and

WHEREAS, the request for proposal was developed and distributed to local banks in the region, and

WHEREAS, the evaluation team is recommending the Hibbing Public Utilities Commission designate Security State Bank as the HPU primary bank, and

WHEREAS, the Hibbing Public Utilities Commission also designates the 4M Fund and Wells Fargo Investments for HPU investments,

NOW THEREFORE, BE IT RESOLVED, THAT the Hibbing Public Utilities Commission authorizes the Security State Bank as Hibbing Public Utilities (HPU) primary bank for financial transactions and investments, and designate the 4M Fund and Wells Fargo Investments as financial institutions for HPU investments, effective as soon as accounts can be established at the bank, no later than June 1, 2019.

Motion carried unanimously.

Item 2.I. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding HPU Advisory Subcommittee. Mayor Cannata suggested delaying appointments until the new Commission is fully seated.

Motion by Commissioner Hart, supported by Commissioner Bayliss, to table this item until the first meeting in May 2019.

Motion carried unanimously.

Item 2.J. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding HPU MP Negotiating Subcommittee Appointments.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi, to nominate Commissioner Hart to replace Commissioner Garrity for the MP Negotiating Subcommittee, and reappoint Commissioner Bugliosi.

Motion carried unanimously.

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Item 3. ADDS/DELETES

- Chairperson Rian requested follow-up information on Gas Burners for Boilers 1, 2 & 3 and the 2019 budget status. J. Lane stated that information will be provided as follow-up information to the Commission.

APPROVAL OF MINUTES

Item 4.A. Motion by Commissioner Hart, supported by Commissioner Bugliosi, to approve the regular meeting minutes of March 26, 2019.

Motion carried unanimously.

Item 5. CITIZENS FORUM - No One Present

CONSENT AGENDA

Motion by Commissioner Bugliosi, supported by Commissioner McGuire, to pull Item 6.A. & 6.B.

Motion carried unanimously.

Motion by Commissioner Hart, supported by Commissioner Bayliss, to approve the following consent agenda items:

Item 6.C. Request for Contribution: Mines & Pines Revisited - \$100 per policy.

Item 6.D. Request for Contribution: Assumption School Golf Fundraiser - \$100 per policy.

Item 6.E. Request for Contribution: Hibbing Baseball - \$100 per policy.

Motion carried unanimously.

Item 6.A. Review and approve the items over \$5,000 and review and approve the bills from March 25, 2019 through April 3, 2019, check numbers 39236 through 39764 & ACH transfer 3251901 to 403190. Commissioner Bugliosi inquired about the payment on the invoices of the Barr Engineering Efficiency Study, as asked was going to be released to them. J. Lane stated that she would research. Commissioner Bugliosi inquired about large amount of invoices paid to Bougalis Construction and in-house HPU labor utilization. J. Lane stated she would follow-up.

Item 6.B. Review and approve the payroll paid and overtime report for the March 28, 2019 paydate. Commissioner Bugliosi inquired about the increase in payroll. J. Lane stated she would research and report back.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi to approve Item 6.A. Review and approve the items over \$5,000 and review and approve the bills from March 25, 2019 through April 3, 2019, check numbers 39236 through 39764 & ACH transfer 3251901 to 403190 and Item 6.B. Review and approve the payroll paid and overtime report for the March 28, 2019 paydate.

Motion carried unanimously.

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PUBLIC BIDS & QUOTES

Item 7.A. The Commission reviewed the correspondence dated April 9, 2019 from D. Chase regarding Request to Purchase 40 Western Red Cedar utility poles.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi, to authorize the Purchase of 40 Western Red Cedar utility poles in the amount of \$29,300 plus tax from McFarland Cascade.

Motion carried unanimously.

Item 7.B. The Commission reviewed the correspondence dated April 9, 2019 from D. Chase regarding #307 Interconnect Substation Transformer Repair & Maintenance and Beltline Substation Transformer Repair & Maintenance. D. Chase gave presentation.

Motion by Commissioner Hart, supported by Commissioner Bayliss, to authorize the #307 Interconnect Substation Transformer Repair & Maintenance and Beltline Substation Transformer Repair & Maintenance for the proposed amount of \$62,963.00.

Motion carried unanimously.

Item 8. The Commission reviewed the correspondence dated April 1, 2019 from P. Karakash regarding 2018 Annual Air Emissions Fee. J. Lane gave presentation.

Motion by Commissioner McGuire, supported by Commissioner Bugliosi, to approve the 2018 Air Emissions fee, based of 2017 data in the amount of \$89,536.27.

Motion carried unanimously.

Item 9. The Commission reviewed the correspondence dated April 9, 2019 from J. Lane regarding Commission Orientation: Set Date.

Motion by Commissioner Hart, supported by Commissioner Bayliss, to set the Commission Orientation date to Monday, April 15, 2019 at 12:00 p.m.

Motion carried unanimously.

OLD BUSINESS

Item 10.A. The Commission reviewed the correspondence dated April 9, 2019 from D. Chase regarding Substation Land Exploration Update. D. Chase gave update of an upcoming meeting w/ the city Engineer, J. Story and Director of City Services P. Hyduke. In addition to Substation development, renewable energy mandates for the MN Dept of Energy are being explored and HPU may look for additional space for a 2 MW solar array for up and coming renewable energy standards.

No action taken.

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NEW BUSINESS - none

ADJOURNMENT

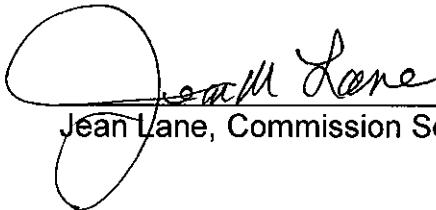
Motion by Commissioner Hart, supported by Commissioner Bugliosi, to adjourn the meeting at 5:48 p.m.

Motion carried unanimously.

Attest:



David Rian, Chairperson



Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, April 23, 2019 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6th Ave., Hibbing, MN 55746

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