

MINUTES OF THE PROCEEDINGS

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

Page One

May 14, 2019

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on May 14, 2019, at Hibbing Public Utilities, 1902 E. 6th Ave., Hibbing, MN 55746. Chairperson Garrity called the meeting to order at 5:00 p.m. In attendance were Chairperson Rian; Commissioner Bugliosi; Commissioner Hart; Commissioner Bayliss; Commissioner Stokes; Legal Counsel, Andy Borland; General Manager, Scott Hautala; Director of Finance, Jean Lane; Director of Utility Operations, Corey Lubovich; Director of Electrical Systems, Dan Chase; and Administrative Assistant, Penny Lange. Also in attendance were HPAT, Ron Wirkkula; Hibbing Daily Tribune Rep., C. Manner; Local 94 employees M. Reger, E. Savela, P. Petrich, W. Kampen, A. Kingsbury, G. Yliniemi, S. Cox, & K. Grell.

ADDS/DELETES - None

APPROVAL OF MINUTES

Item 3.A. Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to approve the regular meeting minutes of April 9, 2019.

Motion carried unanimously.

CITIZENS FORUM

Item 4. Shawn Cox was present to discuss Rates. Topics of discussion were 1) steam rates; 2) electric rates; and 3) labor force; and 4) safety concerns regarding the Letter of Understanding for less operators.

CONSENT AGENDA

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

- 5.A. Review and approve the items over \$5,000 and review and approve the bills from April 22, 2019 through May 9, 2019, check numbers 39845 through 39957 & ACH transfers 4261901 to 5031903.
- 5.B. Review and approve the payroll paid & overtime report for the May 9, 2019 pay date.
- 5.C. Request for Contribution: Hibbing Public Library - \$100 per policy
- 5.D. Request for Contribution: Hibbing High School Golf Scramble - \$100 per policy
- 5.E. Accept the Resignation of J. Bakkethun, Coal & Ash Foreman
- 5.F. Accept the Resignation of J. Ridlon, Janitor
- 5.G. Request Overnight Travel: C. Lubovich – Water Loss Control Conference

Commissioner Stokes requested letters be sent to the departing employees thanking them for their service to the HPU.

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Page Two

May 14, 2019

PUBLIC BIDS & QUOTES

Item 6.A. The Commission reviewed the correspondence dated May 14, 2019 from D. Chase regarding Request to Purchase Emerson AMS TREX Handheld Instrument Configuration Device.

Motion by Commissioner Stokes, supported by Commissioner Bayliss to Approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT HPU Commission authorizes purchase of a TREX Handheld Instrument Configuration Device in the amount of \$8,434.40 from Novaspect. The price includes a trade-in of the obsolete Emerson model 275 handheld programmer.

Motion carried unanimously.

Item 6.B. The Commission reviewed the correspondence dated May 14, 2019 from D. Chase regarding Request to Replace Current Transformers (CT) for Hot Room Switchgear.

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to Approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THE HPU Commission authorizes purchase of three 15kV rated 1200:5 current transformers (CT's) of like model and manufacturer in order to replace the CT's that were damaged during the January 23, 2019 power outage.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated May 14, 2019 from C. Lubovich regarding Inspection of Elevated Water Towers & Ground Storage Reservoir.

Motion by Commission Hart, supported by Commissioner Bayliss, to Commission award the 2019 inspection of its Highland, Ansley and WTP Ground Storage tanks to KLM Engineering, for the total amount of \$10,200.00.

Motion carried unanimously.

Item 6.D. The Commission reviewed the correspondence dated May 14, 2019 from C. Lubovich regarding Authorization for Odorizer Building Concrete Foundation.

Motion by Commission Stokes, supported by Commissioner Bugliosi, to Approve the following Resolution:

THEREFORE, BE IT RESOLVED that the HPU Commission approve the installation of the concrete pad, wiring & electrical, flow signal, removal of old odorizer system, and transfer of odorant from existing odorizer to the new unit, is hereby authorized

MINUTES OF THE PROCEEDINGS

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

Page Three

May 14, 2019

and the total project costs will not exceed \$150,000, this includes the concrete pad installation low quote. Building quotes have been requested and will be provided to the Commission with a n updated project cost at a future Commission meeting.

Motion carried unanimously.

PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence dated May 14, 2019 from J. Lane regarding Subcommittee Appointments: Personnel Advisory & Rate Structure Subcommittees.

Motion by Commissioner Hart, supported by Commissioner Bugliosi, to appoint Commissioner Bayliss to the Personnel Advisory Subcommittee

Motion carried unanimously.

Motion by Chairperson Rian, supported by Commissioner Bayliss to appoint Commissioner Bugliosi and Commissioner Stokes to the Rate Structure Subcommittee.

Motion carried unanimously.

OLD BUSINESS

Item 8.A. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Steam Conversion Loan. S. Hautala gave presentation. Lengthy discussion held. Commissioner Bayliss stressed that this was a voluntary program. Topics of discussion included:

- Management of liens & consequences of default
- Natural gas installation fee
- Permits needed
- Inform customers of the voluntary program with details
- Meet with City to review plan in June

Motion by Commissioner Hart, supported by Chairperson Rian, to proceed with the loan program to complete the details necessary to firm it up, provide information to and from the City, edit forms, and ultimately, obtain City Council approval.

Commissioner Bayliss – no

Commissioner Stokes – no

Motion carried 3-2.

Item 8.B. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Power Plant Winter-Summer Transition Staffing Plan. S. Hautala gave presentation on the following information items:

Item 8.B.i. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Operating Equipment

MINUTES OF THE PROCEEDINGS

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

Page Four

May 14, 2019

Item 8.B.ii. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Summer 2019 planned projects

Item 8.B.iii. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding LOU – Firing Line Personnel Temporary Transfer.

Commissioner Stokes inquired about the open positions that have not been filled, Heat Foreman, Electrician, Instrument Tech, Janitor, or any of the Springsted study suggestions. He suggested using the “utility” class employees and stressed the janitor position be filled for the health of the employees. J. Lane stated that the janitorial position is under review, and is yet to be determined upon availability. Chair Rian stated that it is under review. Commissioner Stokes stated that he wants to see a five-year plan, with dollar figures, for each of the respective utility services for overall infrastructure. The above items were placed in the Commission file.

No action taken.

Item 8.B.iv. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Summer Student Request to hire four (4) students.

Motion by Commissioner Bayliss, supported by Commissioner Bugliosi to approve hiring four (4) summer students.

Motion carried unanimously.

Item 8.C. The Commission reviewed the correspondence dated May 14, 2019 from S. Hautala regarding Present Revised Steam Distribution Repair & Maintenance Plan. S. Hautala gave presentation. Lengthy discussion held. Points of topic were:

- Planned steam repairs
- Condensate return lines and customer condensate return lines
- Steam line tunnels insulation
- Payback, depreciation, and cashflow annual savings
- Barr study was on the College, hospital, and the 88 manholes as separate studies
- 1985 Customer Policy and customer jurisdiction
- Free traps for steam systems
- Discussion on ownership of utility service lines, gas, water, electric, steam
- Service & main tunnels

Motion by Commissioner Hart, supported by Commissioner Bugliosi, to approve steam distribution work only in the manholes.

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS
of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota

Page Five

May 14, 2019

Additional information will be provided to the Commission at a future meeting regarding the South Howard condensate return service line condition.

NEW BUSINESS

Finance Director Lane requested Commissioners stay after the meeting to sign bank related documents.

Commissioner Stokes requested the meeting be moved to City Hall - future Commission meeting agenda item.

Commissioner Stokes requested the meeting materials be distributed before the weekend as the volume of information is large and review is necessary before the meetings.

ADJOURNMENT

Motion by Commissioner Hart, supported by Commissioner Bugliosi, to adjourn the meeting at 7:29 p.m.

Motion carried unanimously.

Attest:



David Rian, Chairperson



Jean Lane, Commission Secretary

A budget work session is being held Thursday, May 16, 2019 at 5:00 p.m.

The next regular Commission meeting is scheduled for Tuesday, May 28, 2019 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6th Ave., Hibbing, MN 55746