

MINUTES OF THE PROCEEDINGS

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

Page One

May 28, 2019

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on May 28, 2019, at Hibbing Public Utilities, 1902 E. 6th Ave., Hibbing, MN 55746. Chairperson Rian 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 Power Production, Bob Nyberg; Director of Electrical Systems, Dan Chase; Administrative Assistant, Penny Lange; and Safety/Environmental/Building & Grounds Coordinator, Pete Karakash. Also in attendance were HPAT, Ron Wirkkula; Hibbing Daily Tribune Rep., C. Manner; Local 94 employees M. Reger, E. Savela, P. Petrich & A. Kingsbury.

ADDS/DELETES - none

APPROVAL OF MINUTES

Item 3.A. Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to approve the regular meeting minutes of May 14, 2019.

Motion carried unanimously.

CITIZENS FORUM

Item 4. No One Present

CONSENT AGENDA

Commissioner Hart requested to pull Item 5.F.

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 & approve the bills from May 15, 2019 through May 22, 2019, check numbers 39972 to 40039 & ACH transfers 5171901 to 5171903.
- 5.B. Review and approve the payroll paid and overtime report for the May 23, 2019 pay date.
- 5.C. Approve Short-Term Loan of \$25,000 for HPU Corporate Credit Cards.
- 5.D. Amend 2019 Revenue Budget for Increase to Steam & Water Rates.
- 5.E. Approve Revised Termination Date from J. Ridlon - Janitor.
- 5.G. Approve HPU Participation & Costs for Participation in Jubilee Parade: July 13, 2019.

Motion carried unanimously.

Item 5.F. Consider to Approve Letter of Understanding: Apprentice Lineworker. Lengthy discussion held.

MINUTES OF THE PROCEEDINGS

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

Page Two

May 28, 2019

Motion by Commissioner Hart, supported by Commissioner Stokes, to stay with Contract language and hire one internal candidate, and one external, as per the Bargaining Agreement language.

Commissioner Hart – yes
Commissioner Stokes – no
Commissioner Bayliss – yes
Commissioner Bugliosi – yes
Chairperson Rian – yes
Motion carried 4-1.

PUBLIC BIDS & QUOTES

Item 6.A.i. The Commission reviewed the correspondence dated May 28, 2019 from D. Chase & P. Karakash, regarding Line Crew Vehicle 11 Replacement/Upgrade. Lengthy discussion held regarding HPU fleet vehicles and necessity.

Item 6.A.ii. The Commission reviewed the correspondence dated May 28, 2019 from D. Chase regarding Meter Shop Truck 60 Vehicle Swap.

No action taken.

Motion by Commissioner Hart, supported by Commissioner Rian to approve all items under 6.A.

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

Item 6.A.iii. The Commission reviewed the correspondence dated May 28, 2019 from D. Chase regarding Request to Purchase Aerial Lift Truck Bodies.

Motion by Commissioner Stokes, supported by Commissioner Bayliss to authorize the purchase of the Aerial Lift Truck bodies as per the below Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission authorizes the Purchase of the 2019 Versalift Combination Telescopic Articulation Lift Truck Body from ABM Equipment & Supply in the amount of \$ \$104,319 and authorize the 2019 truck chassis (if available) in the amount not to exceed \$55,581 for a total cost of \$160,000.

Motion carried unanimously.

Item 6.A.iii. The Commission reviewed the correspondence dated May 28, 2019 from J. Lane regarding Meter Reader Truck 50 Replacement. J. Lane gave presentation.

MINUTES OF THE PROCEEDINGS

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

Page Three

May 28, 2019

Motion by Chairperson Rian supported by Commissioner Stokes to approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission authorizes the purchase of a used ½ ton 4-wheel drive pickup truck as a replacement for Vehicle 50 in the amount of \$21,000 plus tax and license from Fastenal.

Motion carried unanimously.

Item 6.B. The Commission reviewed the correspondence dated May 28, 2019 from D. Chase regarding Rental of Mini-Excavator. P. Karakash gave presentation.

Motion by Commissioner Stokes supported by Commissioner Hart to approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission authorizes permission to rent a mini-excavator from United Rentals in the amount of \$2,246.10/month for up to five (5) months, for a total of \$11,230.50 plus tax.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated May 28, 2019 from C. Lubovich & P. Karakash regarding Rental of Walk Behind Trencher. P. Karakash gave presentation.

Motion by Commissioner Stokes, supported by Commissioner Hart to authorize the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission authorizes permission to rent a walk behind trencher in the amount of \$1,305.00/month for five (5) months for a total of \$6,525.00 plus tax.

Motion carried unanimously.

Item 6.D. The Commission reviewed the correspondence dated May 28, 2019 from R. Nyberg regarding Request to Repair the Komatsu WA380-8 Loader. R. Nyberg gave presentation.

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

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission authorized the repairs to the Komatsu WA380-8 loader in the amount of \$35,611.48 from Road Machinery & Supply (RMS).

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Page Four

May 28, 2019

Item 6.E. The Commission reviewed the correspondence dated May 28, 2019 from P. Karakash regarding Contracting Temporary Janitorial Services. P. Karakash gave presentation with lengthy discussion held.

Motion by Commissioner Rian, supported by Commissioner Hart, to obtain firm quotes from the cleaning companies to provide Temporary Janitorial Services to the HPU, and bring back to the Commission.

Motion by Chairperson Rian, supported by Commissioner Bayliss to amended the motion to approve the hiring of a contractor recommended by management subject to approval of the Chairperson and Vice-Chair.

Commissioner Stokes – no
Motion carried 4-1

Item 6.F. The Commission reviewed the correspondence dated May 28, 2019 from C. Lubovich regarding Award Quote No. 3428: Well 2B Redevelopment.

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

NOW THEREFORE, BE IT RESOLVED THAT THE HPU Commission award Quote No. 3428: Well 2B Redevelopment to Mark's Well and Pump in the amount of \$15,675.00 the lowest qualified quote.

Motion carried unanimously.

Item 6.G. The Commission reviewed the correspondence dated May 28, 2019 from R. Nyberg regarding Request to Repair the Roof of the Power Plant Electrical Room. Discussion held regarding the last time it was rubber coated, and warranty information for the current project.

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

NOW THEREFORE, BE IT RESOLVED THAT THE HPU Commission authorizes Nelson Roofing to repair the Roof of the Power Plant Electrical Room in the amount of \$5,995.00, the low qualified quote.

Motion carried unanimously.

Item 6.H. The Commission reviewed the correspondence dated May 28, 2019 from C. Lubovich regarding Natural Gas Odorizer System Building. S. Hautala gave presentation. Discussion held regarding necessity of climate control.

Motion by Commissioner Hart, supported by Commissioner Stokes to authorize the following Resolution:

MINUTES OF THE PROCEEDINGS

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

Page Five

May 28, 2019

NOW THEREFORE, BE IT RESOLVED THAT THE HPU Commission authorizes the low qualified quote in the amount of \$24,594.00 to GMS Services, Hibbing, MN for a stick-built building enclosure, provided the product materials used obtain HPU management approval.

Motion carried unanimously.

PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence dated May 28, 2019 from P. Karakash regarding Consider Approving the Revised Maintenance Custodial/Utility Worker position. P. Karakash gave presentation.

Motion by Chairperson Rian, supported by Commissioner Bugliosi, to approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission approve the Revised Maintenance Custodian/Utility Worker job description as presented.

Motion carried unanimously.

Item 7.B. The Commission reviewed the correspondence dated May 28, 2019 from S. Hautala regarding Request to Post for a Maintenance Custodial/Utility worker.

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

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission approves the posting for Maintenance Custodial/Utility worker.

Motion carried unanimously.

Item 7.C. The Commission reviewed the correspondence dated May 28, 2019 from S. Hautala regarding Delete Superintendent of Electrical Systems job position.

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

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission approve the deletion of the Superintendent of Electrical Systems job position.

Motion carried unanimously.

Item 7.D. The Commission reviewed the correspondence dated May 28, 2019 from S. Hautala regarding Revised Electrical Lineworker Foreperson job description. S. Hautala gave presentation.

MINUTES OF THE PROCEEDINGS

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

Page Six

May 28, 2019

Motion by Commissioner Hart, supported by Commissioner Bugliosi to authorize the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission approve the revised Electrical Foreperson job description.

Motion carried unanimously.

Item 7.E. The Commission reviewed the correspondence dated May 28, 2019 from S. Hautala regarding Approve Two (2) Electrical Lineworker Apprentice Positions. S. Hautala gave presentation. Lengthy discussion held.

Motion by Commissioner Hart, supported by Commissioner Bayliss to authorize the following Resolution:

NOW THEREFORE, BE IT RESOLVED, THAT THE HPU Commission approve the posting for One (1) Electrical Lineworker Apprentice.

Motion carried unanimously.

Item 7.F. The Commission reviewed the correspondence dated May 28, 2019 from S. Hautala regarding Discuss Letter of Understanding: Firing Line Transfers. S. Hautala gave presentation. Lengthy discussion held. Commission requested State Boiler Inspector written opinion be provided at a future Commission meeting.

No action taken.

Item 7.G. The Commission reviewed the correspondence dated May 28, 2019 from J. Lane regarding Consider Interdepartmental Utility Charges. J. Lane gave presentation.

Motion by Commissioner Hart, supported by Commissioner Bayliss, to authorize Considering Interdepartmental Utility Charges

Motion withdrawn as this item was intended informational only.

DIRECTOR REPORTS

Item 8. The Commission reviewed the department reports.

Finance: J. Lane gave presentation.

- Information Technology – 33 new computers approved by the Commission with C.W. Technology have been installed. Issues arose concerning upgrading computers which had third party software. For example, the billing system which uses third party software for bar coding the invoice for mail sort. C.W. Technology worked with third party vendors whose current staff were unfamiliar with their products resulting in more time for installation of these specific computers. Most of the issues have been resolved, yet C.W. Technology continues to resolve the remaining issue.

MINUTES OF THE PROCEEDINGS

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

Page Seven

May 28, 2019

- Finance – Working with software vendor to review and a test run mapping of historical information to revised chart of accounts. Some issues will need to be resolved before implementation can occur. Implementation date has been moved to July 1st.
- Human Resources – Manager job descriptions with employee comments are reformatted and presented to the Commission for their approval. Advertised for student summer students. Assisted with several employee issues.
- Customer Service – team members have been working with many rate payers on customer issues.
- Commission Secretary – worked with Chair & Commission members on agenda requests.
- Meter reading – review and implemented customer key access for all utility employees. Discussed customer call-back issues and meter estimates. At the monthly team meeting had a focused discussion on reading meters on scheduled route days and the interconnection to customer billings.

Electric Dept.: D. Chase gave presentation.

Electrical Distribution Outages

- 4/29/19, one (1) feeder outage due to a string of 6 balloons getting into the phases. Entire system had the power blink momentarily at 8:20 pm. Restored the 22kv 307 loop at 9:15 pm.
- 5/18/19, one (1) residential outage due to a transformer fuse pulling apart. Power off at 8:55 pm, power restored at 9:47 pm. 14 customers affected for 52 min.
- 5/21/19, one residential outage due to a broken fused cut out for a tap. Power off at 4:31 pm, power restored at 5:40 pm. 13 customers affected for 1 hr 9 min.

Engineering Department

Gopher State One Call Tickets as of 5/22/19: Year to Date 352, Month to Date 140

Projects completed:

- A. Gas Main extension drawings:
 - 1) Minnesota Street alley,
 - 2) 8th Avenue East Alley,
 - 3) 1700 Block Between 12th and 13th Avenue.
- B. Boarder Station Odorizer Building Drawings
- C. Distribution System Map updates
- D. Mineview Drawings
- E. DeltaV Drawing Updates

Plant Electrical Update

Tasks completed by the Plant Electrical Department:

- Boiler 4 Shutdown and Precipitator Maintenance.
- Boiler 3 Precipitator Maintenance.
- Began installation of Turbine Generator 6 Fire Protection system for the Oil Tank.
- Worked on the O2 Analyzer and Calibration Station for Boilers 1, 2, & 3.
- Worked on the #2 Pressure Reducing Valve Feedwater Station
- Worked on the Chemical Pumps for the Airport Well.
- Performed maintenance on the 13.8 kV Switchgear in the Plant Hot Room.

MINUTES OF THE PROCEEDINGS

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

Page Eight

May 28, 2019

- Began work on the Gas Plant Odorant System
- Began work on the Water Treatment Plant New Dehumidifier.
- Replaced the Batteries ant the Beltline Substation.

Meter Shop Update

- The meter shop placed disconnection warning door hangars at 80 sites.
- Water service to 12 customers was cut for non-payment.
- 2 large water meter accounts were updated with more efficient high accuracy AMI ready water meters.
- Approximate 12 resident AMI ready water meters were installed.
- One large electrical service metering upgrade is in progress.
- First Ave. Wiring. Existing conduit was reused. Job completed.

Heat Department: S. Hautala gave presentation

- Materials for approved repairs to select steam vault piping and associated fittings along the North and South Howard Alley corridors are either here or on order. This work is scheduled to begin the first part of June and with HPU employees.
- Natural gas services have begun to be installed for 2019. To date, there are approximately 62 services requests still to be installed with 42 of these being steam to natural gas conversions. The numbers are changing daily both with installations completed and new applications coming in. It looks to be a banner year for natural gas applications. We are using our old Maxi-Sneaker trencher until the new lawn tractor arrives which is scheduled for the middle of June.
- The concrete slab for the new Odorizer System and building is completed. Northern Natural Gas was on site Thursday May 23rd to review the Town Border Station Upgrade plans and specs. The electrical and electronic wiring for the new Odorizer System is being addressed with our HPU respective departments. The new unit is scheduled to arrive around June 17th.
- We are working through the logistics of finalizing Kinect Energy to begin their working relationship with us as our Natural Gas Management Service Provider. Contracts are currently being reviewed. The tentative start date is August 1st. A. Borland reviewed the contracts and requested the legal venue be changed to reflect MN law, rather than FL law.

Water Department:

- Water service and main failures have greatly diminished in the last month or so as would be expected. To date, there are just three known small service/valve leaks yet to repair.
- The Water Treatment Plant Dehumidification System is installed and tied into the existing ductwork. Tasks yet to completed before startup are a natural gas service feed, and the electrical wiring. The plan is to have this new unit up and running in mid to late June. This item is installed but not yet electrically connected.
- Old Well 2 is continuing to be worked on as far formally sealing this well. Gravel fill that was recently discovered in the well bore from the well base to near surface will need to be removed before efforts can progress with the sealing process. There also may be an old louvered screen in the way that may hamper the sealing. A

MINUTES OF THE PROCEEDINGS

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

Page Nine

May 28, 2019

quote is being acquired for the gravel removal, of which will be an additional cost to the project. Once the gravel is removed, we can then have a better look at where this screen is situated. I will keep you informed on the progress. MDH requirements mandate we formally seal this former municipal well according to the Health Department Standards.

Power Plant: S. Hautala gave presentation.

Production Report:

1. Boiler 1A, 3A and 4A were on-line to produce steam for the heatline. Total steam production was in the 50,000-80,000 pph range depending on the steam line needs.
2. Total wood consumed through April 2019 is 18,892.61 tons. Wood was consumed in Boiler 4 from April 22-27.
3. Total coal consumed through March 2019 is 13,895 tons. Coal was consumed in Boiler 1 from April 16 to the present time and in Boiler 3 from April 1-16.
4. T/G 6 was on-line from April 1-21. T/G 6 was on from April 22-27, with URGE testing conducted on April 22 resulting in 13.2 MW's being produced. All steam from April 27 to present time is being run through a PRV station for the steam district and Ameripride.
5. As of May 15, all steam produced is by natural gas.
6. All coal and ash personnel were transferred to outside crews as of May 20.

FINANCE

Item 8. The Commission reviewed the April 2019 Preliminary Financial Statements. J. Lane gave presentation. Lengthy discussion held. This item was placed in the Commission file.

No action taken.

OLD BUSINESS

Item 10.A. The Commission reviewed the correspondence dated May 28, 2019 from D. Chase regarding Review Customer Steam Metering Consultant Report. S. Hautala gave presentation. This is in informational item only.

No action taken.

NEW BUSINESS

Item 11.A. The Commission reviewed the correspondence dated May 28, 2019 from J. Lane regarding Approve the Research and Review Options for a Consolidated Workforce Center. J. Lane gave presentation.

Motion by Commissioner Bayliss, supported by Commissioner Hart, to authorize the General Manager to research vacant land and structures, and bring back to the Commission the information.

Commissioner Bugliosi – no
Motion carried 4-1.

MINUTES OF THE PROCEEDINGS

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

Page Ten

May 28, 2019

Item 11.B. The Commission reviewed the correspondence dated May 28, 2019 from Commissioner Hart regarding Consider Natural Gas Sales Program. Commissioner Hart gave presentation.

Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to proceed with a Natural Gas Sales Program, as per the information presented.

Motion carried unanimously.

Item 11.C. The Commission reviewed the correspondence dated May 28, 2019 from Commissioner Stokes regarding Consider Change in Venue for HPU Commission meetings.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to change the Venue for the HPU Commission meeting to City Hall.


Commissioner Hart – no
Commissioner Stokes – yes
Commissioner Bayliss – yes
Commissioner Bugliosi – no
Chairperson Rian – no
Motion fails 3-2.

ADJOURNMENT

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to adjourn the meeting at 7:36 p.m.

Motion carried unanimously.

Attest:



David Rian, Chairperson



Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, June 11, 2019 at 5:00 p.m. at the Hibbing Public Utilities Commission Meeting Room, 1902 E. 6th Ave., Hibbing, MN 55746