

MINUTES OF THE PROCEEDINGS

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

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February 11, 2020

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on January 28, 2020, at Hibbing City Hall, Council Chambers 401 E. 21st St., Hibbing, MN 55746. Chairperson Rian called the meeting to order at 5:00 p.m. In attendance were Chairperson Rian; Vice-Chair Hart; Commissioner Bugliosi; Commissioner Bayliss; and Commissioner Stokes; Legal Counsel, Andy Borland; Director of Finance, Jean Lane; Director of Utility Operations, Corey Lubovich; Administrative Assistant, Penny Lange; Director of Power Production, Bob Nyberg; Director of Electric Systems, Dan Chase; Safety Environmental Facilities Manager, Pete Karakash; HPAT Reps., Ron Wirkkula; Daphne McKinney, Les Koslucher; AFCSME Local 94 President, Mark Reger; and Local 94 Employee, Esko Savela. Citizen Mrs. Chase.

ADDS/DELETES

Chair Rian requested to Add under Personnel/Policy: General Manager Advertisement.

Chair Rian requested to Add under Old Business: Status of City Council Resolution for Special Election.

Commissioner Hart requested to Add under New Business: MN Power Northern Minnesota Stakeholder Meeting attendance.

APPROVAL OF MINUTES

Item 3.A. Motion by Commissioner Bugliosi, supported by Commissioner Hart, to approve the regular meeting minutes of January 28, 2020.

Motion carried unanimously.

CITIZENS FORUM – none

CONSENT AGENDA

5.A. Review & approve invoices over \$10,000 & review & approve the bills from January 24, 2020 to February 6, 2020, check numbers 42178 to 42245 & ACH transfers 1242001 to 1242005.

5.B. Review and approve the payroll paid & overtime report for January 30, 2020 pay date

5.C. Boiler #2 Gas Burner Change Order

Motion by Commissioner Stokes, supported by Commissioner Hart to approve the consent agenda as presented.

Motion carried unanimously.

BIDS/QUOTES

Item 6.A. The Commission reviewed the correspondence dated February 11, 2020 from R. Nyberg regarding Turbine Generator #6 Repairs.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to authorize the award of T/G #6 Bearing inspections and oil system cleaning to Ohman Pump Services for \$39,013.60 and machining of the existing bearings and inner oil seals for \$9,940.00, totaling \$48,953.60.

Motion carried unanimously.

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Item 6.B. The Commission reviewed the correspondence dated February 11, 2020 from R. Nyberg, D. Chase & P. Karakash regarding Request to Purchase Vertical Mast Manlift. P. Karakash gave presentation.

Motion by Commissioner Bayliss, supported by Commissioner Bugliosi, to authorize the Request to Purchase Vertical Mast Manlift in the amount of \$9,240.56 plus tax.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated February 11, 2020, from C. Lubovich & P. Karakash regarding Request to Purchase Wacker Neuson EZ 36 Mini-Excavator & Trailer. C. Lubovich & P. Karakash gave presentation.

Motion by Commissioner Bugliosi, supported by Commissioner Stokes, to authorize the Purchase of the Wacker Neuson EZ 36 Mini-Excavator & Trailer from L&L Rentals in the amount of \$41,347.48.

Motion carried unanimously.

Item 6.D. The Commission reviewed the correspondence dated February 11, 2020, from D. Chase regarding Request to Purchase Six (6) New Current Transformers (CT's) for the Power Plant Hot Room Switchgear.

Motion by Commissioner Hart, supported by Commissioner Stokes, to authorize the Purchase Six (6) New Replacement Current Transformers (CT's) for the Power Plant Hot Room Switchgear.

Motion carried unanimously.

PERSONNEL/POLICY

Motion by Chairperson Rian, supported by Commissioner Bugliosi, to authorize advertisement for the General Manager position.

Motion carried unanimously.

Item 7.A. The Commission reviewed the correspondence dated February 11, 2020, from the Commission Board regarding Appoint Interim General Manager Authority.

Motion by Commissioner Stokes, supported by Commissioner Bayliss to form a Sub-Committee regarding appointing an Interim General Manager. Members appointed were Commissioner Hart and Commissioner Stokes.

Motion carried unanimously.

Item 7.B. The Commission reviewed the correspondence dated February 11, 2020 from the Commission Board regarding Performance Reviews of S. Hautala, J. Lane & D. Chase. This item was informational and placed in the Commission file.

No action taken.

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FINANCIAL STATEMENTS

Item 8. The Commission reviewed the correspondence dated February 11, 2020 from J. Lane regarding Approve 2020 Capital Budget.

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to table this item and establish a working session for the 2020 Capital Budget and bring back to the next Commission meeting for approval.

Commissioner Bugliosi – opposed
Commissioner hart – support
Chairperson Rian – oppose
Commissioner Stokes – support
Commissioner Bayliss – support
Motion carried 3-2.

OLD BUSINESS

Item 9.A. The Commission reviewed the correspondence dated February 11, 2020 from C. Lubovich regarding 2020 Natural Gas Service Installation Average Costs.

Motion by Commissioner Bugliosi, supported by Commissioner Stokes, to table this item for further discussion.

Motion carried unanimously.

Item 9.B. The Commission reviewed the correspondence dated February 11, 2020 from C. Lubovich regarding Reduced Steam pressure Update. C. Lubovich gave presentation. C. Lubovich to update on Plant outgoing steam temperature. This item was placed in the Commission file.

No action taken.

CLOSED SESSION

Item 10.A. The Commission reviewed the correspondence dated February 11, 2020 regarding Closed Session: Discuss Contract Negotiations, per MN § Sect. 13D.03.

Motion by Commissioner Bayliss, supported by Commissioner Bugliosi, to recess into Closed Session at 5:55 p.m. for Labor Negotiations Strategy, per MN § Sect. 13D.03 subd.1(b).

Motion carried unanimously.

Present in the Closed Session were Chairperson Rian; Commissioner Hart; Commissioner Bugliosi; Commissioner Bayliss; Commissioner Stokes; Legal Counsel, Andy Borland.

Motion by Commissioner Hart, supported by Commissioner Bugliosi, to return to Open Session was convened at 6:23 p.m.

Motion carried unanimously.

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OPEN SESSION

Present in the Open Session were Chairperson Rian; Commissioner Hart; Commissioner Bugliosi; Commissioner Bayliss; Commissioner Stokes; and Legal Counsel, Andy Borland.

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to reinstate the Head Cashier from Paid Administrative Leave effective immediately.

Commissioner Bayliss – support
Commissioner Stokes – support
Commissioner Hart – opposed
Chairperson Rian – opposed
Commissioner Bugliosi – opposed
Motion failed 2-3.

ADJOURNMENT

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to adjourn the meeting at 6:30 p.m.

Motion carried unanimously

Attest:



David Rian, Chairperson



Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, February 28, 2020 at 5:00 p.m. at the Hibbing City Hall, City Council Chambers, 401 E. 21st St., Hibbing, MN 55746