

MINUTES OF THE PROCEEDINGS

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

Page One

March 10, 2020

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on March 10, 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 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; Les Koslucher; AFSCME Local 94 President, Mark Reger; and Local 94 Employee, Esko Savela. Absent from the meeting was Commissioner Bugliosi.

ADDS/DELETES

- Chair Rian requested to announce clarifications to the general public regarding: 1) the HPU Steam survey - set to be distributed on Friday March 13, 2020; and 2) There was a comment on the HPU Facebook page by a customer stating the HPU employees receive free utility services. Chair Rian stated that this is false information.
- Commissioner Bayliss requested to add under Old Business Interim General Manager
- Request by R. Nyberg to add under Old Business Item 8.C. TG #6 Update-Rotor High Speed Balance
- Commissioner Stokes requested to add under Old Business the Steam Survey Cover Letter.

APPROVAL OF MINUTES

Item 3.A. Motion by Commissioner Stokes, supported by Commissioner Bayliss, to approve the regular meeting minutes of February 25, 2020.

Motion carried unanimously.

CITIZENS FORUM – none

CONSENT AGENDA

5.A. Review & approve invoices over \$10,000 & review & approve the bills from February 21, 2020 to March 4, 2020, check numbers 42033 to 42388 & ACH transfers 2212001 to 2282002.

5.B. Review and approve the payroll paid & overtime report for February 27, 2020 pay date.

5.C. Request for Contribution: All Night Graduation Party.

5.D. Request for Contribution: Open Door Church Children's Ministry - Home Alone Safety Class.

5.E. Rescind S. Hautala's Termination as General Manager as of January 28, 2020.

5.F. Approve Separation Agreement w/ Mr. Scott Hautala.

5.G. Accept the Resignation of S. Hautala General Manager as of June 30, 2020.

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

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Page Two

March 10, 2020

BIDS/QUOTES

Item 6.A. The Commission reviewed the correspondence dated March 10, 2020 from C. Lubovich regarding Request Capital Budget Purchase for Water Dept Rubber Tire Backhoe. C. Lubovich gave presentation.

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

NOW THEREFORE, BE IT RESOLVED, THAT the HPU Commission authorize Option 1: Outright purchase with 5-year extended warranty and trade-in of current Cat Backhoe in the amount of \$105,784.95.

Motion carried unanimously.

Item 6.B. The Commission reviewed the correspondence dated March 10, 2020 from D. Chase regarding Request Automated Metering Infrastructure (AMI) Request for Proposal Request. D. Chase gave presentation.

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

NOW THEREFORE BE IT RESOLVED THAT the HPU Commission authorize soliciting proposals for an Automated Metering Infrastructure System for the Hibbing Public Utilities service area.

Motion carried unanimously.

PERSONNEL/POLICY

OLD BUSINESS

Item 8.A. The Commission reviewed the correspondence dated March 10, 2020 from J. Lane regarding Consider Entering into Contract w/ Security State Bank for Residential Heat Conversion Loan Program Services. J. Lane requested to table this item.

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to table this item to the next regular Commission meeting.

Motion carried unanimously.

Item 8.B. The Commission reviewed the correspondence dated March 10, 2020 from D. Chase regarding DeltaV Guardian Support 1 Year Contract.

Motion by Chairperson Rian, supported by Commissioner Hart, to authorize Option 4 for a total of \$63,226.00.

Commissioner Stokes Opposed
Motion carried 3-1.

MINUTES OF THE PROCEEDINGS

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

Page Three

March 10, 2020

General Manager Succession. Commissioner Bayliss addressed the Interim General Manager issue stating that at the regular meeting of February 11, 2020 the motion tied, therefore, failing to appoint an Interim General Manager. Commissioner Bayliss stated that at that meeting, Commissioner Bugliosi specified he had an idea for the Interim, but is presently absent from the March 10, 2020 regular Commission meeting. Commissioner Bayliss stated that valuable time is being wasted by not having an Interim General Manager to sign time-sensitive documents and general day to day signatures. Chair Rian stated that he has been signing documents on a regular basis. Commissioner Bayliss questioned if Chair Rian was given authority by the Commission to sign documents. Legal Counsel Borland gave his determination on a signature obligator as to be determined by the Commission. Commissioner Bayliss stressed the importance and timeliness of obtaining an Interim General Manager for the signature position, as six weeks will have gone by before this issue can be addressed at the next regular Commission meeting. Chairperson Rian stated that he would volunteer to step up to be the signature person. Commissioner Hart supported Chairperson Rian and thanked the managers for stepping up.

Motion by Commissioner Hart, supported by Chairperson Rian, to authorize Chairperson Rian as the authority for signature as required at the Hibbing Public Utilities.

Commissioner Hart – Support
Chairperson Rian – Support
Commissioner Bayliss – Oppose
Commissioner Stokes – Oppose
Motion ties 2-2.

Item 6.C. The Commission reviewed the correspondence dated March 10, 2020 from R. Nyberg regarding Turbine Generator #6 High Speed Rotor Balancing.

Motion by Commissioner Stokes, supported by Commissioner Bayliss to authorize Ohman Pump Services, if necessary, after testing results are completed, to balance the rotor, if test results deem it necessary.

Motion carried unanimously.

Steam Survey. Commissioner Stokes requested this as an add under Old Business. The first six paragraphs are in question. Commissioner Stokes questioned who was responsible for writing the cover letter correspondence. J. Lane stated that former General Manager Scott Hautala, and Baker Tilly Rep., Matt Stark were involved in writing the cover letter. Chairperson Rian stated that the Commission voted and approved sending out the steam survey at the regular meeting of January 28, 2020, after it was tabled from the regular meeting of January 14, 2020. Commissioner Stokes stated that Commission Bayliss questioned the cover letter at the time of the vote. Commissioner Bayliss stated that he did not approve of the cover letter, which is reflected in the January 28, 2020 regular meeting minutes. J. Lane to confirm with the Commission regarding the January 28, 2020 minutes. Commissioner Stokes.

MINUTES OF THE PROCEEDINGS

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

Page Four

March 10, 2020

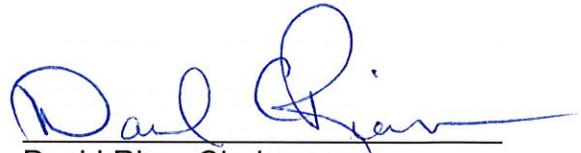
Commissioner Stokes reiterated his concerns regarding the Interim General Manager position regarding forward movement. Commissioner Stokes asked Chairperson Rian what he was going to do regarding this issue. Chairperson Rian stated that Commissioner Bugliosi will attend the next regular meeting of March 24, 2020, and that the HPU is currently advertising for the General Manager position and has not yet received any qualified applicants. Legal Counsel stated that a work session could be set up to discuss the topic. Commissioner Stokes stated his frustration as the Committee made a recommendation but with the absence of Commissioner Hart at the last regular meeting, the motion failed. Commissioner Stokes inquired about the 2-2 tie vote regarding authorize Chairperson Rian to sign on behalf of the Commission. Legal Counsel acknowledged that it does not give the Chairperson any further authority to sign on behalf of the Commission.

ADJOURNMENT

Motion by Commissioner Bayliss, supported by Commissioner Stokes, to adjourn the meeting at 5:40 p.m.

Motion carried unanimously

Attest:



David Rian, Chairperson



Jean Lane, Commission Secretary

The next regular Commission meeting is scheduled for Tuesday, March 24, 2020 at 5:00 p.m. at the Hibbing City Hall, City Council Chambers, 401 E. 21st St., Hibbing, MN 55746