

# MINUTES OF THE PROCEEDINGS

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

---

Page One

July 28, 2020

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota held on July 28, 2020. Meeting held via GoToMeeting, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746. Chairperson Hart called the meeting to order at 5:04 p.m. In attendance were Chairperson Hart; Commissioner Bugliosi; Commissioner Bayliss; Commissioner Stokes; Commissioner Garrity; Legal Counsel, Andy Borland; Director of Finance, Jean Lane; Admin. Assistant, Penny Lange; Director of Utility Operations; Corey Lubovich; Director of Power Production, Bob Nyberg; and Director of Electrical Systems, Dan Chase. Also in attendance was HPAT Rep., R. Wirkkula; Local 94 President, M. Reger; Sterle & Co., Ltd. Rep, J. Sterle; and Barr Eng. Rep., Jon Minne.

*Pursuant to MN § 13D.021 Subd. 1(1)(2)(3)(4), the HPU Commission will meet by phone due to the COVID-19 pandemic.*

### **Item 2. ADDS/DELETES**

- Commissioner Stokes requested to add under New Business Novaspect Power Plant Report Proposal
- Commissioner Garrity requested to add under Old Business Discussion from the July 27, 2020 Work Session.

### **Item 3. APPROVAL OF MINUTES**

Item 5.A. Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to approve the regular meeting minutes of July 14, 2020.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

### **Item 4. CITIZENS FORUM - No One Present**

### **Item 5. CONSENT AGENDA**

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

Item 5.A. Review and approve the items over \$10,000 and review and approve the bills from July 10, 2020 through July 23 2020, check numbers 43088 through 43149 & ACH transfers 7102001 to 7172003.

Item 5.B. Review and approve the payroll paid & overtime report for the July 16, 2020 pay date.

Item 5.C. The Commission reviewed the correspondence regarding Voluntary Residential Heat Conversion Loan Program: Loan Approvals.

Item 5.D. The Commission reviewed the correspondence regarding Overnight Travel: D. Unger, O/H & U/G School.

# MINUTES OF THE PROCEEDINGS

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

Page Two

July 28, 2020

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

Item 6.A. The Commission reviewed the correspondence dated July 28, 2020 from J. Lane regarding Audited Financial Statements for 2019. J. Sterle of Sterle & Sterle, Inc. gave presentation.

Motion by Chairperson Hart, supported by Commissioner Bayliss, to accept the 2019 Audited Financial Statements and Accept the Auditor's Letter.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

## BIDS & QUOTES

Item 7.A. The Commission reviewed the correspondence dated July 28, 2020 from D. Chase regarding Award Public Bid No. 01-2020 Vegetation Management Control, tabled from the regular meeting of July 14, 2020.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi to reject Public Bid No. 01-2020: Vegetation Management Control.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – oppose  
Motion carried 4-1.

Item 7.B. The Commission reviewed the correspondence dated July 28, 2020 from C. Lubovich regarding Request Engineering Services for WTP Backwash Lagoon Improvements, Phase I. C. Lubovich introduced Barr Eng. Rep., J. Minne, who gave presentation.

Motion by Chairperson Hart, supported by Commissioner Garrity, to authorize Barr Engineering to provide Engineering Services for the design and construction oversight, Option 2, for the WTP Backwash Lagoon Improvements, using internal manpower when possible.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support

# MINUTES OF THE PROCEEDINGS

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

---

Page Three

July 28, 2020

Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

## PERSONNEL/POLICY

Item 8.A. The Commission reviewed the correspondence dated July 28, 2020 from D. Bush regarding Notice of Resignation: D. Bush, Journeyman Lineworker.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to accept the resignation of D. Bush, Journeyman Lineworker. The Commission thanked Mr. Bush for his years of service.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

Item 8.B. The Commission reviewed the correspondence dated July 28, 2020 from D. Chase regarding External Search for Journeyman Lineworker.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to reject an External Search for a Journeyman Lineworker.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – abstain  
Commissioner Bugliosi – oppose  
Chairperson Hart – oppose  
Motion failed.

Motion by Chairperson Hart, supported by Commissioner Bugliosi, to advertise internally and externally for a Journeyman Lineworker.

Commissioner Bayliss – oppose  
Commissioner Stokes – oppose  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried 3-2.

## Item 9. DEPARTMENT REPORTS

**POWER PLANT REPORT:** R. Nyberg gave presentation.

- Boiler 1A is on-line burning natural gas to produce steam for the heat line. Total steam production was in the 33,000-38,000 pph range depending on the heat line needs.
- No electrical generation has been produced since the afternoon of January 5, 2020. All steam is being run through a PRV station for the steam district and Aramark.
- T/G 6 repair work is on-going.

# MINUTES OF THE PROCEEDINGS

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

---

Page Four

July 28, 2020

- Boiler 2A gas burner work is on-going. All burners have been lit. Refractory cure out is completed. Tentatively, final testing and commissioning is scheduled to begin on August 10, 2020.

**UTILITY OPERATIONS REPORT/STEAM/GAS/WATER:** C. Lubovich gave report

**Heat Department:**

Steam:

- Monthly steam customer usage audits.
- System monitoring.
- Addressing customer concerns.
- General cleanup and disinfection.

Natural Gas:

- Monthly natural gas customer usage audits.
- Installation of new commercial and residential natural gas services. Updated installation numbers will be shared at the HPU Commission Meeting.
- Building residential natural gas meter sets.
- Annual natural gas leak survey.
- Customer natural gas internal piping inspections.
- Addressing customer concerns.
- General cleanup and disinfection.

**Water Department:**

- Water service/main repairs as needed. Updated water main/service repair numbers will be shared at the HPU Commission Meeting.
- Grass cutting.
- Hydrant flushing. Completed as of Thursday, July 23, 2020.
- Start of 2020 HPU Lead and Copper Sampling Program for the Minnesota Department of Health.
- Hydrant repairs.
- Routine coliform bacteria testing at dedicated testing locations.
- Daily well rounds.
- Daily WTP pressure filter backwash.
- Addressing customer concerns.
- General cleanup and disinfection.

**2020 Capital Projects:**

- **Well #3A side-by-side replacement.** Plans and Specifications are in the review stage with the Minnesota Department of Health Drinking Water Division. From this review, the final package with a request for go out for Public Bid is expected to come to the HPU Commission for approval sometime in August.
- **Water Treatment Plant Lagoon Reconditioning.** A proposal from Barr Engineering that evaluates and gives recommendation to three alternatives for repair of the HPU Water Treatment Plant Inflow System will be brought to the July 28, 2020 HPU Commission for consideration.
- **Engineering for 2021 Ansley Water Tower Reconditioning.** A scope of work for the detailed drawings and specifications is currently being formulated. It is anticipated that a Public Bid package will be ready for HPUC approval/release by August 11.
- **Steam vault equipment repairs in selected areas.** Expansion joints for this project have been ordered by HPU with a projected lead time of 4-5 weeks. Support hangers are in the fabrication and scheduling stage. Physical equipment installations to begin shortly.

# MINUTES OF THE PROCEEDINGS

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

---

Page Five

July 28, 2020

- **Water Main Replacement: 3402 to 3423 Bunker Road.** Engineering for this project is in the draft design stage with formulating drawings and a detail specification. Efforts are underway to see if this project would be CDBG eligible if conducted in year 2021.
- **Lincoln School Condensate Main Replacement Project.** HPU has ordered the 3" dia. 304L Stainless Steel pipe for this project. It is expected to arrive by the end of July. Once the pipe arrives, work on this project is scheduled to begin right away.
- **2020 Condensate Replacement Project.** I am working on a detail specification with accompanied drawings for another section of wholesale condensate main/service replacement with stainless steel. However, I am holding off with bringing a package such as this to the HPU Commission for consideration until most if not all the designated services from the 2019 Condensate Main/Service Replacement Project are replaced with stainless. There are a few remaining that we are still trying to acquire easements to.
- **4<sup>th</sup> Avenue East from 16<sup>th</sup> Street to 18<sup>th</sup> Street Water Main Project** slated for this year will be carried over to year 2021. This project is Community Development Block Grant (CDBG) eligible. I will apply in September for such grant opportunity. Seeing we haven't had a failure on this stretch of main for a while, it is wise to investigate the grant option.
- **Bennett Water Tower Removal** is currently on hold for year 2020. I am looking further into whether this tower would be designated as an historic landmark, which could put it on the Social Register. If this is the case, grant dollars are a possibility for the preservation of this water tower.
- **Water Treatment Plant Automation Project.** I am currently reviewing the status of the various butterfly valves which serve the Water Treatment Plant to verify a need to replace both valve and actuator. From this investigation, quotes for an allotment of new valves with actuators will be re-visited.

**ELECTRIC DISTRIBUTION REPORT:** D. Chase gave update.

## Electric Distribution Report

- 13.8 kV FDR#4 is spliced & tied in permanently to new 55 ft poles behind Range Steel Fabricators.
- New 480 Volt three-phase URD service has been installed & energized at Range Steel Fabricators.
- Replaced rotted crossarms on 12 poles in backlot lines in Graysher & Green Haven Additions.
- Attended to work orders for services, house service tree trimming, street light repairs & trouble calls.
- Power Outages
  - 6/25/2020, 1 residential outage due to squirrel in transformer, 19 customers affected for 1 hr.
  - 7/2/2020, 1 residential outage due to an uncovered hot leg contacting the neutral at the service mast, 1 customer affected for 20 min.
  - 7/4/2020, 1 residential outage due to tree contractor dropping a tree on house service wires. 1 customer affected for 1 hr 21 min.
  - 7/11/2020, 1 residential disconnect due to structure fire.
  - 7/17/2020, 1 commercial/residential outage due to a squirrel in a three-phase transformer bank, 15 customers affected for 1 hr 19 min.
  - 7/19/2020, 1 scheduled outage to mitigate thermal report hot spot on 13.8 kV FDR#5 in cable vault at E. 19<sup>th</sup> St. & E. 4<sup>th</sup> Ave. 1 commercial customer affected for 2 hr 41 min.
  - 7/19/2020, 1 residential outage due to tree falling onto service wires & tore mast off of house. Electrical contractor repaired mast. 1 customer affected for 20 hrs 57 min.

## Engineering Department

- Gopher State One-Call Tickets 6/20/20 to 7/23/20: 234, including 3 cancellations.

# MINUTES OF THE PROCEEDINGS

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

---

Page Six

July 28, 2020

- Gopher State One Call Tickets Year to Date: 739.
- USIC is currently handling all Gopher One Call Locating.

## **Plant Electrical Update**

- Water treatment plant water heater was replaced.
- Reconnected the Scranton well variable frequency drive.
- Weekly and monthly substation and plant inspections were completed.
- Worked on the electrical check-out of the new controls on gas burner for boiler #2
- The Old Gas Plant building lighting and receptacles were removed.
- The Igniter on boiler #2 was replaced & repaired
- Damage to several power plant light fixtures and receptacles on north side of boiler 2 was repaired. A leaking roof caused the damage.
- An accumulation of water was pumped out of the cable vault near boiler #4
- The electricians worked on troubleshooting a stray voltage problem on grounding system for the Scranton Well variable frequency drive.
- They identified about 14 water leaks from the roof on the 5<sup>th</sup> floor.
- The 13.8 kV, #5 Feeder breaker was racked in/out for Line crew so that they could repair a tap box at Royal Tire.
- Assisted with troubleshooting the administrative building roof air-handling unit.
- Repaired the air conditioning unit in BLR #4 MCC Room.

## **Meter Shop Update**

- Installed 24 new water remote readers
- Performed 10 electric meter loop updates
- Updated 1 Commercial CT metering loop
- Continued read in's and read out's for approximately 200 customers entering and leaving the system.
- Continued repairs, testing and recalibration of 14 water, 9 gas, 13 electric, and 15 steam meters.

## **Instrument Shop Update**

- Worked in concert with the Commissioning Engineer from Power Products and Services, Plant Electricians, and Plant Operations to bring boiler #2 gas burners online.
  - Some of the issues experienced were:
    - No power to existing transmitters and controllers;
    - Disabled and malfunctioning chart recorders.
- Replaced malfunctioning gauges and piping and miscellaneous parts on T/G #3 to get it prepared for start-up when it is needed.

## **FINANCE/CUSTOMER SERVICE:** J. Lane asked for questions.

- Information Technology: Assisting co-workers with hacking HPU email issues. Setup workstation for customer service loan area. Assisted co-workers with resetting email password issues. Web page updated for the voluntary residential heat conversion loan program.
- Finance: Reviewed several HPU voluntary residential heating conversion loans for HPU Commission approval. Finished audit preparation and presenting audited financial statements in July 2020.
- Human Resources: Assisted with several employee issues. Support the Personnel Subcommittee on a variety of action items. Worked with Baker Tilly to start the GM position search.
- Customer Service: Team members have been working with many ratepayers on customer issues. Point person Paul Plombon processed several HPU voluntary residential heating conversion loans for HPU Commission approval.

# MINUTES OF THE PROCEEDINGS

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

Page Seven

July 28, 2020

- Meter reading: Continue to review and resolve customer meter reads, call-back issues, and meter estimates, and staffing. Implemented COVID-19 protocol for entering customer buildings/houses.
- COVID-19 Response Committee: Continue research and recommendations from reliable federal and state sources. Committee has been making decision to balance the continued operations of the HPU water, electric, gas, and steam while safe guarding HPU employee and customers.

## FINANCIAL STATEMENTS

The Commission reviewed the correspondence dated July 28, 2020 from J. Lane regarding Preliminary Financial Statements as of June 2020. J. Lane gave presentation. This item was placed in the Commission file. Commissioner Garrity requested information on the remainder of the RDF funds. J. Lane stated that there were three years of payments remaining with the total of \$30,525,000.

No action taken.

## OLD BUSINESS

Commission Garrity requested discussion on electric and steam allocations. Lengthy discussion held.

Motion by Commissioner Garrity, supported by Commissioner Stokes to change the Power Plant Production cost allocation back to 60% to the electric production department and 40% to the steam production department, as per the 1991 HDR Study.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – oppose  
Motion carried 4-1.

Commissioner Garrity requested discussion regarding natural gas fired boilers. Commissioner Garrity requested that this item be brought forth to the next meeting. Chairperson Hart stated that Mr. Hautala was the point person regarding this project. R. Nyberg stated the following regarding current HPU Boiler compatibility with natural gas: Boiler #2A performs at approximately 82% efficiency, and a potential pony boiler would perform at approximately 85% efficiency. Boilers #1 & #3 burn natural gas and coal. Boiler #2A is in the process and is almost fully converted to burn natural gas only; Boiler #4 burns wood only, using natural gas for startup, shut down, and Co mitigation, per MPCA requirements, and it is not designed to burn natural gas as fuel.

No action taken.

Commissioner Bayliss requested discussion to revisit Public Bid No. 01-2020: Electrical Distribution Vegetation Control. D. Chase discussed the potential of outages if not addressed. Discussion held regarding costs for the large areas, and to perhaps review

# MINUTES OF THE PROCEEDINGS

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

---

Page Eight

July 28, 2020

and lessen the areas. Commissioner Garrity suggested to look into shared City services for manpower assistance.

Motion by Commissioner Garrity, supported by Commissioner Stokes, to rebid Public Bid No. 01-2020: Electrical Line Distribution Vegetation Control on the areas deemed danger areas, while using internal HPU crews to trim trees on Tapala Road, and use shared city services on the electrical distribution line to Kitzville, in an amount not to exceed \$250,000.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

## NEW BUSINESS

Item 12.A. Novaspect Automation Proposal. Commissioner Stokes led discussion regarding DeltaV automation for the Water Treatment Plant, Well, Precipitator, and Power Plant reports. The data for the reports is currently obtained and entered manually.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to authorize the Novaspect Proposal regarding automating the Plant reports to upgrade the DeltaV Reporter using the existing Application Station for remote access, in the amount of \$21,818.68.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support  
Motion carried unanimously.

## ADJOURNMENT

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to adjourn the meeting at 8:17 p.m.

Commissioner Bayliss – support  
Commissioner Stokes – support  
Commissioner Garrity – support  
Commissioner Bugliosi – support  
Chairperson Hart – support.  
Motion carried unanimously.

Attest:

  
\_\_\_\_\_  
Jean Lane, Commission Secretary

  
\_\_\_\_\_  
Jeffrey Hart, Chairperson

Meeting materials are available at [www.hpuc.com](http://www.hpuc.com)  
The next regular Commission meeting is scheduled for Thursday, August 13, 2020 at 5:00 p.m.  
Pursuant to MN § 13D.021 Subd. 1(1)(2)(3)(4), the HPU Commission will meet by phone with no one present at the regular site due to the COVID-19 pandemic.