

MINUTES OF THE PROCEEDINGS

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

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on November 24, 2020. Meeting held virtually via Go To Meeting due to COVID-19 pandemic. Chairperson Hart called the meeting to order at 5:05 p.m. In attendance were Chairperson Hart, Commissioner Bugliosi; Commissioner Bayliss; Commissioner Stokes; Commissioner Garrity; Legal Counsel, Andy Borland; Director of Finance, Jean Lane; 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., Ron Wirkkula.

Item 2. ADDS/DELETES

Chair Hart added agenda items 11A and 11B under New Business. Commissioner Garrity noted consideration of consent agenda 5C approval be contingent on a requirement for a second vendor quotation.

Item 3. APPROVAL OF MINUTES - None

Item 4. CITIZENS FORUM - None

Item 5. CONSENT AGENDA

Item 5.A. Review and approve the items over \$10,000 and review and approve the bills from November 6, 2020 through November 19, 2020, check numbers 43744 through 43817 & ACH transfers 11062001 to 11132005.

Item 5.B. Review and approve the payroll paid & overtime report for the November 19, 2020 pay date.

Item 5.C. Voluntary Residential Heat Conversion Loan approval #700036 for \$15,600 contingent on a second vendor quotation.

Motion by Commissioner Bugliosi, supported by Commissioner Bayliss to approve the consent agenda items 5.A. & 5.B. and 5C as presented.

Roll call vote - Motion carried unanimously.

Item 6. BIDS & QUOTES

Item 6.A. Request to call for Public Bid No. 01-21: Dig Prep and Restorals for 2021. The Commission reviewed the correspondence from C. Lubovich dated November 24, 2020 regarding a request to call for public bid no. 01-21: Dig Prep and Restoral for 2021. Restorals are needed when a customer experiences a breach on their water or steam main line or water service line (HPU side) requiring repair. Once utility crews repair the failure, restoral of the dig site is required.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi to approve the resolution NOW THEREFORE BE IT RESOLVED that the HPU Commission authorize calling for Public Bid No. 01-21: Dig Prep & Restoral for 2021.

Roll call vote – motion carried unanimously.

Item 6.B. Request to call for Public Bid No. 02-21: Pipefitter Services for 2021. The Commission reviewed the correspondence from C. Lubovich dated November 24, 2020 regarding a request to call for public bid no. 02-21: Pipefitter Services for 2021. HPU

MINUTES OF THE PROCEEDINGS

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

anticipates the need for pipefitting services for both capital and operations projects in year 2021.

Motion by Commissioner Stokes, supported by Commissioner Bayliss to approve the resolution NOW THEREFORE BE IT RESOLVED that the HPU Commission authorize calling for Public Bid No. 02-21: Pipefitter Services for 2021.

Chair Hart asked if Commissioner Stokes could review the bid specs.

Roll call vote – motion carried unanimously

Item 6.C. Request to award the Public Bid 06-2020 Hot Room Switchgear. The Commission reviewed the correspondence from D. Chase dated November 24, 2020 regarding a request to approve public bid no. 06-2020 Hot Room Switchgear. The request for bids was issued on October 23, 2020 to six manufacturers of medium voltage switchgear. The bid opening was on November 16 at 1:30 p.m. There was one respondent for the bid.

Motion by Chair Hart, supported by Commissioner Stokes to reject all bids for public bid no. 06-2020 Hot Room Switchgear.

Roll call vote – motion carried unanimously

PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence from R. Nyberg dated November 24, 2020 to approve the retirement of Mr. Roberg Nyberg. Mr. Nyberg last day of work is December 18, 2020 and is last day of employment is February 9, 2021. Chair Hart thanked Mr. Nyberg for his years of service.

Motion by Commissioner Stokes supported by Commissioner Bugliosi to approve the resolution NOW THEREFORE BE IT RESOLVED THAT the Hibbing Public Utilities Commission approve the retirement of Mr. Robert Nyberg effective February 9, 2021.

Roll call vote - motion carried unanimously.

Item 7.B. The Commission reviewed the correspondence from C. Lubovich dated November 24, 2020 to approve the retirement of Mr. Corey Lubovich. Mr. Lubovich last day of work is April 30, 2021 and is last day of employment is June 30, 2021. Chair Hart thanked Mr. Lubovich for his years of service.

Motion by Commissioner Stokes supported by Commissioner Bugliosi to approve the resolution NOW THEREFORE BE IT RESOLVED THAT the Hibbing Public Utilities Commission approve the retirement of Mr. Corey Lubovich effective June 30, 2021.

Roll call vote - motion carried unanimously.

Item 7.C. The Commission reviewed the correspondence from J. Lane dated November 24, 2020 to approve the resignation from employment for Mr. Chris Zubich.

MINUTES OF THE PROCEEDINGS

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

Mr. Zubich last day of work is February 3, 2021 and is last day of employment is March 1, 2021. Chair Hart thanked Mr. Zubich for his years of service.

Motion by Commissioner Stokes supported by Commissioner Bugliosi to approve the resolution NOW THEREFORE BE IT RESOLVED THAT the Hibbing Public Utilities Commission approve the resignation of Mr. Chris Zubich effective March 1, 2021.

Roll call vote - motion carried unanimously.

Item 7.D. The Commission reviewed the correspondence from D. Chase dated November 24, 2020 to approve the hiring of Virginia Novak as an Engineering Design Technician.

Motion by Chair Hart, supported by Commissioner Stokes to approve the resolution NOW THEREFORE BE IT RESOLVED THAT the HPU Commission approve hiring Virginia Novak into the position of Engineering Design Technician, contingent upon the acceptable results of pre-employment screening process.

Roll call vote - motion carried unanimously.

DEPARTMENT REPORTS

Power Plant Report was given by Mr. Robert Nyberg:

- No electrical generation since January 5 and all steam is run through PRV station.
- T/G #6 repair work outstanding is the oil system flushing.
- All boiler 2A gas burner have been lit. Boiler 2A still needs final testing and commissioning scheduled.
- Boiler 3A firing with combination of coal and natural gas. Steam load ranges from 60,000 to 80,000 pph.
- New safety valve installation for the 175P system scheduled December 11 -13.

Utility Operations Report was given by Mr. Corey Lubovich:

- Steam vault equipment repair inspections in select areas planning for 2021
- Steam vault condensate service line inspections for proposed condensate main repair project.
- 154 new gas services installed – 31 gas services remain to be installed
- 45 water main/service repairs
- Route coliform bacteria testing
- Water Treatment Plant Lagoon Reconditioning capital project – final design stage
- Steam vault equipment repairs – repairs for this project have been completed
- 2020 Condensate Replacement Project – developing detail specifications
- Water Main Section Replacement/Bunker Road – completed
- New Well 3B – construction began and well building will be put up Spring 2021
- Well 8A equipment retrieval/repairs – on going
- 4th Avenue East from 16th to 18th street Water Main Project – carried over to 2021

MINUTES OF THE PROCEEDINGS

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

Electric distribution/Engineering/Plant Electrical/Meter Shop/Instrument Shop Report was given by Mr. Dan Chase

- One new overhead service in Fillman subdivision
- One new underground service conduit in Jewel Addition
- Issues with FDR#15 replacement project
- Power outages – dates and explanations
- Gopher State One-Call tickets 114, YTD 1,355 tickets
- Wiring east DA tank level indicator
- Boiler #3 south air damper issue
- Replace lights turbine control room and administration building
- Novaspect kick off meeting for PRV and boiler projects
- Repaired heaters and duct heat system in Water Treatment Plant
- Chemical pump replacement in Water Treatment Plant
- Gathering information/data for PRV Delta V controls project
- Warranty replacement of transmitter head Annubar meter
- Precipitator power and loss communication reports into DeltaV
- CEM quarterly testing
- Repaired and calibrated Boiler #3 gas damper controller
- Repairs and calibrated Boiler #1 FD damper supply air damper

Information Technology/Finance/Human Resources/Customer Service/Meter Reading/COVID-19 Response Committee Report was given by Jean Lane

- Supported co-workers with technology issues
- Researched issues from 2019 audit management letter and develop plan to improve
- Supported Personnel Subcommittee with several employee issues.
- Worked with Baker Tilly on the GM position search
- 2021 medical insurance increase presentation and options for reducing premiums by adopting a 4-tier premium rate structure.
- Sending notice to all customer HPU will start the disconnect process in February 2021 and make payment arrangements
- Filled open meter reader position – training
- Due to increased COVID-19 cases in the region, inside single-family residence from November 24 through December 25 will not be read.

FINANCIAL STATEMENTS

Director of Finance Jean Lane presented the October financial reports. For the month ending October 31, 2020 the HPU had an operating loss of (\$271,774) and YTD an operating loss of (\$1,872,867). Year-to-date (YTD) the water and gas utilities are showing an operating income and the electric and steam utilities are showing operating losses. HPU has short-term investments of \$31.8 million and has received the 2020 PPA termination payments from Xcel Energy.

OLD BUSINESS

Item 10.A. The Commission reviewed the correspondence dated November 24, 2020 from J. Lane regarding rescheduling the November 23 Finance work session. It was

MINUTES OF THE PROCEEDINGS

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

the consensus of the HPU Commission due to rising COVID-19 cases in the area to wait until 2021 for an in-person work session on finances.

Commissioner Stokes mentioned due to COVID-19 and virtual Commission meetings should the HPU look into having hardware/software technology (for example tablets) for Commissioner to use for HPU Commission meetings.

NEW BUSINESS

Item 11A. The Commission reviewed the correspondence dated November 24, 2020 from C Lubovich regarding a Community Development Block Grant for Water Distribution system.

HPU has in the past identified and replaced select water main sections of its Water Distribution system. The criteria used to determine these replacements is based on age and frequency of previous repairs. Mr. Lubovich has completed a Community Development Block Grant application for the 2020 budgeted capital HPU water main replacement project 4th Avenue East from 16th Street to 18th Street.

Motion by Chair Hart, supported by Commissioner Bayliss to approve the resolution NOW THEREFORE BE IT RESOLVED THAT the Hibbing Public Utilities Commission approve submission to St. Louis County the attached Community Development Block Grant application for the HPU Water main Replacement 4th Avenue East from 16th Street to 18th Street.

Roll call vote - motion carried unanimously.

ADJOURNMENT


Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to adjourn the meeting at 6:18 p.m.

Motion carried unanimously.

Attest:



Jean Lane, Commission Secretary



Jeffrey Hart, Chairperson

Meeting materials are available at www.hpuc.com
The next regular Commission meeting is scheduled for Tuesday, December 8, 2020 at 5:00 p.m. virtually via GO TO Meeting