

MINUTES OF THE PROCEEDINGS

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

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October 27, 2020

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on October 27, 2020. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746. Chairperson Hart called the meeting to order at 5:00 p.m. In attendance were Chairperson Hart, Commissioner Bugliosi; Commissioner Bayliss; Commissioner Stokes; Legal Counsel, Andy Borland; Director of Finance, Jean Lane; Admin. Assistant, Penny Lange; Director of Utility Operations; Corey Lubovich; and Director of Electrical Systems, Dan Chase. Also in attendance was HPAT Rep., Ron Wirkkula, AFSCME Rep., Mark Reger, Northern Natural Gas Rep., Mike Underwood; and Barr Engineering Rep., Jon Minne. Absent from the meeting was Commissioner Garrity and Director of Power Production, Bob Nyberg.

Item 2. ADDS/DELETES

Commissioner Bayliss requested to add a Turbine Generator Update under Old Business.

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to approve the regular meeting minutes of October 13, 2020.

Motion carried unanimously.

Item 4. CITIZENS FORUM - None

Item 5. CONSENT AGENDA

Commissioner Stokes requested to pull Item 5.A. Review and approve the items over \$10,000 and review and approve the bills from October 9, 2020 through October 22, 2020, check numbers 43603 through 43678 & ACH transfers 10092001 to 10192002

Item 5.B. Review and approve the payroll paid & overtime report for the October 22, 2020 pay date.

Item 5.C. Voluntary Residential Heat Conversion Loan Program: Loan Approvals.

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

Motion carried unanimously.

Item 5.A. Review and approve the items over \$10,000 and review and approve the bills from October 9, 2020 through October 22, 2020, check numbers 43603 through 43678 & ACH transfers 10092001 to 10192002. Commissioner Stokes asked why the invoices from early 2020 are now being submitted for payment. J. Lane stated she would research and provide an answer.

Motion by Commissioner Bayliss supported by Chairperson Hart, to approve the consent agenda Item 5.A. Review and approve the items over \$10,000 and review and approve the bills from October 9, 2020 through October 22, 2020, check numbers 43603 through 43678 & ACH transfers 10092001 to 10192002.

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Commissioner Stokes – oppose.
Motion carried 4-1.

BIDS & QUOTES

Item 6.A. The Commission reviewed the correspondence dated October 27, 2020 from C. Lubovich regarding Town Border Station Rebuild Project: Actual Final True Up Costs. Mr. Lubovich introduced Mike Underwood of Northern Natural Gas, who gave presentation. Mr. Underwood gave presentation as to the cost run overs. Commission members stated their frustrations and distain for the additional cost over runs. Mr. Underwood stated that this type of work is specialized and federally regulated, and due to the high demand of the contractors, prices inflate. After lengthy discussion, the Commission requested a breakdown of labor and materials.

Motion by Chairperson Hart, supported by Commissioner Bayliss, to authorize a payment to Northern Natural Gas for the final cost in the amount of \$785,585.67.

Commissioner Stokes – oppose.
Commissioner Bugliosi – oppose.
Motion tied 2-2.
Motion failed.

Item 6.B. The Commission reviewed the correspondence dated October 27, 2020 from WTP Backwash Pond Improvement Proposal Barr Engineering Phase 1: Preliminary Design. C. Lubovich introduced Jon Minne, Barr Engineering Representative.

Motion by Commissioner Bugliosi, supported by Commissioner Stokes, to approve the preliminary design and authorize the final design of the WTP Backwash Pond Improvement Proposal of Barr Engineering in the amount of \$10,000.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated October 27, 2020 from D. Chase regarding Truck #35 Replacement. Commissioner Stokes stated that the fleet is old and needs attention in other departments as well.

Motion by Commissioner Bugliosi, supported by Chairperson Hart, to approve purchase of a new Line Truck from Ford of Hibbing and ABM Equipment using the Sate Contract Bid List pricing in the amount of \$19,760 for the service body and \$31,159 for the cab/chassis, totaling \$50,919 plus applicable taxes and licensing.

Commissioner Stokes – oppose.
Motion carried 3-1.

Item 6.D. The Commission reviewed the correspondence dated October 27, 2020 from D. Chase regarding Meter Resting Station Purchase.

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Motion by Commissioner Bayliss, supported by Commissioner Stokes, to approve the purchase of a new Probewell electric meter testing system in the amount of \$11,940.00.

Motion carried unanimously

Item 6.E. The Commission reviewed the correspondence dated October 27, 2020 from R. Nyberg regarding Power Plant Well Change Order 2.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to table this item to the next regular scheduled Commission meeting as R. Nyberg was not able to attend the present meeting.

Motion carried unanimously.

At this time J. Lane requested to be excused from the Commission meeting due to a prior obligation.

Item 7. PERSONNEL/POLICY - none

Item 8. DEPARTMENT REPORTS

POWER PLANT REPORT:

- Boiler 1A on-line burning natural gas to produce steam for the heat line. Total steam production was in the 40,000-70,000 pph range, depending on the heat line needs.
- No electrical generation has been produced since the afternoon of January 5, 2019. All steam is being run through a PRV station for the steam district and Aramark.
- T/G 6 repair work completion now on hold due to Covid-19 quarantine at the contractor's place of business.
- Boiler 2A gas burner work is on-going. All burners have been lit. Final testing and commissioning scheduled to begin on August 25 was not completed due to T/G 5 start-up issues.
- Boiler 3A was brought on-line October 20, burning natural gas. Heat line load, 60,000-70,000 pph, is split between Boiler 1A and Boiler 3A.
- Boiler 3A was transitioned to coal on October 22, and produced all of the steam demand for the heat line. Boiler 1A was brought off-line.

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.
- Building residential natural gas meter sets.
- Annual natural gas leak survey.
- Customer natural gas internal piping inspections.
- Addressing customer concerns.
- General cleanup and disinfection.

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Water Department:

- Water service/main repairs as needed. Updated water main/service repair numbers, which are less in number than CY 2019.
- 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:

- **Water Treatment Plant Lagoon Reconditioning.** Jon Minne, Barr Engineering Rep. will be presenting the preliminary design for this project at the October 27, 2020 HPU Commission meeting.
- **Steam vault equipment repairs in selected areas.** Repairs for this project have been completed. HPU not invoiced as of yet.
- **2020 Condensate Replacement Project.** I am working on a detailed specification with accompanied drawings for another section of wholesale condensate main/service replacement with stainless steel. I will present to the HPU Commission at a later date.
- **Water Main Section Replacement/Bunker Road.** This project has been approved by the HPU Commission and is scheduled to begin on Monday, October 26, 2020. The project length will be about a week.
- **4th Avenue East from 16th Street to 18th 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 have submitted the pre-application for the grant. The Final Application is due by December 1, 2020.
- **Bennett Water Tower Removal** is currently on hold for year 2020. I am looking further into whether this tower would be designated as an historical 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. This project will likely be a carryover into year 2021.

Electric Distribution Report: D. Chase gave report

- Repaired URD primary fault in Jewel Addition.
- Removed faulted primary cable from FDR#15 between the Biomass building cable vault to Riser in alley at HPU office.
- Attended to service work orders for services, house service tree trimming, street light repairs & trouble calls.
- Street light directional boring is just starting.
- Thermal & Ultrasound survey for the Electric Distribution system has just started.
- Power Outages
 - 10/1/2020, one residential part power outage due to a corroded connector, 1 customer affected for 15 min.
 - 10/4/2020, one commercial part power outage due to a squirrel taking out one transformer fuse on a 3-phase bank, 1 customer affected for 42 min.
 - 10/19/2020, one commercial customer outage due to a broken cut out on a transformer, 1 customer affected for 54 min.

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Engineering Department

- Gopher State One-Call Tickets 9/18/20 to 10/22/20: 181, includes 1 emergency locate and 3 cancellations.
- Gopher State One Call Tickets Year to Date: 1241
- USIC is currently handling all Gopher One Call Locating.

Plant Electrical Update

- Work with Terry Garrity on job transition
- Assisted with turbine#3 CT and relay testing
- Performed yearly transformer oil sampling
- Performed the semiannual substation inspection.
- Repaired the space heaters at the Scranton Well and Well #3.
- Repaired the power Vent on Well #18.
- Presently working on the Water Treatment Plant space heaters.
- Disconnected the variable frequency drive on Well#8 so that mechanical repairs may be completed.
- Disconnected and reconnected the plant well pump motor and removed the sceta electrode.
- Worked on boiler #3 start-up issues (repaired grate and rotor drives).
- Replaced ceiling fans in transportation garage.
- Started a lighting upgrade project in the transportation garage.
- Performed miscellaneous lighting, receptacle and switch repair/replacement throughout utilities.

Meter Shop Update

- 11 residential electric updated.
- 1 commercial electric meter updated.
- 25 residential water meters updated.
- Continue to do read in and read outs.
- Scheduling 7s and 24s commercial CT'd meter loop updates.

Instrument Shop Update

- Working on installing & commissioning a new continuous blowdown valve for Boiler #3.
- Gathering and providing information & data for PRV 's Project.
- Gathering and providing information & data for Boiler # 2 upgrade project.
- Editing graphic on DeltaV for the Operator's screens to indicate the correct boiler feed water pressure for the plant.
- Worked on cleaning and organizing instrument shop.
- Researched the problem with the DA's wireless communication failure and loss of power and how it affects the DA level indication. Made the decision to replace the wireless controller with a hardwired controller.
- Assisted the electrician with the plant well and electrode work.
- Continued with the daily log sheets and monthly report and readings.
- Currently working on reinstalling vibration probes on Turbine # 6.
- Repaired confined space portable air monitors for the Plant Operators.
- Mr. Esko Savela completed the Substation Design school successfully.

Commissioner's requested an update for TG #6. D. Chase stated that differential relay was calibrated. The Bus relay was also calibrated and all issues have been addressed as far as the electrical side.

No action taken.

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FINANCIALS

Item 9. The Commission reviewed the correspondence dated October 27, 2020 from J. Lane regarding Preliminary Financial Statements as of September 2020. This item was placed in the Commission file.

No action taken.

Item 10. OLD BUSINESS

Item 11. NEW BUSINESS

Commissioner Stokes requested to set a work session for financials and management succession for Monday, November 9, 2020 at 5:00 p.m. at the City Council Chambers, Hibbing City Hall, 401 E. 21st St. Hibbing MN 55746.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to hold a work session on Monday, November 9, 2020 at 5:00 p.m. at the City Council Chambers, Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746 regarding financials and management succession.

Motion carried unanimously.

ADJOURNMENT

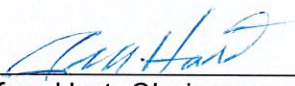
Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to adjourn the meeting at 6:15 p.m.

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, November 10, 2020 at 5:00 p.m. at the Hibbing City Hall, City Council Chambers, 401 E. 21st St., Hibbing, MN 55746

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