

# MINUTES OF THE PROCEEDINGS

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

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February 9, 2021

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746, held on February 9, 2021. Meeting held at Hibbing City Hall, 401 E. 21<sup>st</sup> St., Hibbing MN. Chairperson Hart called the meeting to order at 5:04 p.m. In attendance were Chairperson Hart, Commissioner Bugliosi; Commissioner Garrity; Commissioner Bayliss; Commissioner Stokes; Legal Counsel, Andy Borland; Admin. Assistant, Penny Rutchasky; and Director of Electrical Systems, Dan Chase. Also in attendance was HPAT Rep., Ron Wirkkula, AFSCME Rep., Mark Reger & Citizen, John Radotich. Absent from the meeting was Finance Director & Commission Secretary, Jean Lane; and Director of Utility Operations; Corey Lubovich.

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

- Commissioner Bayliss requested to Add Under New Business: General Manager Hire
- Commissioner Bayliss requested to add Under New Business: Approve Job Posting 21-02: Assistant Heat Crew Leader

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

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to approve the regular meeting minutes of January 26, 2021.

Motion carried unanimously.

## **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 January 8, 2021 to January 19, 2021 check numbers 44039 to 44135 & ACH transfers 1192101 to 1192107

Item 5.B. Review and approve the payroll paid & overtime report for the January 28, 2021 pay date

Item 5.C. 2021 Tom Bovitz Memorial Scholarship: Authorize Local & State Participation

Item 5.D. Voluntary Heat Residential Heat Conversion Loan Program: Approve Two (2) Subordination Residential Heat Conversion Loans

Item 5.E. Voluntary Heat Residential Heat Conversion Loan Program: Loan Approval

Commissioner Bugliosi requested to pull Item 5.D. Voluntary Heat Residential Heat Conversion Loan Program: Approve Two (2) Subordination Residential Heat Conversion Loans for clarification.

Motion by Commissioner Bugliosi, supported by Commissioner Stokes, to approve the Consent Agenda Items 5.A., 5.B., 5.C. & 5.E., as presented.

Motion carried unanimously.

Item 5.D. Voluntary Heat Residential Heat Conversion Loan Program: Approve Two (2) Subordination Residential Heat Conversion Loans. Legal Counsel Borland gave background stating the applicants were requesting refinancing.

Motion by Commissioner Bugliosi, supported by Commissioner Stokes to approve Item 5.D. Voluntary Heat Residential Heat Conversion Loan Program: Approve Two (2) Subordination Residential Heat Conversion Loans.

Motion carried unanimously.

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## Item 6. BIDS & QUOTES

Item 6.A. The Commission reviewed the correspondence dated January 26, 2021 from C. Lubovich regarding Award Public Bid No. 02-21: Pipefitter Services for CY 2021. This item was tabled from the January 26, 2021 Commission meeting. Lengthy discussion held regarding comparison of the bid returns. Mr. Radotich clarified the breakdown of his bid return, including consumables, truck charges, etc. and gave background. Commissioners stated the returns were too different to compare and were confusing, making direct comparison difficult.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to award Public Bid No. 02-21: Pipefitter Services for CY 2021 to Radotich, Inc.

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

Item 6.B. The Commission reviewed the correspondence dated February 9, 2021 from Commissioner Bayliss regarding Award Quote for Turbine #3 & #5 Extraction Valve Inspection. D. Chase gave presentation.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to authorize Ohman Pump Services to proceed with the inspection of Turbine #3 & #5 extraction valves in the amount of \$33,369.900 for each turbine.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated February 9, 2021 from D. Chase regarding Request for Call for Public Bid 03-2021: Bearing Fire Protection System on T/G #3, #5 & #6. Chairperson Hart requested to reach out to not less than three vendors.

Motion by Chairperson Hart, supported by Commissioner Bayliss, to authorize to Call for Public Bid 03-2021: Bearing Fire Protection System on T/G #3, #5 & #6, and send to not less than three competitive fire protection companies.

Motion carried unanimously.

## Item 7. PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence dated January 29, 2021 from P. Karakash, Environmental/Facility/Safety Manager regarding Notice of Retirement effective April 16, 2021, with his last day in office being February 26, 2021.

Motion by Chairperson Hart, supported by Commissioner Stokes, to accept the Notice of Retirement effective April 16, 2021 from Peter Karakash, Environmental/Facility/Safety Manager. Chairperson Hart thanked Mr. Karakash for his years of service.

Motion carried unanimously.

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Commissioner's Garrity and Stokes spoke regarding the good practice for advanced notice of retirements of at least six (6) months going forward for management in order to train replacements.

Item 7.B. The Commission reviewed the correspondence dated February 9, 2021 from J. Lane regarding Appoint HPU Commission Secretary.

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

NOW THEREFORE BE IT RESOLVED, THAT the HPU Commission appoint Mr. Patrick Garrity as the HPU Commission Secretary effective February 15, 2021, until such time the General Manager and Director of Finance positions are filled or the organization of this appointment at the annual HPU organizational meeting in April 2021.

Motion carried unanimously.

Item 7.C. The Commission reviewed the correspondence dated February 9, 2021 from J. Lane regarding Approve Revised IT Policy – Computer Use.

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

NOW THEREFORE, BE IT RESOLVED, THAT the HPU Commission approve the attached revised IT Computer Use Policy.

Motion carried unanimously.

Item 7.D. The Commission reviewed the correspondence dated February 9, 2021 from J. Lane regarding Approve Contract for Professional Accounting Services.

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

NOW THEREFORE BE IT RESOLVED, THAT the HPU Commission approve contracting with Fort & Company P.A., through May 31, 2021 for professional accounting services as outlined in the attached contract proposal.

Motion carried unanimously.

Item 7.E. The Commission reviewed the correspondence dated February 9, 2021 from J. Lane regarding Letter of Understanding: Sick Leave Abuse.

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

NOW THEREFORE BE IT RESOLVED, THAT the HPU Commission approve attached Letter of Understanding: Sick Leave Abuse.

Motion carried unanimously.

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Item 7.F. The Commission reviewed the correspondence dated February 9, 2021 from J. Lane regarding Delegation of Director of Finance/Treasure Functions.

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

NOW THEREFORE, BE IT RESOLVED THAT the HPU Commission delegate the fiscal/treasury functions of the Finance Director job description to Commissioner Patrick Garrity & authorizes Commissioner Patrick Garrity to invest and redeem short-term investments for cash flow reasons within the MN State Statutes with the 4M Fund until the Finance Director position is filled; and

BE IT FURTHER RESOLVED THAT the HPU Commission delegates the Rates Structure/Customer Issue Subcommittee to also act as a Finance Committee and review financial transactions and financial reporting until the Finance Director position is filled.

Motion carried unanimously.

Item 7.G. The Commission reviewed the correspondence dated February 9, 2021 from P. Karakash regarding Overnight Travel Request for Asbestos O&M Training for Plant Mechanic.

Motion by Chairperson Hart, supported by Commissioner Stokes, to approve the following Resolution:

NOW THEREFORE, BE IT RESOLVED THAT the HPU Commission authorize overnight travel for a Plant Mechanic to attend Asbestos Operations & Maintenance Training on March 22, 2021 for a cost of \$375.00 plus transportation, meals and lodging.

Motion carried unanimously.

Item 8. The Commission reviewed the correspondence dated February 9, 2021, from J. Lane regarding 2021 Operations Budget.

Motion by Commissioner Garrity, supported by Commissioner Bugliosi, to adopt the 2021 Operations Budget as a preliminary working document

Commissioner Stokes – oppose  
Motion carried 4-1.

## Item 9. OLD BUSINESS

Item 9.A. Commissioner Bayliss requested update on Boiler #2 Commissioning. D. Chase gave update.

## NEW BUSINESS

Item 10.A. The Commission reviewed the correspondence dated February 9, 2021, from Chairperson Hart regarding Natural Gas Service Installation Fee Clarification. Discussion held regarding number of customers converting from non-HPU fuel source.

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Motion by Chairperson Hart, seconded by Commissioner Bayliss, to offer customers that are currently not on a Hibbing Public Utility heat source (fuel, propane or wood) to convert to a Hibbing Public Utility heating system, and waive the \$450 installation fee.

Motion by Chairperson Hart, supported by Commissioner Bayliss, to rescinded the above motion.

Motion by Chairperson Hart, supported by Commissioner Bayliss, to table this item to obtain more information.

Motion carried unanimously.

Item 10.B. Commissioner Bayliss requested to readdress Job Posting No. 21-02: Assistant Heat Crew Leader from the January 26, 2021 regular Commission meeting. Commissioner Bayliss stated that he felt the position should be filled due to lack of crew members.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to approve posting Job Posting 21-02: Assistant Heat Crew Leader.

Motion carried unanimously.

Item 10.C. Commissioner's discussed General Manager Candidate and the interview from earlier in the day. Commissioner's held discussion regarding Mr. Luke Peterson.

Motion by Commissioner Stokes, supported by Commissioner Bugliosi, to offer the General Manager position to Mr. Luke Peterson pending ratification of employment contract with Baker Tilly and pre-employment screening.

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

## Item 11. ADJOURNMENT

Motion by Commissioner Bugliosi, supported by Commissioner Stokes, to adjourn the meeting at 6:57 p.m.

Motion carried unanimously.

Attest:

  
Patrick Garrity, 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 Tuesday, February 23, 2021 at 5:00 p.m. at the Hibbing City Hall, Council Chambers, 401 E. 21<sup>st</sup> St., Hibbing MN 55746

Masks are required in City Hall and all COVID-19 Pandemic guidelines must be observed.

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