

MINUTES OF THE PROCEEDINGS

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

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February 23, 2021

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on February 23, 2021. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chairperson Hart called the meeting to order at 5:03 p.m. In attendance were Chairperson Hart, Commissioner Bugliosi; Commissioner Garrity; Commissioner Bayliss; Legal Counsel, Andy Borland; Admin. Assistant, Penny Rutchasky; 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; and Barr Eng., Rep, Jon Minne. Absent from the meeting was Commissioner Stokes.

Item 2. ADDS/DELETES

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to approve the regular meeting minutes of February 9, 2021.

Motion carried unanimously.

Item 3.A.

The Commission reviewed the correspondence from Commission members dated February 23, 2021 regarding Ratification of General Manager Employment Agreement.

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

NOW THEREFORE, BE IT RESOLVED THAT the HPU ratify the Employment Agreement of Mr. Luke Peterson, effective March 1, 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 February 6, 2021 to February 19, 2021 check numbers 44188 to 44268 & ACH transfers 2052101 to 2122106.

Item 5.B. Review and approve the payroll paid & overtime report for the February 11, 2021 pay date.

Item 5.C. Request for Contribution: Hibbing High School Senior Banners – In Kind Service.

Motion by Commissioner Bugliosi, supported by Chairperson Hart, to approve the Consent Agenda as presented.

Motion carried unanimously.

Item 6. BIDS & QUOTES

Item 6.A. The Commission reviewed the correspondence dated February 23, 2021 from C. Lubovich regarding Barr Engineering Water Treatment Plant Seepage Basin: Final Design. C. Lubovich gave background and introduced Barr Engineering Rep., J. Minne, who gave presentation.

Motion by Commissioner Bugliosi, supported by Commissioner Garrity, to authorize an additional \$5,000 for completing Phase I: Final Design for the HPU Water Treatment

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Plant Seepage Basin/Associated Piping Reconditioning, and authorize beginning Phase II: Permitting Assistance.

Motion carried unanimously.

Item 6.B. The Commission reviewed the correspondence dated February 23, 2021 from D. Chase regarding Howard Street & First Avenue Streetlight Replacement LED.

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

NOW THEREFORE, BE IT RESOLVED, THAT the HPU Commission approve replacing high pressure sodium lamps inside the decorative street lights on Howard Street & First Avenue with LED lamps in the amount of \$9,744.00.

Motion carried unanimously.

Item 6.C. The Commission reviewed the correspondence dated February 23, 2021 from D. Chase regarding Electric Distribution Thermography and Ultrasound Diagnostics Survey.

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

NOW THEREFORE, BE IT RESOLVED THAT the HPU Commission approve awarding 2021 Infrared & Airborne Ultrasound Survey of the Power Distribution System to Thermography & Ultrasound Diagnostics, Inc. in the amount of \$9,550.00.

Motion carried unanimously.

Item 7. PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence dated February 23, 2021 from C. Lubovich regarding Award Job Posting No. 21-02: Assistant Heat Crew Leader.

Motion by Commissioner Bayliss, supported by Commissioner Bugliosi, to award Job Posting No. 21-02: Assistant Heat Crew Leader to Mark Yuretich, the senior qualified employee.

Motion carried unanimously.

Item 7.B. The Commission reviewed the correspondence dated February 23, 2021 from D. Chase regarding MMUA Emergency Preparedness & Restoration Conference – Overnight Travel Request.

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

NOW THEREFORE BE IT RESOLVED, THAT the HPU Commission authorize E. Savela & G. Pogachnik overnight travel to attend the MMUA Emergency Preparedness & Restoration Conference from March 16-17, 2021 in St. Cloud, MN.

Motion carried unanimously.

Item 8. The Commission reviewed the correspondence dated February 23, 2021 Commissioner's Bayliss & Garrity regarding FM Global 2021 Property Insurance & Risk Management Proposal.

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

NOW THEREFORE, BE IT RESOLVED, THAT the HPU Commission approve the 2021 FM Global Property Insurance & Risk Management Proposal.

Motion carried unanimously.

Item 9. DEPARTMENT REPORTS

C. Lubovich gave Commission members update on Natural Gas Pricing and a potential FERC investigation into wholesale Natural Gas. Mr. Lubovich reported that between February 12-22, 2021, HPU was affected by a volatile natural gas market, as was most of the United States. Mr. Lubovich went on to

Motion by Commission Garrity, supported by Chairperson Hart, to authorize Legal Counsel to draft a Resolution in Support of Investigation into natural Gas Price Gouging and to send to the Governor, Attorney General, Senators, State Representatives and any other pertinent party.

Motion carried unanimously.

Heat Department: C. Lubovich continued to give presentation

Steam:

- Monthly steam customer usage audits.
- System monitoring.
- Steam distribution repairs as needed.
- Addressing customer concerns.
- General cleanup and disinfection.

Natural Gas:

- 21 natural gas services were converted from a **non-HPU fuel source** in year 2019.
- 47 natural gas services were converted from a **non-HPU fuel source** in year 2020.
- Monthly natural gas customer usage audits.
- Monthly inspections and report requirements.
- Online Operator Qualification Training.
- Building residential natural gas meter sets.
- Customer natural gas internal piping inspections.
- Addressing customer concerns.
- General cleanup and disinfection.

Water Department:

- Water service/main repairs as needed. For February 2021 and at the time of this writing, HPU conducted 6 water main/service repairs compared to 10 total failures in February of 2020.
- 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 Seepage Basins 1-3 Reconditioning:** Jon Minne, Barr Engineering Rep., and myself plan to attend the February 23, 2021 HPU Commission Meeting to update the HPU Commissioners on progress with final design.

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- **New HPU Well 3B:** HPU and Traut Well have completed surge pumping in the New Well 3B bore. This effort was to lessen the amount of sand and silt coming through. The problem was noticed back when Traut Well conducted well development. The next step will be televising casing and screen. Remaining tasks, along with building construction are slated for spring of 2021.
- **2021 Ansley Water Tower Reconditioning Project:** A pre-construction meeting for this project was held on Wednesday January 27, 2021 at HPU. The two antenna companies currently utilizing space on the tower were in attendance by phone. Badger State Inspectors, Kelly Mulhern and Classic Protective Coatings, Brad Smith, joined in person. Gary Jarmer, HPU Water Dept. Crew Leader and myself were also in attendance. The antenna companies need to remove all antenna equipment by April 1, 2021. Classic Protective Coatings is working with the two companies to try and provide them temporary installation on their construction carousel. HPU is also looking into utilizing this carousel for their Delta-V attachments currently on the tower. April is the scheduled month to begin tower reconditioning. A moving company has been hired to remove a large amount of stored HPU Water Department distribution valves, repair sleeves and associated fittings from the tower base and re-locate them in two rental containers to be stationed within the fenced confines. The cost to unload and reload the tower is \$3,280.00. Rental for the two containers is \$130/mo per container. We plan on moving the parts to the containers in early March of 2021. The parts will then be moved back to the tower base as soon as reconditioning is completed. This should be September or October of 2021.

POWER PLANT REPORT: D. Chase gave update

Power Plant Report

Operations:

- Boiler 1 and Boiler 3 are on line and producing steam at a rate of 95,000 to 114,000 pounds per hour.
- Boiler 1 and Boiler 3 have been running on coal only from February 12-23, 2021. The current situation of high natural gas prices during the current extreme cold weather conditions makes coal more economical for producing steam.
- All steam production is being run through PRV's (Pressure Reducing Valves) for consumption by the steam district and Aramark.
- No electricity has been generated by the Power Plant in 2021.
- Turbine 6 re-work is almost complete. Ohman Pump Service is waiting for a coupling to be returned so that it may be reinstalled.
- Ohman Pump Service is in the process of performing the inspection and maintenance of the #5 and #3 extraction valves.

Maintenance:

- The Maintenance Group performed repairs and maintenance to Plant heating traps and heating units.
- There were also many water lines in the Plant that needed repairs and maintenance.

Electric Distribution Report: D. Chase gave report

Electric Distribution Report

- Thermal & Ultrasound inspections have been completed, working to mitigate problems found.
- Right of Way clearing has been started by Lake States Tree Service.
- Attended to service work orders for services, street light repair & trouble calls.
- Power Outages:
 - 1/20/2021, scheduled commercial outage due to failing lightning arrestor found by thermal inspections. 1 customer affected for 35 min.
 - 1/22/2021, scheduled residential outage due to failing lightning arrestor found by thermal inspections. 9 customers affected for 20 min.
 - 1/22/2021, scheduled residential outage due to failing lightning arrestor found by thermal inspections. 19 customers affected for 15 min.

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- 1/27/2021, scheduled commercial outage due to failing lightning arrestor found by thermal inspections. 1 customer affected for 50 min.
- 2/5/2021, commercial outage due to broken cut/out on 3 phase URD riser. 5 customers affected for 30 min.

Engineering Department

Gopher State One-Call Tickets for the beginning of 2021 from 1/22/21 - 2/18/21: 21

This includes 6 emergency locates and 1 cancellation.

Gopher State One Call Tickets year to date: 33

USIC is currently handling all Gopher One Call Locating.

Engineering technicians have been working on the following:

- Training on filing all CIP / Rebate forms.
- Continuing with Filing Thermography & Ultrasound Study Electronically
- Updating Substation 3, 4 & 5 Drawings and MCC information
- Creating spreadsheets of all Substations equipment
- Continuing scanning & filing and documenting drawings that were not on Drawing Index
- Locating / updating / Printing all WTP Electrical drawings and creating new book
- Updating DeltaV valve & wiring drawings
- Filing Dig Reports from Corey
- Calculating recovery cost on LED light replacement
- Generator 3 exciter 3A circuit breaker replacement drawings and procedures
- Ansley Water Tower temporary power plans during tower renovation
- Designed a test rig for use with the new Probewell meter tester.
- A switching procedure was devised and documented for transferring load from loop transformer 1 to loop transformer 2. The transformers are 13.8 kV primary and 2.4 kV secondary. Transformer 1 needs maintenance.

Plant Electrical Update

- The dehumidifier was serviced for the turbines.
- The air dryer power feed for Boiler #4 was replaced.
- Assisted Power Plant Thermographic & Ultrasound P.M. testing.
- Provided an oil sample to Weidmann Diagnostics Solutions from the 2400v Loop XFMR 1.
- Assisted the Instrumentation Department on Boiler #1 soot blower & precipitator issues.
- Scranton Well ground fault problem testing continued.
- Provided temporary power for Well #3 test and then put original well back into normal service.
- Worked on heating and lighting repairs or replacements as necessary throughout the utility.

Meter Shop Update

- Water and electric updates have been difficult due to meter accessibility
- Residential water meter update to touch pad reader (ROMs): 15
- Commercial water meter updates: 1
- Residential electric updates: 6
- Commercial electric updates: 0
- Meter shop is focusing on repairing & testing meters. A new shipment of gas meters currently requires testing.
- Once the weather warms up, the meter shop will be working with Line Crew on some 7s and 24s commercial electrical meter and CT's updates.

Instrument Shop Update.

The Instrumentation Department has been working on:

- Daily log sheets and monthly report and readings
- Finalizing information & data & starting installation for PRV 's Project
- Gathering information & data for Boiler # 2 upgrade project
- Repaired Ash handling system due to a freeze up (bag house metering & dump gate).

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- Boiler #1 soot blower failure of a low-pressure switch. Replaced switch.
- Finalizing information & data on the plant monthly reporting system upgrade.
- Cleaning and organizing shop.
- Repaired Boiler #3 and Boiler #1- #2 communication for Precipitator Power reporting.
- Replaced CAL gas as needed
- Working with engineering on:
 - Ansley Tower and well Telemetry; will be switching over to Mesabi Tower
 - 2400 volts DWG's
 - 13.8 Maintenance planning
 - TG #3 exciter breaker
- TG #6 Gland seal air valve repaired and replaced.

No action taken.

Item 9. FINANCIALS – January 2021

Item 9. The Commission reviewed the correspondence dated February 22, 2021 from Morgan Anderson, Fort & Company, PA Provided Consultant, regarding Preliminary Financial Statements as of January 2021. Chairperson Hart read the correspondence during presentation. This item was placed in the Commission file.

No action taken.

Item 10. OLD BUSINESS

Commission Garity requested to discussion modification of the Forte & Company Agreement financial support agreement. The original agreement was to have Forte & Company to perform 24-32 hrs of data entry support per week. Commissioner Garity requested to increase hours as per finance committee discussions.

Motion by Commissioner Garity, supported by Commissioner Bugliosi, to authorize an increase in hours to Forte & Company to perform data entry functions for the HPU.

Motion carried unanimously.

Director of Utility Operations, Corey Lubovich requested to clarify the Natural Gas Installation language for new customers converting to the HPU from a non-HPU fuel source. Chairperson Hart clarified that the \$450 fee is waived for customers converting from a non-HPU fuel source to natural gas.

No action taken.

Item 11. NEW BUSINESS


Item 12. ADJOURNMENT

Motion by Commissioner Bugliosi, supported by Commissioner Bayliss, to adjourn the meeting at 6:27 p.m.

Motion carried unanimously.

Attest:


Patrick Garity, Commission Secretary


Jeffrey Hart, Chairperson

Meeting materials are available at www.hpuc.com

The next regular Commission meeting is scheduled for Tuesday, March 9, 2021 at 5:00 p.m. at the Hibbing City Hall, Council Chambers, 401 E. 21st St., Hibbing MN 55746

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

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