

MINUTES OF THE PROCEEDINGS

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

Page One

March 9, 2021

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on March 9, 2021. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chairperson Hart called the meeting to order at 5:02 p.m. In attendance were Chairperson Hart, Commissioner Bugliosi; Commissioner Garrity; Commissioner Stokes; Commissioner Bayliss; Legal Counsel, Andy Borland; General Manager, Luke Peterson; Admin. Assistant, Penny Rutchasky; and Director of Utility Operations, Corey Lubovich. Also in attendance was HPAT Rep., Ron Wirkkula, AFSCME Rep., Mark Reger; and Dan Chase.

Item 2. ADDS/DELETES

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Bayliss, supported by Commissioner Bugliosi, to approve the regular meeting minutes of February 23, 2021.

Commissioner Stokes abstained.
Motion carried.

Chairperson Hart introduced and welcomed Luke J. Peterson, Hibbing Public Utilities new General Manager. General Manager Peterson thanked the Commission members, HPU staff and community members for the opportunity to serve the Hibbing community. Mr. Peterson acknowledged the changes and challenges facing the HPU and expressed his eagerness in moving HPU towards a better tomorrow for the community in giving the residence of Hibbing the best rates and service available. Mr. Peterson's stated he can be reached at 218-262-7759 or Luke.Peterson@hpuc.com.

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 19, 2021 to March 4, 2021 check numbers 44271 to 44314 & ACH transfers 2192101 to 2262102.

Item 5.B. Review and approve the payroll paid & overtime report for the February 25, 2021 pay date.

Item 5.C. Termination Notice: Dan Chase, Director of Electric Systems

Motion by Commissioner Stokes, supported by Commissioner Garrity, to approve the Consent Agenda as presented.

Motion carried unanimously.

Item 6. BIDS & QUOTES

Item 7. PERSONNEL/POLICY

Item 7.A. The Commission reviewed the correspondence dated March 9, 2021 from C. Lubovich regarding HPU Apprentice Water Mechanic – External Hire.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to authorize the hire of Mr. Jacob Kampen upon his availability date.

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Page Two

March 9, 2021

Item 8. The Commission reviewed the correspondence dated March 9, 2021 from C. Lubovich regarding February 2021 Natural Gas Pricing Update. C. Lubovich gave presentation regarding the unprecedented mid-February natural gas disruption causing a record spike in the natural gas pricing.

HPU recorded at the beginning of the event that Hibbing's purchased spot price for the days before & after the cold weather event averaged \$3.40/Dth. Hibbing's highest daily spot purchase price was \$160.00/Dth. The total daily spot pricing from February 11-19 was approximately \$1,606,000. The daily spot purchasing for the whole month was at approximately \$1,763,909. This shows that estimated approximately 91% of Hibbing's daily spot purchases were between the cold weather episode days of February 11-19. Hibbing's hedged gas total purchases for the month was approximately \$427,112. The expected "All-In" gas price for the month was \$2,366,360, reflecting an expected increase of \$1,648,982 from budget.

Throughout this event, HPU was able to maintain electric, water, steam and natural gas service delivery with no little or no interruptions. Nevertheless, the shortage of natural gas led to an unexpected delivery and supply cost increase to HPU. HPU reacted in a proactive manner in taking the Power Plant off of natural gas. HPU is also working on a strategic plan to spread out assessments relating to customer impact. Commission members have also reached out to State and Federal legislators in support in an effort to request local utility assistance/investigation. The cost information brought forth will be used to assist state and federal entities when entering into an investigation of natural gas price gouging across the nation. Federal investigations are in the beginning stages, as this will be an ongoing process.

No action taken.

Item 9. L. Peterson, General Manager Update. Luke Peterson reported at in his first week in the position of General Manager, he met with each employee to try to get a better understanding of the current state of the Utility to move the HPU efficiently into the future. L. Peterson agreed with Commission members saying that the Utility of the future needs to be more flexible and responsive, especially regarding events such as the polar vortex. Current hurdles include Polar Vortex, Covid-19 and project backlog. L. Peterson expressed that he is looking forward to making progress at the HPU, while working with the Commission, HPU staff, and customers to deliver better customer service programs that improve the lives of the citizens of Hibbing.

No action taken.

Item 10. The Commission reviewed the correspondence dated March 9, 2021 from L. Peterson regarding Community Development Block Grant.

Motion by Chairperson Hart, supported by Commissioner Bugliosi, to support the Resolution supporting the Community Development Block Grant.

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS
of the Public Utilities Commission, City of Hibbing, St. Louis County, Minnesota

Page Three

March 9, 2021

Item 11. OLD BUSINESS

Item 12. NEW BUSINESS

Item 13. ADJOURNMENT

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to adjourn the meeting at 5:41 p.m.

Motion carried unanimously.

Attest:



Jeffrey Hart, Chairperson



Patrick Garrity, Commission Secretary

Meeting materials are available at www.hpuc.com
The next regular Commission meeting is scheduled for Tuesday, March 23, 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.

p/2021-03-09-Minutes.doc