

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 April 26, 2022. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chairperson Hart called the meeting to order at 5:00 p.m. In attendance were Chair Hart; Commissioner Garrity; Commissioner Bayliss; Commissioner Andria; Commissioner Babich; Legal Counsel, Andy Borland; General Manager, Luke Peterson; Financial Controller, Morgan Anderson; and Administration, Facilities & Safety Coordinator, Penny Rutchasky. Also in attendance were HPAT Reps., Ron Wirkkula & Kivanna Hill; City Administrator, Greg Pruszinske; and Local 94 Employees M. Reger & G. Pogachnik.

Item 2. APPOINTMENTS

Item 2.A. Motion by Chair Hart, supported by Commissioner Bayliss, to nominate Commissioner Garrity as First Vice Chair.

Motion carried unanimously.

Item 2.B. Motion by Commissioner Babich supported by Commissioner Garrity, to nominate Commissioner Bayliss as the Second Vice Chairperson for the ensuing year.

Motion carried unanimously.

Item 2.C. Motion by Commissioner Bayliss, supported by Commissioner Andria, that Morgan Anderson will be Secretary to the Commission for the ensuing year.

Motion carried unanimously.

Item 2.D. Motion by Commissioner Bayliss, supported by Commissioner Andria, that A. Borland of Sellman Borland & Simon, be appointed as Legal Counsel for ensuing year.

Motion carried unanimously.

Item 2.E. Motion by Commissioner Garrity, supported by Commissioner Bayliss, that Sterle & Company will be Auditor for the ensuing year.

Motion carried unanimously.

Item 2.F. Motion by Chair Hart supported by Commissioner Babich that the official newspaper will Mesabi Daily News.

Motion carried unanimously.

Item 2.G. Motion by Chair Hart, supported by Commissioner Bayliss, to adopt the Resolution for Official Depositories for 2022 being Security State Bank, American Bank, Wells Fargo Bank & Investment Services, US Bank, National Bank of Commerce & Xpress Billpay.

Motion carried unanimously.

Item 3. ADDS/DELETES

General Manager Peterson spoke regarding customer interest in solar and renewable energy projects, along with sustainability through community discussions and encouraged appointment be made.

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General Manager Peterson stated that due to the Minnesota Power contract, MP has formed a Joint Investment Reliability Committee that meets to oversee the implementation of the MP contract, and he encouraged nominating the same two Commissioners that were a part of the negotiating committee. Chair Hart asked that General Manager Peterson put this in writing for formalization.

Peterson requested to add Item 8.C. Vacuum Cleaning Services for Summer Outage.

Item 4. APPROVAL OF MINUTES – General Manager Peterson requested to pull the meeting minutes from April 11, 2022 as the video communication did not work and he would like to review them further.

Item 5. CITIZENS FORUM – None

Item 6. CONSENT AGENDA

Item 6.A. Approve invoices over \$10,000 and approve the bills and ACH transfers dated April 11-21, 2022.

Item 6.B. Review and approve payroll paid & overtime report for the April 21, 2022 pay date.

Item 6.C. Approve Remaining Commission Meeting Schedule

Motion by Commissioner Bayliss, supported by Commissioner Garrity, to approve Consent Agenda Items 6.A., 6.B., & 6.C., as presented.

Motion carried unanimously.

Item 7. BUDGET UPDATE

L. Peterson gave a brief update on Capital costs relating to the water treatment plant redevelopment and Turbine 5 rebuild and overall spending year to date. Peterson touched on the major milestones, thanked the crews for their hard work, and introduced K. Sobczynski to give update on power plant projects. This item was placed in the Commission file.

No action taken.

Item 8. FINANCIALS & RISK MANAGEMENT

Item 8.A. The Commission reviewed the correspondence dated April 25, 2022 from L. Peterson regarding Award Public Bid No. 2022-07: TG #5 Overhaul. Discussion ensued regarding the following ST Cotter bid:

- Estimates 3 times fewer hours than the next lowest bid as Turbine disassembly & cleaning
- Does not address sand blasting
- Has between 3.5 & 7 times fewer hours devoted to turbine inspection than other bids.
- Does not address NDT
- Has between 3 & 4 times fewer hours than other bidders for generator disassembly and cleaning
- Has approximately 7 times fewer hours devoted to general inspection than the lowest bidder.
- Has approximately 2.5 times fewer hours estimated for generator reassembly than the next lowest bidder.

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- Does not address oil or air cooler cleaning
- Does not address R & R Insulation
- Does not address R& R Bently Nevada
- Does not address tools
- Does not address truck

Motion by Chair Hart, supported by Commissioner Andria, to award Public Bid No. 2022-07: TG #5 Overhaul Ohman Pump in the amount of \$482,180, as the ST Cotter bid had the above concerns.

Motion carried unanimously.

Item 8.B. The Commission reviewed the correspondence dated April 25, 2022 from L. Peterson regarding Hot Room Roof Replacement Recommendation.

Motion by Commissioner Garrity, supported by Commissioner Bayliss, to award the Hot Room Roof Replacement to Range Cornice in the amount of \$33,773.00 to remove the ballast & EPDM & insulation, repair the hole from the air exchanger, install 60 Mil EPDM membrane, replace flashing, sealing & warranty.

Motion carried unanimously.

Item 8.C. The Commission reviewed the correspondence dated April 26, 2022 from L. Peterson regarding Summer Outage Vacuum Cleaning Services. Discussion was held regarding a safety incident with another vendor.

Motion by Commissioner Garrity, supported by Commissioner Babich, to award the vacuum cleaning services to Stack Brothers in the amount of \$27,700.

Motion carried unanimously.

Item 9. POLICY & GOVERNANCE

Item 9.A. The Commission reviewed the correspondence dated April 25, 2022 from L. Peterson regarding Approve Water System Funding Request Resolution.

Motion by Commissioner Garrity, supported by Commissioner Bayliss, to authorize General Manager Peterson to issue the letters of support to the legislators and authorize the Chair to sign the Resolutions.

Motion carried unanimously.

Item 9.B. The Commission reviewed the correspondence dated April 26, 2022 from L. Peterson regarding New Hire: Plant Operations Operator I.

Motion by Commissioner Bayliss, supported by Commissioner Andria, to authorize the hire of Mr. Darren Kowalsky pending the successful completion of all preemployment requirements.

Motion carried unanimously.

Item 9.C. The Commission reviewed the correspondence dated April 26, 2022 from L. Peterson regarding Request to Post Job Posting No. 2022-03: Plant Mechanic.

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Motion by Commissioner Bayliss, supported by Commissioner Garrity, to approve Job Posting No. 2022-03: Plant Mechanic.

Motion carried unanimously.

Item 9.D. The Commission reviewed the correspondence dated April 26, 2022 from L. Peterson regarding Approve Job Descriptions and Post/Advertise for an Energy Pricing & Programs Manager, and a Customer & Programs Communications Specialist.

Motion by Commissioner Bayliss, supported by Commissioner Andria, to approve the Job Descriptions as provided.

Motion carried unanimously.

Item 9.E. The Commission reviewed the correspondence dated April 26, 2022 from L. Peterson regarding Approve Annual Authority Matrix.

Motion by Chair Hart, supported by Commissioner Bayliss, to authorize the Annual Authority Matrix as presented.

Motion carried unanimously.

Item 10. OLD BUSINESS

Commissioner Garrity opened the subject of a General Manager review. Discussion held regarding personnel subcommittee and who would be reviewing the General Manager.

Motion by Commissioner Garrity, supported by Commissioner Andria to hold a General Manager review for the entire Commission to review.

Motion carried unanimously.

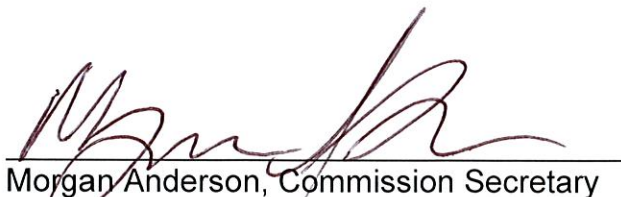
Item 11. NEW BUSINESS – None

Item 12. ADJOURNMENT

Motion by Commissioner Bayliss, supported by Commissioner Andria, to adjourn the meeting at 6:12 p.m.

Motion carried unanimously.

Attest:


Morgan Anderson, Commission Secretary


Jeff Hart, Chair