



# Commission Meeting

JANUARY 9<sup>TH</sup>, 2024

LUKE PETERSON



## Commission Meeting Agenda

January 9<sup>th</sup>, 2023

Chair J. Hart	—	Commissioner J. Bayliss	—
Commissioner J. Stokes	—	Commissioner J. Babich	—
Commissioner J. Sandstede	—	Legal Counsel A. Borland	—
General Manager L. Peterson	—	Auditors Abdo., LLP	—
Utility Operations S. Dickinson	—	Energy & Pricing P. Plombon	—
Safety & Facilities P. Rutchasky	—	Admin & Comm E. Dixon	—
City Administrator G. Pruszinske	—	Local 94 President Rich Kampsula	—

### WORK SESSION

#### 1. Management Updates

- a. HREC - Paul Plombon
- b. Utility Resources Update– Stefanie Dickinson
- c. Grants & Public Outreach – Eliot Dixon
- d. Utility Operations– Luke Peterson

#### 2. Strategic Plan Update & Work Plan Discussion

### REGULAR SESSION

#### 1. Consent Agenda

- a. Ratify funding HSA / HRA Funding for 2024 Benefits
- b. Ratify General Manager Employment Contract

#### 2. Financials & Risk Management

- a. Review November Financials
- b. Approve Barr Consulting Services not to Exceed \$275,000

#### 3. Policy & Governance

- a. Approve Letter of Understanding for Licensing Incentive Program
- b. Approve Job Descriptions for
  - i. Customer Service Supervisor
  - ii. Manager of Power Supply
  - iii. HREC Director of Maintenance Operations
  - iv. Utility Engineer in Training
- c. Approve Gordon Terpstra for Meter Reader
- d. Approve Jon Petron for Coal & Ash Fuel Handler





## Item 1 – HPU Management Updates



Item 1 – HPU Management Updates

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 1 – Management Updates

Dear Commissioners;

Please find attached for your reviewal the HPU Managerial Updates for the month of December 2023. Members of the management team will be present at the January 9<sup>th</sup>, 2023 Commission Working Session to provide updates and answer questions from Commissioners.

Rice Lake Construction will also present on progress at the South WTP Rehab.



Luke J. Peterson



## Hibbing Renewable Energy Center

### Operations

HREC is currently operating with two turbines. Turbine 5 is running around 8 MW with Turbine 6 following the heat line at around 3-4 MW. Boiler 4 is running on mostly biomass with Boiler 1 running on natural gas. MISO prices along with gas prices are unseasonable low for this time of year. Turbine 3 will be offline for the next couple of months for a scheduled overhaul.

### Monthly Highlights

HREC has started the Turbine 3 major overhaul in conjunction with ST Cotter as of January 3. This process is expected to last until the end of February. Turbine 3's relief valve has begun its replacement process ahead of the major turbine overhaul. Prior to Christmas HREC was happy to host Thom Peterson, the Minnesota Department of Agriculture Commissioner, for official document signing which certifies HREC as a facility able to incinerate the Emerald Ash Borer. This step allows HREC to assist in the mitigation of a known nuisance within the state and also opens the door for another function of the biomass, responsible extermination controls.

### Upcoming Schedule

#### January:

- Hot Room Rehab
- TG 3 Major Inspection
- Turbine 505 Upgrade Planning
- Turbine 3 SRV Replacement
- TG 6 Upgrades
- Boiler 2 Superheat Planning

#### February:

- Turbine 3 Overhaul
- TG 3 SRV Completion
- Prep work for Turbine 5 SRV replacement
- Boiler Blowdown System Planning
- Boiler 2 ID Fan Replacement Planning
- TG 3 Overhaul Completion

## Heat Crew

The Heat Crew recently fixed a 1" gas leak next to St. Luke's Clinic. The leak was discovered and reported by a helpful citizen. The cause of the leak was determined to be a kink in the line from initial installation which occurred in the late 90's. Discussions are in place to start replacing sections of condensate with insulated piping in select pilot projects. Yearly gas reports are also starting to be tabulated for submission.

## Notable Projects

TG 3 SRV



TG 3 SRV Internals



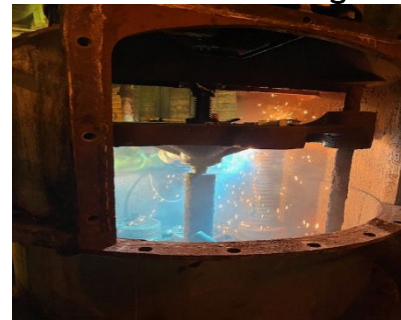
10" East Condensate Line



Cond't Valve Installation



SRV Work in Progress





### Monthly Utility Operations Overview

**Fleet** The new 550 dump truck is road ready, upfitted with a dump box and plow. The truck will be allocated mostly to the Heat Crew for repairs and maintenance on the Steam and Gas distribution systems. Staff will begin reviewing the Fleet Capital Replacement plan and make any necessary adjustments for 2024 recommendations.

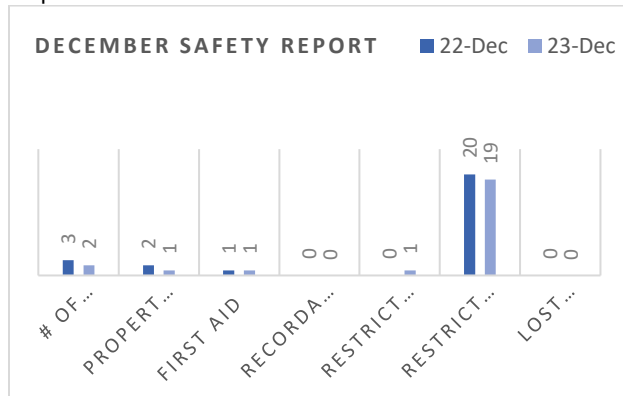
### Workflow

HPU staff will continue to work through the development phases of ArcGIS Mapping and Maximo. ArcGIS maps are completed, over the next few months data validation will be in process with our engineering group and operations technicians. Once data is validated, the goal is to have real time updates available for Gopher State One Call and Locating Services. The initial steps of implementation of Maximo are near complete. Once assets are loaded in the new system staff will begin to review and load work plans for preventative maintenance.

### MONTHLY SAFETY HIGHLIGHTS

HPU had two incidents for the month of December 2023. One incident was a first aid incident with no lost time. The other was property damage. The property damage was not to HPU property, however it occurred on HPU property.

The December 2023 safety training covered Year End Review. Reiteration of the 2023 topics were reviewed and discussed.



### FACILITY PROJECT UPDATES

In continuance of the security integration of HPU facilities, employee key FOBs were activated at the Service Distribution Center & Transportation Garage. Going forward, employees must utilize key FOBs for entry at said facility. The Administration Building and outside street access to the Power Plant had been completed prior to 2021.

Final cut overs for Internet services at the Administration Building, Power Plant, Transportation Garage have been transferred to CTC, with little interruption.

### Looking Ahead...

Operations staff will spend the beginning of 2024 planning and coordinating capital projects for our utility production and distribution systems. At the same time a continued focus will be placed on modernization of data processing and work planning. We look forward to the renewed priorities of the Commission in January and will align our resources to ensure a safe, reliable and affordable service for our rate payers and look forward to presenting department goals next month.

### Heat Crew 550 Dump Truck





## Monthly Highlights

On December 1<sup>st</sup> the final application for the Community Development Block Grant Program was submitted to the St. Louis County Office of Community Development. This application requested the maximum funding of \$300,000 in support of the Trunk Highway 169 Watermain Replacement Project. This application was accepted by the Office of Community Development and HPU has been scheduled to present their request to the CDBG Advisory Committee on January 11<sup>th</sup>, 2024.

An issue of the “HPU Utility Updater” was released to the public through the mail on December 18<sup>th</sup>. Topics focused on completed and upcoming Watermain Projects, HPU’s Energy Conservation Program, and insight into company decision making for the future. This newsletter represents an important step in the renewed focus on public outreach and education. The “HPU Utility Updater” is planned to have a 6-month release schedule. Articles are currently being drafted in preparation of a June 2024 release.

Hibbing Public Utilities was able to host the Minnesota Commissioner of Agriculture Thom Petersen on December 18<sup>th</sup> for the finalization of Quarantined Ash Disposal Agreement. A brief reception was held for Commissioner Petersen followed by a plant tour. This event provided opportunities to build better working relationships with local and St. Paul stakeholders. In addition to this, the event generated interest from local news

sources and resulted newspaper and television coverage of the agreement.

HPU’s concept paper for the GRIP Program was submitted on December 20<sup>th</sup>. The GRIP program is federally funded and seeking to encourage electrical grid resiliency innovations across larger regions. HPU will be a sub applicant through MMUA who will be applying on behalf of utilities across greater Minnesota. In the concept paper, HPU is seeking ~\$2.6 million to be used on electrical distribution line undergrounding and substation resiliency upgrades.

## Looking Forward

In 1895 (and repeatedly since) the residents of Hibbing decided that the jobs, investments, and decision making of their utility system should remain solely within the city limits of Hibbing. Through providing high-quality and reliable services, we prove that decision to be right. Through public outreach we prepare our community to continue to make that decision now and for the future of the Hibbing Public Utilities.

The goals of our public outreach effort will be to:

- Provide ratepayers with accurate and relevant information of HPU Operations
- Educate community members about utility industry
- Empower ratepayers to advocate on our behalf

Please find attached a draft Public Outreach Calendar of 2024.

Photos from visit of Commissioner Thom Petersen



# Public Outreach Calendar (Draft)

Month	Topics	Significant Outreach Projects
January	2024 Projects Timeline <ul style="list-style-type: none"> <li>• Watermain Projects</li> <li>• Electric Distribution Upgrades</li> <li>• HREC Projects</li> <li>• EAB program</li> </ul>	
February	2024 Bonding Ask <ul style="list-style-type: none"> <li>• Statement of Need</li> <li>• Project Details</li> <li>• Project Goals</li> <li>• How to help</li> </ul>	
March	Careers at HPU <ul style="list-style-type: none"> <li>• HPU as a job creator</li> <li>• Created or filled ~20 positions in 2023</li> <li>• Types of positions</li> <li>• Open positions</li> </ul>	
April	Reliability Investments <ul style="list-style-type: none"> <li>• Past struggles</li> <li>• Equipment Investments</li> <li>• Vegetation management</li> <li>• How to prepare</li> </ul>	
May	2024 Water Projects <ul style="list-style-type: none"> <li>• Statement of need</li> <li>• Project Details</li> <li>• Project Goals</li> <li>• How to prepare</li> </ul>	
June	Utility Safety Month <ul style="list-style-type: none"> <li>• Electric Safety</li> <li>• Gas Safety</li> <li>• Water Safety</li> <li>• Employee Safety</li> </ul>	Summer Edition of "Utility Updater"
July	Power Plant History <ul style="list-style-type: none"> <li>• Energy independence</li> <li>• 1920 construction</li> <li>• Plant workers</li> <li>• LEA &amp; Biomass</li> </ul>	Jubilee Parade Power Plant Tours during Jubilee Events

<b>August</b>	Service Rates <ul style="list-style-type: none"> <li>• Rate Comparisons</li> <li>• Payment methods</li> <li>• Paperless billing</li> </ul>	
<b>September</b>	Students at the Utility <ul style="list-style-type: none"> <li>• Power Plant tours for local students</li> <li>• Next generation of utility owners and workers</li> <li>• Equip students with the passion and tools to build their future</li> </ul>	
<b>October</b>	Energy Efficiency <ul style="list-style-type: none"> <li>• Prepare for Winter</li> <li>• Home Energy Audits</li> <li>• Cold Weather Rule</li> <li>• Bill assistance programs</li> </ul>	Cold Weather Open House
<b>November</b>	Commission <ul style="list-style-type: none"> <li>• What is the Commission</li> <li>• How are members selected</li> <li>• What does the Commission do</li> </ul>	Hibbing Unity Parade
<b>December</b>	Biomass Operations <ul style="list-style-type: none"> <li>• What is Biomass</li> <li>• Burning Waste wood</li> <li>• Benefits of a Steam district</li> </ul>	Winter Edition of "Utility Updater" Christmas Tree Recycling Program

## Monthly Highlights

December saw the HPU work to complete preparations for the 2023 PFA Loan financings of approximately \$15 million dollars.

- \$9.3 million closed on December 22<sup>nd</sup>
- \$4.8 million approved pending final closing in early 2024

The interest rate of 2.014% will save rate payers over \$1 million in interest costs over the life of the loan. HPU appreciates the partnerships developed at the City of Hibbing's finance department as well as at the PFA to ensure low cost funds to secure our water systems future.

## Strategic Planning

At the December 8<sup>th</sup> work session, we presented on strategic plan and will review again on January 9<sup>th</sup> to incorporate feedback and developments since. Work Plan document will be an instrumental communication tool to use throughout the year as we report progress and developments with the Commission's priorities throughout the year.

## Looking Forward

*Advocacy, Advocacy, Advocacy*

As mentioned in December, there are many regulatory and emerging business forces that have the potential to disrupt HPU's utility initiatives. This is why having 'seats at the table' are so critical to our future in addition to knowing potential funding opportunities that can assist HPU.

*As the old adage goes: if you're not at the table you're on the table.*

## *State Minnesota Legislative Session Begins Next Month!*

Working with the legislature to approve \$12 million appropriation for HPU Water treatment plant is a top priority as well as advancing recognition of the use of biomass in the state's renewable energy goals.

HPU is glad to not be in the fight alone and looks forward to continuing to deepen our ties with American Public Gas Association, American Public Power Association, Minnesota Municipal Utilities Association. By being connected, Hibbing residents can benefit by helping drive change rather than merely responding to it.

## *Federal Legislative Issues*

APGA is fighting a lot of the new standards that the EPA is requiring on residential furnaces and natural gas appliance bans. HPU can be grateful that it has alternative heat to gas; however, we would not be in support limiting options especially those that would drive up costs for home owners. HPU also supports initiatives of APPA to pressure the Department of Energy to use the Defense Protection Act to alleviate supply chain issues affecting steel used in electric distribution transformer manufacturing. These issues and more will be important for HPU to support in the months and years ahead.



**m** MINNESOTA  
PUBLIC FACILITIES AUTHORITY

December 15, 2023

The Honorable Pete Hyduke  
Mayor, City of Hibbing  
401 East 21st Street  
Hibbing, MN 55746-1854

Dear Mayor Hyduke:

I am pleased to inform you that the Minnesota Public Facilities Authority (PFA) approved project financing for the City of Hibbing on December 4, 2023. The Project consists of rehabilitation of the south drinking water treatment plant. PFA's financing is as follows:

Drinking Water SRF-Loan	\$9,336,684
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We conservatively estimate that the PFA loan (20 years at 2.014%) will save local taxpayers approximately \$1,051,028 in interest costs compared to market rate financing.

We congratulate the City of Hibbing for its successful application and its financial commitment to improve its drinking water infrastructure.

The financial assistance contract will be sent to you shortly. Loan disbursements are contingent upon our receipt of the City of Hibbing's general obligation bond and related documents.

If you have any questions about this project financing or about the PFA's programs in general, please feel free to contact Jeff Freeman, Executive Director at 651/259-7465.

Regards,



Matt Varilek, Chair  
MN Public Facilities Authority

C: Rep. Spencer Igo  
Sen. Robert Farnsworth



1/4/2024

Mr. Luke Peterson, General Manager  
Hibbing Public Utilities Commission  
1902 6<sup>th</sup> Ave. East  
Hibbing, MN 55746

RE: Hibbing South WTP  
GMP Update

Mr. Peterson,

In accordance with the approved two-step process, competitive bids for the Hibbing South Water Treatment Plant Improvements Project for the following bid packages were received Thursday 12/21/23:

- Bid Package 1 – Well & Well House Construction
- Bid Package 2 – Site Work & Site Utility Package
- Bid Package 3 – Concrete (WTP)
- Bid Package 4 – General Construction
- Bid Package 5 – Plumbing
- Bid Package 6 – HVAC
- Bid Package 9 – Process Piping & Equipment
- Bid Package 10 – Roofing

The Guaranteed Maximum Price (GMP) remains \$8,674,000. Rice Lake will enter into applicable subcontract agreements. The bid packages above resulted in generating additional project contingency, which has been moved and allocated on the enclosed updated GMP. The sheet includes pricing receiving.

Electrical Bid Package 7, including the Integration, will be competitively bid this month. No standalone bids were received for Concrete Paving & Curb Bid Package 8. We will rebid this package concurrent with Bid Package 7.

Please let me know if you have any questions.

Thank you,

Matt Perpich  
Rice Lake Construction Group



**HIBBING, MN - SOUTH WATER TREATMENT PLANT**  
**Cost Model**

ITEM		DESCRIPTION	Date:	Cost Model	Current GMP	Notes
			05/13/22	12/22/23		
DIV 00		GENERAL CONDITIONS	\$	-	\$ 506,557.00	
DIV 00		BONDS & INSURANCE	\$	-	\$ 78,000.00	
BID PACKAGE 1 - WELL & WELL HOUSE CONSTRUCTION			\$	-	\$ 631,875.00	Traut/RLCG
BID PACKAGE 2 - SITE WORK & SITE UTILITY PACKAGE			\$	-	\$ 796,200.00	Bougalis
BID PACKAGE 3 - CONCRETE (WTP)			\$	-	\$ 328,600.00	RLCG
BID PACKAGE 4 - GENERAL CONSTRUCTION			\$	-	\$ 421,900.00	RLCG
BID PACKAGE 5 - PLUMBING			\$	-	\$ 168,900.00	Hecimovich Mech
BID PACKAGE 6 - HVAC			\$	-	\$ -	Hecimovich Mech
BID PACKAGE 7 - ELECTRICAL			\$	-	\$ 2,200,000.00	
BID PACKAGE 8 - CONCRETE PAVING & CURB			\$	-	\$ 200,000.00	
BID PACKAGE 9 - PROCESS PIPING & EQUIPMENT			\$	-	\$ 1,697,883.00	RLCG
BID PACKAGE 10 - ROOFING			\$	-	\$ 188,747.00	Range Cornice
Subtotal			\$	7,486,000	\$ 7,218,662	
Contingency			\$	545,000	\$ 545,000	
Project Generated Contingency			\$	-	\$ 267,338	
CMAR Fee			\$	643,000	\$ 643,000	
Total			\$	8,674,000	\$ 8,674,000	





Item 2 – Strategic Plan Update &  
Work Plan Discussion



Item 2 – Strategic Plan Update & Work Plan Discussion

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 2 – Strategic Plan Update & Work Plan Discussion

Dear Commissioners;

Following our discussion and distribution at the December 12<sup>th</sup> Work Session on the Strategic Plan Document , please find attached presentation of the Plan now that we have had some time to mull over.

Please come prepared to discuss this plan and work plan items in the spirit of finalizing the plan so we can move forward and adopt the 2024 work plan at the next meeting in January.

Sincerely;



Luke J. Peterson





*STRATEGIC PLANNING  
DISCUSSION – JAN 2024*

# MISSION STATEMENT

HIBBING PUBLIC UTILITIES' mission is to serve the Hibbing community with the most reliable utility service at the most affordable rates, while catalyzing the regional economic transition with sustainable, renewable energy

# STRENGTHS, WEAKNESSES, OPPORTUNITIES, & THREATS



# STRATEGIC GROWTH AREAS & PRIORITIES → GOALS



2024 Workplan Growth Area	Goal & Plan
Customer Focus	<ul style="list-style-type: none"> <li>• Develop metrics to track customer focus by end of the Q1 2024</li> <li>• Implement 360 communication of customer service requests by Q2 2024</li> <li>• Develop a process review of customer service work and identify gaps and solutions by Q2 2024</li> <li>• Improve quality of communication with customers about the value of HPU services</li> <li>• By year end 2024, identify customer focus improvement to billing and support services improve customer satisfaction and identify areas for future growth</li> <li>• By calendar year 2025, implement areas of growth for customer focus including process to evolve along with customer needs</li> </ul>
Technological & Infrastructure Advancements:	<ul style="list-style-type: none"> <li>• Continue HPU's Water Capital Improvement Plan for 2024 and Beyond</li> <li>• By year end 2024, formalize Long-term HPU's Capital Improvement Plan for Electric, Gas, and District Energy</li> <li>• By year end 2024 implement fully asset management, workflow, and GIS system capabilities and demonstrate value for future investment</li> <li>• By year end 2024 develop full requirements for integrated Outage Management System / SCADA system integration</li> </ul>

	<ul style="list-style-type: none"> <li>• By year end 2025 implement technology capabilities to develop advance utility usage programs like time of use, interruptible, and dispatchable generation programs</li> </ul>
Sustainability	<ul style="list-style-type: none"> <li>• In 2024 implement the next phase of HPU’s restorative utility plan to engage customers and stakeholders in securing large industrial customer growth in the Hibbing Community</li> <li>• In 2024 Drive State and Federal legislation to for HPU-supporting Carbon Free initiatives</li> <li>• In 2024, prepare the groundwork a resource plan to identify and prioritize technologies for HPU’s electrical generation needs with optimization of existing generation resources.</li> </ul>
Regulatory Compliance & Safety	<ul style="list-style-type: none"> <li>• In 2024, meet 100% compliance with MPCA regulated compliance areas</li> <li>• In 2024, develop regulatory compliance scorecard to drive future compliance</li> <li>• Continue to improve HPU’s Safety Culture through expansion and results of HPU’s safety program</li> </ul>
Employee Development & Retention	<ul style="list-style-type: none"> <li>• In 2024, Develop an expanded incentive program for continuous employee learning and growth for technical skills</li> <li>• In 2024, complete hiring of key roles at HPU</li> <li>• In 2024 begin process for job description review, realignments, and updates with a goal of completion by year end 2025</li> </ul>

Financial	<ul style="list-style-type: none"> <li>• Review and approve 2024 Budget by end of Q1 2024</li> <li>• In 2024 Improve upon baseline budgeting and performance reporting with financial score carding</li> <li>• Complete 2023 Audit by end of Q2 2024 with identification and implementation of any process improvements</li> <li>• In 2024, complete a rate study to develop a 5 year targeted rate implementation plan</li> </ul>
Community Engagement	<ul style="list-style-type: none"> <li>• In 2024 develop priorities for community engagement and identify and plan for future engagement opportunities</li> </ul>
Emergency Preparedness	<ul style="list-style-type: none"> <li>• In 2024, develop and formalize baseline emergency prepared plans across all utility operations</li> <li>• Actively communicate plans with related stakeholders in local EMS and Emergency Preparedness</li> </ul>
Partnerships and Collaboration	<ul style="list-style-type: none"> <li>• In 2024, continue to build on collaborations with the City of Hibbing administration to improve processes to benefit ratepayers and taxpayers</li> <li>• In 2024, identify priorities for future partnerships and collaborations with outside entities, including customers, funding partners and stakeholders</li> </ul>
Performance Metrics	<ul style="list-style-type: none"> <li>• By Q1 2024, Establish key performance indicators (KPIs) to measure progress towards goals and continuously improve operations.</li> </ul>

	<ul style="list-style-type: none"> <li>In 2025, develop process to continuously review these KPI's and ensure on-going performance management</li> </ul>
Cybersecurity	<p>Prioritize cybersecurity measures to protect sensitive customer data and critical infrastructure:</p> <ul style="list-style-type: none"> <li>In 2024, identify and formalize cybersecurity risk assessment and actions.</li> <li>In 2025, implement ongoing measure and processes to build cybersecurity awareness.</li> </ul>
Continuous Improvement	<p>Foster a culture of continuous improvement, encouraging feedback and adapting strategies based on lessons learned.</p> <ul style="list-style-type: none"> <li>In 2024, identify priorities for continuous improvement and develop a plan for implementation.</li> </ul>
Communication Strategy	<p>Develop a comprehensive communication strategy to keep stakeholders informed about initiatives, achievements, and challenges.</p> <ul style="list-style-type: none"> <li>In 2024, develop a baseline communication strategy to formalize, when, where and how to achieve HPU's communication goals</li> </ul>
Risk Management	<p>Identify and assess potential risks, implementing strategies to mitigate and manage these risks effectively.</p> <ul style="list-style-type: none"> <li>In 2024, update HPU's Risk Approval Matrix to confirm compliance and effective governance.</li> </ul>

	<ul style="list-style-type: none"><li>• In 2024, formalize a long term Risk Management plan to ensure HPU continues to identify and anticipate risks.</li></ul>
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Regular Session Item 1.a



Item 1.a – HSA / HRA Funding for 2024 Benefits

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 1.a – Ratify HSA / HRA Funding for 2024 Benefits

Dear Commissioners;

As part of HPU’s health insurance plan, HPU’s benefit plans include annual Health Savings Account, Health Reimbursement Accounts, and Voluntary Employee Beneficiary Association plan (VEBA) funding for active employees and plan members covered under the health care plans who participate in HPU’s High Deductible Plan. These amounts are required under HPU’s medical plans and agreed employee contracts.

Amounts include:

For active employees, contributions include:

\$7,000 contribution for covered families, or single plus 1  
\$3,500 for individuals covered under the plans

Total funding for the annual deductible funding

For HSA active employees funding is \$399,000

Active employee VEBA funding is \$24,500

Retiree VEBA funding is \$50,750

Sincerely;



Luke J. Peterson





Regular Session Item 1.b



Item 1.b – Ratify General Manager Employment Contract

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 1.b – Ratify General Manager Employment Contract

Dear Commissioners;

As per discussions with Commission Chair and Vice Chair, please find attached for your review and approval of the Commission the final draft of the General Manager Employment Agreement. This agreement is set to retroactively replace the previous Employment Contract that expired on March 1<sup>st</sup>, 2023. Notable additions to the agreement include;

- Five-year term ending Feb. 29, 2028
- One-time salary adjustment in line with industry standards
- Other terms consistent with the previous contract

Sincerely;



Luke J. Peterson



## EMPLOYMENT AGREEMENT

THIS AGREEMENT, was made and entered into the \_\_\_\_ day of \_\_\_\_\_, 2024, by and between the Hibbing Public Utilities Commission, created by statute and a part of the City of Hibbing, Minnesota, a statutory city under the laws of the State of Minnesota, hereinafter called “Employer”, as party of the first part, and Luke Peterson, hereinafter called “Employee”, as party of the second part, both of whom understand as follows:

### WITNESSETH:

WHEREAS, Employer has employed Employee since March 1, 2021, as General Manager of the Hibbing Public Utilities Commission; and

WHEREAS, Employer desires to continue to employ the services of said Luke Peterson as General Manager of the Hibbing Public Utilities Commission; and

WHEREAS, it is the desire of the Commission of the Hibbing Public Utilities Commission, hereinafter called “Commission”, to provide certain benefits, establish certain conditions of employment and to set working conditions of said Employee; and

WHEREAS, it is the desire of the Commission to (1) secure and retain the services of Employee and to provide inducement for him to remain in such employment, (2) to make possible full work productivity by assuring Employee’s morale and peace of mind with respect to future security, (3) to act as a deterrent against malfeasance or dishonesty for personal gain on the part of the Employee, and (4) to provide a just means for terminating Employee’s services at such time as he may be unable fully to discharge his duties or when Employer may otherwise desire to terminate his employ; and

WHEREAS, Employee desires to continue to be employed as General Manager of the Hibbing Public Utilities Commission.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties agree as follows:

### SECTION 1. DUTIES

Employer hereby agrees to employ Luke Peterson as General Manager of said Employer to perform the powers and duties specified by the Commission, as amended from time to time, and to perform other legally permissible and proper duties and functions as the Commission shall from time-to-time assign.

## SECTION 2. TERM

- A. Nothing in this agreement shall prevent, limit, or otherwise interfere with the right of the Commission to terminate the services of Employee at any time, subject only to the provisions set forth in Section 3, paragraphs A and B, of this agreement.
- B. Nothing in this agreement shall prevent, limit or otherwise interfere with the right of the Employee to resign at any time from his position with Employer, subject only to the provision set forth in Section 4, paragraph C, of this agreement.
- C. The employee agrees to remain exclusively employed by employer until February 29, 2028. Employee shall neither accept other employment nor become employed by any other employer during the term of the agreement, unless said termination date is affected as provided herein.
- D. In the event written notice is not given by either party to this agreement to the other forty-five (45) days prior to termination date as herein above provided, this agreement shall be extended on the same terms and conditions as herein provided, all for an additional period of one (1) year. Said agreement shall continue thereafter for one (1) year periods unless either party does not wish to extend this agreement for an additional one (1) year term.

## SECTION 3. SUSPENSION

Employer may suspend the Employee with full pay and benefits at any time during the term of this agreement, but only if:

- A. The Employee and a majority of Commission agree, or
- B. After a public hearing, a majority of Commission votes to suspend Employee for just cause provided, however, that Employee shall have been given written notice setting forth any charges at least ten (10) days prior to such hearing by the Commission members bringing such charges.

## SECION 4. TERMINATION AND SEVERANCE PAY

- A. Employee acknowledges and understands that he serves at the pleasure of the Commission and the Commission at any time with or without cause may terminate his employment. In the event Employee is terminated by the Commission before expiration of the aforesaid term of employment and during such time that Employee is willing and able to perform his duties under this agreement, then in that event Employer agrees to pay Employee severance pursuant to what is outlined in the Standard Compensation Package, which is attached hereto and made a part hereof; provided, however, that in the event Employee is terminated because of his conviction of any illegal act involving personal gain to him, then, in that event, Employer shall have no obligation to pay the aggregate severance sum designated in this paragraph. Any

severance pay that Employee receives under this Section shall be in complete satisfaction of the Commission's obligations to Employee.

- B. In the event Employer at any time during the term of this agreement reduces the salary or other financial benefits of Employee in a greater percentage than an applicable across-the-board reduction for all employees of Employer, or in the event Employer refuses, following written notice, to comply with any other provision benefiting Employee herein, or the Employee resigns following a suggestion, whether formal or informal, by the Commission that he resign, then, in that event, Employee may, at his option, be deemed to be "terminated" at the date of such reduction or such refusal to comply within the meaning and context of the herein severance pay provision.
- C. In the event Employee voluntarily resigns his position with Employer before expiration of the aforesaid term of his employment, then Employee shall give Employer forty-five (45) days' notice in advance, unless the parties otherwise agree.

#### SECTION 5. DISABILITY

If Employee is permanently disabled or is otherwise unable to perform his duties because of sickness, accident, injury, mental incapacity or health for a period of twelve (12) successive weeks beyond any accrued sick leave, the Employer shall have the option to terminate this agreement, subject to the severance pay requirements of Section 4, paragraph A. However, Employee shall be compensated for any accrued sick leave, vacation, holidays, compensatory time and other accrued benefits as set forth in the Standard Compensation Package attached hereto and made a part hereof.

#### SECTION 6. SALARY

Employer agrees to pay Employee for his services rendered pursuant hereto an annual base salary of \$160,000 as of March 1, 2023, payable in installments at the same time as other employees of the Employer are paid. Thereafter employee will have his wage review in the normal annual review cycle. The date of employment is still March 1, 2021. Employee is entitled to "back pay" for his increased compensation from March 1, 2023, to the present.

In addition, Employer agrees to increase said base salary and/or other benefits of Employee in such amounts and to such extent as the Commission may determine that it is desirable to do so on the basis of an annual salary review of said Employee made at the same time as similar consideration is given other employees generally. Any change in salary or other terms of this agreement will be accomplished by amendment, as agreed upon by Employer and Employee.

#### SECTION 7. PERFORMANCE EVALUATIONS

- A. The Commission shall review and evaluate the performance of the Employee in November or December of each year. Said review and evaluation shall be in accordance with specific criteria developed jointly by Employer and Employee. Said criteria may be added to or deleted from as the Commission may from time to time

determine, in consultation with the Employee. Said Employee review shall be conducted pursuant to the laws of the State of Minnesota.

- B. Annually, the Commission and Employee shall define such goals and performance objectives which they determine necessary for the proper operation of the Utility and in the attainment of the Commission's goals and objectives. They shall generally be attainable within the time limitations as specified and the annual operating and capital budgets provided.
- C. In effecting the provisions of this Section, the Commission and Employee mutually agree to abide by the provisions of applicable law.

#### SECTION 8. HOURS OF WORK

It is recognized that Employee must devote time outside the normal office hours to business of the Employer.

#### SECTION 9. USE OF AUTOMOBILE

Employee shall be provided with a dedicated Employer vehicle for Employer work only, but in lieu thereof Employer shall be paid \$144 per week for a vehicle allowance which shall be paid in its entirety on the anniversary date of Employee's hire.

#### SECTION 10. VACATION

Employee shall be provided 240 hours of vacation and may be used for years one through nine and then to follow the Standard Compensation Package as attached hereto and made a part hereof. Said 240 hours will be "tracked" on a calendar year basis. Any vacation hours not used by the Employee will be compensated through a salary payment.

#### SECTION 11. DISABILITY, HEALTH AND LIFE INSURANCE

- A. Employer agrees to put into force life insurance, disability insurance and health insurance with the same insurance companies Employer has for other general employees of the Employer. Any employee contribution to the health insurance provided by employer shall be paid by employee in the same amount as others generally employed at the Utility. Unless otherwise stated in this agreement, employee will receive the same benefits as the rest of the employees of Employer.
- B. If requested by employer, employee agrees to submit once per calendar year to a complete physical examination by a qualified physician practicing in Hibbing, Minnesota, selected by the Employee, the cost of which shall be paid by the Employer. The Chairperson of the Commission shall receive a copy of all medical reports related to said examination, if said reports are requested by a majority of the Commission.

## SECTION 12. RETIREMENT

Employer agrees to include employee in the same retirement programs offered others employed at the Hibbing Public Utilities Commission.

## SECTION 13. PROFESSIONAL DEVELOPMENT

- A. Employer hereby agrees to pay the travel and subsistence expenses of Employee for professional and official travel, meetings, and occasions adequate to continue the professional development of Employee and to adequately pursue necessary official and other functions for Employer.
- B. Employer also agrees to budget and to pay for the travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for his professional development and for the good of the Employer.

## SECTION 14. GENERAL EXPENSES

Employer recognizes that certain expenses of a nonpersonal and generally job-affiliated nature are incurred by Employee, and hereby agrees to reimburse or to pay said general expenses upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits. Said expenses will be submitted to the Director of Finance for review and approval.

## SECTION 15. INDEMNIFICATION

Employer shall defend, save harmless and indemnify Employee against any tort, professional liability claims or demand or other legal action, whether groundless or otherwise, arising out of an alleged act or omission occurring in the performance of Employee's duties as General Manager. Employer will compromise and settle any claim or suit and pay the amount of any settlement or judgment rendered thereon.

## SECTION 16. BONDING

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law or ordinance.

## SECTION 17. OTHER TERMS AND CONDITIONS OF EMPLOYMENT

- A. The Commission, in conjunction with the General Manager, shall fix by amendment any such terms and conditions of employment, as it may determine from time to time, relating to the performance of Employee, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this agreement, the City Code or any other law.
- B. All provisions of the City Code, and regulations and rules of the Employer relating to vacation and sick leave, retirement and pension system contributions, holidays and

other fringe benefits and working conditions as they now exist or hereafter may be amended, also shall apply to Employee as they would to other employees of Employer, in addition to said benefits enumerated specifically for the benefit of Employee except as herein provided.

#### SECTION 18. NO REDUCTION OF BENEFITS

Employer shall not at any time during the term of this agreement reduce the salary, compensation or other financial benefits of Employee, except to the degree of such a reduction across-the-board for all employees of the Employer.

#### SECTION 19. NOTICES

Notices pursuant to this agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid addressed as follows:

- (1) EMPLOYER: Hibbing Public Utilities Commission  
1902 East Sixth Avenue  
Hibbing, Minnesota 55746
- (2) EMPLOYEE: Luke Peterson

Alternatively, notices required pursuant to this agreement may be personally served in the same manner as is applicable to civil judicial practice. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

#### SECTION 20. GENERAL PROVISIONS

- A. The text herein shall constitute the entire agreement between the parties.
- B. This agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee.
- C. This agreement shall become effective upon signature by all parties, and the employee passing the employer's required physical, drug and alcohol test and background check.
- D. If any provision, or any portion thereof, contained in this agreement is held unconstitutional, invalid or unenforceable, the remainder of this agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.
- E. This Agreement and any appendices or amendments to either shall be construed, and the rights of the parties shall be determined, in accordance with the laws of the State of Minnesota. The venue for any subsequent disputes shall be determined in the District Court (Hibbing Courthouse), County of St. Louis, State of Minnesota.





## Standard Compensation Package

### A. Management Positions

The management positions covered under this agreement are:

- General Manager
- Manager of Power Supply
- Utility Engineer
- Utility Operations Supervisor
- Controller
- Safety/Facilities Coordinator
- Coordinators
- Customer Communications Project Specialist
- Utility Resource Manager
- Maintenance Director

### B. Holidays

The holidays granted to management personnel shall be the same as those granted to all other employees of the Public Utilities Commission, including personal leave (includes one (1) additional personal day in 1998, only).

### C. Vacation

The vacation schedule for all management personnel shall be as follows:

<u>Years of Service</u>	<u>Vacation Days</u>
0-5	15 working days
6	16 working days
7	17 working days
8	18 working days
9	19 working days
10	20 working days
11-19	21 working days
20	31 working days

Up to ten (10) days of vacation may be carried over from the previous years' unused vacation (not cumulative). Management personnel may take vacations or compensatory leave time in full days; ½ days, or 2 hours increments. However, only one (1) two (2) hour increment is allowed in a work week.

Employees may exercise the option of being paid for their vacation rather than "take" vacation, however, employees may still only carry over up to ten (10) vacation days from one year to the next.

**D. Sick Leave**

All management personnel shall accrue sick leave at a rate of 6.5 hours per pay period, as all other employees.

**E. Disability Income Insurance**

For all management employees, the Commission will provide Disability Income Insurance Protection as to all other employees.

Each management personnel will receive a maximum accumulated sick leave benefit of 180 days, as all other employees, which would be coordinated with the 90-day elimination period of the policy and the employee's monthly salary to afford the management employees full income protection until the exhaustion of his/her accumulated sick leave entitlements.

**F. Retirement Severance**

On retirement from the Public Utilities Commission under the PERA basis or coordinated plan, management personnel shall be paid a retirement severance consisting of the following:

- 1) Unused vacation time.

**G. Quit or Termination Severance**

On termination of employment other than retirement under PERA, management personnel who give at least one (1) month's written notice shall be paid severance pay which will consist of the present cash value of his/her unused vacation time.

**H. Workers Compensation**

The Commission will provide Worker's Compensation Insurance for all management personnel as required by M.S.A. 268.11, Subdivision 3 and any other applicable law, rule or regulation.

**I. Jury Duty**

The Commission shall supplement the compensation of all management personnel on jury duty so that their total compensation will be the same as if they had been working and paid at their regular rate.

**J. Longevity Payments**

- 1) The longevity payment schedule granted to management personnel shall be the same as that granted to all other employees of the Public Utilities Commission based upon years of service.
- 2) For any exempt employees hired after January 1, 2015, Section Lis not available and removed from HPU paid benefits for management (exempt) employees.

**K. Medical Insurance**

The Commission will provide hospitalization, surgical, medical, and dental insurance for all management personnel, active or retired, as provided to all other employee of the Public Utilities Commission. Employees hired after January 1, 1985, will receive above insurances after retirement same as all other employees hired after January 1, 1985.

**L. Life Insurance**

All active management personnel will be provided with a group term life insurance policy equal to annual salary rounded to the nearest \$5,000; and upon retirement, shall receive a \$1,500 paid up group life insurance policy.

**M. Compensatory Time**

Management may earn up to 40 hours of compensatory time (no cashing out allowed) per year on the extra time worked on emergencies and taken as vacation time is taken. This compensatory time must be taken by December 31st of the year (no carry over allowed).

Emergency definition: a sudden, urgent, usually unexpected occurrence or occasion requiring immediate action.

**N. Flexitime Policy**

- 1) Hibbing Public Utilities is committed to providing exempt employees with increased flexibility with their work schedule while allowing HPU to maintain a progressive and productive work environment. Alternative work scheduling is an opportunity to maintain exempt employee productivity.
- 2) HPU exempt employees will be considered for alternative work scheduling on a case-by-case basis to serve HPU as a whole with increased productivity at no expense to quality output.
- 3) HPU exempt employees are expected to work or use an employer provided benefit pay for 80 hours per pay period.
- 4) Full-time exempt employees who have completed at least six months of employment are eligible for flexitime. The exempt employee must first discuss possible flexitime arrangements with his/her supervisor and then submit a written request to their manager.
- 5) Flexitime at Hibbing Public Utilities is a work schedule with time of arrival and departure that differs from the core business hours of 9:00 a.m. to 3:00 p.m. for exempt employees. The General Manager will approve the alternative work schedule for exempt employees.

**P. Temporary Telecommuting Policy and Procedure**

- 1) Temporary telecommuting arrangements may be approved for circumstances such as inclement weather, special projects, or business travel. These arrangements are approved by the General Manager on an as-needed basis only, with no expectation of ongoing continuance.
- 2) To be eligible employees requesting temporary telecommuting arrangements must be employed with Hibbing Public Utilities for a minimum of 12 months of continuous regular employment, must have a satisfactory performance record, be classified as an exempt employee (management), and job responsibilities or the specific work task(s) are deemed appropriate for temporary telecommuting.
- 3) Other informal, short-term arrangements may be made for employees on family or medical leave to the extent practical for the employee and the organization and with the consent of the employee's health care provider, if appropriate.

- 4) All temporary telecommuting arrangements are made on a case-by-case basis, focusing first on the business needs of the organization.
- 5) The employee must determine any tax or legal implications under IRS, state and local government laws, and/or restrictions of working remotely. Responsibility for fulfilling all obligations in this area rests solely with the employee.
- 6) Consistent with the HPU expectations of information security for employees working at the office, telecommuting employees will be expected to ensure the protection of proprietary company and customer information accessible. Steps include the use of locked file cabinets and desks, regular password maintenance, and any other measures appropriate for the job and the environment.

**Q. Meeting Meal Allowance**

Management must fill out an expense report with whom was present for the meal/meeting and what was discussed along with the meal receipt.

**R. Random Drug Testing**

Management personnel will be subject to random drug testing as provided for in HPUC employee policy EMPL114.

**S. Health Care Savings Plan (HCSP)**

Effective January 1, 2015, and for a period of not less than two years from that date, all Management Personnel that retire within the timeframe between January 1, 2015, and December 31, 2016, will be enrolled in a Health Care Savings Plan. This new Management Policy only affects Non-Union employees hired after February 1, 1985. The Funding Source for this HCSP will consist of one-half of unused Sick Leave at the time of retirement. These funds will be deposited in the Manager's HCSP tax-free and can be used in retirement to pay for any Eligible Medical Expenses including health insurance premiums. These funds are also tax-free when withdrawn for these eligible expenses.

PUBLIC UTILITIES COMMISSION OF THE CITY OF HIBBING

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Commission Chair

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Secretary

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General Manager

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Date





Regular Session Item 2.a



Item 2.a – November Financials

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 2.a – November Financials

Dear Commissioners;

Please find attached financials for the month of November that shows the year more or less on track. Operating loss of \$643 and non-operating income of \$1.3 million and \$232K in grants results in a total increase of net position (i.e. profit) of \$899K for the eleven-month ended November 30th.

Accounting Staff and Baker Tilly are currently working on an initial draft of December financials which we plan to present towards the end of January.

Sincerely;



Luke J. Peterson



# **Public Utilities Commission**

Financial Statements and  
Supplementary Information

November 30, 2023 and December 31, 2022

# Public Utilities Commission

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November 30, 2023 and December 31, 2022

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## Accountants' Compilation Report

To the Board of Directors of  
Hibbing Public Utilities Commission

Management is responsible for the accompanying financial statements of the Hibbing Public Utilities Commission, which comprise the statements of net position as of November 30, 2023 and December 31, 2022 and the related statements of revenues, expenses and changes in net position, and cash flows for the 11 months and year then ended, respectively, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations, and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Accounting principles generally accepted in the United States of America require that the component unit, the Laurentian Energy Authority, be blended into the Hibbing Public Utilities Commission's financial statements. The effects of this departure from accounting principles generally accepted in the United States of America on financial position, results of operations, and cash flows has not been determined.

The accompanying Schedules of Departmental Revenues and Expenses and Budget to Actual Comparison are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

We are not independent with respect to Hibbing Public Utilities Commission.

*Baker Tilly US, LLP*

Madison, Wisconsin  
January 5, 2024

# Public Utilities Commission

## Statements of Net Position

November 30, 2023 and December 31, 2022

	<u>11/30/2023</u>	<u>12/31/2022</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash	\$ 857,830	\$ 5,831,341
Designated cash, other post-employment benefits	250,000	250,000
Investments	40,788,622	38,025,032
Restricted assets:		
Cash held for fuel assistance recipients	200,095	99,154
Cash held for customer deposits	438,461	413,845
Accounts receivable, net of allowance for doubtful accounts of \$272,020 and \$63,000	1,837,893	2,328,748
Unbilled revenues	2,056,625	2,056,625
Other receivable	-	132,555
Current maturities notes receivable, steam conversion program	46,000	46,000
Inventories	1,373,041	954,126
Prepaid expense	150,172	49,723
	<u>47,998,739</u>	<u>50,187,149</u>
<b>Noncurrent Assets</b>		
Restricted assets:		
Cash held for bond reserve account	161,984	161,984
Amounts held in escrow accounts	367,787	352,069
Net property, plant and equipment	67,880,499	57,486,579
Notes receivable, Steam conversion program	226,799	282,912
Investment in joint venture	969,672	10,047,837
Regulatory assets	3,668,470	4,075,126
	<u>73,275,211</u>	<u>72,406,507</u>
Total noncurrent assets	<u>73,275,211</u>	<u>72,406,507</u>
Total assets	<u>121,273,950</u>	<u>122,593,656</u>
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	1,352,207	1,352,207
Related to post-employment benefits liability	2,351,464	2,351,464
Related to the purchase of LEA	235,262	-
	<u>3,938,933</u>	<u>3,703,671</u>
Total deferred outflows of resources	<u>3,938,933</u>	<u>3,703,671</u>
Total assets and deferred outflows of resources	<u><u>\$ 125,212,883</u></u>	<u><u>\$ 126,297,327</u></u>

See notes to financial statements

# Public Utilities Commission

## Statements of Net Position

November 30, 2023 and December 31, 2022

	<u>11/30/2023</u>	<u>12/31/2022</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 3,282,747	\$ 3,992,527
Accrued expenses	116,399	264,771
Due to City of Hibbing	573,488	1,678,692
Compensated absences payable	284,917	222,218
Current portion of lease liability	198,777	194,173
Current portion of long-term debt, bonds and notes payable	140,000	140,000
Current liabilities payable from restricted assets:		
Third party advances for fuel assistance	200,095	99,154
Customer deposits payable	438,461	413,845
	<u>5,234,884</u>	<u>7,005,380</u>
<b>Noncurrent Liabilities</b>		
Compensated absences payable	867,068	757,309
Total post employment liability	16,607,353	16,607,353
Net pension liability	4,633,219	4,633,219
Long-term debt, bonds and notes payable	160,000	300,000
Unamortized discount	(2,790)	(4,066)
Lease liability	463,139	647,460
	<u>22,727,989</u>	<u>22,941,275</u>
Total noncurrent liabilities	<u>22,727,989</u>	<u>22,941,275</u>
Total liabilities	<u>27,962,873</u>	<u>29,946,655</u>
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	335,000	335,000
Related to post-employment benefits liability	5,576,869	5,576,869
	<u>5,911,869</u>	<u>5,911,869</u>
Total deferred inflows of resources	<u>5,911,869</u>	<u>5,911,869</u>
<b>Net Position</b>		
Net investments in capital assets	67,951,076	57,402,714
Restricted for debt service	161,984	161,984
Unrestricted	23,225,081	32,874,105
	<u>91,338,141</u>	<u>90,438,803</u>
Total net position	<u>91,338,141</u>	<u>90,438,803</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 125,212,883</u>	<u>\$ 126,297,327</u>

See notes to financial statements

## Public Utilities Commission

### Statements of Revenues, Expenses and Changes in Net Position

Eleven Months Ended November 30, 2023 and Year Ended December 31, 2022

	<u>11/30/2023</u>	<u>12/31/2022</u>
<b>Operating Revenue</b>		
Charges for services	\$ 26,932,473	\$ 28,766,695
Other	528,886	569,609
Total operating revenues	<u>27,461,359</u>	<u>29,336,304</u>
<b>Operating Expenses</b>		
Operation and maintenance	25,438,939	27,281,199
Depreciation	2,666,352	3,501,278
Total operating expenses	<u>28,105,291</u>	<u>30,782,477</u>
<b>Operating Income (Loss)</b>	<u>(643,932)</u>	<u>(1,446,173)</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	1,885,872	273,421
Miscellaneous nonoperating income (expense)	29,946	64,516
Equity in net income of joint venture	(561,127)	(106,341)
Interest expense	(43,748)	(45,224)
Total nonoperating revenues (expenses)	<u>1,310,943</u>	<u>186,372</u>
Income (loss) before contributions	667,011	(1,259,801)
<b>Capital Contributions</b>	<u>232,327</u>	<u>106,625</u>
Change in net position	899,338	(1,153,176)
<b>Net Position, Beginning</b>	<u>90,438,803</u>	<u>91,591,979</u>
<b>Net Position, Ending</b>	<u>\$ 91,338,141</u>	<u>\$ 90,438,803</u>

See notes to financial statements

## Public Utilities Commission

### Statements of Cash Flows

Eleven Months Ended November 30, 2023 and Year Ended December 31, 2022

	<u>11/30/2023</u>	<u>12/31/2022</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 28,140,607	\$ 29,451,985
Distribution from joint venture	9,041,666	9,041,666
Principal collected from steam conversion loan program	56,113	80,983
Payments to suppliers	(22,169,825)	(23,509,695)
Payments for payroll and benefits	(5,071,780)	(6,915,430)
	<u>9,996,781</u>	<u>8,149,509</u>
Net cash from operating activities		
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal payments of general obligation revenue bonds	(140,000)	(130,000)
Payments for additions to property, plant and equipment	(13,239,988)	(4,417,271)
Payment for purchase of shares of joint venture	(759,890)	-
Capital contributions received	232,327	-
Interest paid	(43,748)	(43,830)
	<u>(13,951,299)</u>	<u>(4,591,101)</u>
Net cash from capital and related financing activities		
<b>Cash Flows From Investing Activities</b>		
Investments income received	1,885,872	243,314
Investments matured	21,196,951	2,098,955
Investments purchased	(23,976,259)	(1,790,084)
	<u>(893,436)</u>	<u>552,185</u>
Net cash from financing activities		
Net change in cash	(4,847,954)	4,110,593
<b>Cash, Beginning</b>	<u>6,756,324</u>	<u>2,645,731</u>
<b>Cash, Ending</b>	<u>\$ 1,908,370</u>	<u>\$ 6,756,324</u>
Cash is presented on the statements of net position as follows:		
Cash	\$ 857,830	\$ 5,831,341
Designated cash	250,000	250,000
Restricted assets	800,540	674,983
	<u>\$ 1,908,370</u>	<u>\$ 6,756,324</u>

See notes to financial statements

## Public Utilities Commission

### Statements of Cash Flows

Eleven Months Ended November 30, 2023 and Year Ended December 31, 2022

	<u>11/30/2023</u>	<u>12/31/2022</u>
<b>Reconciliation of Operating Income to Net Cash From Operating Activities</b>		
Operating loss	\$ (643,932)	\$ (1,446,173)
Adjustments to reconcile operating loss to net cash from operating activities:		
Other nonoperating income	31,222	64,516
Depreciation and amortization	2,666,352	3,501,278
Distributions from joint venture	9,041,666	9,041,666
Change in operating assets, deferred outflows or resources, liabilities and deferred inflows of resources:		
Accounts receivable	490,855	208,993
Unbilled revenue	-	(96,244)
Other receivable	132,555	(55,555)
Inventories	(418,915)	46,246
Prepaid expenses	(100,449)	141,685
Receivable for steam conversion loan program	56,113	80,975
Regulatory assets	406,656	(4,075,126)
Deferred outflows of resources	-	1,262,986
Accounts payable	(709,781)	681,084
Compensated absences payable	172,458	(119,476)
Accrued expenses	(148,372)	183,602
Due to City of Hibbing	(1,105,204)	1,092,022
Third party advances for fuel assistance	100,941	(161,139)
Customer deposits payable	24,616	(6,021)
Accrued post employment benefits	-	(4,040,623)
Net pension liability	-	2,049,598
Deferred inflows of resources	-	(204,785)
Net cash from operating activities	<u>\$ 9,996,781</u>	<u>\$ 8,149,509</u>
<b>Noncash Capital and Related Financing Activities</b>		
Developer contribution	\$ -	\$ 29,625
Unrealized gain on investments	<u>\$ 144,608</u>	<u>\$ 31,498</u>

See notes to financial statements

## **OTHER INFORMATION**

## Public Utilities Commission

Schedule of Departmental Revenues and Expenses  
 Periods Ended November 30, 2023 and December 31, 2022

### Eleven Months Ended October 31, 2023

	<u>Electric</u>	<u>Steam</u>	<u>Gas</u>	<u>Water</u>	<u>Total</u>
<b>Operating Revenue</b>					
Charges for services	\$ 14,840,665	\$ 2,077,514	\$ 7,423,669	\$ 2,590,625	\$ 26,932,473
Other operating revenues	297,025	77,815	89,180	64,866	528,886
Total operating revenues	<u>15,137,690</u>	<u>2,155,329</u>	<u>7,512,849</u>	<u>2,655,491</u>	<u>27,461,359</u>
<b>Operating Expenses</b>					
Operation and maintenance	15,477,079	3,295,089	4,887,476	1,779,295	25,438,939
Depreciation	1,423,924	479,635	161,237	601,556	2,666,352
Total operating expenses	<u>16,901,003</u>	<u>3,774,724</u>	<u>5,048,713</u>	<u>2,380,851</u>	<u>28,105,291</u>
<b>Operating Income (Loss)</b>	<u>\$ (1,763,313)</u>	<u>\$ (1,619,395)</u>	<u>\$ 2,464,136</u>	<u>\$ 274,640</u>	<u>\$ (643,932)</u>

### Year Ended December 31, 2022

	<u>Electric</u>	<u>Steam</u>	<u>Gas</u>	<u>Water</u>	<u>Total</u>
<b>Operating Revenue</b>					
Charges for services	\$ 15,279,617	\$ 2,333,220	\$ 8,366,680	\$ 2,787,178	\$ 28,766,695
Other operating revenues	274,721	87,967	92,710	114,211	569,609
Total operating revenues	<u>15,554,338</u>	<u>2,421,187</u>	<u>8,459,390</u>	<u>2,901,389</u>	<u>29,336,304</u>
<b>Operating Expenses</b>					
Operation and maintenance	14,203,346	5,390,401	5,618,977	2,068,475	27,281,199
Depreciation	1,786,808	952,669	225,916	535,885	3,501,278
Total operating expenses	<u>15,990,154</u>	<u>6,343,070</u>	<u>5,844,893</u>	<u>2,604,360</u>	<u>30,782,477</u>
<b>Operating Income (Loss)</b>	<u>\$ (435,816)</u>	<u>\$ (3,921,883)</u>	<u>\$ 2,614,497</u>	<u>\$ 297,029</u>	<u>\$ (1,446,173)</u>

## Public Utilities Commission

Budget to Actual Comparison

Eleven Months Ended November 30, 2023

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<b>Operating Revenue</b>			
Electric revenue	\$ 15,137,690	\$ 15,553,779	\$ (416,089)
Steam revenue	2,155,329	2,244,774	(89,445)
Gas revenue	7,512,849	7,570,005	(57,156)
Water revenue	<u>2,655,491</u>	<u>2,733,999</u>	<u>(78,508)</u>
Total operating revenues	<u>27,461,359</u>	<u>28,102,557</u>	<u>(641,198)</u>
<b>Operating Expenses</b>			
Electric:			
Operation and maintenance	15,477,079	14,786,950	690,129
Depreciation	<u>1,423,924</u>	<u>393,613</u>	<u>1,030,311</u>
Total electric	<u>16,901,003</u>	<u>15,180,563</u>	<u>1,720,440</u>
Steam:			
Operation and maintenance	3,295,089	4,709,280	(1,414,191)
Depreciation	<u>479,635</u>	<u>470,789</u>	<u>8,846</u>
Total steam	<u>3,774,724</u>	<u>5,180,069</u>	<u>(1,405,345)</u>
Gas:			
Operation and maintenance	4,887,476	4,345,517	541,959
Depreciation	<u>161,237</u>	<u>229,163</u>	<u>(67,926)</u>
Total gas	<u>5,048,713</u>	<u>4,574,680</u>	<u>474,033</u>
Water:			
Operation and maintenance	1,779,295	2,234,163	(454,868)
Depreciation	<u>601,556</u>	<u>724,163</u>	<u>(122,607)</u>
Total water	<u>2,380,851</u>	<u>2,958,326</u>	<u>(577,475)</u>
Total operating expenses	<u>28,105,291</u>	<u>27,893,638</u>	<u>211,653</u>
<b>Operating Income (Loss)</b>			
Electric	(1,763,313)	373,216	(2,136,529)
Steam	(1,619,395)	(2,935,295)	1,315,900
Gas	2,464,136	2,995,325	(531,189)
Water	<u>274,640</u>	<u>(224,327)</u>	<u>498,967</u>
Total operating income (loss)	<u>\$ (643,932)</u>	<u>\$ 208,919</u>	<u>\$ (852,851)</u>





Regular Session Item 2.b



Item 2.b – Approve Barr Consulting Services not to Exceed  
\$275,000

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 2.b – Approve Barr Consulting Services not to Exceed \$275,000

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a proposal from Barr Engineering Company for engineering support for the 2024 year. The projects supported are included in the attached proposal. The total estimated costs are not to exceed \$275,000. These costs have been included in the 2024 capital budget approved by the Commission in December.

Please see attached proposal.

Thank you for your consideration

Sincerely,



Luke J. Peterson





**Work Order No. 2024-01**

**Applicable to Agreement Dated March 26, 2021**

**between**

**Barr Engineering Co. (Barr)**  
**3128 14<sup>th</sup> Ave. East**  
**Hibbing, MN 55746**

**Hibbing Public Utilities (Client)**  
**1902 6<sup>th</sup> Ave. East**  
**Hibbing, MN 55746**

**Designated Representatives:**

**Designated Representative:**

Project Manager: Jim Keenan \_\_\_\_\_

Luke Peterson, General Manager \_\_\_\_\_

Project Principal: Jon Minne \_\_\_\_\_

**I. Scope Language**

This work order scope consists of scope of tasks for mechanical engineering services as well as associated operational and project management assistance when requested. These services will be defined in this work order as work tasks. If work tasks are added, we would modify this scope.

We have developed the following staff augmentation work tasks and budget based upon the request to continue providing services similar as provided in 2023.

**Work Task 1 – Power Plant Engineering Support 2024:** This work will include providing engineering support on an as needed basis when called on by the Hibbing Public Utilities (HPU) General Manager or designee for items such as:

- Troubleshooting operational issues.
- Defining project needs and identifying additional work tasks or work orders.
- Collecting and interpreting data.
- Performing engineering calculations.
- Providing computer spreadsheets, reports, technical memos or drawings to document engineering services provided.
- Assist with contractor procurement.
- Attending and providing information at the HPU Commission meeting when requested.
- Act as the "Owner's Engineer" to provide construction observation and administration assistance for the Turbine #3 Major Inspection and Repair project.

**II. Maximum Compensation and Assumptions ("Service Assumptions") Upon Which Maximum is Based**

Barr has based this work order on providing services 24 hours per week on average using Barr's 2024 billing and expense rates. Understanding that some weeks may require more time, we will remain flexible



so that we can meet HPU's needs. Barr proposes to continue to fill the staff augmentation role primarily with Senior Mechanical Engineer, Kurt L Sobczynski PE, who has been working closely with your staff since 2021 in this role and on many projects at the utility.

Barr also assumes that:

- Each task for this scope will need to be assigned by Luke Peterson or his designee.
- Barr personnel will provide advice and recommendations in the roles that they perform but will not be directing work or making operational decisions.
- Barr personnel will be available during normal business hours; after hours or weekends can be arranged upon request.
- Barr's deliverables will be signed by a Minnesota-registered professional engineer when appropriate.
- The cost estimate also includes misc. project management activities and administrative support.

The total estimated fees for Work Order 2024-01 are not to exceed \$275,000 without prior authorization by HPU. The estimated fees will be amended as additional work tasks are added to the scope of services.

### III. Schedule and Assumptions Upon Which Schedule is Based

Work on this project can begin immediately upon your notice to proceed. This schedule will be extended as additional work tasks are added to the scope of services.

ACCEPTED AND AGREED TO:

BARR ENGINEERING CO.

Hibbing Public Utilities

By:

By:

Title: Vice President

Title: \_\_\_\_\_

Date: 12/19/23

Date: \_\_\_\_\_



Regular Session Item 3.a



Item 3.a – Approve Letter of Understand for Licensing Incentive Program

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

**RE:** Item 3.a – Approve Letter of Understand for Licensing Incentive Program

Dear Commissioners;

Please consider approving the enclosed Letter of Understanding between Hibbing Public Utilities Commission and AFSCME Local 94. Although the Collective Bargaining Agreement is not set to expire until December 31, 2025 HPU Management and Local 94 Representatives agree that the licensure incentives for our staff is locally, regionally and statewide very low. Over the last year during recruitment periods it has become increasingly hard to recruit and retain skilled and qualified workers so we believe this will provide better recognition of individuals who already hold or can work towards additional licensures that will benefit the utility.

Sincerely;



Luke J. Peterson





WHEREAS: It is in the interest of both Parties to ensure that HPUC has a highly skilled and trained workforce; and

WHEREAS: The Collective Bargaining Agreement between the Parties is not set for expiration until 12/31/25.

WHEREAS: The Employer and the Union want to appropriately incentivize employees achieving a higher license in areas specific to their department of work; and

NOW THEREFORE: The Employer and the Union agree it is necessary to outline the terms and conditions of an increase not the compensation outlined in the CBA for license incentive.

BE IT RESOLVED: The following changes to ARTICLE XVI - WAGES AND JOB EVALUATION, Section 3 shall have the full force and effect of the CBA effective 1/1/24:

Position and License	Per Pay Period Rate		
	2023	2024	2025
Plant Operations Shift Coordinator Plan Operations Auxiliary Operator II, Chief "A" Operators' License	38.21	\$100.12	\$105.13
Plant Operations Auxiliary Operator II First Class "A" Operator's License	23.91	\$85.10	\$89.36
Plant Operations Operator I, First Class "A" Operator's License	23.91	\$85.10	\$89.36
Water Crew Leader, Water Supply "A" License	19.88	\$80.87	\$84.91
Journeyman and Assistant Water Crew Leader, Water Supply Grade "B" License	19.88	\$80.87	\$84.91
Journeyman and Assistant Heat Crew Leader, Water Mechanics, and also, Apprentices who have completed more than two apprentice training who obtain certification in welding in accordance with HPUC qualification for 100 PSIG distribution pipe welding	47.78	\$110.16	\$115.67
Journeyman Electricians, Instrumentation Crew Leader and Instrument Technician Journeyman will be paid if he/she obtains and holds a Master Electrician's License. This is applicable if not required in his/her job description.	43.01	\$105.16	\$110.42
Journeyman Electricians, Instrumentation Crew Leader and Instrument Technician Journeyman will be paid if he/she obtains and holds a Journeyman Electrician's License. This is applicable if not required in his/her job description.	28.67	\$90.10	\$94.61

BE IT FURTHER RESOLVED: The terms and conditions agreed to in this Letter of Understanding shall be incorporated into the Labor Agreement upon its re-opening for regular negotiations.

FINALLY, This Letter of Understanding represents the full and complete agreement between the parties regarding this matter. The provisions of this LOU do not modify the parties Collective Bargaining Agreement, or any current practice not delineated, but instead are in addition to the existing provisions and practices. All other provisions of the bargaining agreement continue to apply including but not limited to wage increases, fringe benefits, and Benefit Time.

Dated this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**Hibbing PUC**

By: \_\_\_\_\_

**Luke Peterson, General Manager**

By: \_\_\_\_\_

**Commissioner Hart, Chair**

Dated this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

**American Federation of State, County and  
Municipal Employees, AFL-CIO, Minnesota  
Council 65, Local No. 498**

By: \_\_\_\_\_

**Leann Stoll, Council Labor Representative**

By: \_\_\_\_\_

**Rich Kampsula, Local 498-4 President**



Regular Session Item 3.b



Item 3.b – Approve Job Descriptions

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.b – Approve Job Descriptions

Dear Commissioners;

Please find attached as individual items Job Descriptions in relation to the HPU 2024 Organizational Chart. The following positions are for your consideration and approval:

- Customer Service Supervisor
- Manager of Power Supply
- HREC Director of Maintenance Operations
- Utility Engineer in Training

Sincerely;



Luke J. Peterson





Regular Session Item 3.b.i



Item 3.b.i – Approve Job Description: Customer Service Supervisor

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.b.i – Approve Job Description: Customer Service Supervisor

Dear Commissioners;

The Customer Service Supervisor will provide an essential supervisory role over the Customer Service operations of the Utility. This position will directly oversee the Front Office, Utility Billing, Credit and Collections, Meter Reading, as well as the enforcement, development, and implementation of HPU's Customer Policies. Positive customer relations start with HPU providing quality and affordable utility services, but can be limited by the management team's compacity to reply to customer inquiries and consistently enforce HPU Customer Policies. On an individual or community wide level, this position will provide customers with an experienced, knowledgeable, and available member of the management team to resolve inquiries or advocate on their behalf.

Sincerely;



Luke J. Peterson

## Hibbing Public Utilities Position Description

**Title** Customer Service Supervisor  
**Classification** Exempt  
**Department** Administration

**Date of last evaluation**  
**Points Total**  
**Commission Approved**

**Supervisor:** Financial Controller

**Supervisory Responsibility:** Front Office, Utility Billing, Credit and Collections, Meter Reading

**Work Environment:** Indoor, controlled office setting, outdoor work near office building entrances.

**Overview:** This position, plans, directs, manages, and coordinates billing, collections and customer service operations activities of the Hibbing Public Utilities Commission. Work involves responsibility for the functional areas of customer service, credit and collections, meter reading, various general administrative functions including setting policies and goals. Work is performed with wide latitude for independent judgment and action under the general direction of the General Manager.

### **Duties:**

- Supports HPU operations by maintaining office systems and supervising staff that includes utility billing, front office support and meter reading
- Maintains office services by organizing office operations and procedures, overseeing correspondence and filing systems and assigning and monitoring work functions
- Defines and executes procedures for record retention, protection, retrieval, transfer and disposal
- Maintains office efficiency by planning and implementing office systems
- Designs and implements office policies by maintaining or establishing standards and procedures, measuring results against standards, and making necessary adjustments
- Completes operational requirements by scheduling and assigning employees; following up on work results
- Keeps management informed by reviewing and analyzing special reports; summarizing information; identifying trends
- Maintains office staff by assisting with recruiting, orientating and training employees
- Maintains office staff job results by reviewing, coaching, and disciplining employees and planning, monitoring and appraising job results
- Achieves financial objectives by preparing an annual budget, scheduling expenditures, analyzing variances and initiating corrective actions
- Acts as liaison for state and income eligible assistance agencies. Maintains compliance for rules and regulations relating to income eligible customers and the Cold Weather Rule

### **Other Duties:**

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Other duties may be assigned.

- Provides management and oversight of activities for the daily operations of the utility billing department while ensuring transactions are processed in accordance to HPU policy, applicable laws and regulations, and sound business practices
- Performs daily operations of the utility billing department, including but not limited to answering customer inquiries in person and by phone concerning utility accounts, rates and services, following up on inquiries to assure satisfactory completion, responding to requests for connection and disconnection of utility services, maintaining statistical information and data for utility accountability, and conducting billing and collections of all utility accounts
- Plans, develops, and implements guidelines, policies, procedures, and programs for operational and customer service staff
- Promotes favorable customer relations and prompt and accurate resolution of customer inquiries using strong leadership and collaborative skills; reviews reporting tools; mentors and trains staff on guidelines; provides assistance to customer service team members on complex interactions
- Assists in the drafting communications regarding Hibbing Public Utility billing functions including notices to customers, website postings, and communications to our General Manager and Commission
- Directs and coordinates the daily accounting and safekeeping of HPU collections and revenue accounts; manages all outgoing and incoming processes that affect the status of utility accounts; processes report on a regular basis
- Provides oversight of all billing adjustments to utility accounts, including those issued by the Utility Commission, final bill credits, and refunds issued; responds to various department requests for billing information
- Demonstrates continuous effort to improve operations, streamline work processes, and work cooperatively and jointly to provide quality seamless customer service

#### **Required Education and Experience**

- High School diploma, GED or equivalent
- Associates degree in Business Administration, Accounting or Office Systems
- Minimum of three years of Leadership experience
- Proficiency in Excel and Word programs required

#### **Preferred Education and Experience**

- Bachelor's degree in Business Administration, Accounting or Office Systems
- Utility experience including utility rates, service regulations and utility operations
- Experience with utility billing software, preference given to Caselle users

#### **Additional Eligibility Qualifications**

- Exhibits strong interpersonal/human relation skills and has the ability to get along with customers, coworkers, commission members and citizens
- Work experience in a local government or public utility setting

#### **Minimum qualifications**

- Class D Driver License

#### **Physical Requirements**

- 50% sitting, 25% standing, 25% walking, lifting up to 25 lbs

#### **Safety**

Responsible for compliance with all OSHA, Utility, and regulatory agency safety regulations and requirements, as applicable to the duties of the job.

**Signatures**

This job description has been approved by all levels of management.

General Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position.

Employee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



Regular Session Item 3.b.ii



Item 3.b.ii – Approve Job Description: Manager of Power Supply

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.b.ii – Approve Job Description: Manager of Power Supply

Dear Commissioners;

As per the 2024 HPU Organizational Chart this position will oversee the Hibbing Renewable Energy Center and the generation and/or distribution of the power, steam, and natural gas service. As existing management positions do not align with these responsibilities, please find attached for you reviewal and approval the Job Description for the Manager of Power Supply. This position will be important to align the energy strategy and operations of HREC with the long-term goals of the utility.

Sincerely;



Luke J. Peterson





state and federal filings

- Researches and develops innovative plans to push HPU into the next generation of thermal distribution and power generation
- Provides technical review and assistance to other work groups within HPU; including evaluating and approving public bids and service contracts
- Responsible for ensuring safe and compliant operations of HPU's personnel and assets in the power supply functions including the Hibbing Renewable Energy Center, district energy system, and natural gas system
- Supports General Manager in generation and power supply planning decisions, including the decisions and justifications for generation and distribution facility planning, retrofits, new construction, asset retirements and facility retrofits or conversions.

### Required Education and Experience

- 10 years' experience of power and steam generation operating systems, including facility planning and project management
- 5 years experience of energy and gas wholesale markets and utility operations including thermal power plant operations
- Bachelor's Degree in a business/analytical/engineering field of study (e.g. Business, Finance, Accounting, Engineering) or equivalent analytical work experience
- Strong leadership and team work skills
- Excellent analytical skills
- Strong MS Office skills
- Must be detail oriented, productive, and efficient
- Strong business acumen and data-driven decision-making capabilities
- Excellent written and verbal communication skills
- Must be well-organized and comfortable working in a fast-paced work environment
- 10-15-year work experience required

### Signatures

This job description has been approved by all levels of management

General Manager

Signature

Date

\_\_\_\_\_

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position.

Employee

Signature

Date

\_\_\_\_\_



Regular Session Item 3.b.iii



Item 3.b.iii – Approve Job Description: HREC Director of Operations

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.b.iii – Approve Job Description: HREC Director of Operations

Dear Commissioners;

Attached for Commission reviewal and approval is the Job Description of the HREC Operations & Maintenance Director. This position was developed in alignment with the HPU's goal for increasing operations of the Hibbing Renewable Energy Center. This position will , plan, direct and manage Hibbing Renewable Energy Center's maintenance and production operations.

Sincerely;



Luke J. Peterson



# Hibbing Public Utilities

## Position Description

Title HREC Operations & Maintenance Director  
Classification Exempt  
Department

Date of last  
evaluation  
Points Total  
Commission  
Approved

**Supervisor:** Manager of Power Supply

**Supervisory Responsibility:** Chief of Operations, Firing Line Personnel, Plant Mechanics, Plant Electricians, Fuel Handling Team, Warehouse personnel

**Overview:** This position, plans, directs and manages Hibbing Renewable Energy Center's maintenance and production operations. Effectively communicates all operations to supervisors included timelines and limitations to generation. Directs and oversees all operations and maintenance activities to deliver a sustainable quality product for Hibbing's ratepayers. Works closely with the Manager of Energy Supply and is their designee if absent.

**Responsibilities include:**

### Maintenance

**Directs, plans, and completes maintenance operations including, but not limited to the following:**

- Responsible for planning and coordination of all major plant outages including but not limited to:
  - All turbines
  - All boilers
  - Feedwater systems
  - Cooling water systems
  - All plant electrical components
  - Fuel delivery systems
- Develop a plan for daily, weekly, monthly, quarterly, and yearly preventative maintenance including all required documentation within CMMS system.
- Prepares quotes, Purchase Orders (POs), requisitions, and any other required forms for completions of maintenance activities
- Works closely with the Safety and Facilities Director to report any problems and ensure all requirements are being met.
- Communicates and works closely with outside vendors to ensure quality and timely deliveries of parts
- Utilizes plant maintenance personnel to accomplish all maintenance related tasks, both preventative and reactive.
- Maintains all applicable vendor records, maintenance records, and reporting records both physically and digitally

**Fuel Handling Operations** including, but not limited to the following:

- Works with Fuel Handling Crew Leader to ensure all daily activities are being accomplished in a timely and effective manner
- Ensures all regulatory and compliance metrics are being met within their deadlines

**Plant Maintenance Operations** including, but not limited to the following:

- Directs plant mechanics to ensure timely completion of maintenance activities
- Develops a quality assurance program alongside plant mechanics to ensure consistent work quality
- Responsible for developing and maintaining an automated preventative maintenance system

**Other Duties:**

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Other duties may be assigned as directed by direct supervisors.

**Required Education and Experience**

- Minimum of 10 years experience in a maintenance driven working environment
- Minimum of 10 years experience managing and directing personnel in a maintenance environment
- Proficiency in Excel and Word programs
- Minnesota State Special Boilers license

**Additional Eligibility Qualifications**

- Ability to organize work and make appropriate decisions
- Must be able to effectively communicate with individuals at all levels, both inside and outside the Utility.

**Minimum qualifications**

- Class D Driver License

**Physical Requirements**

- 50% sitting, 25% standing, 25% walking, lifting up to 25 lbs

**Safety**

Responsible for compliance with all OSHA, Utility, and regulatory agency safety regulations and requirements, as applicable to the duties of the job.

**Signatures**

This job description has been approved by all levels of management.

General  
Manager

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Employee signature below constitutes employee's understanding of the requirements, essential functions and duties of the position.

Employee

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



Regular Session Item 3.b.iv



Item 3.b.iv – Approve Job Description: Utility Engineer in Training

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.b.iv – Approve Job Description: Utility Engineer in Training

Dear Commissioners;

As defined by the attached job description, this position is looking to recruit a developing professional seeking career growth. The Utility Engineer in Training will daily assist the Utility Engineer in all aspects of engineering design and planning for the HPUC distribution systems and power plant. Beyond these responsibilities, this position will develop internal engineering talent to be uniquely experienced with HPU's system and prepared to achieve the current and future goals of the Commission.

Sincerely;



Luke J. Peterson



**Position Description**

<b>Title</b>	Utility Engineer in Training
<b>Classification</b>	Exempt
<b>Department</b>	Engineering

**Date of last evaluation**

**Points Total**

**Commission Approved**

**Supervisor:** Utility Engineer

**Supervisory Responsibility:** None

**Work Environment:** Occasionally in vicinity of high voltage electricity, occasionally exposed to heavy equipment machinery and other equipment with moving parts and loud noise, potential exposure to hazardous chemicals, occasionally exposed to extreme weather / temperature conditions, travels to job sites and occasionally exposed to vehicle traffic while working near roads.

**Equipment:** Drafting board and instruments, networked computer system, portable computer systems, CAD software, GIS software, copier and plotter devices, surveying & GPS instruments, locating instruments, metering and measurement instruments, staking devices, hand tools, telephone and mobile phone, and service truck

**Technology:** Engineering software, Microsoft Office

**Work Hours:** 5 day work week, 8 hour shifts. Flexible work arrangement available after 6 months of employment

**Overview:** Assists the Utility Engineer in all aspects of engineering design and planning for the HPUC distribution systems and power plant.

**Duties:**

**ENGINEERING**

- Provides engineering assistance to staff and external stakeholders on HPUC electric, water and heat distribution systems and power plant
- Provides assistance in planning, evaluating, and designing projects assigned by the Utility Engineer or other management staff
- Interfaces with management and engineering staff to support Capital and O&M projects
- Maintains a library of construction standards based off OSHA standards, federal and other safety code requirements
- Creates estimates, manages project budgets and schedules. Creates material lists and assists in procuring material for capital projects.
- Assists the engineering department in research and planning for equipment reliability, new technology for system performance and engineering programs, processes, and initiatives to improve workflow.

**Other Duties:**

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Other duties may be assigned.

**Required Experience & Education:**

Bachelors degree in engineering or equivalent is required.  
1 or more years Utility Engineering or Project Management experience.

**Preferred Experience:**

5 or more years Utility Engineering or Project Management experience.  
A Professional Engineering Certificate is preferred.



Regular Session Item 3.c



Item 3.c – Approve Gordon Terpstra for Meter Reader

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.c – Approve Gordon Terpstra for Meter Reader

Dear Commissioners;

I am pleased to provide this recommendation for hiring Gordon Terpstra to the Meter Reader position. Mr. Terpstra was the most qualified external candidate and is a current temporary employee at Hibbing Public Utilities. He is able to easily complete assigned tasks safely and efficiently and works well with his team. We look forward to his continued service at HPU. Along with the recommendation to hire, we offer the commission to consider the first day of full-time regular employment to be Monday January 8, 2024.

Sincerely;



Luke J. Peterson





Regular Session Item 3.d



Item 3.d – Approve John Petron for Coal & Ash Fuel Handler

January 9<sup>th</sup>, 2024

Jeff Hart, Chairman  
Hibbing Public Utilities Commission  
1902 E. 6<sup>th</sup> Avenue  
Hibbing, MN 55746

RE: Item 3.d – Approve John Petron for Meter Reader

Dear Commissioners;

For your consideration, Hibbing Public Utilities has identified a need for proper crew sizing in the fuel handling department. Our candidate for your consideration is John Petron. John has been performing this job as a temporary worker since October and can perform all functions of the current job description without further training.

Thank you for your consideration.

Sincerely;



Luke J. Peterson