

## HIBBING PUBLIC UTILITIES COMMISSION

[Not Coded]

Session Laws 1949 Chapter 422  
Session Laws 1951 Chapter 680  
Session Laws 1953 Chapter 655  
Session Laws 1959 Chapter 440  
Session Laws 1967 Chapter 292  
Session Laws 1971 Chapter 381

**Section 1.** Public Utilities Commission. The village of Hibbing public utilities commission, hereinafter referred to as the commission, in addition to the duties and powers set forth in Minnesota Statutes 1969, Section 412.361, shall have the duties and powers as hereinafter set forth.

**Section 2.** Members; appointment, term meetings, quorum. The commission, consisting of three members, shall be appointed by the village council for a term of three years. The original appointees shall serve one, two, and three years respectively, as designated by the council. Each commissioner shall hold office until his successor is appointed and qualified by subscribing to an oath that he will faithfully and impartially perform the duties of this office. A member of the commission shall be chairman of the commission during the last year of the term for which he is appointed. All members of any such existing commission shall remain in office until the expiration of their respective terms and until the appointment and qualification of their successors in office. The commission shall meet at least twice each month. Special meetings may be called by the chairman of the commission, and in addition, a majority of the members may call a special meeting by giving two days' written mailed notice thereof to all members who have not joined in the request for such special meeting. Two members of said commission constitute a quorum.

**Section 3.** Hibbing, village of: public utilities commission.

**Subdivision 1.** Except as hereinafter provided, the commission shall have full and exclusive control of the water, light, gas, and power plants, municipal heating plants and all systems, parts, attachments, lines, mains, and appurtenances thereto, and all apparatus and material of every kind and description used or to be used in operating

these plants or any or either of them. The commission shall have the power and authority to operate the same and each thereof, and to extend, replace, expand, repair, add to, change, modify and improve the same and to do any and all things in and about the same which they may deem necessary for a properly economical operation of same. The commission shall not have the right to sell, lease, rent, or in any way dispose of or encumber, or suffer or permit this property or any part thereof to come under the control of any other person or corporation. This shall not prevent the commission from renting or from leasing public halls or buildings for public use and entertainment. The commission shall have authority to buy all material and services and it may contract to extend, replace, expand, repair, add to, change, modify and improve said systems, plants, buildings, or any part thereof. The commission shall have the authority to buy all fuel, supplies, and equipment and employ all help necessary to operate the plant.

The commission shall also have the authority to purchase and pay for all forms of insurance usually and customarily carried on the business, including compensation, liability, fire and other disaster insurance, and to receive back directly any and all sums recovered from insurance policies maintained; to enter into easements in the name of the village on land over, on, or under which it may maintain any public utility, and to purchase in the name of the village, by and with the approval of the village, any real property which the village may lawfully purchase and which the commission deems necessary and expedient for utility purposes, and pay for same, and to have same earmarked for the use and benefit of the utilities commission. Real estate so acquired shall not be sold without the joint approval of the village and the commission and the proceedings from the sale thereof shall be paid directly to the commission who shall deposit same in the commission's replacement fund.

All revenues received from the sale of any and all other property acquired by expenditure from funds of the commission and used for utilities purposes shall be paid over directly to the commission for use in the operation and maintenance of its plants and systems.

The commission shall have power to spend annually out of the water and light fund a sum not to exceed one percent of the gross revenues received by it during the preceding calendar year, or \$20,000, whichever is less, for the purpose of advertising,

improving and developing the tourist, recreational, industrial, commercial or vocational resources of the village of Hibbing.

**Subdivision 2.** The commission shall collect all water, light, gas, heat, steam and power charges from patrons including the village, and pay the same into a fund to be known and designated as the "Water and Light Fund". The commission shall have exclusive control of the fund and all disbursements therefrom, and of all collections made by the commission. Separate records shall be kept of the receipts and disbursements in the respect of each of the plants and systems under the jurisdiction of the commission, but except as hereinafter otherwise provided, all moneys paid into the water and light funds shall be available for the making of expenditures, and may be pledged for the repayment and security of money borrowed, for any purpose for which the commission is authorized to expend or borrow money on behalf of the village. Said fund shall be used exclusively for the benefit of the utility plants and systems and shall not in any manner be diverted or expended for any purpose which may be considered foreign to the operation of the utility plants and systems. Separate funds shall be maintained for all meter deposits.

**Subdivision 3.** It is the duty of the commission to secure proper and sufficient surety bonds at all times for any officers or employees who are delegated the duty of handling in any manner any of the funds belonging to said commission and they may in their discretion require and secure bonds for any other employees.

**Subdivision 4.** The commission is required to call for bids on any work or for any item or material purchased when the cost thereof exceeds the sum of \$1,000. This shall not limit in any manner the power of the commission to undertake work of any kind when such work is to be performed by men regularly employed by the commission, nor shall said limitation be applicable in event of an emergency.

**Subdivision 5.** The commission may employ an attorney at a salary not exceeding \$2,400 per annum, who may be regularly retained and perform such legal services and give such advice, as is required in the conduct of the normal business of the commission. The commission may pay to such retained counsel, and any attorney or attorneys they may deem expedient to hire specially, such additional reasonable sums for services rendered in connection with special work considered and determined by

them to be in excess of normal requirements, including proceedings for the borrowing of money.

**Subdivision 6.** The commission shall have the power to pay a monthly pension to any employees of the commission at the age of 65 or over who were more than 60 years of age on the date that the municipality adopted the provisions of the public employees retirement act and who have served as employees of the commission for more than 20 years at the time of such adoption, and in no event shall the amount of such pension exceed the amount which such employees would have received as a pension if they had contributed to the public employees retirement fund during the course and length of their employment.

The commission shall appoint a superintendent who shall be in charge of all the operations and functions of the plants and systems and of their personnel, and he shall manage and coordinate the functions and operations of said plants and systems and the personnel thereof.

**Subdivision 7.** The commission is hereby given the power and authority to appoint or employ a secretary of the commission, which secretary shall keep an accurate record of the proceedings and business transactions of the commission. In addition the secretary shall perform any and all duties as authorized and directed by the commission. A bond shall be secured by the commission for him in accordance with Subdivision 3 hereof, running to the commission in the amount to be fixed by the commission that he will faithfully perform all the duties of his office and the bond shall be approved and filed with the commission. The relationship of the secretary to the commission shall be deemed confidential and the commission may revoke its appointment and discharge its secretary at any time and may appoint a successor thereto. The secretary shall not be delegated any of the duties provided under Section 3, Subdivision 8, of this act.

All documents, papers and proceedings to be executed by the commission, including checks, warrants, contracts and revenue anticipation certificates, shall be signed by the chairman and counter-signed by the secretary.

**Subdivision 8.** The commission may appoint and employ a cashier who shall collect all charges, deposits and payments of any kind due the commission and

immediately deposit them in the "Water and Light Fund" excepting however, that meter deposits shall be deposited in the appropriate meter deposit fund. A detailed statement of all receipts shall be submitted once in each month to the commission. The cashier, shall be bonded by a corporate bond running to the commission in any amount fixed by the commission procured in accordance with Subdivision 3 hereof and conditioned that he will faithfully perform all the duties of his office and promptly pay into the "Water and Light Fund" or meter deposit fund all receipts and collections of the commission and upon his resignation or termination of employment, that he will deliver to his successor all the funds belonging to the commission. The salary of such cashier shall be fixed by the commission and it may at any time revoke its appointment and appoint a successor thereto. The cashier shall not be delegated any of the duties provided under Section 3, Subdivision 7 of this act.

**Subdivision 9.** The commission shall have the power to fix all rates and charges for water, heat, gas, light, power, steam; and rents for public buildings under the control of the commission.

**Subdivision 10.** The commission shall each month publish in a newspaper in the municipality its proceedings and shall, in addition, publish quarterly statements of the revenue received and disbursements made by the commission.

**Subdivision 11.** An annual audit of all books, acts and affairs of the commission shall be made by the state public examiner, and it shall be the duty of the commission within 30 days after the end of its fiscal period to request the public examiner to make such audit.

**Section 4. Reserve For Replacement Fund.** It shall be the duty of the commission on or behalf of the 20<sup>th</sup> day of each month to set aside into a reserve for replacement fund, a sum equal to not less than 10 percent of the gross receipts collected by the commission during the preceding month, provided that such sum shall be so set aside only out of moneys remaining in the Water and Light Fund after payment of all amounts then due for expenses of operation and maintenance of the utilities, and after setting aside all amounts required for the payment and security of any bonds issued pursuant to Section 5 hereof, as provided in the proceedings authorizing the issuance of such bonds. This Reserve For Replacement Fund shall be used by the commission only

for the purpose of replacing existing buildings, plants, systems, equipment and other fixed assets as carried on the books of the commission. No replacement of any of the foregoing from said fund shall be made if the cost of such replacement is less than \$2,000. The commission is hereby prohibited from using the reserve fund for any other purpose except the commission may resolve to use any part thereof to retire bonds when and as the same become redeemable by their terms and or by the consent of the holders thereof, and any moneys in said reserve fund shall be used to pay principal and interest when due on bonds to the extent such bonds shall represent cost of replacements, if other moneys in the Water and Light Fund are insufficient for such purpose. Only buildings that are principally used and necessary in the operation or administration of water, light, power, gas and heating plants may be replaced from this reserve fund and other public buildings of the municipality under the control of the commission shall not in any manner be replaced from said fund. The commission shall have authority to invest and it shall be the duty to invest the reserve fund operating surpluses and other surpluses in amounts to be determined by the commission in such securities as the state board of investment is permitted to invest in, including certificates of indebtedness and duly authorized bonds of the village. All income earned by these securities shall belong to and become a part of the respective fund from which it is earned. When the reserve for replacement fund equals a total of 75 percent of the replacement value of the fixed assets of the commission, it will no longer be necessary to add the monthly sum specified above. When this sum falls below 75 percent of the replacement value of the fixed assets, the commission will thereupon renew the placing into the reserve fund of these monthly payments. The commission shall require any bank in which any of its funds are deposited to give bond to the commission as required of banks as depositories of municipal funds, and when such banks shall post securities as provided by law, in lieu of bond, such securities shall be assigned to the secretary of said commission who shall be authorized to receipt for same on behalf of said commission.

#### **Section 5. Issuance of Bonds.**

**Subdivision 1.** The commission is hereby authorized to issue revenue bonds to pay for expansions, extensions, additions, changes, modifications and improvements of

any or all of the utility plants and systems under its jurisdiction, and to pay for replacements of parts of any and all of said plants and systems when the reserve for replacement fund is determined by the commission to be inadequate to pay for all replacements immediately required and for anticipated emergencies. Such bonds shall be payable solely from the aggregate of the net revenues derived from the operation of said plants and systems, in excess of the current, reasonable and necessary costs of the operation and maintenance thereof, and the commission shall by resolution make on behalf of the village all such reasonable covenants, consistent with the provisions of this act, concerning the management and handling of the funds of said utilities, the rates and charges of the services and products thereof, the time and manner of payment of such bonds, as shall by it be deemed necessary and proper to secure the adequacy of said net revenues for the prompt and full payment of the principal of and interest on said bonds. All payments to the replacement fund as provided for in Section 4 hereof, as may be deferred as a result of the preceding provision, shall be by the commission expeditiously restored and paid in said fund from future earnings, the commission to so conduct its utilities operations, and if necessary to readjust its rates, as to make this possible. The determination of the commission shall be conclusive, in favor of the holders of all revenue bonds at any time outstanding as to the amount thereof which represents replacement, and as to the adequacy or inadequacy of the reserve for replacement fund for any replacements financed by such revenue bonds. Nothing herein shall be deemed to prevent the commission from refunding any outstanding revenue bonds, if revenues are insufficient for the payment of interest or principal thereof about to become due, or whenever by so doing a saving can be affected in the interest cost thereof.

**Subdivision 2.** If, with respect to bonds to be issued for the purposes authorized by this section, the commission by resolution establishes a bond reserve equal to not less than the maximum principal and interest to become due in any year and establishes and promises to maintain rates and charges for services and products of the plants and systems under its jurisdiction which will provide net revenues in excess of the current, reasonable and necessary costs of operation and maintenance thereof sufficient to meet current bond and interest payments and maintain the reserve, the commission with the

concurrence of the village council of the village of Hibbing may pledge the full faith and credit of the village for the maintenance of the reserve, and the bonds shall be designated as and governed by the provisions applicable to general obligation bonds set forth in Minnesota Statutes, Chapter 475, except such bonds may be sold and issued without approval of the voters of the village.

**Section 6. Limitation.** Nothing in this act shall be construed to limit or extend the powers of the village to levy, as provided by Sections 457.09 to 457.11 or be in lieu of such levies, nor shall be construed to limit or extend the powers or limitations with respect to levies for or expenditures from other funds by the village or commission for the operation of the water and light department or for replacements, additions or extensions to such system from such funds. Nothing in this act shall be construed to limit the power of the village to make levies in excess of the present per capita limitations for indebtedness existing prior to January 1, 1929, as provided by Sections 275.11 and 275.17 to 275.21.