



## Commission Regular Session

JUNE 25<sup>TH</sup>, 2024



1902 E 6TH AVE  
HIBBING, MINNESOTA 55746-0249  
TELEPHONE: 218-262-7700  
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## Commission Meeting Agenda

June 25<sup>th</sup>, 2024

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 Resources S. Dickinson	—	Manager of Power Supply P. Plombon	—
Safety & Facilities P. Pelosi	—	Admin & Comm E. Dixon	—
Electrical Operations S. Adams	—	Local 94 President Rich Kampsula	—

1. CALL TO ORDER
2. ADDS/DELETES
3. APPROVAL OF MINUTES: April 23<sup>rd</sup>, 2024 Meeting
4. CITIZENS' FORUM: *Maximum amount of time per item: 5 minutes*
5. CONSENT AGENDA
  - A. Approve invoices >\$1,000 & approve the bills & ACH transfers dated May 18<sup>th</sup> – June 21<sup>st</sup>, 2024
  - B. Approve the payroll paid & overtime report for the May 30<sup>th</sup> & June 13<sup>th</sup>, 2024 pay date
  - C. Approve Last Day of Employment of Steve Skorich and Extend Gratitude for years of service.
  - D. Approve Request for Contribution: Hibbing Parkinson's Support Group in the amount of \$500
  - E. Approve Request for Contribution: Fairview Range Trauma Center in the amount of \$500
  - F. Approve Request for Contribution: Central Mesabi Medical Foundation in the amount of \$500
6. FINANCIALS & RISK MANAGEMENT
  - A. Approve April & May 2024 Financials
  - B. Approve Baker Tilly Scope and Fee for 2024 Rate Study not to exceed \$97,000 as required by 2023 PFA Loan Issuance Covenants
  - C. 2024 HREC Capital Purchases
    - i. Approve Quote for Grundfoss Reverse Osmosis Pump to H2O Innovations in the amount of \$33,323.40
    - ii. Approve Purchase of Gearbox, Steam Piping Insulation, and three ESP Transformers from Virginia Public Utilities in the Amount of \$61,000
    - iii. Approve Purchase of Silencer from Hecimovich Mechanical in the Amount of \$25,700
  - D. Authorize Request for Proposals 24-03 for Turbine 6 Overhaul - Best Value Contracting
  - E. Authorize Public Bid 24-04 for Dirt Work and Foundations for 1<sup>st</sup> Avenue and Ansley Substation Projects
  - F. Approve Purchase of Primary Cabinets for 1<sup>st</sup> Avenue and Ansley Substation Projects from IRBY in the amount of \$47,745.
  - G. Approve Purchase of Sensus/FlexNET AMI System through Core & Main in the amount not to exceed \$3,547,207
7. POLICY & GOVERNANCE
  - A. Approve Resolution 24-06 Opening Demand Account at HPU Designated Depository, National Bank of Commerce, Hibbing Branch
  - B. Declare Vacancy and Authorize Posting of Assistant Water Mechanic Crew Leader



## Commission Meeting Agenda (continued...)

8. OLD BUSINESS
9. NEW BUSINESS
10. ADJOURNMENT





Item 3 – Approval of Minutes: May  
21<sup>st</sup>, 2024

Item 3



Item 3 – Approval of Minutes: May 21<sup>st</sup>, 2024June 25<sup>th</sup>, 2024

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

RE: Item 3 – Approval of Minutes: May 21<sup>st</sup> , 2024

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings on May 21<sup>st</sup>, 2024.

Sincerely,



Luke J. Peterson



# **MINUTES OF THE PROCEEDINGS**

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

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Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746, held on May 21<sup>st</sup>, 2024. Meeting held at Hibbing City Hall, 401 E. 21<sup>st</sup> St., Hibbing MN. Interim Chairperson Bayliss called the meeting to order at 5:03 p.m. In attendance were Interim Chair Bayliss, Commissioner Babich, Commissioner Stokes, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, Manager of Power Supply Paul Plombon, Interim Financial Controller Tammy Mattonen, Finance & Customer Service Supervisor Jill Zallar, and Customer Programs & Communication Specialist Eliot Dixon. Also in attendance were, Baker Tilly Rep. Russ Hissom, HPAT Rep. Ron Wirkkula and Kivana Hill; & Local 94 reps. Rich Kampsula. Absent was Chairperson Hart.

### **Item 2. ADDS/DELETES –**

Add - Item9.A      Approve HPU 2024-2025 Annual Power Plan

### **Item 3. APPROVAL OF MINUTES**

Motion by Commissioner Sandstede, supported by Commissioner Stokes, to approve the regular meeting minutes of April 23<sup>rd</sup>, 2024.

Motion carried unanimously.

### **Item 4. CITIZENS FORUM –**

### **Item 5. CONSENT AGENDA**

- Item 5.A. Approving invoices >\$1,000 & approve the bills & ACH transfers dated April 20<sup>th</sup> – May 17<sup>th</sup>, 2024
- Item 5.B. Approve the payroll paid & overtime report for the May 2<sup>nd</sup> and May 16<sup>th</sup>, 2024 pay dates.
- Item 5.C. Approve Liability Coverage Form from League of Minnesota Cities
- Item 5.D. Approve Mike West Last Day of Employment
- Item 5.E. Approve HPU Travel Expenditure matrix; 01/01/2024 – 03/31/2024
- Item 5.F. Approve adoption of the HPU AWAIR Safety Program
- Item 5.G. Approve Resolution NO. 24-05: Resolution of Application to the Minnesota Public Facilities Authority Drinking Water Revolving Fund for Watermain Improvement Project & Lead Line Replacement Project
- Item 5.H. Approve Request for Contribution: Mines & Pines Revisited in the amount of \$300
- Item 5.I. Approve Request for Contribution: Hibbing High School's Golf Scramble Fundraiser in the amount of \$500
- Item 5.J. Approve Request for Contribution: Project Care Free Clinic "Spirit of Giving" Fundraiser in the amount of \$500

# MINUTES OF THE PROCEEDINGS

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

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**Item 5.K.** Approve Commissioners to attend All-Staff Safety Meeting on June 18<sup>th</sup>, 2024

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to approve Consent Agenda items 5.A., 5.B., 5.C., 5.D., 5.E., 5.F., 5.G., 5.H., 5.I., 5.J., & 5.K. as presented.

Motion carried unanimously.

### **Item 6. FINANCIALS & RISK MANAGEMENT**

**Item 6.A.** Approve 2023 Audit Report Provided by Abdo

Motion by Commissioner Sandstede, Supported by Commissioner Stokes, to Approve 2023 Audit Report.

Motion carried unanimously.

**Item 6.B.** Approve Interim March 2024 Financials

Motion by Commissioner Stokes, Supported by Commissioner Babich, to Approve Interim March 2024 Financials.

Motion carried unanimously.

**Item 6.C.** Approve VC3 for Hardware Replacement and Upgrades to Utility Servers not to exceed \$55,000

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to Approve VC3 for Hardware Replacement to Utility Servers not to exceed \$55,000.

Motion carried unanimously.

**Item 6.D.** Approve L&S Electric for HREC Unit #3 Overhaul in the amount of \$50,000

Motion by Commissioner Stokes, Supported by Commissioner Babich, to Approve L&S Electric for HREC Unit #3 Overhaul in the amount of \$50,000

Motion carried unanimously.

### **Item 7. POLICY & GOVERNANCE-**

**Item 7.A.** Approve hiring of Samantha Adams for Electrical Operations Director.

Commission discussed decision making process related to proposed position.

Motion by Commissioner Stokes, Supported by Commissioner Bayliss to Approve hiring of Samantha Adams for Electrical Operations Director

Motion passed 3-1

# MINUTES OF THE PROCEEDINGS

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

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### **Item 7.B.** Approve hiring of summer students and interns as listed

Commission discussed staffing levels for summer student program related to high applicant interest in the program this summer. Manager of Power Supply Paul Plombon stated the amount the amount of work available would support addition student positions. General Manager Luke Peterson recommended three additional student positions.

Motion by Commissioner Sandstede, Supported by Commissioner , to Approve hiring of summer students ad interns as listed

Motion carried 3-0  
Babich abstained

Motion by Commissioner Stokes, Supported by Sandstede, to Approve the hiring of up to three additional Summer Student positions.

Motion carried unanimously.

### **Item 8. OLD BUSINESS-**

### **Item 9. NEW BUSINESS –**

Add- Approve HPU 2024-2025 Annual Power Plan

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to approve HPU 2024-2025 Annual Power Plan

### **Item 10. ADJOURNMENT**

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to adjourn the meeting at 5:32 p.m.

Motion carried unanimously

Attest:

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Jeff Hart, Chair

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Jesse Babich, Commission Secretary

Meeting materials are available at  
The next meeting is a working meeting scheduled for Tuesday, June 11<sup>th</sup>, 2024  
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21<sup>st</sup> St., Hibbing MN 55746.

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Item 5.A – Approve Invoices > \$1,000 &  
approve the bills & ACH transfers

Item 5.A



Item 5.A – Approve Invoices > \$1,000 & approve the bills & ACH transfers

June 25<sup>th</sup>, 2024

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

RE: Item 5.A – Approve Invoices > \$1,000 & approve the bills & ACH transfers dated May 18<sup>th</sup> – June 21<sup>st</sup>, 2024

Dear Commissioners;

Per HPU's Authorization and approval Matrix approved at the April 26<sup>th</sup>, 2022 Commission Meeting, please find attached enclosed invoices, bills, and payments since the last Regular Meeting held by the Commission on May 21<sup>st</sup>, 2024.

Sincerely;



Luke J. Peterson





### Hibbing Public Utilities Commission Authority Matrix – Version April 2022

P = Primary Responsibility C = Consenting A = Advises N = Notified I = Implements

	Commission	Chair	Vice Chair	General Manager	Controller	Risk Manager	AP / Payroll
Annual Budget	P			A	A		
Set Reserve Policy	P			A	A		
Budget Revision	P			A	A		
Strategic Plan	P			A	A		
Contract with total value exceeding \$25,000 or term greater than 5 years	P			*A	N		
Contracts with total value less than or equal to \$25,000 and term less than 5 years	N			P	N	**	
Bank Checks / ACH / Wires Greater than \$10,000	P			*A	N		
Emergency Purchases including End of the Month Gas Commodity Purchases	C	C	C	P	N		
Payroll and Statutorily Exempted Payments	C			P	N		I
Transfer of funds between accounts				N	P		I
Open/Close Bank Accounts	P			A	A		
Money Market / Investment Choices	C			A	P		
Purchase / Sale of Real Property	P			A	A		



### Hibbing Public Utilities Commission Authority Matrix – Version April 2022

P = Primary Responsibility C = Consenting A = Advises N = Notified I = Implements

<i>Debt Issuance</i>	P			A	A		
<i>Credit Facility Issuance</i>	P			N	N		
<i>Short-term borrowings/repayments under Credit Facilities</i>		N	N	P	C		
<i>Implementing Controls and ensuring compliance with Authorizations</i>	N			P	A		
<i>Employee travel for safety, trade, and business training</i>	N			P	A		
* Delegation 1	Primary approval delegated to General Manager for review and transmittal of payments, ACH, checks, payroll and approved contracts until ratification at the Commission Meeting immediately following issuance.						
** Delegation 2	General Manager delegates approval of contracts of value less than \$10,000 and less 5 years in duration to the Risk Manager						
*** Delegation 3	General Manager delegates approval of payroll, transfers, and statutorily exempted payments to Accounts Payable and Payroll function.						

## Report Criteria:

Invoice Detail.Created date = 05/18/2024-06/21/2024

Invoice Detail.Total cost = {&gt;} 1000.00

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
ABDO LLP	484568	Auditing services progress billing for FY	02/29/2024	8,000.00	10005923120
AFSCME COUNCIL 65	06132024	AFSCME UNION DUES 05/27/24-06/09/	06/13/2024	2,086.40	10002232235
ALLIED VALVE	445908	NEW Berlin Data Migration Item	01/23/2024	5,281.50	12001316000
ALWAYS THERE STAFFING	11240007	Robert Timpaine 40 hours	06/18/2024	1,502.80	10005923120
ALWAYS THERE STAFFING	11239897	Services Week Ending 6/8/24	06/11/2024	1,502.80	10005923120
ALWAYS THERE STAFFING	11239786	Services Week Ending 6/1/24	06/04/2024	1,202.24	10005923120
ALWAYS THERE STAFFING	11239736	TIMPANE, ROBERT WEEK END 5/25	05/28/2024	1,502.80	12005923120
ALWAYS THERE STAFFING	11239640	TIMPANE, ROBERT WEEK END 5/18 40	05/21/2024	1,502.80	12005923120
ASCENDANCE TRUCKS LLC	800548	rear leaf springs truck 77	05/21/2024	1,768.98	10005933120
ASCENDANCE TRUCKS LLC	800561	rear leaf spring labor truck 64	05/24/2024	1,727.01	10005933120
AT & T MOBILITY	287298103711X060	Corrected Description for Cell Phone Ser	05/25/2024	1,986.78	10005921120
B & R ENGINEERING SALES	26480	BLANKET PO - 4A ID FAN REPLACEME	06/04/2024	2,885.00	12001107000
B & R ENGINEERING SALES	26470	BLANKET PO - 4A ID FAN REPLACEME	05/31/2024	278,863.00	12001107000

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
BAKER TILLY VIRCHOW KRAUS	BT2824393	Professional Services rendered through t	05/30/2024	20,482.50	10005923120
BARR ENGINEERING CO	23692776.02-4	Air Permiting	04/30/2024	3,707.00	12001311200
BARR ENGINEERING CO	23692776.02-5	Air Permiting	06/04/2024	6,025.50	12001311200
BCBS RETIREE	240531361401132	RETIREE ACTIVE COVERAGE 07/01/24	06/14/2024	10,281.00	10005926115
BCBS RETIREE	240531361401579	RETIREE ACTIVE COVERAGE 07/01/24	06/14/2024	1,672.00	10005926115
BLUE MOON APPLIANCES	05172024	CONSERVATION IMPROVEMENT PRO	05/17/2024	2,266.79	12005911120
BOLTON & MENK, INC	0338110	GIS 2024 PH1	06/13/2024	3,327.50	10001107000
BOLTON & MENK, INC	0337431	Lead Water Service Line Apr 13 2024 to	05/31/2024	22,272.00	11001107000
BOLTON & MENK, INC	0337463	Professional Services for 2024 Watermai	05/31/2024	28,373.46	11001107000
BOLTON & MENK, INC	0337396	Professional Services for 2024 Watermai	05/31/2024	4,573.00	11001107000
BOLTON & MENK, INC	0337397	Professional Services for 2024 Watermai	05/31/2024	24,013.46	11001107000
BOLTON & MENK, INC	0337054	Carey Valley water treatment plant Prof S	05/31/2024	13,905.50	10001107000
BOOMTOWN BREWERY & WOO	06112024	CONSERVATION IMPROVEMENT PRO	06/11/2024	2,485.00	12005911120
BORDER STATES ELECTRIC	928376403	TRAN LUG 350M-500M 2J6A4N	05/16/2024	2,176.60	10001154000

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
CEMSOURCE	4068	CEM MAINTENANCE QUARTERLY 2nd	06/14/2024	11,700.00	12005514120
CEMSOURCE	4066	Power Edge T350 Tower Server, 2.8ghz	06/14/2024	7,607.05	12001311200
CEMSOURCE	4066	(8) Configurations of systems & testing R	06/14/2024	1,802.00	12001311200
CHEMTREAT INC.	CIN010683599	RL 9909.55	05/31/2024	3,851.40	12005506120
CHEMTREAT INC.	CIN010687279	1 RL3400.55	06/05/2024	1,608.30	12005506120
CHEMTREAT INC.	CIN010686784	BLANKET PO - CHEMICALS FOR 2024	06/04/2024	1,826.50	12005506120
CHEMTREAT INC.	CIN010681844	BLANKET PO - CHEMICALS FOR 2024	05/24/2024	6,068.27	12005506120
COSTIN GROUP	2318	Government Relations Colsulting & Lobb	05/31/2024	3,500.00	10005923120
CTC	21393411	Monthly Internet Services: 6/2024	06/12/2024	1,542.97	10005921120
DAKOTA SUPPLY GROUP	S103681277.003	3" OS&Y GATE #125 FLG	06/10/2024	1,100.00	10001154000
DAKOTA SUPPLY GROUP	S103691905.001	STANDPIPE 8' A. Y. MCDONALD 5622	06/10/2024	2,068.03	10001154000
DAKOTA SUPPLY GROUP	S103378251.003	3/4"X1" REP Ball Curb stop CTS Q-COM	04/11/2024	3,357.52	10001154000
DAKOTA SUPPLY GROUP	S103378251.002	3/4" COUPLING COP TO COP Q-COMP	04/11/2024	1,308.39	10001154000
DAKOTA SUPPLY GROUP	S103378251.002	3/4"X1" REP Ball Curb stop CTS Q-COM	04/11/2024	1,021.85	10001154000

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
DAKOTA SUPPLY GROUP	S103681277.001	3" OS&Y GATE #125 FLG RISING STE	05/29/2024	1,133.44	10001154000
DAKOTA SUPPLY GROUP	S10361187.001	3" HYMAX 2 FLIP Coupling	05/30/2024	2,862.93	10001154000
DAKOTA SUPPLY GROUP	S10361187.001	4" HYMAX COUPLING 4.25"-5.63"	05/30/2024	5,118.90	10001154000
DAKOTA SUPPLY GROUP	S10361187.001	4" HYMAX COUPLING 4.25"-5.63"	05/30/2024	1,279.73	10001154000
DELTA DENTAL	CNS0001570560	DELTA DENTAL 06/02/24-06/08/24	06/14/2024	3,907.02	10005926115
DELTA DENTAL	CNS0001570560	DELTA DENTAL 06/02/24-06/08/24	06/14/2024	3,907.02	10005926115
DELTA DENTAL	CNS0001570560	DELTA DENTAL 06/02/24-06/08/24	06/14/2024	3,907.02	10005926115
DELTA DENTAL	CNS0001583306	DELTA DENTAL 06/09/24-06/15/24	06/15/2024	3,327.72	10005926115
DELTA DENTAL	CNS0001583306	DELTA DENTAL 06/09/24-06/15/24	06/15/2024	3,327.72	10005926115
DELTA DENTAL	CNS0001583306	DELTA DENTAL 06/09/24-06/15/24	06/15/2024	3,327.72	10005926115
DELTA DENTAL	CNS0001567851	DELTA DENTAL 05/26/24-05/31/24	05/31/2024	1,330.55	10005926115
DELTA DENTAL	CNS0001564477	DELTA DENTAL 05/19/24-05/25/24	05/25/2024	2,897.79	10005926115
DELTA DENTAL	CNS0001560753	DELTA DENTAL 05/12/24-05/18/24	05/18/2024	3,332.82	10005926115
DELTA DENTAL	CNS0001545629	DELTA DENTAL 05/05/24-05/11/24	05/11/2024	1,606.38	10005926115

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
ENERGY ECONOMICS INC	52080	Meter transfer proving commercial gas m	06/17/2024	9,694.08	13001381000
ENERGY ECONOMICS INC	52101	Meter transfer proving commercial gas m	06/17/2024	1,991.01	13001381000
ESCH CONSULTING LLC	5142024.2	Coaching for Management Team	05/31/2024	3,750.00	10005926120
EXCEL BUSINESS SYSTEMS	76147	Toshiba / E-Studioi 5516ACT - Main Copi	06/11/2024	992.82	10005921120
FERGUSON WATERWORKS #25	0525302	HYD 9' OL22B RED BURY	06/14/2024	4,665.13	10001154000
FERGUSON WATERWORKS #25	0525061	PLUG TYPE CURB BOX LID 2" AY 562	05/03/2024	1,145.60	10001154000
FERGUSON WATERWORKS #25	0529574	3" OS&Y GATE #125 FLG	05/13/2024	1,100.00	10001154000
FRONTIER ENERGY	194755	Professional Services: May 1 to May 31,	06/14/2024	4,102.59	12005911120
FRONTIER ENERGY	194542	Energy audit Services from 4/1 to 4/30 2	06/04/2024	5,314.67	12005911120
GRAYBAR ELECTRIC COMPAN	9336772138	PROBE 7MH71460EA	04/10/2024	1,313.30	12005588120
GRAYBAR ELECTRIC COMPAN	9337497642	Siemens 7MH71580AA00 MOTION SEN	06/03/2024	3,270.72	12005588120
HAWKINS INC.	6780442	chemicals for 2024 6/12/24	06/12/2024	2,365.00	11005641120
HAWKINS INC.	6770807	BLANKET PO - CHEMICALS FOR 2024	05/30/2024	1,539.00	11005641120
HECIMOVICH MECHANICAL CO	4251	PowerPlant #2 Polishers PIPEFITTERS	05/28/2024	3,892.83	12001107000

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
HECIMOVICH MECHANICAL CO	4250	Power Plant Boiler 3- BLANKET PO - PI	05/28/2024	22,561.57	12001107000
HECIMOVICH MECHANICAL CO	4245	BLANKET PO - PIPEFITTERS SERVICE	05/20/2024	17,386.57	12001107000
HIBBING ACH, CITY OF	000238-MAY 24-602	Storm sewer revenue	06/17/2024	25,435.81	10002234220
HIBBING ACH, CITY OF	000238-MAY 24-602	May Sewer City of Hibbing	06/17/2024	319,258.69	10002234210
HIBBING ACH, CITY OF	238-MAY 24-603PU	May Garbage City of Hibbing	06/17/2024	251,778.06	10002234200
HIBBING ACH, CITY OF	000238-APR 24-603	APRIL GARBAGE BILLED FOR CITY O	05/20/2024	188,587.51	10002234200
HIBBING ACH, CITY OF	000238-APR 24-603	APRIL LANDFILL BILLED FOR THE CIT	05/20/2024	63,434.11	10002234200
HIBBING ACH, CITY OF	000238-APR 24-603	APRIL DUMPSTER BILLED FOR CITY	05/20/2024	4,113.45	10002234200
HIBBING ACH, CITY OF	000238-APR 24-602	april storm sewer revenue	05/20/2024	25,448.90	10002234220
HIBBING ACH, CITY OF	000238-APR 24-602	april sewer income from PUC	05/20/2024	313,337.66	10002234210
HIBBING PUBLIC ACCESS TV	06012024	Recording / Streaming / Delivery of HPU	06/01/2024	1,800.00	10005930140
HUSKY SPRING	S1-2435866	truck 64 leaf springs	05/20/2024	1,459.92	10005933120
HUSKY SPRING	S1-2441081	truck 77 new leaf spring	05/30/2024	1,115.38	10005933120
IRON RANGE ENGINEERING A	59	Engineering Services 2024	06/03/2024	16,924.61	12005923120

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
JIVERY CONSTRUCTION	1033109	underground line construction restorals	06/06/2024	5,509.00	12005594120
JIVERY CONSTRUCTION	1033108	Directional Drill 2" GAs Main for Cast Corp	06/04/2024	2,358.00	13001376000
KINECT ENERGY INC	378608	Natural Gas Invoice 378608 for May 202	06/04/2024	305,472.75	13005803200
L & S ELECTRIC INC	723258	#4 Fan Alignment & Balance	06/17/2024	1,377.50	12001311200
LEAGUE OF MN CITIES INSURA	WC 1004255-8 202	workers' compensation coverage premiu	06/04/2024	35,014.00	10001165400
LEAGUE OF MN CITIES INSURA	05162024	CLAIM FOR WATER DAMAGE AND RE	05/16/2024	1,904.00	10005925120
MADISON NATIONAL LIFE	1624738	LONG TERM DISABILITY INS JUNE 20	06/01/2024	2,038.31	10005926115
Metamorphosis CCT	1333	45-Minute Keynote for All Staff Meeting	06/12/2024	1,500.00	10005930140
MINNESOTA LIFE INSURANCE	66251551-00	ACTIVE LIFE INS 06/01/24-06/30/24	06/01/2024	2,197.44	10001165700
MINNESOTA POWER ACH DO N	076477490406	May Power bill	06/18/2024	477,909.68	12005555120
MINNESOTA POWER ACH DO N	APR182024	Electricity for Well through 5/18/2024	05/28/2024	1,035.29	11005623120
MN DEPT COMMERCE	1000051746	1st Quarter Fiscal Year 2025 Indirect Ass	06/03/2024	2,465.08	12004451100
MN DEPT HEALTH DRINKING W	412024	Quarterly water connection fee Q2	04/01/2024	13,812.00	11005930120
MN PEIP	1405130	ACTIVE EMPLOYEE HEALTH COVERA	06/10/2024	189,849.50	10005926115

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
MN REVENUE SALES TAX	06202024	MONTHLY SALES TAX MAY 2024	06/20/2024	134,414.00	10002241200
MOTION	MN13-00436223	Roller Bearing for Boiler 4 ID Fan	05/30/2024	1,203.91	12001311200
NTS ENVIRONMENTAL SCIENC	INV3643	2024 Industrial Stormwater Permit Compl	05/31/2024	1,171.53	12005508120
NTS ENVIRONMENTAL SCIENC	INV3677	Environmental Sampling Services	05/31/2024	1,113.02	12005508120
PEAKER SERVICES	SI-109234	TEST & INSPECT TM-25LP ACTUATOR	05/24/2024	2,228.73	12005588120
PEAKER SERVICES	SI-109233	TEST & INSPECT TM-25LP ACTUATOR	05/24/2024	2,228.73	12005588120
PREMIUM PLANT SERVICES	8499	BLANKET PO - VAC SERVICES 2024	05/31/2024	9,347.00	11005611120
RC RENTALS	214132	rental of Mini-X for 8 days - Kubota KX40	05/24/2024	2,346.28	12005596120
RICE LAKE CONTRACTING CO	PAY APP#2 OM2.1	South Water Treatment Plant Rehab Proj	05/31/2024	105,989.83	11001107100
RICE LAKE CONTRACTING CO	PAY APP# 1 5/10/24	Pay App # 1 5/10/24	05/20/2024	118,029.26	11001107100
ROAD MACHINERY & SUPPLIES	S2629705	cutting edge case loader	06/05/2024	1,834.07	10005933120
SAVANNA PALLETS	INV152357	WOOD SUPPLY FOR 2024--6/17/24	06/17/2024	16,902.33	12005501320
SAVANNA PALLETS	INV152163	BLANKET PO - WOOD SUPPLY FOR 20	06/10/2024	25,925.39	12005501320

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
SAVANNA PALLETS	INV151446	BLANKET PO - WOOD SUPPLY FOR 20	05/21/2024	32,767.71	12005501320
SBS BLACKTOP SERVICE INC	481	RESTORAL PROJECT 2024 6/17/24	06/17/2024	4,064.00	11001107000
SBS BLACKTOP SERVICE INC	473	RESTORAL PROJECT 2024--concrete/bi	06/11/2024	15,250.32	11001107000
SBS BLACKTOP SERVICE INC	472	RESTORAL PROJECT 2024--Saw Cutti	06/11/2024	2,231.00	11001107000
SBS BLACKTOP SERVICE INC	471	boulevard restorals	06/11/2024	5,638.50	11001107000
SBS BLACKTOP SERVICE INC	470	Class 5 for SBS Shop	06/11/2024	4,104.00	11001107000
SELLMAN BORLAND & SIMON P	MAY 2024	Legal Services May1, 2024 through May	06/04/2024	1,360.00	10005923120
SHAMROCK TRUCKING	15668T077	BLANKET PO - DISPOSAL OF WASTE	06/01/2024	1,922.76	12005506200
ST LOUIS COUNTY PUBLIC WO	283518	MARCH FUEL FOR 2024	03/31/2024	4,406.01	10005933120
ST LOUIS COUNTY PUBLIC WO	283520	APR FUEL FOR 2024	04/30/2024	5,207.38	10005933120
STACK BROS. MECHANICAL	APP1 25-2023 5/18/	Application NO:1 Boiler#2 Superheater R	05/18/2024	220,685.00	12001312100
STINSON LLP	43567545	Turbine Services - May 2024	06/06/2024	6,527.50	10001107000
STINSON LLP	43566628	Professional services	05/29/2024	12,492.50	10001107000
STINSON LLP	43566626	Services through April 30,	05/29/2024	2,244.00	10005923120

## HIBBING PUBLIC UTILITIES

## Table Lists - Invoice Register - Monthly Invoices over \$1,000.00

Page: 10  
Jun 21, 2024 12:12PM

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
T & R ELECTRIC SUPPLY CO IN	177739	transformer, pole mount 15kva 2400/416	05/24/2024	6,360.00	12005588120
T & R ELECTRIC SUPPLY CO IN	177739	transasformer, pole mount 25kva 2400/41	05/24/2024	7,848.00	12005588120
TAMMY MATTONEN CONSULTI	5007	Accounting Consulting Services for Marc	05/22/2024	10,800.00	10005923120
TAMMY MATTONEN CONSULTI	5008	Accounting Consulting Services for April	05/22/2024	6,300.00	10005923120
TONY'S EQUIPMENT REPAIR	1611	equipment for water treatment plant	06/03/2024	1,172.50	12001107000
TONY'S EQUIPMENT REPAIR	1610	equip for service leak 2nd AVE E	05/29/2024	1,507.50	12001107000
TONY'S EQUIPMENT REPAIR	1609	equip hydrant valve box 4TH AVE E & H	05/29/2024	1,487.00	12001107000
TONY'S EQUIPMENT REPAIR	1608	water valve box 1718E 25TH ST	05/29/2024	2,555.00	12001107000
TONY'S EQUIPMENT REPAIR	1607	Mini Ex 10th E & 23rd	05/29/2024	1,820.00	12001107000
UNITED REFRactories INC	5032	Boiler 4 Shutdown Refractory Work	06/06/2024	23,006.49	12001311200
UNITED REFRactories INC	5040	Boiler 3 Refractory Work	06/06/2024	6,610.53	12001311200
US BANK OPERATIONS CTR	225	Loan payment #225	06/19/2024	1,066.36	10005431120
US BANK OPERATIONS CTR	05172024	LEA LOAN PAYMENT 224	05/17/2024	1,036.50	10005431120
USIC LOCATING Services, LLC	24004799	May Locates	05/31/2024	16,176.80	10005580120

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account
VC3 (CW TECHNOLOGY	154546	June Endpoint services	06/18/2024	5,151.16	10005921120
VC3 (CW TECHNOLOGY	INV8456VC3	Adobe Acrobat Pro License	05/31/2024	2,878.80	10005921120
VC3 (CW TECHNOLOGY	150600	monthly billing for may	05/17/2024	4,964.53	10005921120
VON CORPORATION	SO15393-1	Heavy duty cart for line crew: 20KVA SE	04/08/2024	4,650.00	12001107000
WESCO RECEIVABLES CORP	394726	ABB - PIN 9628AO5G36 BAR CMF 3.06	05/09/2024	1,103.40	10005597120
WESCO RECEIVABLES CORP	400584	Cooper LED VERDEON -S-CA1-40-740	05/28/2024	3,598.00	10001154000
WEX HEALTH, INC.-	06052024	HSA CONTRIBUTIONS 2024 T.MARSH	06/05/2024	3,500.00	10001165600
WEX HEALTH, INC.-	05312024	HSA CONTRIBUTIONS 2024 K.INTIHAR	05/31/2024	1,750.00	10001165600
WEX HEALTH, INC.-	05312024	HSA CONTRIBUTIONS 2024 R.HORN	05/31/2024	3,500.00	10001165600
WEX HEALTH, INC.-	04242024	HSA CONTRIBUTIONS 2024 J.ZALLAR	04/24/2024	3,500.00	10001165600
WIDSETH SMITH NOLTING & AS	230718	HPU Facilities planning - architect III	05/17/2024	3,561.25	10005923120
XPRESS BILL PAY - ACH DO NO	INV-XPR012606	May Services	05/31/2024	2,651.62	10005903120
YORTH INC	Y5-24	Interim work for the implementation of th	05/15/2024	9,500.00	10005923120
ZIELIES TREE SERVICE, INC	320240660	Vegetation Management Areas A-H 5/26/	05/28/2024	63,724.71	12001182306

Vendor	Invoice No	Description	Invoice Date	Amount	GL Account

## Report Criteria:

Invoice Detail.Created date = 05/18/2024-06/21/2024

Invoice Detail.Total cost = {&gt;} 1000.00



Item 5.B

Item 5.B – Approve payroll paid & overtime report



## Item 5.B – Approve payroll paid &amp; overtime report

June 25<sup>th</sup>, 2024

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

RE: Item 5.B – Approve payroll paid & overtime report for the May 30<sup>th</sup> & June 13<sup>th</sup> 2024 pay dates

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26<sup>th</sup>, 2022 commission Meeting, please find payroll and overtime reports for payroll dates subsequent to the last Commission meeting held May 21<sup>st</sup>, 2024.

Sincerely;



Luke J. Peterson



## Report Criteria:

Employee Transaction.Check Issue Date = 05/30/2024  
Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	164,766.77
Total REGULAR WAGES - FOREMAN:	2,007.52
Total REGULAR WAGES - LEAD:	508.24
Total OVERTIME WAGES:	6,555.98
Total OVERTIME WAGES - FOREMAN:	1,355.13
Total OVERTIME WAGES - LEAD:	54.47
Total SUNDAY PREMIUM:	1,304.76
Total VACATION PAY:	12,619.33
Total SICK LEAVE - REGULAR:	13,423.58
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	1,782.89
Total PERSONAL HOLIDAY:	3,923.91
Total SHIFT DIFFERENTIAL .75/HR:	378.00
Total LONGEVITY:	3,143.75
Total STANDBY:	6,902.90
Total LEAVE PAYOUT (NO RETIREMENT):	1,143.36
Total CERTIFICATE/LICENSE:	765.90
Grand Totals:	<u>220,636.49</u>

## Report Criteria:

Employee Transaction.Check Issue Date = 06/01/2024  
Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total SICK LEAVE BONUS:	25,883.10
Grand Totals:	25,883.10

## Report Criteria:

Employee Transaction.Check Issue Date = 06/13/2024  
Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	167,345.89
Total REGULAR WAGES - FOREMAN:	2,202.84
Total REGULAR WAGES - LEAD:	663.62
Total OVERTIME WAGES:	13,320.83
Total OVERTIME WAGES - FOREMAN:	1,226.07
Total OVERTIME WAGES - LEAD:	525.68
Total SUNDAY PREMIUM:	1,304.76
Total VACATION PAY:	12,877.15
Total SICK & SAFE LEAVE:	217.68
Total SICK LEAVE - REGULAR:	9,810.17
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	1,251.20
Total PERSONAL HOLIDAY:	1,660.72
Total HOLIDAY PAY:	19,770.45
Total SHIFT DIFFERENTIAL .75/HR:	351.38
Total HOLIDAY WORKED:	4,084.86
Total LONGEVITY:	3,143.75
Total STANDBY:	7,386.90
Total RETRO PAY:	422.40
Total CERTIFICATE/LICENSE:	765.90
Grand Totals:	248,332.25





Item 5.C

Item 5.C



## Item 5.C – Approve Last Day of Employment

June 25<sup>th</sup>, 2024

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

RE: Item 5.C – Approve Last Day of Employment and Extend Gratitude for Years of Service Service

Dear Commissioners;

This letter is notice that the last day of employment for Steve Skorich was June 17, 2024.

Steve has served HPU loyally since 1985 and we thank him for his service on behalf of the utility's customers.

Sincerely;



Luke J. Peterson





Item 5.D



Item 5.D– Approve Request for Contribution: Hibbing Parkinson's Support Group in the amount of \$500

June 25<sup>th</sup>, 2024

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

RE: Item 5.D – Approve Request for Contribution: Hibbing Parkinson's Support Group in the amount of \$500

Dear Commissioners;

The Hibbing Parkinson's Support Group is seeking a contribution in the amount of \$500. This organization helps to educate, empower, support and encourage individuals with Parkinson's Disease and their direct caregivers. This contribution would fund general operations and advertisement of the group.

Sincerely;



Luke J. Peterson





## REQUEST FOR CONTRIBUTION

The Hibbing Public Utilities Commission (HPUC) has the statutory right to contribute annually a sum not to exceed one percent of the previous year's gross revenues, or \$20,000, whichever is less.

Any party wishing to make request for contribution from the Hibbing Public Utilities Commission must complete this form and submit it to the office of the General Manager, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746. Applicants may request up to \$500 in funds as related to the below statutory requirements. Larger requests may be considered for the Commission's End-of-Year Charitable Contributions. Requests will be brought to the Commission for discussion and action at the most practical regularly scheduled meeting of the Commission following receipt of the application form.

PURPOSE: By statute, HPUC contribution must be for the purpose of advertising, improving and developing the tourist, recreational, industrial, commercial, or vocational resources of the City of Hibbing.

### REQUESTING PARTY INFORMATION:

NAME OF

ORGANIZATION: HIBBING PARKINSON'S SUPPORT GROUP

CHECK PAYABLE TO: HEATHER FREDERICK

CONTACT NAME: HEATHER FREDERICK PHONE NO. 218-966-7405

ADDRESS: 3118 S LEIGHTON RD HIBBING MN 55746

DATE: 5-7-2024

PROJECT DESCRIPTION: (Please provide project description including scope, estimated project costs, location, schedule, etc.)

WE MEET THE 1ST WEDNESDAY OF EACH MONTH @ OPEN DOOR CHURCH (WE ARE NOT AFFILIATED WI THE CHURCH - THEY PROVIDE A TUTOR ROOM). WE CURRENTLY HAVE 20 PEOPLE WHO HAVE BEEN ATTENDING FOR OVER 1 yr. WITH 6 MORE ATTENDING THE PAST 3 MONTHS. OUR GROUP IS FACILITATED BY JEN GIGLIOTTI OF BIG STONE THERAPY.

AMOUNT OF REQUEST: \$500.00

REASON FOR REQUEST: (Please describe the ways in which the request meets the statutory purpose, describe under PURPOSE above):

THIS REQUEST IS TO HELP COVER THE COSTS (I.E. OFFICE SUPPLIES, COPIES OF HANDOUTS, SNACKS, ETC) FOR THE PARKINSON'S SUPPORT GROUP. PARKINSON'S IS AN ISOLATING DISEASE. THIS GROUP HELPS TO EDUCATE, EMPOWER, SUPPORT, & ENCOURAGE THE PERSON AFFECTED BY THIS DISEASE AND THEIR CAREGIVER. THIS CREATES COMMUNITY, WITHIN OUR GROUP HELPING THEM HAVE THE FREEDOM TO EMBRACE & RECREATE IN THE COMMUNITIES THEY LIVE IN. BECAUSE THEY KNOW THEY ARE NOT ALONE.



REQUEST FOR CONTRIBUTION

HPUC DISPOSITION: (Not to be filled out by applicant)

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Commission Secretary

\_\_\_\_\_  
Date

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Item 5.E

Item 5.E



Item 5.E – Approve Request for Contribution: Fairview Range Trauma Program in the amount of \$500

June 25<sup>th</sup>, 2024

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

RE: Item 5.E- Approve Request for Contribution: Fairview Range Trauma Program in the amount of \$500

Dear Commissioners;

The Fairview Range Trauma Program is seeking a contribution in the amount of \$500 in support of the Children's ATV/Snowmobile Safety Event. The purpose of this event will be to provide educational materials and raise awareness about a common and potentially dangerous pass time for our region. Funds contributed to this program will support the purchasing advertisement of the event.

Sincerely;



Luke J. Peterson



# HPUC HIBBING

PUBLIC UTILITIES

## REQUEST FOR CONTRIBUTION

The Hibbing Public Utilities Commission (HPUC) has the statutory right to contribute annually a sum not to exceed one percent of the previous year's gross revenues, or \$20,000, whichever is less.

Any party wishing to make request for contribution from the Hibbing Public Utilities Commission must complete this form and submit it to the office of the General Manager, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746. Applicants may request up to \$500 in funds as related to the below statutory requirements. Larger requests may be considered for the Commission's End-of-Year Charitable Contributions. Requests will be brought to the Commission for discussion and action at the most practical regularly scheduled meeting of the Commission following receipt of the application form.

PURPOSE: By statute, HPUC contribution must be for the purpose of advertising, improving and developing the tourist, recreational, industrial, commercial, or vocational resources of the City of Hibbing.

### REQUESTING PARTY INFORMATION:

NAME OF  
ORGANIZATION: Fairview Range Trauma Program  
CHECK PAYABLE TO: CMMF (Central Mesabi Medical Foundation)  
CONTACT NAME: Kristen Bayliss PHONE NO. 218 969 5876  
ADDRESS: 750 East 34<sup>th</sup> St -Emergency Room  
DATE: 5/20/2024

PROJECT DESCRIPTION: (Please provide project description including scope, estimated project costs, location, schedule, etc.) Expected Cost: \$ 5500.00  
ATV/snowmobile Safety Event for Children. This is our 2nd year doing this event. We give ATV/snowmobile Safety education and give away high quality ATV helmets. DNR also joins us to speak on the regulations/laws of ATVs and snowmobiles.  
AMOUNT OF REQUEST: \$ 500.00

REASON FOR REQUEST: (Please describe the ways in which the request meets the statutory purpose, describe under PURPOSE above):

This event provides education and safety to children of our community. Those involved are advertised prior to event and during event. This year the event will be at Hibbing Fire Department's Open house.



REQUEST FOR CONTRIBUTION

HPUC DISPOSITION: (Not to be filled out by applicant)

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Commission Secretary

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Date

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# Fairview

Fairview Range Medical Center  
Trauma Program Emergency Room  
750 East 34<sup>th</sup> Street  
Hibbing, MN 55746

5/20/2024

Hibbing Public Utilities Commission  
1902 6<sup>th</sup> Ave E  
Hibbing, MN 55746

Dear Hibbing Public Utilities Commission:

We at Fairview Range Emergency Department unfortunately see far too often the tragic results of children riding on ATVs or snowmobiles without wearing a helmet. The sad truth is our community does not see this as we do in the emergency room and therefore do not understand how quickly a simple fun family ride can turn into absolute tragedy. We have come together to create an event for our community that not only provides the most important tool to ATV and snowmobile safety, a high-quality helmet, but have also put a lot of effort into the education and information that is required for the community to fully understand the importance of wearing a helmet. We truly believe that being informed and prepared is the best way to prevent injury. The ATV and Snowmobile Safety Event provides the education and tools to be informed and prepared when riding an ATV or snowmobile. The event and the items given out during the event shows our community we truly care about their safety and well-being. This event also brings forth collaboration with other businesses, clubs, and healthcare providers in town which grows our response, teamwork, and ability to work together as many organizations looking out for the best interest of our community. Helmets and education prevent not only injuries but also tragic outcomes that potentially take our loved ones from us. We had our first event last year. It was a great event that families from our community took part in and enjoyed very much. We genuinely look forward to having this event every year and growing it into a community event that all will look forward to. This year we will be joining Hibbing Fire Department at their annual open house on Saturday September 28<sup>th</sup>, 2024, from 11:00 A.M. to 1:00 P.M. The donations we receive will go towards the purchasing of high-quality helmets, advertising, advertising supplies for the event, and prizes such as pickle ball paddle sets and other sports equipment that will get our youth out in the community experiencing the many different recreational options that are offered right in our very own town. Thank you for your consideration in helping to fund this important safety event for our community.

Sincerely,

Kristen Bayliss, RN Trauma and Stroke Coordinator

5/20/2024







Item 5.F

Item 5.F



Item 5.F – Approve Request for Contribution: Central Mesabi Medical Foundation in the amount of \$500

June 25<sup>th</sup>, 2024

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

RE: Item 5.F – Approve Request for Contribution: Central Mesabi Medical Foundation in the amount of \$500

Dear Commissioners;

The Central Mesabi Medical Foundation (CMME) is requesting a contribution for their main fundraising event of the year. All proceeds are dedicated to the purchase of equipment, community health programs, and student scholarships. The amount of the sponsorship request is \$500.

Sincerely;



Luke J. Peterson





## REQUEST FOR CONTRIBUTION

The Hibbing Public Utilities Commission (HPUC) has the statutory right to contribute annually a sum not to exceed one percent of the previous year's gross revenues, or \$20,000, whichever is less.

Any party wishing to make request for contribution from the Hibbing Public Utilities Commission must complete this form and submit it to the office of the General Manager, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746. Applicants may request up to \$500 in funds as related to the below statutory requirements. Larger requests may be considered for the Commission's End-of-Year Charitable Contributions. Requests will be brought to the Commission for discussion and action at the most practical regularly scheduled meeting of the Commission following receipt of the application form.

PURPOSE: By statute, HPUC contribution must be for the purpose of advertising, improving and developing the tourist, recreational, industrial, commercial, or vocational resources of the City of Hibbing.

### REQUESTING PARTY INFORMATION:

NAME OF

ORGANIZATION: Central Mesabi Medical Foundation (CMMF)

CHECK PAYABLE TO: Central Mesabi Medical Foundation (CMMF)

CONTACT NAME: Susan Deegan PHONE NO. 218.312.3024

ADDRESS: 750 East 34th Ct., Hibbing, MN 55746

DATE: 6/17/2024

PROJECT DESCRIPTION: (Please provide project description including scope, estimated project costs, location, schedule, etc.)

Support for the CMMF's 30th Annual Golf Classic, held Monday, July 9, 2024, at the Mesabi Country Club. This event is the Foundation's main fundraiser with all proceeds dedicated to the purchase of equipment, community health programs, and student scholarships. See attached.

AMOUNT OF REQUEST: \$500 for Eagle sponsorship

REASON FOR REQUEST: (Please describe the ways in which the request meets the statutory purpose, describe under PURPOSE above):

Please see attached information detailing the impact of the Foundation's efforts to enhance healthcare in our community. Your past support makes a true difference and we are hopeful for your support again this year. Thank you for your consideration!



REQUEST FOR CONTRIBUTION

HPUC DISPOSITION: (Not to be filled out by applicant)

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Commission Secretary

\_\_\_\_\_  
Date

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## CENTRAL MESABI Medical Foundation

Dear Friends!

**Please join us!** The Central Mesabi Medical Foundation is celebrating our 30<sup>th</sup> Anniversary Golf Classic, scheduled for Monday, July 8, 2024, at the Mesaba Country Club. We can assure you this year's Golf Classic will be another amazing event!

This is a special time for the Foundation as we celebrate 30 years of making a difference through this time-honored event. It's difficult to imagine how many people we've helped, how many lives we've changed – together – over 30 years. Because helping each other – how we can, where we can, when we can – is what we're all about. And because of your support, we are a richer, kinder, healthier and more grateful community.

The annual Golf Classic is the CMMF's largest fundraiser of the year and is successful solely because of your participation and generosity. Your support of our event directly contributes to expanding the services, programs, and care we provide to you, your friends, families, and neighbors through the purchase of new medical equipment, scholarships for future healthcare workers, and community health-related initiatives.

The day kicks-off with lunch followed by a scramble shotgun start at Noon. Beverage and snack stations will be located on the course, in addition to on-course games, raffles, prizes, fun and friendship, and more!

Please see the enclosed information for a registration form and opportunities to participate. As a sponsor, you will be recognized and appreciated with on-course signage. As a player, you can expect a fun-filled day of golf, camaraderie, and enjoyment. However you choose to participate, know you'll be helping the efforts of the Foundation and the important and significant work we do as we respond to the healthcare needs of our patients, our neighbors, and our community.

**If you are unable to attend, please share this invitation with a friend, donate a prize, or consider making a charitable donation to the Central Mesabi Medical Foundation.**

To learn more, contact Susan Degnan, Foundation Director, at 218-312-3034 or Susan.Degnan@Fairview.org. We look forward to seeing you on July 8 as we 'tee off' our summer fundraising. On behalf of the many individuals who will richly benefit from your generosity, thank you for your support!

Sincerely,

*Kristina Seline*

Tina Seline, Foundation President

*Susan Degnan*

Susan Degnan, Foundation Director

And Board Members Ryan Baumgard, Dr. Kimberly Bigelow, Andy Borland, Pam Boswell, John Briski, Ann Bussey, Steve Davidson, Mike Fay, Marty Hnatko, Pat Ives, Marella Laliberte, Bryan Lindsay, Andi Macenski, Jeff Perunovich, Jack Ryan, and Todd Scaia.

750 EAST 34TH STREET ◆ HIBBING, MINNESOTA 55746



## CENTRAL MESABI Medical Foundation

### **Because of You...**

Your generosity is making an impact by strengthening our ability to provide high-quality care to patients and families, train the next generation of healthcare providers, and enhance well-being throughout our community.

**By giving a little, you can help a lot!** Your participation and donation make a difference and collectively add up! Because of you, more than \$1,000,000 has been awarded since 2015, supporting patients and families, equipment purchases and program start-ups, and community programs that expand our shared mission. The impact is astounding! Some examples include:

- Chairs and resources for the Fairview Range chemotherapy/infusion center.
- Funding for the Food Insecurity Program, which has resulted in more than 300 boxes of shelf-stable food being distributed to patients in need since October 2020.
- Start-up funding, equipment, and training for new programs including Fairview Range's Orthotics Department and the Rehab Department's Dry Needling therapy, a treatment for management of neuromusculoskeletal pain and movement impairments.
- Staff training and certification, including Alzheimer's Disease and Dementia Care.
- Musical equipment and activity supplies for behavioral health patients resulting in positive, empowering, and unique healing outcomes.
- Student scholarships for future healthcare providers, allowing recipients the opportunity to ease their financial burden and focus more on preparing for a future of caring for others.
- Funding of the "Game Ready Compression and Cold Therapy System" – a cryotherapy tool to aid in reducing pain and swelling and deemed an essential 'best in class' sports medical device that accelerates health from injury and orthopedic surgery.
- Life-saving AED machines were funded and placed throughout our communities.
- Support for community initiatives such as the Youth Mental Health Night; Silver Sneakers Senior Exercise Program; Project Care Free Clinic; peace officers and first responders seminar and training on dealing with on-the-job stress, PTSD, and suicide prevention; Chaplains training; You Matter Bags for children in the North St. Louis County Foster Care System; support through the Kids Kare Fund for children with healthcare challenges; support of local high school Certified Nursing Assistant programs; and more!
- Medical equipment purchases including an EKG machine, MRI non-magnetic prism glasses, anatomical models to improve patient understanding and education, Stryker wheelchairs, a Bilichek meter, an electronic scale for the Pharmacy, Pediatric Physical Therapy equipment, iPads, treadmills, a vein finder, elliptical machines, and much more!

**THANK YOU! Your generous gifts affect every aspect of our mission.**

**On behalf of everyone at the Central Mesabi Medical Foundation, we are grateful for your support, your partnership, and your investment in a healthier future.**



**CENTRAL MESABI  
Medical Foundation**

**30<sup>th</sup> Annual Golf Classic  
July 8, 2024 – Mesaba Country Club**

***Registration Begins at 10:30 a.m. – Shotgun Start at Noon***

We invite you to join us as a sponsor and/or a golfer for this very special 30<sup>th</sup> Anniversary event. As a sponsor, you will be promoting your company to local professionals while helping the efforts of the Central Mesabi Medical Foundation and the good work we do in our community. As a player, you can expect a fun-filled day of golf, camaraderie, and enjoyment.

Participation includes 18 holes of golf in a 4-5 person team scramble format, with lunch, prizes, and on-course contests.

**Sponsorship Opportunities Include:**

**Lunch Sponsorship** - \$1,500. *Includes 4 golfers, 2 golf carts. Premier signage and acknowledgements on the lunch boxes, on the course, in the club house, on the Hospitality Cart, and on the golf carts.*

**Double Eagle** - \$1,000. *Includes 4 golfers, 4 lunches, 2 golf carts. Signage on the course and in the club house, as well as recognition on the golf carts.*

**Eagle** – \$500. *Includes 2 golfers, 2 lunches, and 1 golf cart. Signage on the course and recognition on the golf cart.*

**Hole Sponsor** - \$150. *Includes 1 golfer, 1 lunch, and signage on the course.*

**Individual Golfers** - \$100 per person. *Includes golf and lunch.*

The annual Golf Classic is the Central Mesabi Medical Foundation's largest fundraiser of the year and proceeds directly benefit the important work we do to improve the health and well-being of our patients, families, neighbors, and community. This event is successful solely because of people like you who care about making things better for others.

**If you are unable to attend, please share this invitation with a friend, donate a prize, or consider making a charitable donation.**

For more information, please contact Susan Degnan, Executive Director  
750 East 34<sup>th</sup> Street, Hibbing, MN 55746  
218-312-3034 or Susan.Degnan@Fairview.org

**Thank you for your support! We look forward to seeing you!**





Item 6.A

Item 6.A



## Item 6.A – Approve April and May Interim Monthly Financials

June 21<sup>st</sup>, 2024

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

RE: Item 6.A – Approve April and May 2024 Interim Financials

Dear Commissioners;

As mentioned in the May meeting, HPU Accounting Staff and Baker Tilly worked to present the 2023 Audited Financials in the month of May. As a result, we are now bringing forward the regular monthly financials for the months of April and May.

For the period ending May 31, 2024, HPU reports a net profit of \$1.8 million. This includes operating income of \$1.2 million and non-operating income of \$600K. 2024 Operating income of \$1.2 million compares with operating income of \$760K for this same period last year.

Despite this increase vs 2023, 2024 Operating income is below budget for 2024 caused by lower gas sales due to milder winter and lower market power sales.

Baker Tilly will be attending our Commission Meeting on June 21<sup>st</sup>, and we look forward to answering any additional questions you may have on these interim results.

Sincerely;



Luke J. Peterson



# **Public Utilities Commission**

Financial Statements and  
Supplementary Information

May 31, 2024 and December 31, 2023

# Public Utilities Commission

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May 31, 2024 and December 31, 2023

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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 May 31, 2024 and December 31, 2023 and the related statements of revenues, expenses and changes in net position and cash flows for the five months and year then ended, 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 the following:

- That the component unit, the Laurentian Energy Authority, be blended into the Hibbing Public Utilities Commission's financial statements.
- That the effects of Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions*, and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, be considered and included in the financial statements. Management has not adjusted the balances for May 31, 2024 because actuarial information is not yet available.

The items above have not been completed in accordance with generally accepted accounting principles. The effects of these departures from accounting principles generally accepted in the United States of America on financial position, results of operations and cash flows have not been determined.

Management has elected to omit the management's discussion and analysis, pension-related schedules, and other postemployment benefit-related schedules that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting and for placing the financial statements in an appropriate operational, economic or historical context.

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.

Madison, Wisconsin  
June 21, 2024

# Public Utilities Commission

## Statements of Net Position

May 31, 2024 and December 31, 2023

	<b>May 31, 2024</b>	<b>December 31, 2023</b>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash	\$ 953,982	\$ 2,666,160
Designated cash, other postemployment benefits	250,000	250,000
Investments	40,215,276	34,716,235
Restricted assets:		
Cash held for fuel assistance recipients	11,101	55,566
Cash held for customer deposits	465,228	457,832
Accounts receivable, net of allowance for doubtful accounts of \$104,662 and \$54,000, respectively	2,058,506	2,644,817
Unbilled revenues	2,312,649	2,312,649
Current maturities notes receivable,		
Steam conversion program	44,000	44,000
Current portion of lease receivable	72,715	62,756
Inventories	1,241,838	1,215,047
Prepaid expense	897,136	705,198
	<hr/>	<hr/>
Total current assets	48,522,431	45,130,260
<b>Noncurrent Assets</b>		
Restricted assets:		
Bond reserve account	1,134,702	1,114,431
Net property, plant and equipment	71,990,665	68,717,373
Notes receivable, Steam conversion program	193,151	225,238
Lease receivable	517,719	531,568
Investment in joint venture	909,738	909,029
Regulatory assets	4,053,419	4,031,506
	<hr/>	<hr/>
Total noncurrent assets	78,799,394	75,529,145
	<hr/>	<hr/>
Total assets	127,321,825	120,659,405
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	1,096,135	1,096,135
Related to post-employment benefits liability	1,527,956	1,527,956
Related to the purchase of LEA	195,530	213,590
	<hr/>	<hr/>
Total deferred outflows of resources	2,819,621	2,837,681
	<hr/>	<hr/>
Total assets and deferred outflows of resources	<u>\$ 130,141,446</u>	<u>\$ 123,497,086</u>

# Public Utilities Commission

## Statements of Net Position

May 31, 2024 and December 31, 2023

	<b>May 31, 2024</b>	<b>December 31, 2023</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,790,570	\$ 2,417,917
Accrued expenses	136,894	246,305
Due to City of Hibbing	596,473	557,707
Compensated absences payable	346,037	307,985
Current portion of lease liability	202,007	199,867
Current portion of long-term debt, bonds and notes payable	145,000	145,000
Current liabilities payable from restricted assets:		
Third-party advances for fuel assistance	11,101	55,566
Customer deposits payable	465,228	457,832
 Total current liabilities	 3,693,310	 4,388,179
<b>Noncurrent Liabilities</b>		
Compensated absences payable	929,635	880,521
Total post employment liability	16,128,037	16,128,037
Net pension liability	3,478,154	3,478,154
Long-term debt, bonds and notes payable	5,659,492	155,000
Unamortized discount	(2,094)	(2,674)
Lease liability	372,639	447,592
 Total noncurrent liabilities	 26,565,863	 21,086,630
 Total liabilities	 30,259,173	 25,474,809
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	1,263,352	1,263,352
Related to post-employment benefits liability	4,207,334	4,207,334
Related to leases	590,434	594,324
 Total deferred inflows of resources	 6,061,120	 6,065,010
<b>Net Position</b>		
Net investments in capital assets	66,586,339	68,725,035
Restricted for debt service	161,984	161,984
Unrestricted	27,072,830	23,070,248
 Total net position	 93,821,153	 91,957,267
 Total liabilities, deferred inflows of resources and net position	 \$ 130,141,446	 \$ 123,497,086

# Public Utilities Commission

Statements of Revenues, Expenses and Changes in Net Position  
Five Months Ended May 31, 2024 and Year Ended December 31, 2023

	<b>May 31, 2024</b>	<b>December 31, 2023</b>
<b>Operating Revenue</b>		
Charges for services	\$ 14,691,450	\$ 30,323,571
Other	255,556	542,764
 Total operating revenues	 14,947,006	 30,866,335
<b>Operating Expenses</b>		
Operation and maintenance	12,133,588	26,774,910
Depreciation	1,530,658	4,503,029
 Total operating expenses	 13,664,246	 31,277,939
 Operating income (loss)	 1,282,760	 (411,604)
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	592,063	2,039,017
Miscellaneous nonoperating income (expense)	21,286	(80,411)
Equity in net income of joint venture	709	(621,770)
Interest expense	(32,932)	(47,013)
 Total nonoperating revenues (expenses)	 581,126	 1,289,823
 Income (loss) before contributions	 1,863,886	 878,219
<b>Capital Contributions</b>	 -	 640,245
 Change in net position	 1,863,886	 1,518,464
<b>Net Position, Beginning</b>	 91,957,267	 90,438,803
<b>Net Position, Ending</b>	 \$ 93,821,153	 \$ 91,957,267

# Public Utilities Commission

## Statements of Cash Flows

Five Months Ended May 31, 2024 and Year Ended December 31, 2023

	<b>May 31, 2024</b>	<b>December 31, 2023</b>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 15,561,999	\$ 30,313,373
Distribution from joint venture	-	9,041,666
Principal collected from steam conversion loan program	32,087	59,674
Payments to suppliers	(9,988,288)	(26,183,453)
Payments for payroll and benefits	<u>(2,441,202)</u>	<u>(5,499,487)</u>
Net cash from operating activities	<u>3,164,596</u>	<u>7,731,773</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal payments of general obligation revenue bonds	-	(140,000)
Payments for additions to property, plant and equipment	(5,458,734)	(15,415,725)
Payment for purchase of shares of joint venture	-	(759,890)
Proceeds from debt issued	5,504,492	-
Capital contributions received	-	717,245
Interest paid	<u>(32,352)</u>	<u>(45,621)</u>
Net cash from capital and related financing activities	<u>13,406</u>	<u>(15,643,991)</u>
<b>Cash Flows From Investing Activities</b>		
Investments income received	506,063	1,824,909
Investments matured	-	27,959,295
Investments purchased	<u>(5,433,312)</u>	<u>(25,036,768)</u>
Net cash from financing activities	<u>(4,927,249)</u>	<u>4,747,436</u>
Net change in cash	<u>(1,749,247)</u>	<u>(3,164,782)</u>
<b>Cash, Beginning</b>	<u>3,591,542</u>	<u>6,756,324</u>
<b>Cash, Ending</b>	<u>\$ 1,842,295</u>	<u>\$ 3,591,542</u>
<b>Cash is Presented on the Statements of Net Position</b>		
Cash	\$ 953,982	\$ 2,666,160
Designated cash	250,000	250,000
Restricted assets	<u>1,611,031</u>	<u>1,627,829</u>
Total cash and restricted assets	<u>2,815,013</u>	<u>4,543,989</u>
Less noncash equivalents included in restricted assets	<u>(972,718)</u>	<u>(952,447)</u>
	<u>\$ 1,842,295</u>	<u>\$ 3,591,542</u>

See notes to financial statements

# Public Utilities Commission

## Statements of Cash Flows

Five Months Ended May 31, 2024 and Year Ended December 31, 2023

	<b>May 31, 2024</b>	<b>December 31, 2023</b>
<b>Reconciliation of Operating Income to Net Cash From Operating Activities</b>		
Operating income (loss)	\$ 1,282,760	\$ (411,604)
Adjustments to reconcile operating loss to net cash from operating activities:		
Other nonoperating income (loss)	21,286	(80,411)
Depreciation and amortization	1,530,658	4,503,029
Distributions from joint venture	-	9,041,666
Change in operating assets, deferred outflows or resources, liabilities and deferred inflows of resources:		
Accounts receivable	586,311	(316,069)
Unbilled revenue	-	(256,024)
Other receivable	-	55,555
Inventories	(26,791)	(260,921)
Prepaid expenses	(191,938)	(655,475)
Receivable for steam conversion loan program	32,087	59,674
Lease receivable	-	(594,324)
Regulatory assets	(21,913)	43,620
Deferred outflows of resources	18,060	1,079,580
Accounts payable	(45,376)	(2,065,210)
Compensated absences payable	87,166	208,979
Accrued expenses	(109,411)	(18,466)
Due to City of Hibbing	38,766	(1,120,985)
Third-party advances for fuel assistance	(44,465)	(43,588)
Customer deposits payable	7,396	43,987
Accrued post employment benefits	-	(479,316)
Net pension liability	-	(1,155,065)
Deferred inflows of resources	-	153,141
Net cash from operating activities	<u><u>\$ 3,164,596</u></u>	<u><u>\$ 7,731,773</u></u>
<b>Noncash Capital and Related Financing Activities</b>		
Unrealized gain on investments	<u><u>\$ 86,000</u></u>	<u><u>\$ 214,108</u></u>
Noncash capital additions related to the purchase of LEA	<u><u>\$ -</u></u>	<u><u>\$ 3,857,606</u></u>

See notes to financial statements

## **OTHER INFORMATION**

## Public Utilities Commission

Schedule of Departmental Revenues and Expenses  
 Periods Ended April 30, 2024 and December 31, 2023

	Five Months Ended May 31, 2024				
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 7,186,006	\$ 1,419,628	\$ 4,905,436	\$ 1,180,380	\$ 14,691,450
Other operating revenues	137,520	41,877	41,419	34,740	255,556
Others					
Total operating revenues	<u>7,323,526</u>	<u>1,461,505</u>	<u>4,946,855</u>	<u>1,215,120</u>	<u>14,947,006</u>
<b>Operating Expenses</b>					
Operation and maintenance	7,374,981	1,136,424	2,797,132	825,051	12,133,588
Depreciation	952,352	217,023	72,228	289,055	1,530,658
Total operating expenses	<u>8,327,333</u>	<u>1,353,447</u>	<u>2,869,360</u>	<u>1,114,106</u>	<u>13,664,246</u>
Operating income (loss)	<u>\$ (1,003,807)</u>	<u>\$ 108,058</u>	<u>\$ 2,077,495</u>	<u>\$ 101,014</u>	<u>\$ 1,282,760</u>
Year Ended December 31, 2023					
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 16,491,368	\$ 2,413,350	\$ 8,527,838	\$ 2,891,015	\$ 30,323,571
Other operating revenues	307,047	85,907	89,722	60,088	542,764
Total operating revenues	<u>16,798,415</u>	<u>2,499,257</u>	<u>8,617,560</u>	<u>2,951,103</u>	<u>30,866,335</u>
<b>Operating Expenses</b>					
Operation and maintenance	15,326,259	3,949,754	5,508,515	1,990,382	26,774,910
Depreciation	2,640,215	874,669	370,515	617,630	4,503,029
Total operating expenses	<u>17,966,474</u>	<u>4,824,423</u>	<u>5,879,030</u>	<u>2,608,012</u>	<u>31,277,939</u>
Operating income (loss)	<u>\$ (1,168,059)</u>	<u>\$ (2,325,166)</u>	<u>\$ 2,738,530</u>	<u>\$ 343,091</u>	<u>\$ (411,604)</u>

# Public Utilities Commission

Budget to Actual Comparison

Five Months Ended May 31, 2024

	Actual	Budget	Difference
<b>Operating Revenue</b>			
Electric revenue	\$ 7,323,526	\$ 7,332,339	\$ (8,813)
Steam revenue	1,461,505	1,509,393	(47,888)
Gas revenue	4,946,855	5,621,106	(674,251)
Water revenue	1,215,120	1,134,893	80,227
 Total operating revenues	 14,947,006	 15,597,731	 (650,725)
<b>Operating Expenses</b>			
Electric:			
Operation and maintenance	7,374,981	6,442,853	932,128
Depreciation	952,352	646,648	305,704
 Total electric	 8,327,333	 7,089,501	 1,237,832
Steam:			
Operation and maintenance	1,136,424	1,839,292	(702,868)
Depreciation	217,023	217,938	(915)
 Total steam	 1,353,447	 2,057,230	 (703,783)
Gas:			
Operation and maintenance	2,797,132	2,749,876	47,256
Depreciation	72,228	73,204	(976)
 Total gas	 2,869,360	 2,823,080	 46,280
Water:			
Operation and maintenance	825,051	790,611	34,440
Depreciation	289,055	273,215	15,840
 Total water	 1,114,106	 1,063,826	 50,280
 Total operating expenses	 13,664,246	 13,033,637	 630,609
<b>Operating Income (Loss)</b>			
Electric	(1,003,807)	242,838	(1,246,645)
Steam	108,058	(547,837)	655,895
Gas	2,077,495	2,798,026	(720,531)
Water	101,014	71,067	29,947
 Total operating income (loss)	 \$ 1,282,760	 \$ 2,564,094	 \$ (1,281,334)

# **Public Utilities Commission**

Financial Statements and  
Supplementary Information

April 30, 2024 and December 31, 2023

# Public Utilities Commission

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## Accountants' Compilation Report

To the Board of Directors of  
Hibbing Public Utilities Commission

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The items above have not been completed in accordance with generally accepted accounting principles. The effects of these departures from accounting principles generally accepted in the United States of America on financial position, results of operations and cash flows have not been determined.

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

*Baker Tilly US, LLP*

Madison, Wisconsin  
May 24, 2024

# Public Utilities Commission

## Statements of Net Position

April 30, 2024 and December 31, 2023

	April 30, 2024	December 31, 2023
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash	\$ 1,310,230	\$ 2,666,160
Designated cash, other post-employment benefits	250,000	250,000
Investments	40,079,403	34,716,235
Restricted assets:		
Cash held for fuel assistance recipients	25,191	55,566
Cash held for customer deposits	461,417	457,832
Accounts receivable, net of allowance for doubtful accounts of \$83,500 and \$54,000, respectively	2,532,234	2,644,817
Unbilled revenues	2,312,649	2,312,649
Current maturities notes receivable,		
Steam conversion program	44,000	44,000
Current portion of lease receivable	72,699	62,756
Inventories	1,218,472	1,215,047
Prepaid expense	1,008,580	705,198
	<hr/>	<hr/>
Total current assets	49,314,875	45,130,260
<b>Noncurrent Assets</b>		
Restricted assets:		
Bond reserve account	1,130,597	1,114,431
Net property, plant and equipment	71,035,457	68,717,373
Notes receivable, Steam conversion program	198,731	225,238
Lease receivable	518,515	531,568
Investment in joint venture	910,381	909,029
Regulatory assets	4,035,352	4,031,506
	<hr/>	<hr/>
Total noncurrent assets	77,829,033	75,529,145
	<hr/>	<hr/>
Total assets	127,143,908	120,659,405
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	1,096,135	1,096,135
Related to post-employment benefits liability	1,527,956	1,527,956
Related to the purchase of LEA	199,142	213,590
	<hr/>	<hr/>
Total deferred outflows of resources	2,823,233	2,837,681
	<hr/>	<hr/>
Total assets and deferred outflows of resources	\$ 129,967,141	\$ 123,497,086

# Public Utilities Commission

## Statements of Net Position

April 30, 2024 and December 31, 2023

	April 30, 2024	December 31, 2023
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 1,813,981	\$ 2,417,917
Accrued expenses	89,821	246,305
Due to City of Hibbing	594,922	557,707
Compensated absences payable	352,632	307,985
Current portion of lease liability	201,577	199,867
Current portion of long-term debt, bonds and notes payable	145,000	145,000
Current liabilities payable from restricted assets:		
Third-party advances for fuel assistance	25,191	55,566
Customer deposits payable	461,417	457,832
 Total current liabilities	 3,684,541	 4,388,179
<b>Noncurrent Liabilities</b>		
Compensated absences payable	902,720	880,521
Total post employment liability	16,128,037	16,128,037
Net pension liability	3,478,154	3,478,154
Long-term debt, bonds and notes payable	5,729,492	155,000
Unamortized discount	(2,210)	(2,674)
Lease liability	387,702	447,592
 Total noncurrent liabilities	 26,623,895	 21,086,630
 Total liabilities	 30,308,436	 25,474,809
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	1,263,352	1,263,352
Related to post-employment benefits liability	4,207,334	4,207,334
Related to leases	591,214	594,324
 Total deferred inflows of resources	 6,061,900	 6,065,010
<b>Net Position</b>		
Net investments in capital assets	65,542,509	68,725,035
Restricted for debt service	161,984	161,984
Unrestricted	27,892,312	23,070,248
 Total net position	 93,596,805	 91,957,267
 Total liabilities, deferred inflows of resources and net position	 \$ 129,967,141	 \$ 123,497,086

# Public Utilities Commission

Statements of Revenues, Expenses and Changes in Net Position  
Four Months Ended April 30, 2024 and Year Ended December 31, 2023

	<b>April 30, 2024</b>	<b>December 31, 2023</b>
<b>Operating Revenue</b>		
Charges for services	\$ 12,460,376	\$ 30,323,571
Other	209,103	542,764
 Total operating revenues	 12,669,479	 30,866,335
<b>Operating Expenses</b>		
Operation and maintenance	10,165,535	26,774,910
Depreciation	1,236,456	4,503,029
 Total operating expenses	 11,401,991	 31,277,939
 Operating income (loss)	 1,267,488	 (411,604)
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	451,319	2,039,017
Miscellaneous nonoperating income (expense)	19,594	(80,411)
Equity in net income of joint venture	1,352	(621,770)
Interest expense	(100,215)	(47,013)
 Total nonoperating revenues (expenses)	 372,050	 1,289,823
 Income (loss) before contributions	 1,639,538	 878,219
<b>Capital Contributions</b>	 -	 640,245
 Change in net position	 1,639,538	 1,518,464
<b>Net Position, Beginning</b>	 91,957,267	 90,438,803
<b>Net Position, Ending</b>	 \$ 93,596,805	 \$ 91,957,267

# Public Utilities Commission

## Statements of Cash Flows

Four Months Ended April 30, 2024 and Year Ended December 31, 2023

	<u>April 30, 2024</u>	<u>December 31, 2023</u>
<b>Cash Flows From Operating Activities</b>		
Receipts from customers	\$ 12,805,241	\$ 30,313,373
Distribution from joint venture	-	9,041,666
Principal collected from steam conversion loan program	26,507	59,674
Payments to suppliers	(8,568,403)	(26,183,453)
Payments for payroll and benefits	<u>(1,998,100)</u>	<u>(5,499,487)</u>
Net cash from operating activities	<u>2,265,245</u>	<u>7,731,773</u>
<b>Cash Flows From Capital and Related Financing Activities</b>		
Principal payments of general obligation revenue bonds	-	(140,000)
Payments for additions to property, plant and equipment	(4,194,691)	(15,415,725)
Payment for purchase of shares of joint venture	-	(759,890)
Proceeds from debt issued	5,574,492	-
Capital contributions received	-	717,245
Interest paid	<u>(99,751)</u>	<u>(45,621)</u>
Net cash from capital and related financing activities	<u>1,280,050</u>	<u>(15,643,991)</u>
<b>Cash Flows From Investing Activities</b>		
Investments income received	390,819	1,824,909
Investments matured	-	27,959,295
Investments purchased	<u>(5,318,834)</u>	<u>(25,036,768)</u>
Net cash from financing activities	<u>(4,928,015)</u>	<u>4,747,436</u>
Net change in cash	<u>(1,382,720)</u>	<u>(3,164,782)</u>
<b>Cash, Beginning</b>	<u>3,591,542</u>	<u>6,756,324</u>
<b>Cash, Ending</b>	<u>\$ 2,208,822</u>	<u>\$ 3,591,542</u>
<b>Cash is Presented on the Statements of Net Position</b>		
Cash	\$ 1,310,230	\$ 2,666,160
Designated cash	250,000	250,000
Restricted assets	<u>1,617,205</u>	<u>1,627,829</u>
Total cash and restricted assets	3,177,435	4,543,989
Less noncash equivalents included in restricted assets	<u>(968,613)</u>	<u>(952,447)</u>
	<u>\$ 2,208,822</u>	<u>\$ 3,591,542</u>

See notes to financial statements

# Public Utilities Commission

## Statements of Cash Flows

Four Months Ended April 30, 2024 and Year Ended December 31, 2023

	<u>April 30, 2024</u>	<u>December 31, 2023</u>
<b>Reconciliation of Operating Income to Net Cash From Operating Activities</b>		
Operating income (loss)	\$ 1,267,488	\$ (411,604)
Adjustments to reconcile operating loss to net cash from operating activities:		
Other nonoperating income (loss)	19,594	(80,411)
Depreciation and amortization	1,236,456	4,503,029
Distributions from joint venture	-	9,041,666
Change in operating assets, deferred outflows or resources, liabilities and deferred inflows of resources:		
Accounts receivable	112,583	(316,069)
Unbilled revenue	-	(256,024)
Other receivable	-	55,555
Inventories	(3,425)	(260,921)
Prepaid expenses	(303,382)	(655,475)
Receivable for steam conversion loan program	26,507	59,674
Lease receivable	-	(594,324)
Regulatory assets	(3,846)	43,620
Deferred outflows of resources	14,448	1,079,580
Accounts payable	(21,965)	(2,065,210)
Compensated absences payable	66,846	208,979
Accrued expenses	(156,484)	(18,466)
Due to City of Hibbing	37,215	(1,120,985)
Third-party advances for fuel assistance	(30,375)	(43,588)
Customer deposits payable	3,585	43,987
Accrued post employment benefits	-	(479,316)
Net pension liability	-	(1,155,065)
Deferred inflows of resources	-	153,141
Net cash from operating activities	<u><u>\$ 2,265,245</u></u>	<u><u>\$ 7,731,773</u></u>
<b>Noncash Capital and Related Financing Activities</b>		
Unrealized gain on investments	<u><u>\$ 60,500</u></u>	<u><u>\$ 214,108</u></u>
Noncash capital additions related to the purchase of LEA	<u><u>\$ -</u></u>	<u><u>\$ 3,857,606</u></u>

See notes to financial statements

## **OTHER INFORMATION**

## Public Utilities Commission

Schedule of Departmental Revenues and Expenses  
 Periods Ended April 30, 2024 and December 31, 2023

	Four Months Ended April 30, 2024				
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 5,869,018	\$ 1,272,021	\$ 4,371,421	\$ 947,916	\$ 12,460,376
Other operating revenues	114,152	33,968	34,058	26,925	209,103
Others					
Total operating revenues	5,983,170	1,305,989	4,405,479	974,841	12,669,479
<b>Operating Expenses</b>					
Operation and maintenance	6,047,885	947,220	2,545,816	624,614	10,165,535
Depreciation	770,177	173,608	57,776	234,895	1,236,456
Total operating expenses	6,818,062	1,120,828	2,603,592	859,509	11,401,991
Operating income (loss)	\$ (834,892)	\$ 185,161	\$ 1,801,887	\$ 115,332	\$ 1,267,488
	Year Ended December 31, 2023				
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 16,491,368	\$ 2,413,350	\$ 8,527,838	\$ 2,891,015	\$ 30,323,571
Other operating revenues	307,047	85,907	89,722	60,088	542,764
Total operating revenues	16,798,415	2,499,257	8,617,560	2,951,103	30,866,335
<b>Operating Expenses</b>					
Operation and maintenance	15,326,259	3,949,754	5,508,515	1,990,382	26,774,910
Depreciation	2,640,215	874,669	370,515	617,630	4,503,029
Total operating expenses	17,966,474	4,824,423	5,879,030	2,608,012	31,277,939
Operating income (loss)	\$ (1,168,059)	\$ (2,325,166)	\$ 2,738,530	\$ 343,091	\$ (411,604)

# Public Utilities Commission

Budget to Actual Comparison

Four Months Ended April 30, 2024

	Actual	Budget	Difference
<b>Operating Revenue</b>			
Electric revenue	\$ 5,983,170	\$ 6,165,853	\$ (182,683)
Steam revenue	1,305,989	1,362,848	(56,859)
Gas revenue	4,405,479	4,992,484	(587,005)
Water revenue	974,841	913,120	61,721
 Total operating revenues	 12,669,479	 13,434,305	 (764,826)
<b>Operating Expenses</b>			
Electric:			
Operation and maintenance	6,047,885	5,232,795	815,090
Depreciation	770,177	517,318	252,859
 Total electric	 6,818,062	 5,750,113	 1,067,949
Steam:			
Operation and maintenance	947,220	1,514,430	(567,210)
Depreciation	173,608	174,350	(742)
 Total steam	 1,120,828	 1,688,780	 (567,952)
Gas:			
Operation and maintenance	2,545,816	2,534,722	11,094
Depreciation	57,776	58,563	(787)
 Total gas	 2,603,592	 2,593,285	 10,307
Water:			
Operation and maintenance	624,614	631,448	(6,834)
Depreciation	234,895	218,572	16,323
 Total water	 859,509	 850,020	 9,489
 Total operating expenses	 11,401,991	 10,882,198	 519,793
<b>Operating Income (Loss)</b>			
Electric	(834,892)	415,740	(1,250,632)
Steam	185,161	(325,932)	511,093
Gas	1,801,887	2,399,199	(597,312)
Water	115,332	63,100	52,232
 Total operating income (loss)	 \$ 1,267,488	 \$ 2,552,107	 \$ (1,284,619)



Item 6.B

Item 6.B



## Item 6.B – Approve Scope and Fee for 2024 Rate Study

June 21<sup>st</sup>, 2024

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

RE: Item 6.B – Approve Scope and Fee for 2024 Rate Study

Dear Commissioners;

As required by the 2023 PFA Issuance, the Commission is required to perform a rate study by a municipal advisor within the calendar year 2024.

Attached for your review is the scope and fee letter for Baker Tilly to perform this study by way of a '2025 test year' which will require generating HPU's 2025 budget during the same time period.

Furthermore, attached for your review is 2023 PFA Closing Resolutions, that required this rate study. As you will recall, the PFA loans received in 2023 and planned for 2024 have resulted in interest rates of 2% on approximately \$20 million for water infrastructure, which will save rate payers over \$2 million per year interest expense versus market rate financing.

This rate study will be a helpful tool in advising the Commission on the appropriate rate levels as provide expert opinion as we can continue to seek external financing and grants for continuing the utility's needed infrastructure renewal projects.

For this reason, I recommend approval of the Baker Tilly Scope and Fee Letter not to exceed \$97,000.

Sincerely;



Luke J. Peterson



Baker Tilly Advisory Group, LP  
4807 Innovate Lane,  
PO Box 7398  
Madison, WI, 53707-7398  
United States of America

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[bakertilly.com](http://bakertilly.com)

June 14, 2024

Luke Peterson  
General Manager  
Hibbing Public Utilities  
Hibbing, MN 55746

Dear Mr. Peterson:

Thank you for using Baker Tilly Advisory Group, LP ("Baker Tilly" or "Consultant") as your accountants and business advisors. Based on our understanding of the Utilities' project needs, for your review, the following is an engagement letter detailing the scope of the services Baker Tilly will provide. We look forward to assisting the utilities with this project.

### **Scope of Services**

The services we provide under the Engagement Letter will be directed by the Utilities' management. Baker Tilly will perform a rate study for the water utility, and a separate study for the electric, gas and steam utilities, as detailed below.

### **Water Rate Study**

The following outlines the process for completing the water rate study:

- > Obtain and analyze historical information, document assumptions regarding growth and costs, summarize and classify nonroutine plant additions, and forecast sales for the 2025 test year.
- > Forecast sales, expenses for 2025 (test year) to support the rate study, including supplemental information related to cash flows and debt coverage to support the requested rate of return.
- > Provide draft study to management for their review. Incorporate management's comments into study.
- > Meet with the governing body and the City of Hibbing to review the study.
- > Prepare a cost of service study allocating the components of the revenue requirement to rate the design parameters.
- > Develop proposed rates based upon the cost of service study and management directions.
- > Meet with the governing body and the City of Hibbing to review the study.
- > Review of the final rate study and assistance with implementation of the new rate structure.

### **Electric, Gas and Steam Rate Studies**

The following outlines the process for completing the water rate study:

- > Obtain and analyze historical information, document assumptions regarding growth and costs, summarize and classify nonroutine plant additions, and forecast sales for the 2025 test year.
- > Forecast sales, expenses for 2025 (test year) to support the rate study, including supplemental information related to cash flows and debt coverage to support the requested rate of return.
- > Allocate operational costs across utilities.
- > Provide draft study to management for their review. Incorporate management's comments into study.
- > Meet with the governing body to review the study.
- > Prepare a cost of service study allocating the components of the revenue requirement to rate the design parameters.
- > Develop proposed rates based upon the cost of service study and management directions.
- > Meet with the governing body to review the study.
- > Review of the final rate study and assistance with implementation of the new rate structure.

None of these services can be relied on to detect errors, fraud, or illegal acts that may exist; however, we will inform the appropriate level of management of any material errors that come to our attention and any fraud or illegal acts that come to our attention, unless they are clearly inconsequential. In addition, we have no responsibility to identify and communicate significant deficiencies or material weaknesses in your internal controls as part of this engagement. Our services under this contract do not constitute an audit of any information. We will not be verifying the accuracy of underlying data or your internal records.

### **Timing, Staffing and Fees**

We are prepared to begin work upon your authorization. Amounts will be invoiced based on time incurred related to the tasks described. An estimate of the hours required and estimated billings are below. If we anticipate we will incur costs above this amount that will be communicated to you.

Project	Estimated Hours	Fees
Water Rate Study	80	\$31,000
Electric, Gas & Steam Rate Study	170	\$66,000
<b>Total</b>	<b>250</b>	<b>\$97,000</b>

Baker Tilly Advisory Group, LP will provide monthly invoice billing. All invoices are due within 30 days of invoice date. All unpaid invoices will accrue 1% late payment charges monthly.

Travel and out-of-pocket expenses are in addition to these amounts and will be itemized separately and will always be billed at actual cost with no mark-up.

Any additional services that may be requested and we agree to provide will be the subject of separate arrangements. We will, of course, be happy to provide the Hibbing Public Utilities with any other services you may find necessary or desirable.

Luke Peterson, General Manager  
Hibbing Public Utilities

June 14, 2024  
Page 3

If this is in agreement with your understanding, please sign below and return one copy to us for our files. We look forward to working with you on this important project.

Sincerely,

BAKER TILLY ADVISORY GROUP, LP



The services and terms as set forth in this Engagement Letter are agreed to by:

---

Official's Name

---

Official's Signature

---

Title

---

Date

# Baker Tilly Advisory Group, LP

## Standard Business Terms

These Standard Business Terms ("Terms") govern the services provided by Baker Tilly Advisory Group, LP (Baker Tilly, we, us or our) set forth in the letter defining the scope of work (the "Letter") to which these Terms are attached (the "Services"). These Terms and any applicable online terms and conditions or terms of use ("Online Terms") related to online products or services made available to Company by Baker Tilly ("Online Offering"), together with the Letter to which they are attached, constitute the entire understanding and agreement between the client identified on such Letter (the "Client") and Baker Tilly with respect to the Services described in the Letter (collectively, the Letter and these Terms are referred to as the "Agreement") and supersede and incorporate all prior or contemporaneous representations, understandings or agreements, and may not be modified or amended except by an agreement in writing signed between the parties hereto. For clarity and avoidance of doubt, the terms of this Engagement Letter govern Baker Tilly's provision of the services described herein, and the Online Terms govern Company's use of the Online Offering. This Agreement's provisions shall not be deemed modified or amended by the conduct of the parties. If there is a conflict between these Terms and the terms of any Letter, these Terms shall govern.

### **Section 1. Confidentiality**

With respect to this Agreement and any information supplied in connection with this Agreement and designated by the disclosing party (the "Disclosing Party") as "Confidential Information" either by marking it as "confidential" prior to disclosure to the receiving party (the "Recipient") or, if such information is disclosed orally or by inspection, then by indicating to the Recipient that the information is confidential at the time of disclosure and confirming in writing to the Recipient, the confidential nature of the information within ten (10) business days of such disclosure, the Recipient agrees to: (i) protect the Confidential Information in the same manner in which it protects its confidential information of like importance, but in no case using less than reasonable care; (ii) use the Confidential Information only to perform its obligations under this Agreement; and (iii) reproduce Confidential Information only as required to perform its obligations under this Agreement. This section shall not apply to information which is (A) publicly known, (B) already known to the recipient, (C) disclosed by Recipient to a third party without restriction, (D) independently developed, or (E) disclosed pursuant to legal requirement or order, or as is required by regulations or professional standards governing the Services performed. Subject to the foregoing, Baker Tilly may disclose Client's Confidential Information to its subcontractors and subsidiaries.

### **Section 2. Deliverables**

(a) Notwithstanding the above and solely with respect to ownership of deliverables in this Section, unless specified otherwise on the applicable Letter, materials specifically prepared by Baker Tilly for Client as a deliverable under a Letter (each a "Deliverable") may, when fully paid for by Client, be used, copied, distributed internally, and modified by Client but solely for its internal business purposes. Client shall not, without Baker Tilly's prior written consent, disclose to a third party, publicly quote or make reference to the Deliverables. Baker Tilly shall retain all right, title and interest in and to: (i) the Deliverables, including but not limited to, all patent, copyright, trademark and other intellectual property rights therein; and (ii) all methodologies, processes, techniques, ideas, concepts, trade secrets and know-how embodied in the Deliverables or that Baker Tilly may develop or supply in connection with this Agreement (the "Baker Tilly Knowledge"). Subject to the confidentiality restrictions contained in Section 1, Baker Tilly may use the Deliverables and the Baker Tilly Knowledge for any purpose.

(b) The documentation for this engagement, including the workpapers, is not part of the Deliverables, is the property of Baker Tilly and constitutes confidential information. We may have a responsibility to retain the documentation for a period of time sufficient to satisfy any applicable legal or regulatory requirements for records retention. Baker Tilly does not retain any original client records and we will return such records to you at the completion of the Services rendered under this engagement. When such records are returned to you, it is the Company's responsibility to retain and protect its accounting and other business records for future use, including potential review by any government or other regulatory agencies. By your signature below, you acknowledge and agree that, upon the expiration of the documentation retention period, Baker Tilly shall be free to destroy our workpapers related to this engagement. If we are required by law, regulation or professional standards to make certain documentation available to Regulators, Client hereby authorizes us to do so.

### **Section 3. Acceptance**

Client shall accept Deliverables which (i) substantially conform to the specifications in the Letter or (ii) where applicable, successfully complete the mutually agreed to acceptance test plan described in the Letter. Client will promptly give Baker Tilly written notification of any nonconformance of the Deliverables with such requirements (Nonconformance) within thirty (30) days following delivery of such Deliverables, and Baker Tilly shall have a reasonable period of time,

based on the severity and complexity of the Nonconformance, to correct the Nonconformance so that the Deliverables substantially conform to the specifications. If Client uses the Deliverable before acceptance, fails to promptly notify Baker Tilly of any Nonconformance within such 30-day period, or delays the beginning of acceptance testing more than five (5) business days past the agreed upon date for the start of such acceptance testing as specified or otherwise determined under the Letter, then the Deliverable shall be deemed irrevocably accepted by the Client.

### **Section 4. Standards of Performance**

Baker Tilly shall perform its Services in conformity with the terms expressly set forth in this Agreement. Accordingly, our Services shall be evaluated on our substantial conformance with such terms and standards. Any claim of nonconformance (and applicability of such standards) must be clearly and convincingly shown. Client acknowledges that the Services will involve the participation and cooperation of management and others of Client. Unless required by professional standards or Client and Baker Tilly otherwise agree in writing, Baker Tilly shall have no responsibility to update any of its work after its completion.

### **Section 5. Warranty**

(a) Each party represents and warrants to the other that it has full power and authority to enter into and perform this Agreement and any Letter entered into pursuant hereto and the person signing this Agreement or such Letter on behalf of each party hereto has been properly authorized and empowered to enter into this Agreement.

(b) Client warrants that it has the legal right and authority, and will continue to have the legal right and authority during the term of this Agreement, to operate, configure, provide, place, install, upgrade, add, maintain and repair (and authorize Baker Tilly to do any of the foregoing to the extent the same are included in the Services) the hardware, software and data that comprises any of Client's information technology system upon which or related to which Baker Tilly provides Services under this Agreement.

(c) Baker Tilly warrants that any Services that it provides to Client under this Agreement and any Letter will be performed in accordance with generally accepted industry standards of care and competence. Client's sole and exclusive remedy for a breach of Baker Tilly's warranty will be for Baker Tilly, in its sole discretion, to either: (i) use its reasonable commercial efforts to re-perform or correct the Services, or (ii) refund the fee Client paid for the Services that are in breach of Baker Tilly's warranty. Client must make a claim for breach of warranty in writing within thirty (30) days of the date that the Services that do not comply with Baker Tilly's warranty are performed. This warranty is voided in the event that Client makes alterations to the Services provided by Baker Tilly or to the environment in which the Services are used (including the physical, network and systems environments) that are not authorized in writing by Baker Tilly. If Client does not notify Baker Tilly of a breach of Baker Tilly's warranty during that 30-day period, Client will be deemed to have irrevocably accepted the Services.

(d) Baker Tilly does not warrant any third-party product (each, a Product). All Products are provided to Client by Baker Tilly "AS IS." Baker Tilly will, to the extent it is allowed to by its vendors, pass through any warranties and indemnifications provided by the manufacturer of the Product. Client, recognizing that Baker Tilly is not the manufacturer of any Product, expressly waives any claim that Client may have against Baker Tilly based upon any product liability or infringement or alleged infringement of any patent, copyright, trade secret or other intellectual property right (each a Claim) with respect to any Product and also waives any right to indemnification from Baker Tilly against any such Claim made against Client by another. Client acknowledges that no employee of Baker Tilly or any other party is authorized to make any representation or warranty on behalf of Baker Tilly that is not in this Agreement.

## Baker Tilly Advisory Group, LP Standard Business Terms (cont.)

(e) This section 5 is Baker Tilly's only warranty concerning the Services and any deliverable, and is made expressly in lieu of all other warranties and representations, express or implied, including any implied warranties of merchantability, ACCURACY, TITLE, noninfringement or fitness for a particular purpose, or otherwise.

### **Section 6. Limitation on Damages and Indemnification**

(a) The liability (including attorney's fees and all other costs) of Baker Tilly and its present or former partners, principals, agents or employees related to any claim for damages relating to the Services performed under this Agreement shall not exceed the fees paid to Baker Tilly for the portion of the work to which the claim relates, except to the extent finally determined to have resulted from the willful misconduct or fraudulent behavior of Baker Tilly relating to such Services. This limitation of liability is intended to apply to the full extent allowed by law, regardless of the grounds or nature of any claim asserted, including the negligence of either party. Additionally, in no event shall either party be liable for any lost profits, lost business opportunity, lost data, consequential, special, incidental, exemplary or punitive damages, delays, interruptions or viruses arising out of or related to this Agreement even if the other party has been advised of the possibility of such damages.

(b) As Baker Tilly is performing the Services solely for the benefit of Client, Client will indemnify Baker Tilly, its subsidiaries and their present or former partners, principals, employees, officers and agents against all costs, fees, expenses, damages and liabilities (including attorneys' fees and all defense costs) associated with any third-party claim, relating to or arising as a result of the Services, Client's use of the Deliverables, or this Agreement.

(c) In the event Baker Tilly is requested by the Client; or required by government regulation, subpoena or other legal process to produce our engagement working papers or its personnel as witnesses with respect to its Services rendered for the Client, so long as Baker Tilly is not a party to the proceeding in which the information is sought, Client will reimburse Baker Tilly for its professional time and expenses, as well as the fees and legal expenses, incurred in responding to such a request.

(d) Because of the importance of the information that Client provides to Baker Tilly with respect to Baker Tilly's ability to perform the Services, Client hereby releases Baker Tilly and its present and former partners, principals, agents and employees from any liability, damages, fees, expenses and costs, including attorney's fees, relating to the Services, that arise from or relate to any information, including representations by management, provided by Client, its personnel or agents, that is not complete, accurate or current, whether or not management knew or should have known that such information was not complete, accurate or current.

(e) Each party recognizes and agrees that the warranty disclaimers and liability and remedy limitations in this Agreement are material bargained for bases of this Agreement and that they have been taken into account and reflected in determining the consideration to be given by each party under this Agreement and in the decision by each party to enter into this Agreement.

(f) The terms of this Section 6 shall apply regardless of the nature of any claim asserted (including, but not limited to, contract, tort or any form of negligence, whether of Client, Baker Tilly or others), but these Terms shall not apply to the extent finally determined to be contrary to the applicable law or regulation. These Terms shall also continue to apply after any termination of this Agreement.

(g) Client accepts and acknowledges that any legal proceedings arising from or in conjunction with the Services provided under this Agreement must be commenced within twelve (12) months after the performance of the Services for which the action is brought, without consideration as to the time of discovery of any claim or any other statutes of limitations or repose.

### **Section 7. Personnel**

During the term of this Agreement, and for a period of six (6) months following the expiration or termination thereof, neither party will actively solicit the employment of the personnel of the other party involved directly with providing Services hereunder. Both parties acknowledge that the fee for hiring personnel from the other party, during the project term and within six months following completion, will be a fee equal to the hired person's annual salary at the time of the violation so as to reimburse the party for the costs of hiring and training a replacement.

### **Section 8. Data Privacy and Security**

(a) To the extent the Services require Baker Tilly to receive personal data or personal information from Client, Baker Tilly may process, and

engage subcontractors to assist with processing, any personal data or personal information, as those terms are defined in applicable privacy laws. Baker Tilly's processing shall be in accordance with the requirements of the applicable privacy laws relevant to the processing in providing Services hereunder, including Services performed to meet the business purposes of the Client, such as Baker Tilly's tax, advisory, and other consulting services. Applicable privacy laws may include any local, state, federal or international laws, standards, guidelines, policies or regulations governing the collection, use, disclosure, sharing or other processing of personal data or personal information with which Baker Tilly or its Clients must comply. Such privacy laws may include (i) the EU General Data Protection Regulation 2016/679 (GDPR); (ii) the California Consumer Privacy Act of 2018 (CCPA); and/or (iii) other laws regulating marketing communications, requiring security breach notification, imposing minimum security requirements, requiring the secure disposal of records, and other similar requirements applicable to the processing of personal data or personal information. Baker Tilly is acting as a Service Provider/Data Processor, as those terms are defined respectively under the CCPA/GDPR, in relation to Client personal data and personal information. As a Service Provider/Data Processor processing personal data or personal information on behalf of Client, Baker Tilly shall, unless otherwise permitted by applicable privacy law, (a) follow Client instructions; (b) not sell personal data or personal information collected from the Client or share the personal data or personal information for purposes of targeted advertising; (c) process personal data or personal information solely for purposes related to the Client's engagement and not for Baker Tilly's own commercial purposes; and (d) cooperate with and provide reasonable assistance to Client to ensure compliance with applicable privacy laws. Client is responsible for notifying Baker Tilly of any applicable privacy laws the personal data or personal information provided to Baker Tilly is subject to, and Client represents and warrants it has all necessary authority (including any legally required consent from individuals) to transfer such information and authorize Baker Tilly to process such information in connection with the Services described herein. Client further understands Baker Tilly US, LLP and Baker Tilly Advisory Group, LP may co-process Client data as necessary to perform the Services, pursuant to the alternative practice structure in place between the two entities. Baker Tilly is responsible for notifying Client if Baker Tilly becomes aware that it can no longer comply with any applicable privacy law and, upon such notice, shall permit Client to take reasonable and appropriate steps to remediate personal data or personal information processing. Client agrees that Baker Tilly has the right to utilize Client data to improve internal processes and procedures and to generate aggregated/de-identified data from the data provided by Client to be used for Baker Tilly business purposes and with the outputs owned by Baker Tilly. For clarity, Baker Tilly will only disclose aggregated/de-identified data in a form that does not identify Client, Client employees, or any other individual or business entity and that is stripped of all persistent identifiers. Client is not responsible for Baker Tilly's use of aggregated/de-identified data.

(b) Baker Tilly has established information security related operational requirements that support the achievement of our information security commitments, relevant information security related laws and regulations, and other information security related system requirements. Such requirements are communicated in Baker Tilly's policies and procedures, system design documentation, and contracts with customers. Information security policies have been implemented that define our approach to how systems and data are protected. Client is responsible for providing timely written notification to Baker Tilly of any additions, changes or removals of access for Client personnel to Baker Tilly provided systems or applications. If Client becomes aware of any known or suspected information security or privacy related incidents or breaches related to this Agreement, Client should timely notify Baker Tilly via email at dataprotectionofficer@bakertilly.com.

# Baker Tilly Advisory Group, LP

## Standard Business Terms (cont.)

### **Section 9. Termination**

(a) This Agreement may be terminated at any time by either party upon written notice to the other. However, upon termination of this Agreement, this Agreement will continue to remain in effect with respect to any Letter(s) already issued at the time of such termination, until such Letters are themselves either terminated or the performance thereunder is completed.

(b) This Agreement and all Letters may be terminated by either party effective immediately and without notice, upon: (i) the dissolution, termination of existence, liquidation or insolvency of the other party, (ii) the appointment of a custodian or receiver for the other party, (iii) the institution by or against the other party of any proceeding under the United States Bankruptcy Code or any other foreign, federal or state bankruptcy, receivership, insolvency or other similar law affecting the rights of creditors generally, or (iv) the making by the other party of any assignment for the benefit of creditors.

(c) Client shall pay Baker Tilly for all Services rendered and expenses incurred as of the date of termination, and shall reimburse Baker Tilly for all reasonable costs associated with any termination. In the event that collection procedures are required, the Company agrees to be responsible for all expenses of collection including related attorneys' fees.

(d) Any rights and duties of the parties that by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, limitation of liability, confidentiality, ownership of work product, and survival of obligations, any accrued rights to payment and remedies for breach of this Agreement shall survive the expiration or termination of this Agreement or any Letter.

### **Section 10. Dispute Resolution**

(a) Except for disputes related to confidentiality or intellectual property rights, all disputes and controversies between the parties hereto of every kind and nature arising out of or in connection with this Agreement as to the existence, construction, validity, interpretation or meaning, performance, nonperformance, enforcement, operation, breach, continuation or termination of this Agreement shall be resolved as set forth in this Section using the following procedure: In the unlikely event that differences concerning the Services or fees should arise that are not resolved by mutual agreement, both parties agree to attempt in good faith to settle the dispute by engaging in mediation administered by the American Arbitration Association under its mediation rules for professional accounting and related services disputes before resorting to litigation or any other dispute-resolution procedure. Each party shall bear their own expenses from mediation and the fees and expenses of the mediator shall be shared equally by the parties. If the dispute is not resolved by mediation, then the parties agree that the dispute or claim shall be settled by binding arbitration. The arbitration proceeding shall take place in the city in which the Baker Tilly office providing the relevant Services is located, unless the parties mutually agree to a different location. The proceeding shall be governed by the provisions of the Federal Arbitration Act (FAA) and will proceed in accordance with the then current Arbitration Rules for Professional Accounting and Related Disputes of the AAA, except that no prehearing discovery shall be permitted unless specifically authorized by the arbitrator. The arbitrator will be selected from AAA, JAMS, the Center for Public Resources, or any other internationally or nationally-recognized organization mutually agreed upon by the parties. Potential arbitrator names will be exchanged within 15 days of the parties' agreement to settle the dispute or claim by binding arbitration, and arbitration will thereafter proceed expeditiously. Any issue concerning the extent to which any dispute is subject to arbitration, or concerning the applicability, interpretation or enforceability of any of these procedures, shall be governed by the FAA and resolved by the arbitrators. The arbitration will be conducted before a single arbitrator, experienced in accounting and auditing matters. The arbitrator shall have no authority to award nonmonetary or equitable relief and will not have the right to award punitive damages or statutory awards. Furthermore, in no event shall the arbitrator have power to make an award that would be inconsistent with the Engagement Letter or any amount that could not be made or imposed by a court deciding the matter in the same jurisdiction. The award of the arbitration shall be in writing and shall be accompanied by a well reasoned opinion. The award issued by the arbitrator may be confirmed in a judgment by any federal or state court of competent jurisdiction. Discovery shall be permitted in arbitration only to the extent, if any, expressly authorized by the arbitrator(s) upon a showing of substantial need. Each party shall be

responsible for their own costs associated with the arbitration, except that the costs of the arbitrator shall be equally divided by the parties. Both parties agree and acknowledge that they are each giving up the right to have any dispute heard in a court of law before a judge and a jury, as well as any appeal. The arbitration proceeding and all information disclosed during the arbitration shall be maintained as confidential, except as may be required for disclosure to professional or regulatory bodies or in a related confidential arbitration. The arbitrator(s) shall apply the limitations period that would be applied by a court deciding the matter in the same jurisdiction, including the contractual limitations set forth in this Engagement Letter, and shall have no power to decide the dispute in any manner not consistent with such limitations period. The arbitrator(s) shall be empowered to interpret the applicable statutes of limitations.

(b) Because a breach of any the provisions of this Agreement concerning confidentiality or intellectual property rights will irreparably harm the nonbreaching party, Client and Baker Tilly agree that if a party breaches any of its obligations thereunder, the nonbreaching party shall, without limiting its other rights or remedies, be entitled to seek equitable relief (including, but not limited to, injunctive relief) to enforce its rights thereunder, including without limitation protection of its proprietary rights. The parties agree that the parties need not invoke the mediation procedures set forth in this section in order to seek injunctive or declaratory relief.

### **Section 11. Force Majeure**

In the event that either party is prevented from performing, or is unable to perform, any of its obligations under this Agreement due to any act of God, fire, casualty, flood, war, strike, lock out, failure of public utilities, injunction or any act, exercise, assertion or requirement of any governmental authority, epidemic, destruction of production facilities, insurrection, inability to obtain labor, materials, equipment, transportation or energy sufficient to meet needs, or any other cause beyond the reasonable control of the party invoking this provision ([Force Majeure Event](#)), and if such party shall have used reasonable efforts to avoid such occurrence and minimize its duration and has given prompt written notice to the other party, then the affected party's failure to perform shall be excused and the period of performance shall be deemed extended to reflect such delay as agreed upon by the parties.

### **Section 12. Taxes**

Baker Tilly's fees are exclusive of any federal, national, regional, state, provincial or local taxes, including any VAT or other withholdings, imposed on this transaction, the fees, or on Client's use of the Services or possession of the Deliverable (individually or collectively, the Taxes). All applicable Taxes shall be paid by Client without deduction from any fees owed by Client to Baker Tilly. In the event Client fails to pay any Taxes when due, Client shall defend, indemnify, and hold harmless Baker Tilly, its officers, agents, employees and consultants from and against any and all fines, penalties, damages, costs (including, but not limited to, claims, liabilities or losses arising from or related to such failure by Client) and will pay any and all damages, as well as all costs, including, but not limited to, mediation and arbitration fees and expenses as well as attorneys' fees, associated with Client's breach of this Section 12.

### **Section 13. Notices**

Any notice or communication required or permitted under this Agreement or any Letter shall be in writing and shall be deemed received (i) on the date personally delivered; or (ii) the date of confirmed receipt if sent by Federal Express, DHL, UPS or any other reputable carrier service, to applicable party (sending it to the attention of the title of the person signing this Agreement) at the address specified on the signature page of this Agreement or such other address as either party may from time to time designate to the other using this procedure.

### **Section 14. Miscellaneous**

(a) This Agreement, any Letter(s) and any applicable Online Terms related to any "Online Offering" constitute the entire agreement between Baker Tilly and Client with respect to the subject matter hereof and supersede all prior agreements, promises, understandings and negotiations, whether written or oral, regarding the subject matter hereof. For clarity and avoidance of doubt, these Terms govern Baker Tilly's provision of the Services described herein, and the Online Terms govern Company's use of the Online Offering. No terms in any Client purchase order that are different from, or additional to, the terms of this Agreement will be accorded any legal effect and are specifically hereby objected to

## Baker Tilly Advisory Group, LP Standard Business Terms (cont.)

by Baker Tilly. This Agreement and any Letter cannot be amended unless in writing and signed by duly authorized representatives of each party. Headings in this Agreement are included for convenience only and are not to be used to construe or interpret this Agreement.

(b) In the event that any provision of this Agreement or any Letter is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement or such Letter did not contain the particular provisions held to be unenforceable. The unenforceable provisions shall be replaced by mutually acceptable provisions which, being valid, legal and enforceable, come closest to the intention of the parties underlying the invalid or unenforceable provision. If the Services should become subject to the independence rules of the U.S. Securities and Exchange Commission with respect to Client, such that any provision of this Agreement would impair Baker Tilly's independence under its rules, such provision(s) shall be of no effect.

(c) Neither this Agreement, any Engagement Letter, any claims nor any rights or licenses granted hereunder may be assigned, delegated or subcontracted by Client without the written consent of Baker Tilly. Baker Tilly may assign and transfer this Agreement and any Letter to any successor that acquires all or substantially all of the business or assets of Baker Tilly by way of merger, consolidation, other business reorganization, or the sale of interests or assets.

(d) The validity, construction and enforcement of this Agreement shall be determined in accordance with the laws of the State of Illinois, without reference to its conflicts of laws principles, and any action (whether by arbitration or in court) arising under this Agreement shall be brought exclusively in the State of Illinois. Both parties consent to the personal jurisdiction of the state and federal courts located in Illinois.

(e) The parties hereto are independent contractors. Nothing herein shall be deemed to constitute either party as the representative, agent, partner or joint venture of the other. Baker Tilly shall have no authority to bind Client to any third-party agreement. Though the Services may include Baker Tilly's advice and recommendations, all decisions regarding the implementation of such advice or recommendations shall be the responsibility of, and made by, Client.

(f) The failure of either party at any time to enforce any of the provisions of this Agreement or a Letter will in no way be construed as a waiver of

such provisions and will not affect the right of party thereafter to enforce each and every provision thereof in accordance with its terms.

(g) Client acknowledges that: (i) Baker Tilly and Client may correspond or convey documentation via Internet e-mail unless Client expressly requests otherwise, (ii) neither party has control over the performance, reliability, availability or security of Internet e-mail, and (iii) Baker Tilly shall not be liable for any loss, damage, expense, harm or inconvenience resulting from the loss, delay, interception, corruption or alteration of any Internet e-mail.

(h) Except to the extent expressly provided to the contrary, no third-party beneficiaries are intended under this Agreement.

(i) The Services performed under this Agreement do not include the provision of legal advice and Baker Tilly makes no representations regarding questions of legal interpretation. Client should consult with its attorneys with respect to any legal matters or items that require legal interpretation under federal, state or other type of law or regulation.

(j) Baker Tilly US, LLP and Baker Tilly Advisory Group, LP and its subsidiary entities provide professional services through an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable laws, regulations and professional standards. Baker Tilly US, LLP is a licensed independent CPA firm that provides attest services to clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and business advisory services to their clients. Baker Tilly Advisory Group, LP and its subsidiary entities are not licensed CPA firms. Baker Tilly Advisory Group, LP and its subsidiaries and Baker Tilly US, LLP are independent members of Baker Tilly International. Baker Tilly International Limited is an English company. Baker Tilly International provides no professional services to clients. Each member firm is a separate and independent legal entity and each describes itself as such. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP are not Baker Tilly International's agents and do not have the authority to bind Baker Tilly International or act on Baker Tilly International's behalf. None of Baker Tilly International, Baker Tilly Advisory Group, LP, Baker Tilly US, LLP, nor any of the other member firms of Baker Tilly International has any liability for each other's acts or omissions. The name Baker Tilly and its associated logo is used under license from Baker Tilly International Limited.

### *Acknowledgement:*

The Business Terms above correctly sets forth the understanding of the Client.

Accepted by:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

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

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



**RESOLUTION REGARDING A GENERAL OBLIGATION  
REVENUE NOTE, SERIES 2023A  
OF CITY OF HIBBING, MINNESOTA**

BE IT RESOLVED, by the City of Hibbing Public Utilities Commission, Minnesota (the "Commission"), as follows:

**Section 1. General.**

**1.01 Recitals.** The Commission makes the following recitals of fact:

A. Pursuant to Minnesota Statutes, Sections 412.321 through 412.391, as amended, the Enabling Act (defined below), and certain ordinances and resolutions of the City of Hibbing, St. Louis County, Minnesota (the "Issuer"), the Commission is responsible for the operation, development, production, purchase and distribution of the Issuer's water system (the "Utility"). The Enabling Act means Laws of Minnesota 1949, Chapter 422, as amended by Laws of Minnesota 1951, Chapter 680, and Laws of Minnesota 1971, Chapter 381, as such laws may be further amended.

B. It is found and determined to be necessary and in the best interest of the Commission and Issuer, the residents of the Issuer and the environment to finance capital improvements to the Utility, including the rehabilitation of the south drinking water treatment plant (the "Project").

C. It has been determined that the sum of \$9,336,684 will be needed in order to undertake the Project.

D. The Issuer pursuant to Minnesota Statutes Section 444.075, and Chapter 475 (the "Act") is authorized to issue its general obligation revenue note to finance the Project which will be payable from the Net Revenues (defined herein).

E. The Issuer is authorized to provide financing for the costs of the Project by issuing its General Obligation Revenue Note, Series 2023A (the "Note").

**1.02 General Obligation Water Revenue Note.** Pursuant to the Act, the Commission, on behalf of the Issuer has applied for and received approval of a \$9,336,684 loan ("Loan") from the Minnesota Public Facilities Authority ("Lender") to be evidenced by the Note to provide financing for the costs of the Project. In order to evidence the Loan, the Commission has requested the Issuer to issue its Note on the terms provided in the Note Resolution and deliver it to the Lender in exchange for the purchase price of the Note.

**1.03 Documents.** A. A copy of the City Council resolution entitled *Resolution Authorizing the Issuance and Sale of a \$9,336,684 General Obligation Revenue Note, Series 2023A* (the "Note Resolution") has been submitted to the Commission.

B. A copy of the State of Minnesota Public Facilities Authority Bond Purchase and Project Loan Agreement (the "Loan Agreement") between the Issuer, Commission and Lender has been submitted to the Commission.

Section 2. Approval by Commission. The Commission agrees to be bound by the terms and conditions set forth in the Note Resolution and Loan Agreement, which are approved in substantially the form submitted to the Commission. The General Manager is authorized to execute and deliver the Loan Agreement to the Lender. Capitalized terms not otherwise defined in this Resolution have the meanings given in the Note Resolution. In the event of an inconsistency between a provision of this Resolution and a provision of the Loan Agreement, the provision of the Loan Agreement shall govern.

Section 3. Covenants.

3.01 Rate Covenant. A. The Commission covenants and agrees with the Issuer, the holder of the Note from time to time and with its customers that it will impose and collect just and equitable rates and charges for all use and for the availability of all facilities of the Utility at the times and in the amounts required to pay the normal, reasonable, and current expenses of operating and maintaining the Utility and to maintain a reasonable operating reserve, and also to produce Net Revenues which will be at least adequate at all times to pay the principal and interest due on the Note and on all other Notes heretofore or hereafter issued and made payable from said Net Revenues, and will operate the Utility and segregate and account for the revenues thereof as provided in this Section and the Note Resolution.

B. The Commission further covenants with the Issuer as follows: (i) it will engage a municipal advisor mutually agreeable to the Commission and the Issuer to conduct and complete a rate study within 1 year of issuance of the Note, and at least every 5 years thereafter so long as the Note is outstanding; and (ii) it will implement rate adjustment recommendations made in the rate study report.

3.02 Operating Covenants. For the protection of the Issuer and the holder of the Note from time to time, the Commission herein covenants and agrees to and with the Issuer and the holder from time to time of the Note as follows:

A. It will at all times adequately maintain and efficiently operate the Utility as a municipal public utility in accordance with the Act. It will from time to time make all needful and proper repairs, replacements, additions and betterments to the equipment and facilities of the Utility so that it may at all times be operated properly and advantageously, and whenever any equipment of the Utility has been worn out, destroyed or otherwise becomes insufficient for proper use, it must be promptly replaced or repaired so that the value and efficiency of the Utility will be at all times fully maintained and its revenues unencumbered by reason thereof.

B. It will procure and keep in force or cause to be procured and kept in force insurance upon the Utility of a kind and in an amount which would normally be carried by private companies in a like business, including public liability insurance, with an insurer or insurers in good standing; and it will keep in full force and effect fiduciary bonds on employees in charge of the utilities. In the event of any loss, the proceeds from such insurance (including liability insurance) or bonds must be used to make good such loss or to repair or restore the Utility or to discharge all of the outstanding Note in accordance with the Note Resolution. Insurance premiums may be paid as a cost of operation.

C. It will cause to be kept proper books, records and accounts adapted to the Utility separate from other accounts to be audited by a certified public accountant at

the end of each fiscal year. The expense of preparing such audit may be paid as current operating expenses of the Utility. The original purchaser of the outstanding Note and the holder thereof, or their duly appointed representatives, from time to time have the right at all reasonable times to inspect the Utility and to inspect and copy the books, records, accounts and data relating thereto in accordance with the Loan Agreement. The Commission agrees to furnish copies of such audit, without cost, to any holder of the Note in accordance with the Loan Agreement.

D. It will faithfully and punctually perform all duties with reference to the Utility required by the Constitution and laws of the State of Minnesota, and this Resolution.

E. It will grant no franchise to any competing utility if denial of such a franchise is not in violation of any law.

F. It will permit no free service to any consumer or utility.

G. The Commission will keep complete and accurate books and records showing receipts and disbursements in connection with the Project and the Net Revenues and other funds appropriated for payment of the Note, and will cause such records to be audited and make copies of such audits available to any interested person upon request.

H. The Commission will cause the funds collected on account of the operations of the Utility to be deposited in a bank whose deposits are guaranteed under the Federal Deposit Insurance Law.

I. The Commission and each and all of its officers will punctually perform all duties of reference to the Utility as required by law.

### 3.03 Covenants with Respect to the Note.

A. The Commission agrees to cooperate with the Issuer as necessary to maintain the tax-exempt status of the Note. The Commission specifically agrees:

(i) Any sums from time to time held by or under the control of the Commission which would constitute "gross proceeds" of the Note ("Gross Proceeds"), as defined in the Internal Revenue Code (the "Code") and Regulations shall not be invested at a yield in excess of the applicable yield on the Note. Disbursements of proceeds of the Note shall not be reinvested by the Commission. In addition, said Gross Proceeds shall not be invested in obligations or deposits issued, guaranteed or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

(ii) The Commission covenants not to use the Project or to cause or permit it or any of it to be used, or to enter into any deferred payment arrangements for the cost of such Project, in such a manner as to cause the Note to be "private activity bond" within the meaning of Sections 103 and 141 through 150 of the Code.

(iii) With respect to any Gross Proceeds, the Commission shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code and the interest on the Note, including without limitation requirements relating to temporary periods for investments, limitations on amounts invested at a yield greater than the yield on the Note, and the rebate of excess investment earnings to the United States.

(iv) The Commission shall comply with such instructions as may be provided from time to time by the Lender with respect to the Gross Proceeds.

(v) No portion of the Gross Proceeds of the Note shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Note was issued and (ii) in addition to the above in an amount not greater than the lesser of five percent of the proceeds of the Note or \$100,000 (the "minor portion"). To this effect any proceeds of the Note and any sums from time to time held in the Debt Service Account (or any other Commission or Issuer account which will be used to pay principal or interest to become due on the Note payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Note to be "federally guaranteed", other than as permitted by the Code.

(vi) The Commission covenants and agrees with the Issuer and holder of the Note that it will (i) take all action on its part necessary to cause the interest on the Note to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Note and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Note to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Note and investment earnings thereon on certain specified purposes.

#### Section 4. Funds, Accounts, Appropriations, Revenues and Tax Levies.

##### 4.01 Water Fund.

A. The Commission will place all charges described in Section 3.01 above when collected, and all money received from the sale of any facilities or equipment of the Utility in the Water Fund (the "Water Fund") previously established by the Commission.

B. The Water Fund will be continued as a single fund administered by the Commission on behalf of the Issuer to serve as a depository for all sums, including Note proceeds, and Net Revenues received on account of the Utility.

C. Except as provided in this Section, the Water Fund may be used only to pay claims duly approved and allowed for payment of expenses which, under generally accepted accounting principles, constitute normal, reasonable, and current expenses of operating and maintaining the Utility; to maintain such reasonable reserves for such expenses and other reasonable operating reserves as the Commission determines to be necessary from time to time; and as may otherwise be permitted by the Act. Sums required to make such payments and maintain such reserves constitute the Net Revenues which are herein pledged and appropriated first to pay the principal of and interest when due on the Note.

**4.02 Water Fund Accounts.** A. For the convenience and proper administration of the monies to be borrowed and repaid on the Note and to provide adequate and specific security for the Lender and holder from time to time of the Note, there shall be maintained in the Fund the following accounts: the 2023A Minnesota Public Facilities Authority Note Construction Account (the "Construction Account"), and the 2023A Minnesota Public Facilities Authority Note Debt Service Account (the "Debt Service Account"), respectively, which shall be separate restricted accounts in the Fund to be administered and maintained by the Commission on behalf of the Issuer until the Note and the interest thereon have been fully paid:

(1) *Construction Account.* On receipt of each advance of proceeds the Note, the Commission shall credit proceeds of the Note, to the Construction Account. Proceeds from the Note on deposit in the Construction Account, along with other monies of the Commission available therefor, shall be used from time to time to pay, or reimburse the Commission for payment of, the capital costs of the Project and costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Note as such become due. Any funds remaining in the Construction Account after completion of the Project shall be transferred to the Debt Service Account.

(2) *Debt Service Account.* The money in the Debt Service Account shall be used for no purpose other than the payment of principal and interest on the Note when due. The Commission irrevocably pledges and appropriates to the Debt Service Account, amounts of Net Revenues sufficient for the payment of all interest and principal then due on the Note Prior to each Interest Payment Date. Prior to each Interest Payment Date (as defined in the Note Resolution), the Controller shall transfer from the Fund to the Debt Service Account amounts of Net Revenues which will be sufficient for the payment of all interest and principal then due on the Note. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Note, the General Manager shall nevertheless provide sufficient money from any other funds of the Commission which are available for that purpose and such other funds shall be reimbursed from such Debt Service Account when the balances therein are sufficient. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest then due on the Note and Issuer is required to provide sufficient funds to pay principal and interest due on the Note, the Commission shall reimburse Issuer for any amount of principal and interest paid by Issuer. The Commission agrees that in each year while any portion of the principal amount of the Note remains outstanding, it will pay to the Issuer (or the Lender upon direction from the Issuer) prior to each Interest Payment Date, the amounts set forth in the schedule attached as Exhibit A to the Note.

B. The Commission further covenants and agrees with the Issuer that there shall be established and maintained in the Fund, the 2023A Reserve Account (the "Reserve Account").

Upon issuance of the Note, the Commission shall credit an amount equal to the maximum principal and interest to become due in any year on the Note to the Reserve Account (the "Reserve Requirement") out of its funds on hand and not from Note proceeds. The Reserve Account shall be maintained in a bank account separate from the Commission's other bank accounts and shall be jointly held by the Commission and Issuer and administered and maintained as provided below.

i. The Reserve Account shall be used only when and if moneys in the Debt Service Account are insufficient to pay principal of and interest on the Note. In no event may sums in the Reserve Account be used to fund the Debt Service Account so long as there are sufficient Net Revenues therefor. All earnings on the Reserve Account shall be transferred to the Debt Service Account. Moneys in the Reserve Account may be used to prepay the Note, when such prepayment will retire the entire principal amount of the Note then outstanding plus accrued interest.

ii. The Reserve Account shall terminate whenever there are sufficient funds in the Debt Service Account to pay all outstanding principal of and interest on the Note.

iii. The balance in the Reserve Account shall be deemed to be the sum of all cash and the cost of all securities held in the Reserve Account.

iv. To the extent the amounts on deposit in the Reserve Account exceed the requirements for an RRRR Fund, the Issuer covenants to create such subaccounts in the Reserve Account as are necessary to cause at least one subaccount to comply with such requirements. For purposes of this subparagraph, RRRR Fund means the amount on deposit in which does not exceed the lesser of: (i) 10% of the proceeds of the obligations secured, within the meaning of Section 148(d)(1) of the Code, (ii) 125% of the average annual amount of principal and interest due on the obligations secured, or (iii) the maximum amount of principal and interest due on the obligations secured in any year.

v. Whenever any moneys constituting the Reserve Account shall be used to pay principal of and interest on the Note or the Reserve Account ceases to meet the Reserve Requirement, the Reserve Account shall be restored to the Reserve Requirement from moneys made available therefor by the Commission.

vi. In the event that in any year while the Note is outstanding, the Net Revenues will be insufficient to pay scheduled debt service on the Note next coming due and the Commission expects to draw on the Reserve Account for such purpose or the amount on deposit in the Reserve Account does not meet the Reserve Requirement, the Commission shall notify the Issuer and, if the Issuer does not have legally-available general funds in an amount which, together with amounts on deposit in the Debt Service Account and Reserve Account will be sufficient to make such payment of debt service on the Note, the Issuer has agreed to levy ad valorem taxes against all taxable property in the Issuer for collection in the next calendar year in an amount equal to the deficiency, which taxes may be levied without limitation as to rate or amount; provided that if the Issuer has legally available general funds which are used to pay debt service, the Issuer may make an interfund loan with such terms as are set by the City Council for repayment of such amounts and the Commission agrees to repay such amounts as specified by the Issuer; provided that any interest rate charged shall be commercially reasonable.

vii. Any amounts received by the Commission from the Issuer described above, when received by the Commission shall be deposited in the Debt Service Account or to replenish the Reserve Account.

viii. The Reserve Account may be combined with the reserve account established for the Issuer's General Obligation Revenue Note, Series 2023B (the "2023B Note") provided that, if combined, the Reserve Requirement shall equal to the maximum principal and interest to become due in any year on the Note and the 2023B Note.

**4.03 Surplus Revenues.** The Issuer has consented to the use of surplus revenues from time to time received in the Water Fund, in excess of payments due from and reserves required to be maintained in the Water Fund and in the Debt Service Account, for necessary expenditures for the improvement or extension of the Utility, for the prepayment and redemption of obligations constituting a lien on the Utility, and for any other proper purpose consistent with applicable laws and regulations, and the policies established by resolution of the Commission.

**4.04 Investments.** Moneys on deposit in the Water Fund and the Debt Service Account may, at the discretion of the Commission, be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments must mature at such times and in such amounts as will permit for payment of principal and interest on the Note when due.

**Section 5. Loan Agreement.** The proceeds of the Note will be advanced to the Commission in accordance with the terms of this Resolution, the Note Resolution and the Loan Agreement. The General Manager or other officer of the Commission are hereby authorized and directed to execute the Loan Agreement substantially in the form currently on file in the office of the Commission.

**Section 6. Official Proceedings.**

**6.01 Certified Proceedings.** The officers of the Commission are authorized and directed to furnish to the Issuer certified copies of proceedings and information in their official records relevant to the execution and delivery of the Note, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Note, and all such certified copies, certificates, and affidavits, including any heretofore furnished, constitute representations and recitals of the Commission as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

**6.02 Absent or Disabled Officers.** In the event of the absence or disability of the Chair or the Secretary, such officers or members of the Commission as in the opinion of Commission's attorney may act in their behalf, are directed without further act or authorization, to execute and deliver the Note and Loan Agreement, and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Adopted December 12, 2023.



Chair

Attest:



Secretary



Item 6.C

Item 6.C



## Item 6.C – 2024 HREC Capital Purchases

June 21<sup>st</sup>, 2024

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

RE: Item 6.C – 2024 HREC Capital Purchases

Dear Commissioners;

HREC has identified a number of purchases we are requesting your consideration for approval at this time. These items have been included in the 2024 capital budget:

- 6.C.i Quote for Grundfoss Reverse Osmosis Pump to H2O Innovations in the amount of \$33,323.40
- 6.C.ii Purchase of Gearbox, Steam Piping Insulation, and three ESP Transformers from Virginia Public Utilities in the Amount of \$61,000
- 6.C.iii Approve Purchase of Silencer from Hecimovich Mechanical in the Amount of \$25,700

Please see attached enclosures and requests for each item.

Sincerely;



Luke J. Peterson



Item 6.C.i –Approve Quote for Grundfoss Reverse Osmosis Pump to H2O Innovations in the amount of \$33,323.40

June 21<sup>st</sup>, 2024

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

RE: Approve Quote for Grundfoss Reverse Osmosis Pump to H2O Innovations in the amount of \$33,323.40

Dear Commissioners;

For your consideration, HPU has received two quotes for replacement of our Grundfos BM 77-10 pump. Our current pump is showing signs of extreme wear and needs replacing. The company that installed our Reverse Osmosis system is no longer in business. The two quotes came in at \$33,323.40 and \$34,761.00 from H2O Innovation and PFC Equipment respectively. Our recommendation is to purchase the replacement pump from H2O Innovation, the low quote.

We look forward to answering any questions you may have at the meeting on June 25th.

Sincerely;



Luke J. Peterson



## Quotation



**H2O Innovation USA Inc**  
8900 109th Ave N, Suite #1000  
Champlin, MN, USA  
55316  
Phone: 763-566-8961  
Fax: 763-566-8972

Quotation Date: Jun 3, 2024  
Quotation Number: W51963  
Revision No: 2  
Expiration Date: Jun 29, 2024

Delivery Address: HIBB001  
Hibbing Public Utilities  
1716 - 5th Ave E  
ATTN: Tom Monacelli 218-421-4692  
Hibbing - MN  
55746  
US

Document Address: HIBB001  
Hibbing Public Utilities  
1902 Sixth Avenue East  
ATTN: Tom Monacelli 218-421-4692  
Hibbing - MN  
55746  
US

Salesperson:	Ship Via:	Terms of Delivery:	Payment Terms:
Shawn Eastman	Bestway	Free Carrier	Net 30 days

Quotation Notes:

Freight not included in price below.

Estimated lead time to ship is 20 weeks ARO.

Pos	Part No	Description	Sale Qty	Price Qty	Unit	Price	Disc. %	Discount Price	Net Amount
1	GRU16DS3610	Grundfos BM 77-10, 304SS Construction w/ Buna Gaskets, 139mm PN Connections. 55kW/75hp, 3600rpm, 3/60/460V Motor, Model #: 16DS3610	1	1	EA	33,323.40	0.00		33,323.40
2	SPARE-PART	Rebuild for BMB77-10 pump:	1	1	EA	0.00	0.00		0.00

Estimated cost: \$20,000 - \$25,750  
depending on condition of motor.

Sub Total:	33,323.40
TOTAL:	33,323.40
Tax Total	0.00
Gross Total	USD 33,323.40

Visit us at [www.h2oinnovation.com](http://www.h2oinnovation.com)

This quote is valid for 30 days after the quotation date.

Terms & Conditions : [www.h2oinnovation.com/terms-conditions/](http://www.h2oinnovation.com/terms-conditions/)

### Bank information :

Bank name : HSBC Bank USA NA  
Bank Address : Buffalo Comm SRVC Ctr 1 HSBC Center Floor 18 Buffalo NY 14203 USA  
Swift code : MRMDUS33  
Ach routing Number: 022000020  
Account : 724004971



Company name:

Created by:

Phone:

Date: 05/06/2024

Qty.	Description
1	<p><b>BM 77-10 NBR</b></p>  <p><b>Note! Product picture may differ from actual product</b></p> <p>Product No.: <a href="#">16DS3610</a></p> <p>BM is an encapsulated submersible pump that is suitable for applications where a high pressure is required. Therefore, BM is ideal for water treatment, liquid transfer, pressure boosting and closed circulation systems with a high static pressure.</p> <p>BM pumps are available in four different versions (standard, N-version, NE-version, and R-version), in various sizes, and with a large variety in the number of impellers.</p> <p>The range covers BM 3A to BM 215, a total of twelve sizes.</p> <p>Depending on its size and frequency, a BM pump can reach a flow rate of 265 or 310 m<sup>3</sup>/h.</p> <p>BM pumps can increase the system pressure up to 82.7 bar.</p> <p>The pump is supplied with an asynchronous motor, Victaulic connections, a straight or 90° bent pipe for BM 3A, BM 5A and BM 9 pumps and a straight pipe for BM 18 and above.</p> <p>The motor is protected by output filters against overvoltage and increased operating temperature.</p> <p>As a result, BM is very reliable and durable.</p> <p>The compact design ensures easy maintenance and alignment of the pump.</p> <p>The stainless-steel pump and motor housing ensure an excellent resistance against different types of liquids. The R-version is designed to be highly efficient against corrosive liquids.</p> <p>Three different types of asynchronous motors are available for BM pumps: MS 4000, MS 6000 and MMS 8000.</p> <p>The enclosure class is IP68.</p> <p>The motor power ranges from 0.75 to 92 kW.</p> <p>The motor is controlled by a frequency converter and protected by Pt100 sensors.</p> <p>The frequency converter is sold as a separate accessory and must be purchased along with the pump.</p> <p>We recommend a Grundfos CUE frequency converter; however, frequency converters from alternative suppliers can be used as well.</p> <p><b>Liquid:</b></p> <p>Pumped liquid: Water</p> <p>Maximum liquid temperature: 104 °F</p> <p>Selected liquid temperature: 68 °F</p> <p>Density: 62.29 lb/ft<sup>3</sup></p> <p><b>Technical:</b></p> <p>Rated flow: 405 US GPM</p> <p>Rated head: 567.6 ft</p> <p>Curve tolerance: ISO9906:2012 3B</p> <p><b>Materials:</b></p> <p>Pump: Stainless steel DIN W.-Nr. 1.4301 AISI 304</p> <p>Impeller: Stainless steel EN 1.4301 AISI 304</p>

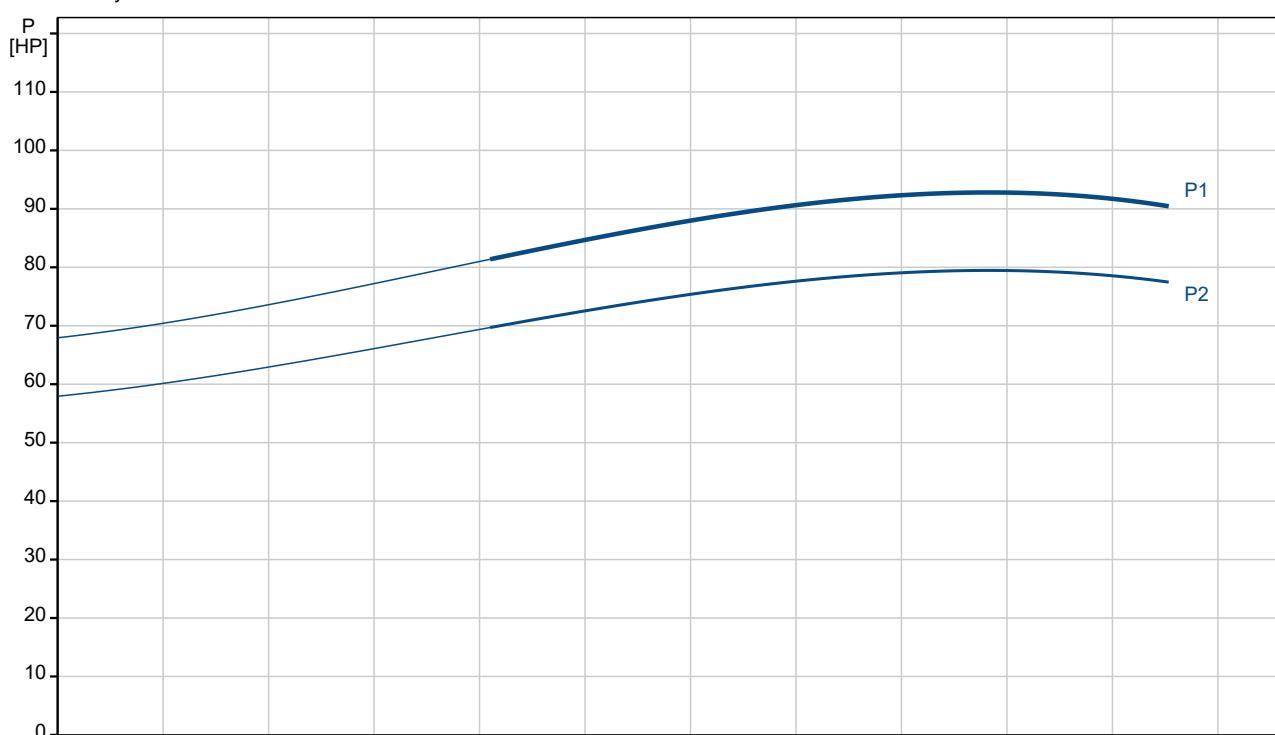
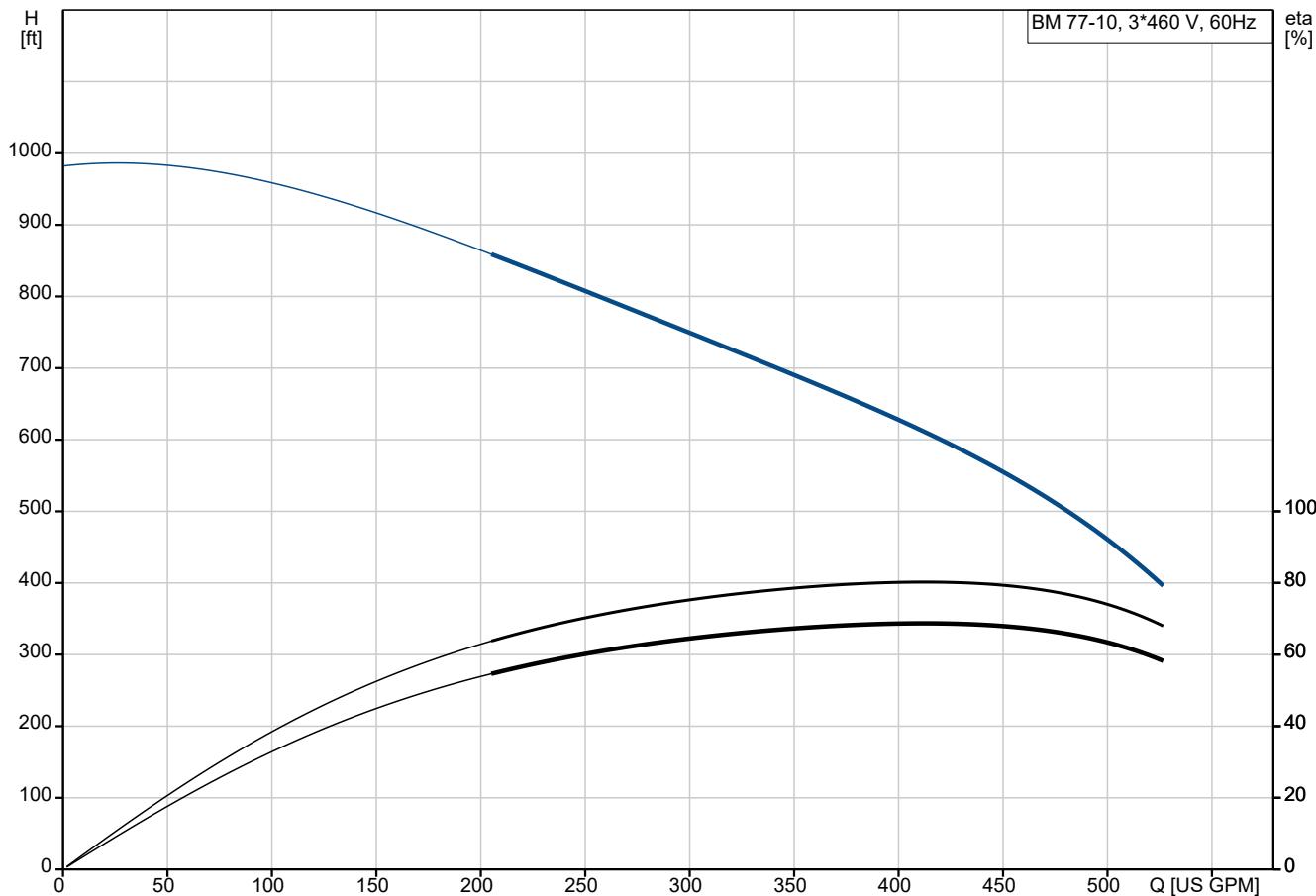


Company name:  
Created by:  
Phone:

Date: 05/06/2024

Qty.	Description
1	Motor: Cast iron DIN W.-Nr. 0.6025 Sleeve: Stainless steel AISI 304 EN 1.4301
	Installation: Maximum operating pressure: 1199.46 psi Maximum permissible inlet pressure: 362.59 psi Maximum outlet pressure: 1189.31 psi Pipe connection standard: PJE Pipe connection: 139 mm
	Electrical data: Rated power - P2: 75 HP Mains frequency: 60 Hz Rated voltage: 3 x 460 V Service factor: 1.15 Rated current: 112 A Starting current: 580 % Cos phi - power factor: 0.87 Start. method: DOL Enclosure class (IEC 34-5): IP66 Built-in temp. transmitter: N Motor No: 96476892
	Others: Minimum efficiency index, MEI ≥: -.-- Net weight: 778 lb Gross weight: 1040 lb Shipping volume: 50.1 ft <sup>3</sup> Country of origin: DK Custom tariff no.: 8413.70.2004

## 16DS3610 BM 77-10 NBR 60 Hz

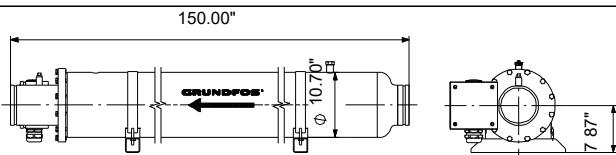
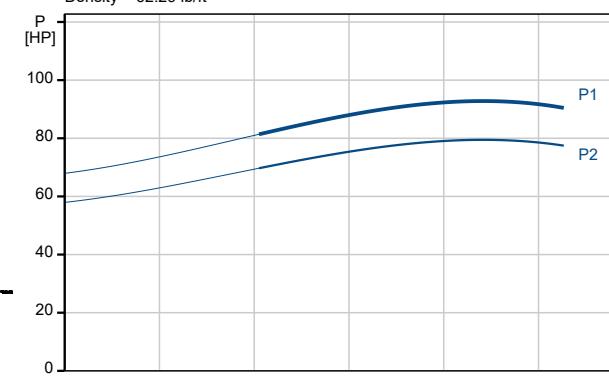
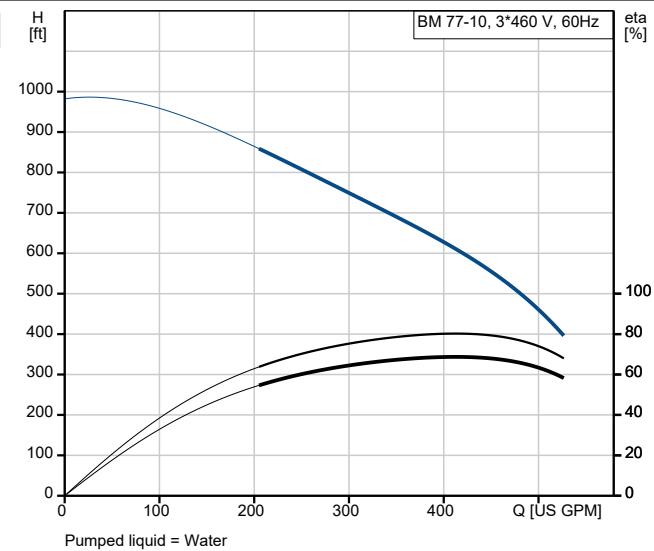




Company name:  
Created by:  
Phone:

Date: 05/06/2024

Description	Value
<b>General information:</b>	
Product name:	BM 77-10 NBR
Product No:	16DS3610
EAN number:	5711492337417
Price:	
<b>Technical:</b>	
Rated flow:	405 US GPM
Rated head:	567.6 ft
Stages:	10
Curve tolerance:	ISO9906:2012 3B
Model:	D
<b>Materials:</b>	
Pump:	Stainless steel
Pump:	DIN W.-Nr. 1.4301
Pump:	AISI 304
Impeller:	Stainless steel
Impeller:	EN 1.4301
Impeller:	AISI 304
Motor:	Cast iron
Motor:	DIN W.-Nr. 0.6025
Code for rubber:	NBR
Sleeve:	Stainless steel
Sleeve:	AISI 304
Sleeve:	EN 1.4301
<b>Installation:</b>	
Maximum operating pressure:	1199.46 psi
Maximum permissible inlet pressure:	362.59 psi
Maximum outlet pressure:	1189.31 psi
Pipe connection standard:	PJE
Pipe connection:	139 mm
<b>Liquid:</b>	
Pumped liquid:	Water
Maximum liquid temperature:	104 °F
Selected liquid temperature:	68 °F
Density:	62.29 lb/ft³
<b>Electrical data:</b>	
Rated power - P2:	75 HP
Mains frequency:	60 Hz
Rated voltage:	3 x 460 V
Service factor:	1.15
Rated current:	112 A
Starting current:	580 %
Cos phi - power factor:	0.87
Start. method:	DOL
Enclosure class (IEC 34-5):	IP66
Thermal protec:	EXT.
Built-in temp. transmitter:	N
Motor No:	96476892
<b>Others:</b>	
Minimum efficiency index, MEI ≥:	---
Net weight:	778 lb
Gross weight:	1040 lb
Shipping volume:	50.1 ft³
Country of origin:	DK
Custom tariff no.:	8413.70.2004





Company name:

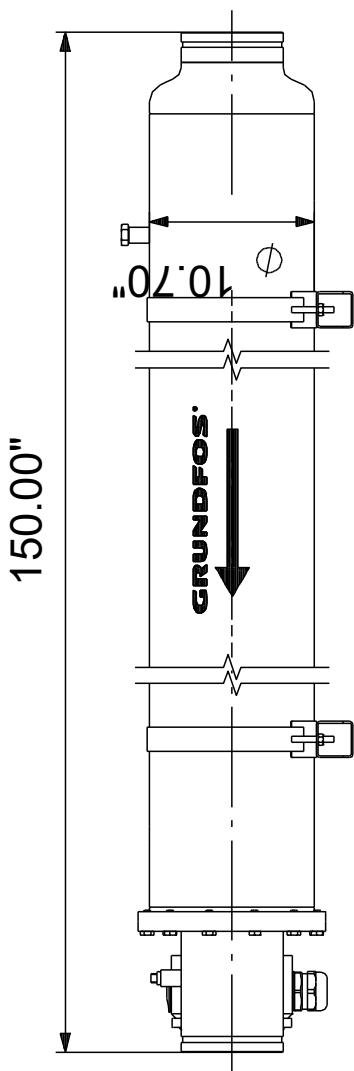
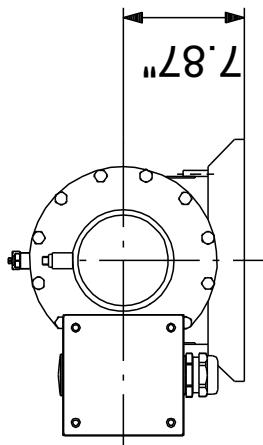
Created by:

Phone:

Date:

05/06/2024

## 16DS3610 BM 77-10 NBR 60 Hz



Note! All units are in [in] unless others are stated.  
Disclaimer: This simplified dimensional drawing does not show all details.



Company name:

Created by:

Phone:

Date: 05/06/2024

Order Data:

Position	Your pos.	Product name	Amount	Product No	Total
		BM 77-10 NBR	1	16DS3610	



Item 6.C ii. Approve Purchase of Gearbox, Steam Piping Insulation, and three ESP Transformers from VPU

June 21<sup>st</sup>, 2024

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

RE: ii. Approve Purchase of Gearbox, Steam Piping Insulation, and three ESP Transformers from Virginia Public Utilities in the Amount of \$61,000

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received an opportunity to purchase some items from VPU as they are no longer in need of these items with the downturn of their biomass facility. The items are as follows:

- Three transformers specifically designed for our Boiler 4 Electrostatic Precipitator; price at \$30,000 for all three; new are around \$200,000 each
- Various sizes of new steam piping insulation valued at \$66,568.95; selling for \$21,000
- A New Gear Box for wood auger system; price \$10,000; new price is approximately \$80,000

Total requested from VPU for these items is \$61,000.

We look forward to answering any questions you may have at the meeting on June 25th.

Sincerely;



Luke J. Peterson



## **STEAM PIPE INSULATION**

### **HEATSEAL**

2"- 196'X\$50.17=\$9,833.32

3"- 30'X\$55.00=\$1,650.00

4"- 64'X\$67.74=\$4,335.36

5"- 42'X\$70.00=\$2,940.00

6"- 228'X\$84.91=\$19,359.48

8"- 280X\$101.61= \$28,450.80

### **NON WRAPPED INSULATION**

2"X 1 1/2 - 4 BOXES

2"- 200FT

4"- 164FT

5"- 1 BOX

6"- 1 BOX

3 BOXES OF HEAT SEAL WRAP

A FEW BOXES OF ELBOWS (VARIOUS SIZES)

NEW PRICING FOR HEATSEAL=\$66,568.95



Item 6.C.iii. Approve Purchase of Silencer from Hecimovich Mechanical in the Amount of \$25,700

June 21<sup>st</sup>, 2024

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

RE: Approve Purchase of Silencer from Hecimovich Mechanical in the Amount of \$25,700

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from Hecimovich Mechanical in the amount of \$25,700 for a muffler specifically designed to silence steam blowdowns on the East side of the biomass boiler. As we use the biomass boiler more, noise produced daily has been a constant concern with the public in the nearby vicinity.

We look forward to answering any questions you may have at the meeting on June 25th.

Sincerely;



Luke J. Peterson



# **Bob Hecimovich Mechanical Contracting, Inc.**

11236 Spudville Road  
Hibbing, MN 55746-8253  
[office@hecimovich.com](mailto:office@hecimovich.com)

Hibbing: 218.262.2969  
Fax: 218.263.6546

June 10, 2024

Hibbing Public Utilities  
1832 East 6 Avenue  
Hibbing, Mn 55746

ATTN: Paul  
RE: Exhaust Silencer Boiler #4

Paul/Dan,

The cost of an exhaust silencer for Boiler #4 is \$25,700.00. Freight is included in the price. This price does not include installation.

If you have any questions please call.

Thank you,  
Tony Hecimovich





Item 6.D

Item 6.D



## Item 6.D – Authorize Request for Proposals for Turbine 6 Major Inspection For Best Value Contracting

June 21<sup>st</sup>, 2024

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

RE: Item 6.B – Authorize Request for Proposals for Turbine 6 Major Inspection

Dear Commissioners;

With this item, HPU is requesting Commission authorization to seek proposals for HREC's Turbine 6, which is due for its major inspection and overhaul.

Staff is requesting authorization to seek proposals under Best-value contracting methods, governed by MN 2023 Laws, 16C.28, Subd. 1.b. among others.

Best-value contracting is a procurement process that allows owners to consider other factors in addition to price in the award of contracts. These key factors can be considered in the evaluation and selection process to minimize impacts and enhance the long-term performance and value. Best-value procurement allows other factors, such as qualifications, schedule, quality, and performance-based criteria, to be used in evaluation and selection.

If approved, the proposed procurement TC6 Major Inspection would be as follows:

- Advertisement – June 2024
- Walkthrough – July 2024
- Proposal Due Date – August 2024
- Award contract following review and scoring of proposals

I look forward to answer any questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;



Luke J. Peterson



## **(PRELIMINARY) SUMMARY OF WORK**

### **GENERAL**

#### **CONTRACT DOCUMENTS**

The Contract Documents are defined in the Agreement. The terms of the Contract Documents apply to these Specifications as though fully repeated herein.

The format of these Specifications is based upon the CSI MASTERFORMAT; however, differences in format and subject matter location do exist. It is Contractor's sole responsibility to thoroughly read and understand these Specifications and request written clarification of those portions that are unclear.

The division of the Work as described in these Contract Documents is for the purpose of specifying and describing work that is to be completed. There has been no attempt to make a classification according to trade or agreements that may exist between Contractor, Subcontractors, trade unions, or other organizations. Such division and classification of the Work shall be Contractor's sole responsibility.

#### **PROJECT INFORMATION**

**Description of Unit:** Turbine generator #6 was manufactured by the Dresser Rand Steam Turbine Division in 1995. The manufacturer's serial number for the unit is D-3740 and the shop order number is U-26097. The unit is a non-condensing steam turbine with a reduction gear drive and a synchronous generator. The unit is rated at 6400 kW. The normal rotation speed is 5517 RPM for the turbine and 1800 for the generator. The inlet steam conditions are 600 psig, 750°F and the back pressure exhaust conditions are 15 psig. The turbine has a single extraction at 125 psig. The turbine consists of a Curtiss stage with 2 rows, followed by a Rateau stage with 5 rows. The turbine is coupled to a Lufkin N2100C gear reducer, and an Ideal Electric generator.

**Project Description:** The Work generally consists of a detailed inspection and overhaul of the entire steam turbine generator set including the turbine casing, rotor, seals, bearings, generator, and auxiliaries such as reduction gear drive, turning gear, couplings, lubrication systems and controls. The Work also includes the cleaning of the turbine air coolers, oil coolers, generator electrical testing and startup support. The last minor inspection for this unit was in 2020.

**Project Identification:** Turbine #6 Major Inspection

**RFP Number** 2024-03

**Project Location:**

The turbine is located in the Hibbing Public Utilities Steam Plant 1832 6<sup>th</sup> Ave. E., Hibbing, MN 55476.

#### **PERMITS**

Perform Work in accordance with applicable Laws and Regulations.

The requirement for licenses and permits is not anticipated for the execution of the Work.

## WORK COVERED BY CONTRACT DOCUMENTS

The overall scope of the Work, which is more fully described in Section 48 11 19 Steam Turbines and Section 48 11 26 Generators of these Contract Documents, includes, but is not necessarily limited to, furnishing all labor, tools, equipment, and materials necessary for Contractor to:

Completely disassemble, clean, inspect the turbine. Record results of the inspection and make recommendations for repairs. Reassemble the steam turbine and verify satisfactory operation of unit after startup.

Remove the generator rotor and visually inspect the generator rotor and stator. Reassemble the generator and verify satisfactory operation of unit after startup.

Inspect and clean the auxiliary components such as reduction gear drive, turning gear, lubrication, control and cooling systems.

It is the intent of the Contract Documents to cover all aspects of the Project. Should there be some item or items not shown on the Drawings or not described in these Specifications which are required for the Work, providing those items shall be considered incidental to the Work at no additional cost to Owner.

The Alternative specified in the scope of work in Section 48 11 19 Steam Turbines can be selected by the Owner depending upon the results of the inspection at the discretion of the Owner.

Equipment furnished shall be in safe operating condition and of adequate size, capacity, and condition for the performance of the Work.

The contractor shall obtain all measurements necessary for the Work and be responsible for establishing all dimensions, levels, and layout of the Work. Where Work of one trade joins to or is part of other Work, there shall be no discrepancy or incompleteness in the finished Work.

The contractor shall supervise, inspect and direct the Work competently and efficiently, devoting such attention and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Means, methods, techniques, sequences, and procedures of construction are solely Contractor's responsibility. Contractor shall be responsible to see that the completed Work complies accurately with the Contract Documents.

All work shall be done in accordance with applicable Laws and Regulations.

## Division 48 Electrical Power Generation

DRAFT

## **SECTION 48 11 19**

### **STEAM TURBINES**

#### **PART 1: GENERAL**

##### **SUMMARY**

The scope of work to be performed under this Section consists of providing all material, labor, incidental items, and time needed to open the unit and remove the shell, diaphragms, and rotor. Disassemble, inspect, clean, and reassemble all of the following components. Inspection data shall be recorded and recommendations for replacement, repair, or reuse of the components made.

##### **Front Standard**

Main operating cylinder and valve actuator assembly

Emergency governor and trip mechanism

##### **Bearings**

Check and record the condition of babbitt, ball seat, and journals.

Record the bearing contact area (journal and thrust bearings).

Lightly clean babbitt surfaces to remove embedded foreign particles.

Measure and record journal clearances. Recommend corrective action as necessary.

Visually examine bearing ring to ball seat and bearing cap contact. Check and record pinch on each bearing.

Measure and record diameters of bearings.

Measure and record bearing twist and tilt as required.

Measure and bump check thrust bearing clearance,

Check thrust bearing wear detector.

##### **Turbine Rotor**

Measure and record journal diameter and inspect journal surfaces.

Examine coupling face, rabbet fit, and bolt holes. Measure and record coupling fits.

Determine and record rub pattern.

Examine balance weights, check for tightness, record position of all weights in rings.

Blast and NDE rotor.

##### **Diaphragms**

Visually inspect partitions, steam joints, keys and bridges.

Record unusual erosion patterns.

Blast and NDE diaphragms.

##### **Shell and Hood (remove upper half only)**

Visually examine upper and lower interior surfaces, ledges, struts, heat baffles and companion fits for erosion, distortion, and galling.

Clean horizontal joints and examine for distortion. Record pattern if distortion is found.

Visually inspect atmospheric relief diaphragms (rupture disks)

Examine drain holes for blockage and or erosion.

Inspect all bolting and record bolt extensions.

Reassemble using applicable high-temperature joint compound and thread lubricant.  
Stress joint bolts as necessary and record stress values.

#### Packing

Visually examine steam packing and springs and record condition.

Visually examine diaphragm packing and springs and record condition.

#### Oil Deflectors

Visually inspect and clean.

Record conditions and clearances.

#### Main Stop (T&T) Valve

Disassemble for inspection.

Check conditions of disks and seats, including contact check between seat and disc.

Measure and record run out of stem.

Clean stems and bushing as required per try bar test.

Visually examine steam strainers.

Record bolt extensions.

Blast and NDE valve components.

#### Main Control Valve

Check conditions of disks and seats including contact between seat and seat.

Measure and record run out of stem.

Clean stems and bushings as required by try bar test.

Inspect linkages, pins, cams, and bearings for wear.

Blast and NDE valve components.

#### Automatic Hand control Valves

The automatic hand control valves are not in service and have been blocked in the closed position. Visually inspect the sealing surfaces and packing of the hand valves. Make recommendations for either continued use or permanent blocking of hand valves.

#### Extraction Non-return Valve (Existing on shell drain)

Check conditions of disks and seats including contact between seat and seat.

Measure and record run out of stem.

Clean stems and bushings as required by try bar test.

Inspect linkages, pins, cams, and bearings for wear.

Blast and NDE valve components.

#### Emergency Governor

Inspect for deposits and fretting.

#### Lubrication system

Clean and visually inspect internal condition of oil tank.

Remove the heads from the water-cooled oil coolers. There are two horizontally mounted oil coolers. Inspect and clean the tube sheet as needed.

Disassemble main oil pump and visually inspect impeller and casing. Measure seal ring clearances. Clean and inspect screens.

Disassemble auxiliary oil pump and visually inspect impeller and casing. Measure seal ring clearances. Clean and inspect screens.

Disassemble and inspect the auxiliary oil pump steam turbine driver. Visually inspect the rotor, packing, and trip and throttle valve.

Provide provisions to circulate oil with a temporary tank screen for 24 hours after overhaul.

The oil tank will be drained and replenished by the owner.

#### Reduction Gear

Remove top cover, clean and drain gearbox.

Remove HS shaft, examine pinion for contact pattern and condition, inspect HS bearings.

Remove LS shaft, examine gear for contact pattern and condition, inspect LS bearings.

Measure clearance and backlash between pinion and gear.

Replace HS and LS shaft seals and gearbox cover gasket.

#### Turning gear

Examine gears for contact pattern and condition.

Measure clearance between clash gear and bull gear.

Check engaging mechanism.

#### Instrumentation & Control

Remove and reinstall all instrumentation to include:

Vibration sensors.

Speed sensors.

Positioners, controllers and servo.

The servo shall be removed and reconditioned by factory approved technicians. Upon return, the contractor shall verify proper operation of the servo.

#### Alternate A. Rotor and Diaphragm Repair and Rotor High Speed Balancing

a. Minor repair of rotor blading and diaphragms.

b. High speed balancing of the turbine rotor to ISO 21940-11 Grade G 2.5 Balancing Quality.

#### Alternate B. Turbine and Generator Bearing Repair.

a. Replacement of Babbitt liner in thrust and guide bearings

Replacement bearing liner shall be a tin-based babbitt metal that fulfills the requirements of ASTM B-23 Grade 2.

Ultrasonic testing shall be performed on the finished bearing to ensure complete adhesion of the liner to the bearing shell.

Alternative C. Diaphragm Shaft Packing Replacement

- a. Samples of diaphragm shaft packing (labyrinth seal) will be taken from the different stages to be used as templates for the manufacture of replacement components. Remanufactured packing will be manufactured from bronze or other suitable material.

Alternative D. Extraction Control Valve

- a. Inspect the existing extraction control valve and non-return valve (currently in storage) and make recommendations for reinstallation or continued use of the turbine shell drain for the extraction of medium pressure steam.

Alternative E. Gland Seal Condenser Vacuum System

- a. Inspect the existing gland seal condenser and vacuum system (currently in storage) and make recommendations for repair and reuse of this system.

**PRODUCTS (NOT USED)**

**EXECUTION (NOT USED)**

**END OF SECTION 48 11 1**

## **SECTION 48 11 26**

### **GENERATORS**

#### **PART 1: GENERAL**

##### **SUMMARY**

The scope of work to be performed under this Section consists of providing all material, labor, incidental items, and time needed to

- a. Uncouple the generator from the turbine and remove the rotor.
  - a. Clean the generator components.
- b. Reassemble the generator.
- c. Generator Bearings
  1. Check and record the condition of babbitt, ball seat, and journals.
  2. Record the bearing contact area.
  3. Lightly clean babbitt surfaces to remove embedded foreign particles.
  4. Measure and record journal clearances. Recommend corrective action as necessary.
  5. Visually examine bearing ring to ball seat and bearing cap contact. Check and record pinch on each bearing.
  6. Measure and record diameters of bearings.
  7. Measure and record bearing twist and tilt as required.

Note: Electrical testing of the Generator and Exciter will be done by others.

#### **PART 2: STARTUP CHECKS AND SUPPORT**

##### **SUMMARY**

The scope of work to be performed under this Section consists of providing all material, labor, incidental items, and time needed to perform operational checks after completion of overhaul. These checks shall be made jointly with contractor and owner personnel.

1. Prior to startup:
  - a. Check operation of main stop and control valve
  - b. Check operation of oil pumps
  - c. Check operation of non-return valves
2. During startup
  - a. Check vibration readings.
  - b. Check temperature readings.
  - c. Check thrust bearing wear detector settings.
  - d. Check overspeed trip device.
3. Operation (Unit synchronized)
  - a. Check vibration readings.
  - b. Check valve testing devices for proper operation.
4. Check performance data at same load recorded prior to shut down.

**PART 2: PRODUCTS (NOT USED)**

**EXECUTION (NOT USED)**

**END OF SECTION 48 11 26**

**DRAFT**





Item 6.E

Item 6.E



Item 6.E –Authorize Public Bid 24-04 for Dirt Work and Foundations for 1st Avenue and Ansley Substation Projects

June 21<sup>st</sup>, 2024

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

RE: Item 6.E – Authorize Public Bid 24-04 for Dirt Work and Foundations for 1st Avenue and Ansley Substation Projects

Dear Commissioners;

With this item, HPU is requesting Commission authorization to advertise for public bids for dirt work and foundations for the 1<sup>st</sup> Avenue and Ansley Substation projects.

If approved, the proposed procurement schedule would be as follows:

- Advertisement – June 2024
- Bid Due Date – July 18<sup>th</sup>
- Contract award date – July 23<sup>rd</sup> Commission Meetings

I look forward to answer any questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;



Luke J. Peterson





Item 6.F

Item 6.F



Item 6.F – Approve Purchase of Primary Cabinets for 1st Avenue and Ansley Substation Projects

June 21<sup>st</sup>, 2024

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

RE: Item 6.F – Approve Purchase of Primary Cabinets for 1st Avenue and Ansley Substation Projects

Dear Commissioners;

With this item, HPU is requesting purchase of primary cabinets at each new sub station. The primary cabinets sectionalize cable at substation border and increase personal/public safety, and facilitating future maintenance and replacement.

HPU is required to purchase nine primary cabinets for our projects. HPU obtained quotes from IRBY and Wesco. IRBY was the low quote at \$5,305 per cabinet for a total of \$47,745.

IRBY also had the best lead time of 5-7 weeks.

Therefore, because of these reasons, we are requesting Commission approval to proceed.

I look forward to answer any questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;



Luke J. Peterson





Item 6.F

Item 6.F



Item 6.F – Approve Purchase of Primary Cabinets for 1st Avenue and Ansley Substation Projects

June 21<sup>st</sup>, 2024

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

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I look forward to answer any questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;



Luke J. Peterson





## Quotation

STUART C IRBY BR673 BURNSVILLE  
12501 DUPONT AVE SOUTH  
BURNSVILLE MN 55337  
763-588-0545

QUOTE DATE	ORDER NUMBER
06/17/24	S013982079
REMIT TO:	
STUART C IRBY CO POST OFFICE BOX 741001 ATLANTA GA 30384-1001	PAGE NO.
	1

SOLD TO:  
HIBBING PUBLIC UTILITIES COMMISSION  
PO BOX 249  
HIBBING, MN 55746-0249

SHIP TO:  
HIBBING PUBLIC UTILITIES COMMISSION  
1716 EAST 5TH AVENUE  
HIBBING, MN 55746-1472  
218-262-7700

ORDERED BY: Joe Peterson

CUSTOMER NUMBER		CUSTOMER ORDER NUMBER		JOB/RELEASE NUMBER		OUTSIDE SALESPERSON	
INSIDE SALESPERSON				REQD DATE	FRGHT ALLWD	SHIP VIA	
Susan K Hill				06/17/24	Yes	BW BEST-WAY	
ORDER QTY	SHIP QTY	LINE	DESCRIPTION		Prc/UOM	Ext Amt	
9EA		1	*HILP FSC7953DGJ426B 3PH FIBERGLAS PRIMARY CABINET 79IN X 53IN, DIRECT BURIAL, SS ABOVE LINE PARKING STANDS, W/GALVANIZED RAILS AND MOUNTING PLATES, W/(3) 4-POINT, 15/25KV, 600 AMP, W/ 1/2" GROUND BAR 5-7 wks		5305.000EA	47745.00	

### \* This is a quotation \*

Prices firm for acceptance within 30 days with the exception of commodity prices which are subject to change daily. Quotation is void if changed. Complete quote must be used unless authorized in writing.

OUR PRODUCT AND SERVICES ARE SUBJECT TO, AND GOVERNED EXCLUSIVELY BY, OUR TERMS AND CONDITIONS OF SALE, WHICH ARE INCORPORATED HEREIN AND AVAILABLE AT [www.irbyutilities.com/terms](http://www.irbyutilities.com/terms). ADDITIONAL OR CONFLICTING TERMS ARE REJECTED, VOID AND OF NO FORCE OR EFFECT.

Hibbing Public Utilities Commission

June 25th, 2024

Subtotal	47745.00
S&H CHGS	0.00
Sales Tax	0.00
<b>TOTAL</b>	<b>47745.00</b>

\*\* Reprint \*\* Reprint \*\* Reprint \*\*  
Page 167 of 193





Item 6.G

Item 6.G



## Item 6.G – Approve HPU Advanced Metering Infrastructure

June 21<sup>st</sup>, 2024

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

RE: Item 6.G – Approve HPU Advanced Metering Infrastructure (AMI) with Sensus FlexNET/Core&Main not to exceed \$3,547,207

Dear Commissioners;

As discussed at our June 13<sup>th</sup> Working Session, we discussed approval of the proposed Sensus/FlexNET AMI system through Core & Main, the exclusive franchisee of Sensus FlexNET AMI systems in our region.

As we discussed, Sensus is renowned for its cutting-edge solutions in the AMI space, offering robust, reliable, and secure metering systems. HPU has been implementing Sensus compatible meters since 2015, and this purchase would qualify as a sole-source purchase through Core & Main.

As you will recall, HPU also engaged with EPE to review the cost estimates and provide a due diligence review, as presented in the work session earlier in the month.

AMI represents a significant advancement in utility management, integrating state-of-the-art metering technology with real-time data analytic potential.

As you will recall, we discussed that implementation of AMI can yield substantial benefits, including:

- Improved Accuracy: Enhanced meter reading accuracy, reducing the potential for human error and ensuring precise billing.
- Operational Efficiency: Automated meter reading eliminates the need for manual data collection, enabling more efficient resource allocation.
- Real-Time Data: Instant access to consumption data facilitates better demand forecasting and load management, helping to optimize grid performance.
- Customer Engagement: Provides customers with detailed usage information, empowering them to make informed decisions about their energy consumption and potentially reduce their utility bills.
- Enhanced Reliability: Early detection of outages and other issues allows for quicker response times and improved service reliability.
- Conservation Benefits: By enabling more efficient energy usage information and reducing the need for physical meter reading, AMI will enable customers

tools to improve energy efficiency through knowledge as well expanded product offerings like demand response products in the future

Following discussion on the 13<sup>th</sup>, I am pleased to report the following project schedule:

Fall 2024

- Project Planning – HPU Internal
- Install AMI Infrastructure base station and radios

Winter 2024/2025

- Receive Water and Gas Radios

Spring/Summer 2025

- Receive Electric meters
- Install meters and radios with internal resources, augmented by outside resources where necessary

With the discussion and follow up from our June 13<sup>th</sup> discussion, I now look forward to presenting for your consideration, HPU's Advanced Metering Infrastructure (AMI) with Sensus FlexNET/Core&Main not to exceed \$3,547,207 as a sole-source purchase.

I look forward to answering any additional questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;

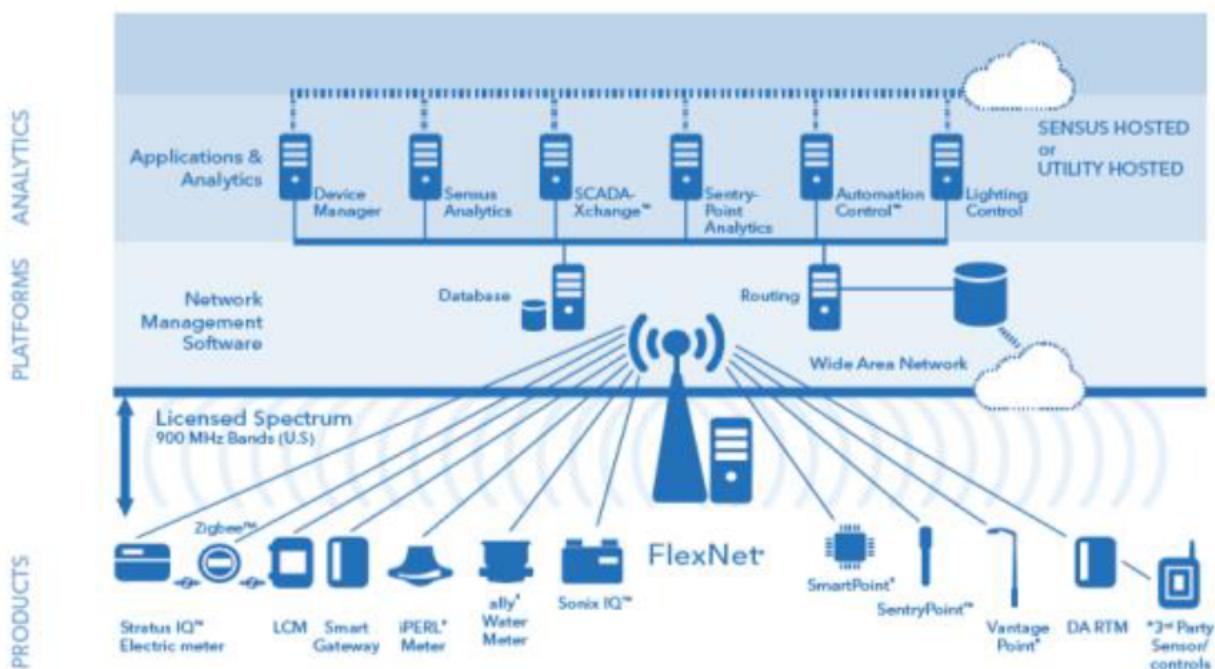
A handwritten signature in black ink that reads "Luke J. Peterson". The signature is fluid and cursive, with "Luke" on the first line and "J. Peterson" on the second line.

Luke J. Peterson

## Hibbing Sensus Overview

### SENSUS FLEXNET OVERVIEW

The FlexNet system is a point-to-multipoint communication network that uses a primary-use, FCC-licensed RF spectrum. The FlexNet system is the most complete communication network solution available today that can support multiple applications. Sensus develops and manufactures a full complement of AMI communication network products. This includes water and gas meters, communication network modules, solutions for distribution automation communications, lighting control, and communication products that support third-party products and applications that meet the utilities business and operational requirements. The bottom of the following diagram shows the FlexNet-enabled endpoints that can be deployed as a part of a FlexNet system. The next layer is the FlexNet communication network, comprised of our long-range communication base stations. At the top of the diagram is the FlexNet Head End System software, which will interface with your utility software systems and passes the appropriate data to each (for example, billing data, outage data, and so on)



**FIGURE: FLEXNET SYSTEM ARCHITECTURE**

Sensus is committed to providing systems and solutions that enable utilities to mitigate the risk of stranded assets. The FlexNet system is distinguished from competitive offerings through

expandability, performance, efficiency, security, and experience. The solution is purpose-built to meet utilities' needs today and in the future. Obsolescence is avoided through the development of products that bring in new applications while maintaining backward compatibility with network devices in the field for the life of the FlexNet system.

### FlexNet Network

Sensus' industry-leading, two-way wireless AMI communication network (the FlexNet system) consists of multiple synchronized, high-performance, 900-MHz, primary-use, FCC-licensed RF bands. The FlexNet system operates on FCC-protected, extended-range, and extended-penetration Personal Communications Service (PCS) frequencies. Top-level specifications of the wireless solution include the following:

- Protected FCC - Primary Licensed Spectrum.
- No one else will be allowed to use the FCC RF frequencies assigned to Sunrise.
- FlexNet-enabled endpoints communicate directly to the FlexNet network.
- Deploy Network on hardened vertical assets that stay up during storms.
- Best performing outage AMI system for weather events.
- Forward-looking development roadmaps and backward compatibility for our customers (no endpoint obsolesce). The FlexNet network and the endpoints you install will be supported for the life of your system.
- FlexNet endpoints communicate at up to 2-watts of power, enabling the fewest number of AMI network equipment devices (base stations) of all AMI systems.
- Base Stations operate at up to 16 watts of power enabling overlapping RF coverage.
- The FlexNet network design divides your RF spectrum into separate channels that isolate different message types, reducing congestion on the network, improving message throughput, and enabling the immediate transmission of alarm notifications.

## WATER METERS

### iPERL Residential Water Meter (3/4" – 1")

iPERL smart water meters offer unparalleled, low-flow accuracy with high-flow durability. iPERL meters use innovative magnetic technology to capture previously unmeasured low flow. iPERL meters increase returns while maximizing operational efficiency. With no moving parts, lead-free iPERL meters maintain their accuracy over a 20-year lifetime. With Advanced Metering Infrastructure (AMI) connectivity—as well as 14-condition, diagnostic, and lifetime alarms—iPERL meters provide a quick resolution to issues you may experience in the field. Features include:

- Improves operational efficiency and customer service
- Reduces non-revenue water, measuring flow rates as low as .1-.3 gpm
- Reduces maintenance and cost



- Installs horizontally, vertically or diagonally
- Prevents removal and tampering attempts to obtain free water
- Detects system leaks
- Allows remote management, monitoring and diagnosis
- Collects and logs system and customer data
- Preserves energy and optimizes power

**FIGURE: IPERL WATER METER**

### **OMNI Commercial & Industrial Water Meter (8" and up)**

The OMNI™ meter is the most technologically advanced large water meter on the market today. The key to this optimal measurement performance is the application of the new Floating Ball Technology (FBT). FBT employs an impeller with a ball design, which makes the impeller weightless in the waterline. The technology enables the impeller to begin moving with very little water flow or force through the meter. The result is that OMNI has an extended flow range with better low-flow sensitivity, as well as the ability to capture extended high flow rates – all with virtually no wear.

Improve your accuracy ranges in schools, hospitals, retail centers and more with our OMNI™ Compound (C<sup>2</sup>) and OMNI Turbo (T<sup>2</sup>) water meters. OMNI C<sup>2</sup> meters are one of the most technologically advanced, large water meters on the market, providing longer service life than all other comparable meters. OMNI T<sup>2</sup> meters are made of epoxy-coated ductile iron and are available in 1.5"-10" sizes. Stainless steel versions come in 1.5", 2" and 3" sizes.



**FIGURE: OMNI C<sup>2</sup> WATER METER (LEFT) AND OMNI T<sup>2</sup> WATER METER (RIGHT)**

## **ENDPOINTS**

### **510M SmartPoint Communication Module**

Water SmartPoint communication modules are a primary component of the FlexNet system and serve as more than just data collection devices. SmartPoints are equipped with full-duplex communications transceivers, providing full two-way communications from the FlexNet Head End System to the SmartPoint installed at the water meter.



The FlexNet system supports several communications options, including real-time, on-demand read capability from the meter; smart alarms, tamper detection, reprogramming of SmartPoints over the network; firmware updates over the network; and true top-of-the-hour reads.

- SmartPoints are designed for residential metering solutions as well as commercial and industrial (C&I) metering solutions.
- Single-port SmartPoints provide you with the ability to monitor a single meter register; dual-port SmartPoints provide you with the ability to monitor two separate meter registers.
- Migrate from a walk-by/drive-by (WB/DB) application to fixed-base with no endpoint reprogramming necessary for changing the reading method.
- SmartPoints hold a nationally published 20-year warranty.
- Hourly readings are transmitted every 4 hours (6 times per day) as the default configuration.
- Industry-leading long-range transmissions give SmartPoints the ability to transmit at up to 2 watts of power.
- Full two-way communications from the AMI management system (the FlexNet Head End System software) to the SmartPoint.
- Two-way communications provide on-demand read capability from the utility office.
- Potential leaks (both major and minor) are monitored at the customer site, with alerts sent to the utility.
- SmartPoints identify backflow conditions.
- Tamper features include cut wire and empty pipe.
- SmartPoints send low-battery warnings.
- Latitude and longitude coordinates are registered during the installation process.
- Hourly reads are stored up to 35 days.
- Remote upgrades include firmware and configuration updates.
- Flexible connection options simplify installation.

The 510M SmartPoint Communication Module features an internal antenna, enabling the unit to communicate directly to the FlexNet communication network, and doesn't require a separate antenna or booster. The SmartPoint and the water meter communicate via a direct connection.



FIGURE: 510M SMARTPOINT COMMUNICATION MODULE FOR WATER

## SENSUS SMART UTILITY GAS SOLUTION OVERVIEW

Sensus' smart gas system combines smart gas meters (such as our Sonix IQ ultrasonic meter and diaphragm meters equipped with gas SmartPoint communication modules), advanced sensors, software analytics, and services with the FlexNet communication network. This system enables utilities to go beyond AMR or AMI and maximize their return on intelligence through improved cost reductions, asset utilization, risk mitigation, revenue capture, and customer service.

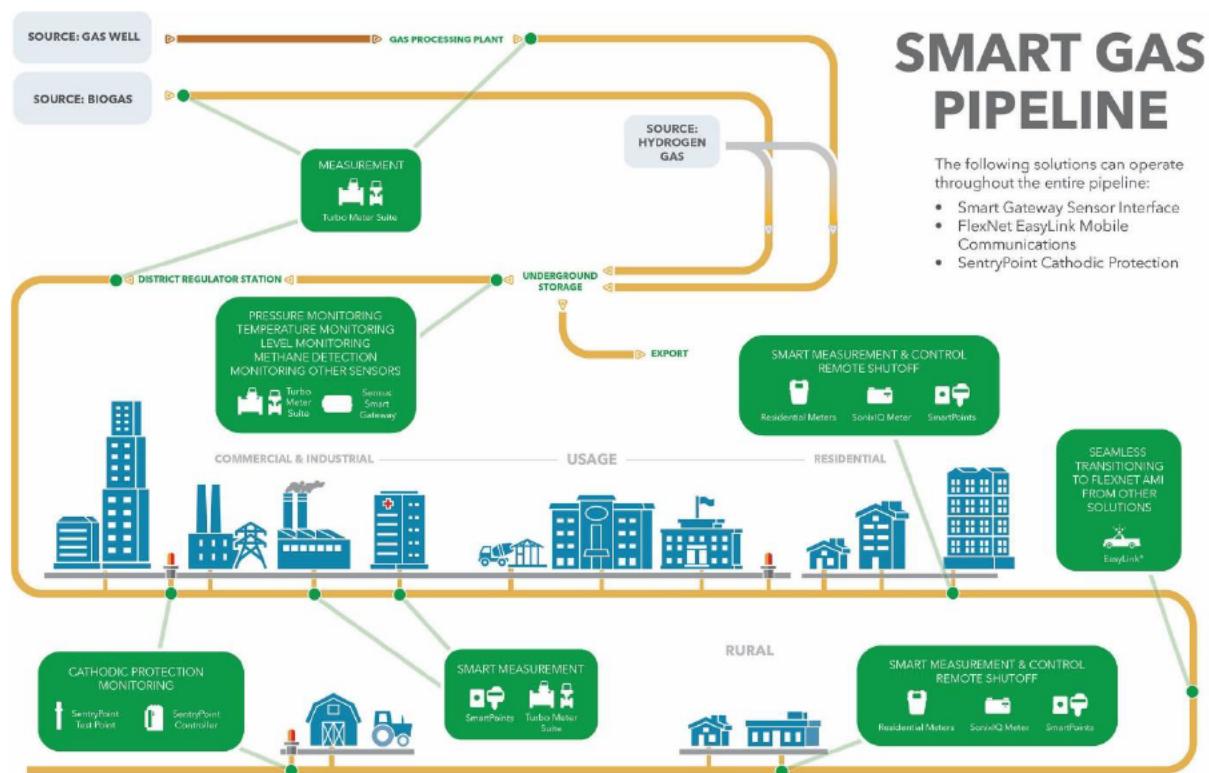
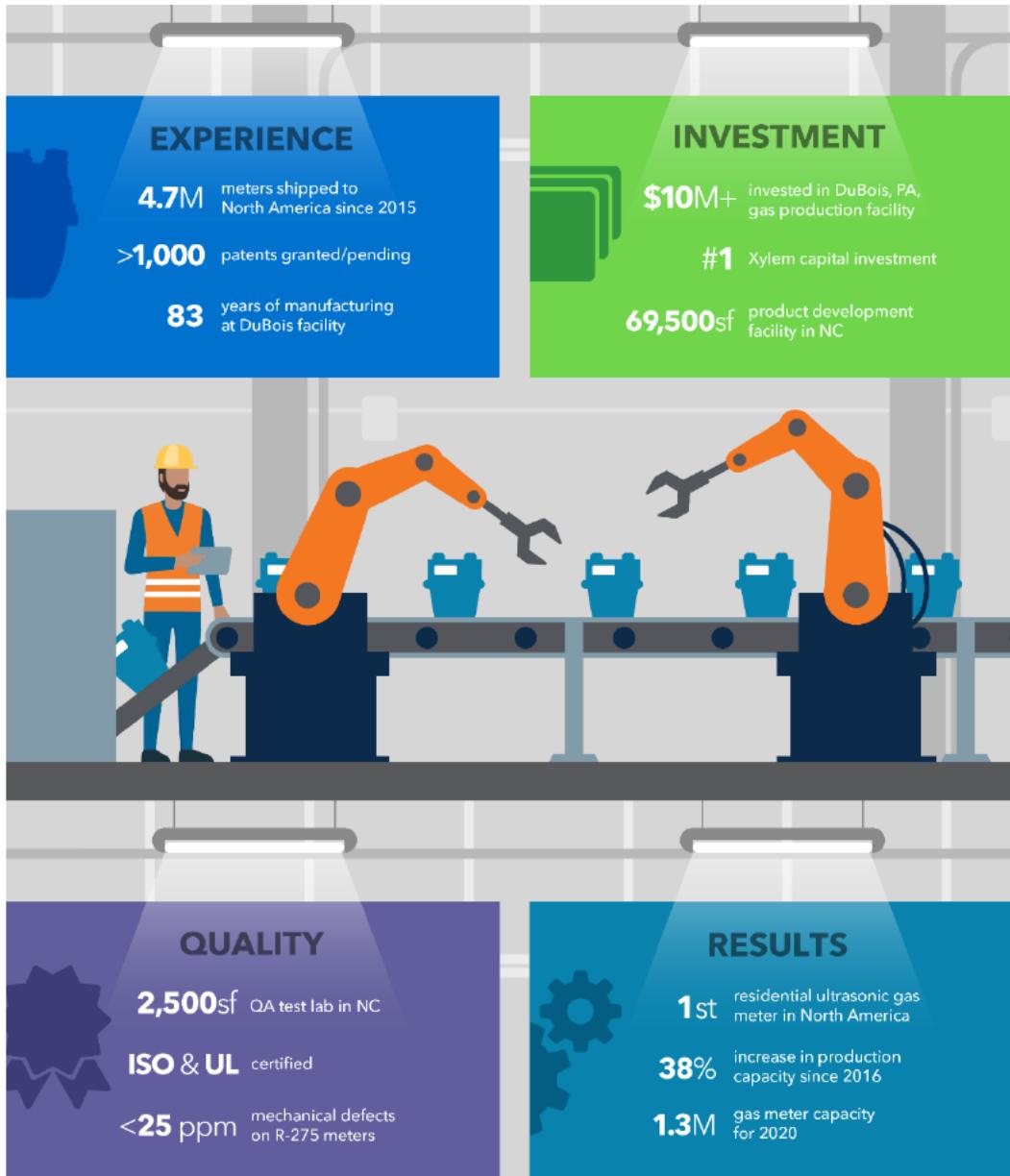


Figure 1: Smart Gas Pipeline

Sensus has been in the gas metering business for more than 100 years, and our advanced metrology – including residential smart gas meters and our industry-leading commercial and industrial gas meters – are trusted to capture more revenue, detect customer leaks, and deliver more accurate billing.

With our continuous innovation in advanced measurement and monitoring technologies, we enable gas utilities to realize additional benefits beyond metering, including remote gas shutoff, pressure and temperature measurement (in areas without a power source), cathodic protection monitoring and control, safety and process monitoring and control, and smart city applications.



## THE INTELLIGENT SONIX IQ GAS METER OFFERS CUTTING-EDGE CAPABILITIES

The Sonix IQ is a compact, solid-state gas meter with an integrated FlexNet communication module and an optional remote disconnect valve. The shutoff valve is triggered over the air upon request or autonomously for potentially dangerous service conditions, such as low pressure, high flow rate, or seismic activity. This is a feature that allows operators to alert emergency services and utility staff of a potentially hazardous condition in real time. Sensus recommends reconnecting gas services manually for health and safety purposes once the reported condition has been investigated.



Figure 2: Sonix IQ is the Smallest and Smartest Gas Meter on the Market

### SENSUS GAS SMARTPOINT COMMUNICATION MODULE

Sensus has a full product family of SmartPoint communication modules that fit residential, commercial, and industrial-sized gas meters. Our SmartPoint module for residential, commercial, and industrial gas applications connects gas utilities with their customers by mounting directly onto the meters, interfacing with the meter drive assembly, and allowing re-use of the existing meter index.



Figure 3: Sensus Gas SmartPoints (Residential, Commercial, and Industrial)

Features of the gas SmartPoint module include:

- 20-year battery life
- Full two-way communications, enabling reconfiguration and firmware downloads remotely over the FlexNet communication network
- Operates without the need for neighboring electric meters
- Migratable from drive-by to fixed network without a field visit
- Hourly or daily reporting options
- 35 days of onboard hourly interval data storage
- Tilt, tamper, broken pipe, and battery alarms



- Up to 2 watts output power using Sensus' primary-use RF spectrum that we have exclusive rights to use
- Multiple transmit modes for optimum flexibility
- Multiple meter compatibility, including 900GM 3-Port remote mount

The 20-year operating life of Sensus' gas SmartPoint modules is based on adherence to the following characteristics:

- Hourly top-of-the-hour consumption interval reads
- Consumption transmission every 4 hours, with indication, if present, of a latched alarm and, if present, indication of a low battery voltage
- Over-the-air firmware updates – five successful firmware downloads over 20 years
- Immediate transmission of alarms upon detection
- On-demand query response to module interrogation (e.g., on-demand read) – one per month for 20 years

## SENSUS ELECTRIC SOLUTION OVERVIEW

Sensus has your electric customers covered: from the most remote customers to the densest populations, the FlexNet communication network provides a private, high-powered system that covers everyone – with less infrastructure required. And with advanced smart meters, such as the Stratus IQ+ meter line, intelligent decisions can be made at the grid edge.

Go beyond billing by harnessing the power of distribution automation (DA), and remotely monitor and control grid assets such as voltage regulators' automated feeder switches, reclosers, and capacitor banks. Our electric solution enables utilities to take advantage of grid edge capabilities such as Conservation Voltage Reduction (CVR), phase detection, and much more.

## FLEXNET TRANSCEIVER CAPABILITIES IN ELECTRIC METERS

The transceivers in FlexNet-enabled electric meters provide the following benefits:

- Superior Communication and Coverage
  - Full-duplex communications directly to the FlexNet system.
  - FlexNet transceivers broadcast their messages to all base stations in range, per our 'All Paths Always' network architecture.
- Backward-Compatible and Forward-Looking
  - Electric meters are fully upgradable to support continued FlexNet system improvements releases.
  - FlexNet transceivers for endpoints support deep integration with Sensus and third-party meters.
    - FlexNet transceivers have the ability to communicate (receiving and transmitting) over different RF frequencies, supporting the FlexNet system's ability to assign different message types – like billing messages, alarms, demand response, and DA – to their own RF channels, ensuring each message type does not impact others.



- FlexNet transceivers for electric meters are fully integrated with their respective meters and can retrieve the meter's data and pass it to the FlexNet Head End System software per its program configuration.
- Both the metrology board and the FlexNet transceiver board in FlexNet-enabled electric meters support full over-the-air FlexNet system configuration updates and firmware upgrades.
- Security
  - All FlexNet transceivers in endpoints and base stations fully support AES 256-bit encryption for end-to-end (endpoint to head end software) security.
- Outage Management Capabilities
  - FlexNet transceivers are powered by their onboard supercapacitors for 10 minutes following a permanent outage, enabling four outage alarms to be transmitted to the FlexNet system at randomized times to inform the utility of the location of each meter outage.
- Real-Time Alarms
  - FlexNet transceivers in electric meters can report their position to nearby meters, which supports the ability to find a meter that has been stolen and relocated for use as a second meter to steal power.
  - FlexNet transceivers in endpoints support a wide variety of real-time alarms and diagnostic reporting, acting as the utility's eyes and ears on the distribution lines to keep the team aware of conditions in the field.
  - Tamper reporting is supported. As an example, the Stratus IQ+ meter supports the ability to inform the utility when it has been removed from its meter socket when powered.
- Electric Utility Benefits
  - Sensus' solutions for electric utilities provide a comprehensive package of benefits to make your utility smarter and more efficient.
- Customer Billing Data and Options
  - Implement new rate structures by increased interval data (5-, 10-, 15-, or 60-minute intervals)
  - Third-party Customer Portal integration to provide usage and communication for your customers
  - Remote demand reset
  - Prepayment solution option
  - TOU and real-time pricing rates
  - Customer-preferred day billing
  - Customer consolidated billing option
  - On-request verification reads
  - On-request move-in and move-out reads
  - Vacation home daily power-on checks
- Operations and Engineering Benefits
  - Detect over-voltage and under-voltage issues
  - Substation, bus, and distribution feeder loading and balancing
  - Remote data and control of capacitor banks, reclosers, regulators, switches, pumps, gates, lift stations, and other distribution equipment



- Load control of water heaters, A/C units, pool pumps, irrigation pumps, and others
- Phase identification
- Identify overloaded and under loaded assets – distribution transformers, lateral fuses, reclosers, substation breakers, and transformers
- Gather information that allows for predictive maintenance and repairs before outages
- Improved tree trimming using voltage blink information
- Locate outages faster to get your customer's lights back on faster (Faulted Circuit Indicators (FCIs))
- Improved system power factor

## SOFTWARE

### **Regional Network Interface (RNI) – Head End Software**

The Regional Network Interface (RNI)™ is the head end system for the FlexNet communication network. The RNI manages communications by reading and delivering near real-time data, providing a window into the field. Communicating with end points, the RNI continuously gathers and processes device and network data, providing you with status updates and storing or sending data to other systems including your CIS, MDM, OMS and Sensus Analytics. From the data received, you can monitor the operation of meters, base stations, and the various RNI components to ensure timely and accurate billing for services. Priority alarms are delivered immediately, and onboarding diagnostic tools optimize performance by monitoring and managing system health.

### **Sensus Analytics – Meter Data Management (MDM) Platform**

Utilities know that collecting the right information from meters and sensors is the best way to optimize a system and make the most of every investment. But the data itself does not tell the whole story. The process of sorting through this data – the analytics – reveals relevant, actionable insights to help improve everything from operations to customer service. Sensus Analytics provides the functionality needed to do just that. Sensus' suite of applications provides user-friendly dashboards that help utilities make informed decisions quickly and confidently. The powerful data management tools aggregate information from all across the FlexNet system. A secure connection to the cloud delivers these intuitive apps right to a user's desktop, tablet, or smartphone. With intuitive applications that are quick to implement and easy to use, users can rely less on internal IT resources. Role-based access allows service providers to share information across the organization for improved productivity, operational efficiency, and customer satisfaction.

<b>AMI INFRASTRUCTURE: BaseStations</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
M420 Base Station (includes antenna)	3	\$ 38,000.00	\$ 114,000.00
M420 Installation	3	\$ 50,000.00	\$ 150,000.00
Cellular backhaul modems	3	\$ 1,000.00	\$ 3,000.00
			<b>\$ 267,000.00</b>

<b>NEW ELECTRIC METERS</b>	<b>Meter ANSI Form</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Stratus IQ 2S-RD (includes Radio Module)	Single phase with remote disconnect. Extended warranty included (5 year total)	6,800	\$ 216.66	\$ 1,473,288.00
Aclara KV2C (includes Radio Module)	Polyphase meters all forms (extended warranty included, 5 year total) Includes reactive and power quality switches	300	\$ 626.73	\$ 188,019.00
		7,100		<b>\$ 1,661,307.00</b>

<b>NEW WATER SMARTPOINT RADIOS</b>	<b>Meter Size and Type</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Smartpoint - 510M TouchCouple Single Port		5,800	\$ 155.00	\$ 899,000.00
		5,800		<b>\$ 899,000.00</b>

<b>NEW NATURAL GAS INDEX</b>	<b>Meter Size and Type</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Sensus FlexNet Gas Index	Residential Gas Meter Index to retrofit existing	4,500	\$ 130.00	\$ 585,000.00
		4,500		<b>\$ 585,000.00</b>

<b>TRAINING, DOCUMENTATION, and PROJECT MANAGEMENT</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Field Hardware and Software Training	1	\$ 4,000.00	\$ 4,000.00
Project Management	1	\$ 25,000.00	\$ 25,000.00
<b>Integration fees from Caselle (if applicable) are not included by C&amp;M</b>	0	\$ -	\$ -
			<b>\$ 29,000.00</b>

<b>TEST EQUIPMENT, TOOLS, SHIPPING, MISC.</b>	<b>Description</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Hand Held Package (Command Link w/ Android tablet)	Field tools and software for meter installation and programming	4	900	\$ 3,600.00
FMT	Field tools and software for meter installation and programming	2	450	\$ 900.00
UniPro	Field tools and software for meter installation and programming	2	350	\$ 700.00
				<b>\$ 5,200.00</b>

<b>ANNUAL SYSTEM COSTS</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Annual Sensus SaaS & SA fees for Year 1 (will increase by 3% annually)	1	\$ 79,000.00	\$ 79,000.00
			<b>\$ 79,000.00</b>

<b>Year 1 SaaS Setup</b>	<b>Quantity</b>	<b>Each</b>	<b>Extended</b>
Sensus Regional Network Interface (RNI) Head End Software	1	\$ 8,000.00	\$ 8,000.00
Sensus Analytics Setup	1	\$ 5,700.00	\$ 5,700.00
Billing Integration Fee to Caselle	1	\$ 8,000.00	\$ 8,000.00
			<b>\$ 21,700.00</b>

**TOTAL \$ 3,547,207.00**





Item 7.A

Item 7.A



Item 7.A –Approve Resolution 24-06 - Authorizing Opening of Demand Account

June 21<sup>st</sup>, 2024

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

Re: Item 7.A –Approve Resolution 24-06 - Authorizing Opening of Demand Account and Designating Signers

Dear Commissioners;

Resolution 23-25 Adopted by Commission Action on December 19<sup>th</sup> 2023, authorized Security State Bank, American Bank, Wells Fargo Investment Services, US Bank. National Bank of Commerce, and Xpress Billpay as its Official Depositories for Calendar 2024.

Per HPU's Authorization and Risk Matrix, Commission action is needed to open and close bank accounts.

Staff desires redundancy to our primary checking account at Security State Bank, our only active checking account currently. In addition, NBC offered HPU a 3% interest rate on its demand deposits.

For these reasons, I am requesting authorization to open a new demand account and designate signers per the attached resolution.

I look forward to answering any questions you may have at the June 25<sup>th</sup> meeting.

Sincerely;



Luke J. Peterson



**Resolution 24-06****Authorizing Opening of Demand Account & Designating Signers at  
National Bank of Commerce, Hibbing Branch**

WHEREAS, the Hibbing Public Utilities Commission adopted Resolution 23-25 by a unanimous vote on December 19<sup>th</sup>, 2023 designating Security State Bank, American Bank, Wells Fargo Investment Services, US Bank, National Bank of Commerce, and Xpress Billpay as its Official Depositories for Calendar Year 2024; and

WHEREAS, the Commission wishes to open an account at National Bank of Commerce (formerly Republic Bank), an Official Depository;

NOW, THEREFORE, BE IT RESOLVED, that the Hibbing Public Utilities Commission approves the opening of a new Demand Account at The National Bank of Commerce branch located in Hibbing, Minnesota;

BE IT FUTHER RESOLVED, the Hibbing Public Utilities Commission designates the following as approved Signers on said Demand Account and their successors *ex-officio*:

Jeffrey Hart, Commission Chair  
James Bayliss, Commission Vice Chair  
Jesse Babich, Commission Secretary  
Jeffrey Stokes, Commissioner  
Julie Sanstede, Commissioner  
Luke Peterson, General Manager  
Jill Zallar, Customer Service and Finance Supervisor

Adopted this 25<sup>th</sup> Day of June, 2024 by Commission Action by a vote of \_\_\_\_ for and  
\_\_\_\_ against.

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Jeff Hart, Commission Chair

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Jesse Babich, Commission Secretary





Item 7.B

Item 7.B



Item 7.B – Declare Vacancy and Authorize Posting of Assistant Water Mechanic Crew Leader

June 21<sup>st</sup>, 2024

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

Item 7.B – Declare Vacancy and Authorize Posting of Assistant Water Mechanic Crew Leader

Dear Commissioners;

For your consideration, please declare the vacancy and approve the internal posting for the Assistant Water Mechanic Leader position.

The internal posting would follow HPU hiring procedures per the current employment agreement for the AFSCME Local 94 bargaining unit. The posting would remain active for 10 working days, and the senior most qualified individual would be recommended to the commission for final appointment to the position.

Should the commission declare the vacancy and approve the internal posting, the posting would become active Wednesday June 26, 2024 and end on July 10th at 3:30PM.

Sincerely;



Luke J. Peterson