



Commission Regular Session

APRIL 22ND, 2025

Commission Meeting Agenda

April 22nd, 2025

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	—
Customer Ser. & Finance J. Zallar	—	Admin & Comm E. Dixon	—
Electrical Operations S. Adams	—	Local 94 President Rich Kampsula	—

1. CALL TO ORDER

2. ADDS/DELETES

3. APPROVAL OF MINUTES: February 25th & March 20th, 2025 Commission Meetings

4. CITIZENS' FORUM: *Maximum amount of time per item: 5 minutes*

5. CONSENT AGENDA

- A. Approve invoices >\$10,000 & approve the bills & ACH transfers dated March 13th – April 16th, 2025
- B. Approve the payroll paid & overtime report for the March 20th, April 3rd, & April 17th pay dates
- C. Approve 2025 Q2 Travel Requests
- D. Approve Management Performance Adjustments
- E. Authorize Submittal of the Annual Power Plan per the terms of the Boswell Purchase and Market Energy Services Agreement with Minnesota Power

6. FINANCIALS & RISK MANAGEMENT

- A. Approve March 2025 Interim Financials
- B. Approve Purchase of HREC Coal Supply from DTE Energy in the amount of \$41,885
- C. Approve Purchase of Stainless-Steel Condensate Piping for 23rd St. from domestic supplier in the amount of \$40,990
- D. HREC Capital Improvements – Budgeted Expenses
 - i. Approve Novaspect Common Cabinet Commissioning in the amount of \$30,993.91
 - ii. Approve Purchase of Three (3) NPA EX 657 Automatic Valves from Novaspect in the amount of \$37,743.26
 - iii. Approve Purchase of Two (2) Fisher 1' EZ 667 Automatic Valves from Novaspect in the amount of \$18,032.08
- E. Award Watermain Capital Improvement Project – 17th St. E., 12th Ave., 5th Ave, & 6th Ave., to Bougalis Inc. in the amount of \$3,038,585
- F. Authorize RFP 25-10: Distribution Groundline Inspection
- G. Approve Bolton & Menk Construction Services for the 2025 Construction Season

7. POLICY & GOVERNANCE

- A. Adopt Policy Manual for Federal Grant Compliance
- B. Accept Notice of Retirement: Terry Garrity
- C. Declare a Vacancy, Approve job description and internal posting for an Electrical Maintenance and Instrumentation Crew Leader
- D. Approve Updated Job Description and External Posting for Accounting Analyst
- E. Approve Hiring of Electrical Maintenance & Instrumentation Technician

F. Approve hiring of 2025 Summer Student Recommendations

8. OLD BUSINESS

A. Approve Advertising Externally for Electrical Maintenance & Instrumentation Technician
from March 20, 2025 Meeting

9. NEW BUSINESS

A. Committees

10. ADJOURNMENT



Item 3 – Approval of Minutes

Item 3 – Approval of Minutes : February 25th & March 20th, 2025

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 3 – Approval of Minutes: February 25th & March 20th, 2025

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings of February 25th & March 20th, 2025.

Sincerely;



Luke J. Peterson

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on February 25th, 2025. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chair Hart called the meeting to order at 5:02 p.m. In attendance were Chair Hart, Commissioner Bayliss, Commissioner Babich, Commissioner Stokes, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, Manager of Power Supply, Paul Plombon; Finance & Customer Service Supervisor Jill Zallar; and Customer Programs & Communication Specialist, Eliot Dixon. Also in attendance were, Hibbing Mayor Pete Hyduke, MMUA CEO Karleen Kos, Baker Tilly Rep. Russ Hissom, HPAT Reps. Ron Wirkula and Caleb Hill; HPU Employee Rich Kampsula, Warren Kampen, Brett Isaacs, Joe Windsor, and Jacob Frederick; and Mark Reger.

Item 2. ADDS/DELETES

HPU General Manager requested to have Items 6.H., 7.A.iii., & 7.D. be deleted from the Meeting Agenda.

Commissioner Sandstede requested discussion items;

Item 4.A – Discussion of Request for Contribution Process

Item 7.E – Addition of Commissioners to Utility Committees

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve the regular meeting minutes of January 7th & January 21st, 2025.

Motion carried unanimously.

Item 4. CITIZENS FORUM –

Item 4.A. - Discussion of Request for Contribution Process

Commission discussed advertisement, application, and selection process of HPU's Request for Contribution charitable giving. Chair Hart requested that a \$500 limit be placed on contributions.

Item 5. CONSENT AGENDA

Item 5.A. Approving invoices >\$1,000 & approve the bills & ACH transfers >\$10,000 dated January 15th, 2025 – February 19th, 2025

Item 5.B. Approve the payroll paid & overtime report for the January 23rd, February 6th, & February 20th, 2025 pay dates.

Item 5.C. Approve Letter of Understanding 2025-03: Mutual Aide

Item 5.D. Approve Overnight Travel and Expenses through April 2025

- Item 5.E. Request for Contribution: Hibbing High School Student Council in the amount of \$400
- Item 5.F. Request for Contribution: Hibbing Curling Club Junior Curling in the amount of \$500
- Item 5.G. Request for Contribution: Angel Fund in the amount of \$500
- Item 5.H. Request for Contribution: Hibbing Speedway
- Item 5.I. Approve Commissioners to attend 30" Watermain Rehabilitation Groundbreaking on Feb. 28th at 11:30 am.

Commissioner Sandstede questioned several items on the invoice register published in regards to item 5.A.

Chair Hart requested Item 5.H. be pulled from the agenda.

Commissioner Bayliss requested Item 5.E. be pulled from the Consent Agenda for discussion.

Motion by Commissioner Bayliss, Supported by Commissioner Stokes, to approve Consent Agenda items 5.A., 5.B., 5.C., 5.D., 5.F., 5.G., & 5.I. as presented.

Motion carried unanimously.

- Item 5.E. Request for Contribution: Hibbing High School Student Council in the amount of \$400

Commissioner Bayliss questioned why the amount of \$400 was selected for this Contribution. HPU Customer Programs & Communication Specialist Eliot Dixon clarified that the amount was selected in alignment with Silver level sponsorship offered by the Student Council.

Motion by Commissioner Bayliss, Support by Chair Hart, to approve a contribution in the amount of \$400 to the Hibbing High School Student Council.

Motion carried unanimously.

Item 6. FINANCIALS & RISK MANAGEMENT

- Item 6.A. Approve January 2025 Financials

Motion by Commissioner Sandstede, Supported by Commissioner Babich, to Approve January 2025 Financials

Motion carried unanimously.

Item 6.B. Authorize MMUA Policy and Governance Consulting Services for 2025 in the amount not to exceed \$24,750

Commission discussed scope of work, inclusion of Commission, and utilization of examples from comparable organizations.

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to Authorize MMUA Policy and Governance Consulting Services for 2025 in the amount not to exceed \$24,750.

Motion carried unanimously.

Item 6.C. Authorize Public Bid 2025-02: 2025 Vegetation Management

Chair Hart requested bid scope include the clearing of all lines attached to HPU distribution poles. Commission discussed possibility of bringing routine vegetation management projects in house. Commissioner Stokes requested cost assessment of doing work internally.

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to Authorize Public Bid 2025-02: 2025 Vegetation Management.

Motion carried unanimously.

Item 6.D. Authorize Public Bid 2025-03: Transmission Transformer

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to Authorize Public Bid 2025-03: Transmission Transformer.

Motion carried unanimously.

Item 6.E. Authorize Public Bid 2025-04: High Voltage Circuit Breaker

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to Authorize Public Bid 2025-04: High Voltage Circuit Breaker.

Motion carried unanimously.

Item 6.F. Substation Modernization Projects: Primary Wire Distribution Work

Item 6.F.i- Approve Lake State Construction, LLC for Ansley Substation OH work in the amount of \$118,000

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to Approve Lake State Construction, LLC for Ansley Substation OH work in the amount of \$118,000.

Motion carried unanimously.

Item 6.F.ii- Approve Lake State Construction, LLC for 1st Ave. Substation OH work in the amount of \$89,000

Motion by Chair Hart, Supported by Commissioner Sandstede, to Approve Lake State Construction, LLC for 1st Ave. Substation OH work in the amount of \$89,000.

Motion carried unanimously.

Item 6.G.- Approve Novaspect 5-Year Support Plan and 2025 Service Agreement

Commission discussed payment structure and schedule of Support Plan. HPU General Manager stated that work would be completed on a time and materials basis.

Motion by Commissioner Stokes, Supported by Commissioner Babich, to Approve Novaspect 5-year Support Plan and 2025 Service Agreement

Motion carried unanimously.

Item 7. POLICY & GOVERNANCE-

Item 7.A. Award I&E Positions to Internal Candidates

Item 7.A.i- Appoint Terry Garrity to Electrical Maintenance & Instrumentation Crew Leader Position

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to Appoint Terry Garrity to Electrical maintenance & Instrumentation Crew Leader Position

Motion carried unanimously.

Item 7.A.ii- Appoint Warren Kampen and Brent Isaacs to Electrical Maintenance & Instrumentation Technician Journeyman Positions

Commission discussed process consolidation of Electrical and Instrumentation Crews, listened to statements from Local 94 Union President, Rich Kampsula.

Motion by Commissioner Stokes, Supported by Commissioner Bayliss, to Appoint Warren Kampen and Brent Isaacs to Electrical Maintenance & Instrumentation Technician Journeyman Positions

Motion failed 3-2.

“Nay” – Bayliss, Babich, Sandstede

“Yea” – Hart, Stokes

Item 7.B. Approve External Posting for Instrumentation and Electrical Journeyman

Commissioner Sandstede requested this item be pulled from the agenda.

Motion by Commissioner Sandstede, Supported by Commissioner Babich, to remove Item 7.B. from meeting agenda.

Motion carried 3-2.

“Yea” – Bayliss, Babich, Sandstede

“Nay” – Hart, Stokes

Item 7.C. Approve Job Description and Authorize Advertising for Electrical Engineer

Motion by Commissioner Bayliss, Supported by Commissioner Sandstede, to Approve Job Description and Authorize advertising for Electrical Engineer.

Motion carried unanimously.

Item 7.E. Approve Commissioners to join Utility Committees

Motion by Commissioner Sandstede, Supported by Commission Stokes, to approve the addition of Commissioner’s to Utility Committees

Motion carried unanimously.

Item 8. OLD BUSINESS–

Item 9. NEW BUSINESS –

HPU General Manager Luke Peterson invited members of the viewing public to attend the February 28th Groundbreaking Ceremony of the 30” Watermain.

Item 10. ADJOURNMENT

Motion by Commissioner Bayliss, supported by Commissioner Babich, to adjourn the meeting at 7:04 p.m.

Motion carried unanimously

Attest:

Jeff Hart, Chair

Jesse Babich, Commission Secretary

Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, March 11th, 2025
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746.

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Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on March 20th, 2025. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chair Hart called the meeting to order at 5:04 p.m. In attendance were Chair Hart, Commissioner Babich, Commissioner Stokes, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, and Finance & Customer Service Supervisor Jill Zallar. Also in attendance were, Bolton & Menk Rep. Josh Stier, HPAT Reps. Ron Wirkula and Caleb Hill; HPU Employee Rich Kampsula; and Mark Reger. Absent was Commissioner Bayliss

Item 2. ADDS/DELETES

HPU General Manager Luke Peterson requested to strike Item 3 – Approval of Feb. 25th Meeting Minutes from the agenda.

HPU General Manager Peterson made statement of support for workers affected by recent lay-offs.

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve the regular meeting minutes of January 7th & January 21st, 2025.

Motion carried unanimously.

Item 4. CITIZENS FORUM –

Item 5. CONSENT AGENDA

Item 5.A. Approving invoices >\$1,000 & approve the bills & ACH transfers >\$10,000 dated February 20th – March 12th, 2025

Item 5.B. Approve the payroll paid & overtime report for the March 6th, 2025 pay date.

Item 5.C. Approve contribution in the amount of \$500 to the Victory 5k

Motion by Commissioner Stokes, Supported by Commissioner Babich, to approve Consent Agenda items 5.A., 5.B., & 5.C. as presented.

Motion carried unanimously.

Item 6. FINANCIALS & RISK MANAGEMENT

Item 6.A. Approve February 2025 Financials

No action needed.

Item 6.B. Approve Merjent, Inc. in the amount not to exceed \$99K for Environmental and Route Permit Consulting Services

Commission discussed scope of work and selection process for Merjent.

Motion by Chair Hart, Supported by Commissioner Stokes, to Approve Merjent, Inc. not to exceed \$99K.

Motion carried unanimously.

Item 6.C. Authorize Purchase of Linde Model H25T-1205 Forklift in the amount of \$70,600

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to Authorize purchase of Linde Model H25T-1205 Forklift in the amount of \$70,600.

Motion carried unanimously.

Item 6.D. Authorize Public Bid 2025-05: Dig Restorals

Chair Hart expressed support to bid for a bi-annual contract.

Motion by Chair Hart, Supported by Commissioner Stokes, to Authorize Public Bid 2025-05: Dig Restorals as a Bi-annual contract.

Motion carried unanimously.

Commissioner Stokes requested costs regarding the Dig Restoral and Bush Clearing contracts be tracked to determine the viability of HPU Construction Crew to perform similar work.

Item 6.E. Authorize Public Bid 25-06, 25-07, & 25-08 for 2025 Distribution Water Projects

Commission discussed the coordination of Distribution Projects with City of Hibbing Capital Planning.

Motion by Commissioner Stokes, Supported by Commissioner Sandstede, to Authorize Public Bid 25-06, 25-07, & 25-08 Distribution Projects.

Motion carried unanimously.

Item 6.F. Authorize Public Bid 2025-09: 23rd Street Gas Main Extension

Commission discussed installation of pipe to match future needs of Memorial Building.

Motion by Sandstede, Supported by Commissioner Stokes, to Authorize Public Bid 2025-09: 23rd Street Gas Main Extension with a 6" gas line.

Motion carried unanimously.

Item 6.G.- Accept Bid Results of joint City of Hibbing and HPU Project for 2025 Capital Watermain Improvement – 23rd Street Project and authorize associated Cooperative Project Agreement with City of Hibbing.

Motion by Commissioner Babich, Supported by Commissioner Stokes, to Accept Bid Results and Authorize associated Cooperative Project Agreement with the City of Hibbing.

Motion carried unanimously.

Item 7. POLICY & GOVERNANCE-

Item 7.A. I&E Combination Update

Commission discussed positive progress on the Combination of the Instrumentation and work groups. Commission discussed path forward as proposed by Management and Union.

Motion by Chair Hart, Supported by Commissioner Babich, to Eliminate Plant Electrician positions.

Motion carried unanimously.

Motion by Commissioner Babich, Supported by Commissioner Stokes, to Approve external posting for 1 Journeyman Instrumentation & Electrician Technician position.

Motion carried unanimously.

Item 7.B. Approve hiring of Jasmine Daugherty for Accounting Coordinator

Commission requested information on how Jasmine Daugherty became aware of the open position and to report that information back to the Commission.

Motion by Commissioner Stokes, Supported by Commissioner Babich, Approve hiring of Jasmine Daugherty for Accounting Coordinator position

Motion carried unanimously.

Item 8. OLD BUSINESS–

Commission continued discussion of I&E combination.

Commission discussed the addition of a mechanical engineering position within the utility.

Commission discussed annual review process of the HPU General Manager.

Item 9. NEW BUSINESS –

Item 10. ADJOURNMENT

Motion by Commissioner Sandstede, supported by Chair Hart, to adjourn the meeting at 6:25 p.m.

Motion carried unanimously

Attest:

Jeff Hart, Chair

Jesse Babich, Commission Secretary

Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, April 8th, 2025
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746.

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Item 5.A – Approve Invoices > \$10,000 &
approve the bills & ACH transfers

Item 5.A – Approve Invoices > \$10,000 & approve the bills & ACH transfers

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.A – Approve Invoices > \$10,000 & approve the bills & ACH transfers dated March 13th – April 16th, 2025

Dear Commissioners;

Per HPU's Authorization and approval Matrix approved at the April 26th, 2022 Commission Meeting, please find attached a register of invoices, bills, and payments since the last Regular Meeting held by the Commission on March 20th, 2025.

Sincerely;



Luke J. Peterson

Report Criteria:

Detail report type printed
[Report].Invoice Amount = {>}10000
Check.Voided = No

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
25876	ABDO LLP	499796	Compensation Study-Appr	1	12/31/2024	14,100.00	14,100.00	61229	03/27/2025
		503562	Audit services progress inv	1	03/17/2025	19,000.00	19,000.00	61229	03/27/2025
		Total ABDO LLP:					33,100.00	33,100.00	
25288	AMERICAN EAGLE SECU	25392	Camera/Security Upgrades	1	12/10/2024	16,450.00	16,450.00	61361	04/04/2025
Total AMERICAN EAGLE SECURITY SYSTEMS INC:						16,450.00	16,450.00		
2014	BARR ENGINEERING CO	23692705.03	Turbine Generator 5--Cons	1	03/27/2025	19,518.00	19,518.00	61365	04/04/2025
Total BARR ENGINEERING CO:						19,518.00	19,518.00		
25653	BCBS RETIREE	2502273936	RETIREE ACTIVE COVER	1	03/11/2025	10,335.00	10,335.00	32720252	03/27/2025
Total BCBS RETIREE:						10,335.00	10,335.00		
25641	BOLTON & MENK, INC	0357745	2025 Wartermain Improve	1	02/28/2025	45,385.70	45,385.70	61366	04/04/2025
		0357754	2025 Wartermain Improve	1	02/28/2025	13,298.00	13,298.00	61366	04/04/2025
		0357755	2025 Wartermain Improve	1	02/28/2025	49,262.50	49,262.50	61366	04/04/2025
		0357756	2025 Wartermain Improve	1	02/28/2025	18,900.00	18,900.00	61366	04/04/2025
		0358952	WTP design services Feb 1	1	03/24/2025	16,120.25	16,120.25	61366	04/04/2025
Total BOLTON & MENK, INC:						142,966.45	142,966.45		
5141	BOUGALIS INC	7722	9TH AVE & Howard Waterli	1	03/31/2025	21,830.50	21,830.50	61368	04/04/2025
		7723	Waterline at Ford	1	03/31/2025	14,301.25	14,301.25	61368	04/04/2025
Total BOUGALIS INC:						36,131.75	36,131.75		
20786	DAKOTA SUPPLY GROUP	S104403883.	POLE NEW 45 FT STELLA	1	03/26/2025	55,093.00	55,093.00	61373	04/04/2025
Total DAKOTA SUPPLY GROUP:						55,093.00	55,093.00		
25863	ELECTRIC POWER ENGI	35271	T1 EPCM Services	1	03/31/2025	56,757.00	56,757.00	61375	04/04/2025
Total ELECTRIC POWER ENGINEERS LLC:						56,757.00	56,757.00		
155	HECIMOVICH MECHANIC	4468	12" Flanged 600# Gate Val	1	03/24/2025	22,800.09	22,800.09	61383	04/04/2025
		4469	Boiler Crosses, heater, su	1	03/25/2025	26,895.96	26,895.96	61383	04/04/2025
Total HECIMOVICH MECHANICAL CONTRACTING INC:						49,696.05	49,696.05		
23045	HIBBING ACH, CITY OF	000238-FEB	Feb Sewer Billings	1	03/18/2025	314,437.18	314,437.18	32820251	03/27/2025
		000238-FEB	Feb Storm Sewer Revenue	2	03/18/2025	25,654.85	25,654.85	32820251	03/27/2025
		000238-FEB	Feb Garbage Billings	1	03/18/2025	249,495.55	249,495.55	32820251	03/27/2025
Total HIBBING ACH, CITY OF:						589,587.58	589,587.58		
22864	HUNT ELECTRIC	384131	HPU Boiler Upgrade	1	03/14/2025	10,985.68	10,985.68	61384	04/04/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total HUNT ELECTRIC:						10,985.68	10,985.68		
25760	IRON RANGE ENGINEERI	92	Substation Consulting	2	03/07/2025	16,072.77	16,072.77	61386	04/04/2025
Total IRON RANGE ENGINEERING AND CONSULTING:						16,072.77	16,072.77		
25127	KINECT ENERGY INC AC	391405	Monthly Gas Invoice March	1	04/03/2025	811,773.19	811,773.19	41420251	04/14/2025
Total KINECT ENERGY INC ACH DO NOT MAIL:						811,773.19	811,773.19		
25904	LAKE STATES CONSTRU	11213	1st AVE Conduit install, cab	1	02/28/2025	126,551.00	126,551.00	61392	04/04/2025
		11214	Increased scope for substa	1	02/28/2025	38,280.00	38,280.00	61392	04/04/2025
Total LAKE STATES CONSTRUCTION LLC:						164,831.00	164,831.00		
22191	MEDICARE BLUE RX	001946547	MEDIARE RX COVERAGE	1	02/10/2025	14,782.00	14,782.00	61394	04/04/2025
		002042364	MEDIARE RX COVERAGE	1	03/05/2025	14,976.50	14,976.50	61394	04/04/2025
Total MEDICARE BLUE RX:						29,758.50	29,758.50		
20364	MINNESOTA POWER ACH	0763214144	Monthly Power Invoice for	1	03/18/2025	612,898.39	612,898.39	404251	04/04/2025
Total MINNESOTA POWER ACH DO NOT MAIL:						612,898.39	612,898.39		
25272	MN PEIP	1503274	ACTIVE EMPLOYEE HEAL	1	03/25/2025	173,469.00	173,469.00	41020251	04/10/2025
Total MN PEIP:						173,469.00	173,469.00		
23039	MN REVENUE SALES TA	03212025	MONTHLY SALES TAX FE	1	03/21/2025	147,914.00	147,914.00	32120251	03/21/2025
Total MN REVENUE SALES TAX:						147,914.00	147,914.00		
1042	NORTHERN INDUSTRIAL	19701	Damaged Insulation replac	1	03/17/2025	23,046.81	23,046.81	61269	03/27/2025
Total NORTHERN INDUSTRIAL INSULATION:						23,046.81	23,046.81		
25612	RIHM KENWORTH	DE-12410	2025 Kenworth T480 Sourc	1	03/04/2025	143,429.00	143,429.00	61226	03/14/2025
Total RIHM KENWORTH:						143,429.00	143,429.00		
25697	SAVANNA PALLETS	INV159858	2025 Wood Supply--Shippe	1	03/10/2025	39,148.63	39,148.63	61276	03/27/2025
		INV160055	2025 Wood Supply--Shippe	1	03/17/2025	33,729.90	33,729.90	61276	03/27/2025
		INV160244	2025 Wood Supply--Shippe	1	03/24/2025	75,972.44	75,972.44	61406	04/04/2025
		INV160471	2025 Wood Supply--Shippe	1	03/31/2025	54,945.09	54,945.09	61406	04/04/2025
Total SAVANNA PALLETS:						203,796.06	203,796.06		
25611	STINSON LLP	43624990	Power Supply Negotiations	1	03/27/2025	14,296.00	14,296.00	61410	04/04/2025
Total STINSON LLP:						14,296.00	14,296.00		
21611	STUART C IRBY CO	S014180798.	SWITCH 25KV HORIZONT	1	03/03/2025	35,400.00	35,400.00	61279	03/27/2025
Total STUART C IRBY CO:						35,400.00	35,400.00		
25836	TAMMY MATTONEN CON	FEBRUARY.	Accounting Consulting Ser	1	03/17/2025	11,560.00	11,560.00	61413	04/04/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total TAMMY MATTONEN CONSULTING LLC:						11,560.00	11,560.00		
25856	VIRGINIA TRANSFORME	84301	10 MVA Transformer -with	1	02/08/2025	222,340.00	222,340.00	61422	04/04/2025
		84425	10 MVA Transformer - Frei	1	02/13/2025	17,299.27	17,299.27	61422	04/04/2025
		84459	10 MVA Transformer - M23	1	02/13/2025	245,880.00	245,880.00	61286	03/27/2025
		84987	10 MVA Transformer - Asse	1	03/07/2025	43,000.00	43,000.00	61286	03/27/2025
Total VIRGINIA TRANSFORMER CORP:						528,519.27	528,519.27		
Grand Totals:						3,937,384.50	3,937,384.		

Report Criteria:

Detail report type printed

[Report].Invoice Amount = {>}10000

Check.Voided = No



Item 5.B – Approve payroll paid &
overtime report

Item 5.B – Approve payroll paid & overtime report

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.B – Approve payroll paid & overtime report for the March 20th, April 3rd, &
April 17th, 2025 pay dates

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26th, 2022
commission Meeting, please find payroll and overtime reports for payroll dates
subsequent to the last Commission meeting held March 20th, 2025.

Sincerely;



Luke J. Peterson

Report Criteria:

Employee Transaction.Check Issue Date = 03/20/2025

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	179,651.95
Total REGULAR WAGES - FOREMAN:	2,117.68
Total REGULAR WAGES - LEAD:	705.52
Total OVERTIME WAGES:	10,571.96
Total OVERTIME WAGES - FOREMAN:	396.40
Total OVERTIME WAGES - LEAD:	171.54
Total SUNDAY PREMIUM:	1,627.17
Total VACATION PAY:	12,113.21
Total SICK LEAVE - REGULAR:	9,160.86
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total PERSONAL HOLIDAY:	4,301.24
Total SHIFT DIFFERENTIAL .75/HR:	483.75
Total LONGEVITY:	3,303.38
Total STANDBY:	6,189.69
Total CERTIFICATE/LICENSE:	804.23
Grand Totals:	231,598.58

Report Criteria:

Employee Transaction.Check Issue Date = 04/03/2025

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	178,088.60
Total REGULAR WAGES - FOREMAN:	1,766.24
Total REGULAR WAGES - LEAD:	459.44
Total OVERTIME WAGES:	15,084.35
Total OVERTIME WAGES - FOREMAN:	1,388.32
Total SUNDAY PREMIUM:	1,469.88
Total VACATION PAY:	13,091.30
Total SICK LEAVE - REGULAR:	10,053.71
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	1,066.68
Total PERSONAL HOLIDAY:	4,012.34
Total SHIFT DIFFERENTIAL .75/HR:	448.50
Total LONGEVITY:	3,382.64
Total STANDBY:	6,150.14
Total CERTIFICATE/LICENSE:	804.23
Grand Totals:	237,266.37

Report Criteria:

Employee Transaction.Check Issue Date = 04/17/2025

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	184,012.41
Total REGULAR WAGES - FOREMAN:	2,251.08
Total REGULAR WAGES - LEAD:	550.00
Total OVERTIME WAGES:	11,266.79
Total OVERTIME WAGES - FOREMAN:	1,017.49
Total OVERTIME WAGES - LEAD:	201.90
Total SUNDAY PREMIUM:	1,627.17
Total VACATION PAY:	11,049.15
Total SICK & SAFE LEAVE:	397.10
Total SICK LEAVE - REGULAR:	6,304.87
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	732.44
Total PERSONAL HOLIDAY:	3,078.14
Total SHIFT DIFFERENTIAL .75/HR:	495.00
Total LONGEVITY:	3,382.64
Total STANDBY:	7,373.03
Total CERTIFICATE/LICENSE:	804.23
Grand Totals:	234,543.44



Item 5.C

Item 5.C – 2025 Q2 Employee Travel Requests

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.C – 2025 Q2 Employee Travel Requests

Dear Commissioners;

Please find attached for your review the proposed employee travel through the month of June, 2025. As per Commission request, these requests are being brought before the Commission prior to travel.

Sincerely;



Luke J. Peterson

Event	Location	Employee	Dates	Duration Lodging Est.	Travel + Registration
APGA Spring Conference	Portland, MA	General Manager	May 3 th -6 th	3 nights/ \$650pp	\$750pp
MMUA Underground School	Marshall, MN	2 Line Crew	May 6 th – 9 th	3 nights/\$450pp	\$725 pp
IDEA 2025	Minneapolis, MN	General Manager 2 Commissioners	June 2 nd -5 th	3 nights/ \$500pp	\$1,200 pp

**rough estimates per person (pp)



Item 5.D

Item 5.D – Approve 2025 Performance Adjustments

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.D - Approve 2025 Performance Adjustments

Dear Commissioners;

Per the enclosed 2022 HPU Management Compensation Philosophy compensation rules allow for increases to reward good and exceptional performance managers.

Increases are not an annual entitlement but are earned by demonstrating good or exceptional performance as determined by the General Manager or direct line supervisor during the performance period through an annual review process.

My recommendations for annual performance increases at this this time are enclosed and I respectfully request Commission approval.

Sincerely;



Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Paul Plombon

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Mr. Plombon was 3.94. As a result of this rating, feedback from manager peers as wells as other employees, and my observations the score of 3.94 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

As a result, I am recommending an increase of 7.8% off of Mr. Plombon's current salary and 8.8% off the mid-point of the role's salary band B, which results in a recommended annual salary of \$108,875 effective January 1, 2025.

Sincerely;



Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Jill Zallar

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Ms. Zallar was 3.94. As a result of this rating, feedback from manager peers as wells as other employees, and my observations the score of 3.94 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

For the partial year of 2024, considering Ms. Zallar's start in April of 2024, I am recommending an increase of 5.4% off of Ms. Zallar's current salary and 1.2% off the mid-point of the role's salary band C, which results in a recommended annual salary of \$80,988 effective January 1, 2025.

Sincerely;



Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Samantha Adams

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Ms. Adams was 3.88. As a result of this rating, feedback from manager peers as wells as other employees, and my observations the score of 3.88 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

For the partial year of 2024, considering Ms. Adam's start in the role in May of 2024, I am recommending an increase of 4.8% off of Ms. Adam's current salary and 3.5% off the mid-point of the role's salary band C, which results in a recommended annual salary of \$82,827 effective January 1, 2025.

Sincerely;



Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Eliot Dixon

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Mr. Dixon was 4.63. As a result of this rating, feedback from manager peers as wells as other employees, and my observations the score of 4.63 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

For the full year I am recommending an increase of 10.2% off of Mr. Dixon's current salary and just under mid-point of the role's salary band D, which results in a recommended annual salary of \$64,862 effective January 1, 2025.

Sincerely;



Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Travis Marsh

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Mr. Marsh was 4.26. As a result of this rating, feedback from manager peers as wells as other employees, and my observations the score of 4.26 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

For the partial year of 2024, considering Mr. Marsh's start in the role in May of 2024, I am recommending an increase of 5% off of Mr. Marsh's current salary and 5% off the mid-point of the role's salary band D, which results in a recommended annual salary of \$68,291 effective January 1, 2025.

Sincerely;

A handwritten signature in black ink that reads 'Luke J. Peterson'.

Luke J. Peterson

April 22, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

Approve Annual Performance Review for Krista Raatsi

Dear Commissioners;

Managers were reviewed on a scale of 5 being exception to 1 being Not Adequate. On a variety of primary duties, annual goal achievements, and growth within a new role the manager help develop during the year.

The average score for Ms. Raatsi was 4.0. As a result of this rating, feedback from manager peers as well as other employees, and my observations the score of 4.0 reflects that the manager consistently meets and usually exceeds all relevant performance standards. Employee shows initiative and versatility, works collaboratively, has strong technical and organizational skills or has achieved significant improvement in these areas. The employee completes and accomplishes more than what is expected or required in the job description.

For the full year I am recommending an increase of 7.7% off of Miss Raatsi's current salary and 12% above the midpoint of the role's salary band C, which results in a recommended annual salary of \$72,800 effective January 1, 2025.

Sincerely;



Luke J. Peterson

December 20, 2022

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.B – Approve Compensation Philosophy and Performance Matrix of Core Management Team

Dear Commissioners;

A key component of retaining keeping a highly performing management is adopting compensation philosophy and frame work that states the Commission's company's position about employee compensation. It explains the "why" behind employee pay and creates a framework for consistency. It is intended that HPU would use its compensation philosophy to attract, retain and motivate employees.

The philosophy can be based on many factors, including the Commission's financial position, the size of the organization, the industry, business objectives, market salary information, the level of difficulty in finding qualified talent, and the unique circumstances of the Commission.

The compensation philosophy should be reviewed periodically and updated based on current factors affecting the business. For example, market conditions may make it difficult to find qualified talent in a particular specialization, and an employer may need to pay a premium for these candidates. If the employer's current compensation philosophy does not support this value, then the organization may need to change its philosophy to meet its current needs.

A well-designed compensation philosophy supports the organization's strategic plan and initiatives, business goals, competitive outlook, operating objectives, and compensation and total reward strategies.

It is my recommendation that Commission Adopt the following Compensation Philosophy.

The Commission wishes to be a premier employer in the region to ensure best in-class utility operations and financial stewardship of the City of Hibbing's ratepayers' resources; in order to provide: community owned, affordably priced, reliable electric, water, gas, and district eating services to our customers.

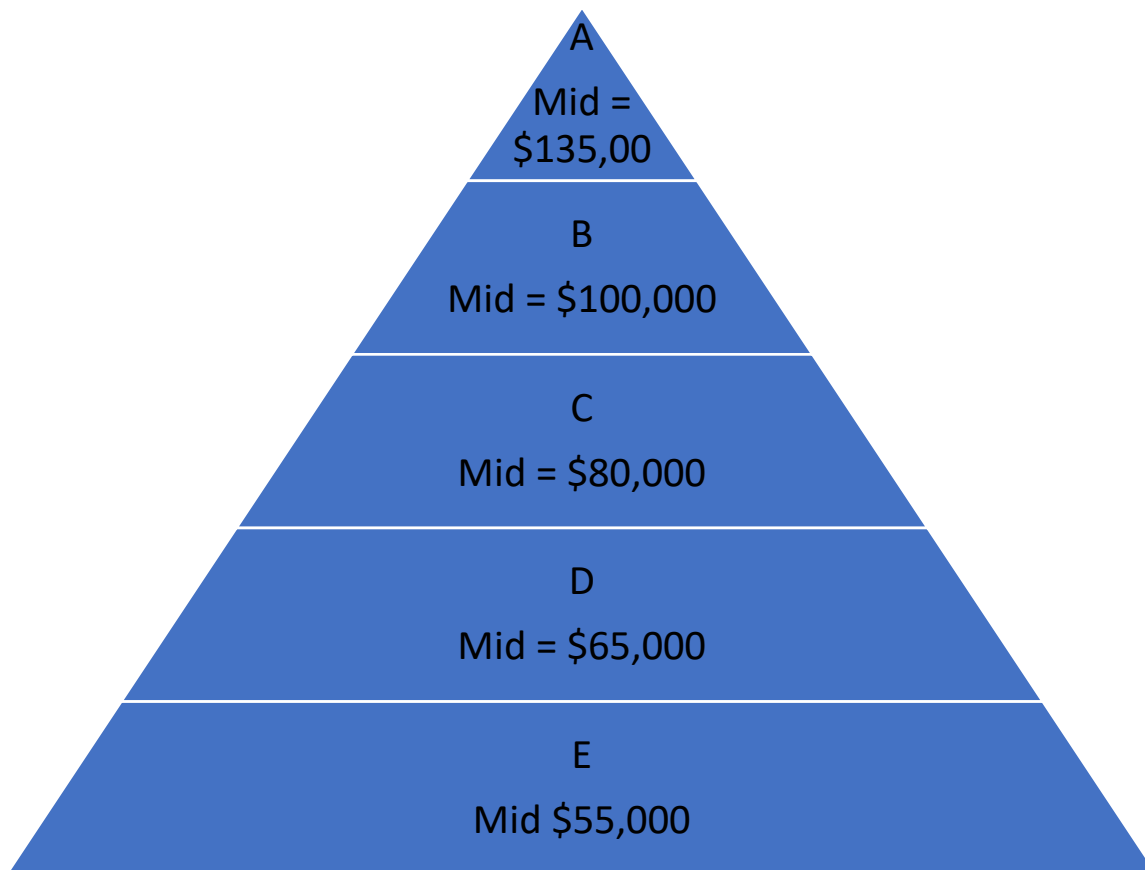
The goals of the Compensation Strategy is to:

- Identify the organization's pay programs and total reward strategies.
- Identify how the pay programs and strategies support the organization's business strategy, competitive outlook, operating objectives and human capital needs.
- Attract people to join the organization.
- Motivate employees to perform at the best of their competencies, abilities and skill sets.
- Retain key talent and reward high-performing employees.
- Define the competitive market position of the organization in relation to base pay, variable compensation and benefits opportunities.
- Define how the organization plans to pay and reward competitively, based on business conditions, competition and ability to pay.
- Ensure equal pay for equal work, with allowable pay differences based on factors not prohibited by law.

It is my recommendation that Commission Adopt the Following Compensation Philosophy

Position on Salary Range	Considerations
Minimum to 25th	Appropriate for staff coming from a lower classification, or for candidates with minimal experience directly related to the role or level of work.
25th to Midpoint	Appropriate for staff coming from a lower classification or for those with limited experience directly related to the role or level of work. Midpoint to 75th Appropriate for staff
Midpoint to 75th	Appropriate for staff with multiple years of experience or subject matter expertise directly related to responsibilities and accountabilities of the role and level of work.
75th to Maximum	Reserved for senior experienced, high performing employees with considerable experience or expertise directly related to responsibilities and accountabilities of the role and level of work.

Each starting salary decision is unique and there is no prescribed increase that suits all cases. Typically, new employees should be hired in the bottom quarter of their management salary band. Operational reasons for starting salary at more than the bottom quarter of the band may include differentiation from other positions classified within the same management salary band but performing a different range of duties. In these cases, positions with a wider range of duties typically start at the midpoint of the salary band.



ANNUAL PERFORMANCE BASED IN-RANGE COMPENSATION ADJUSTMENTS

The Compensation Rules allow for increased flexibility in rewarding good or exceptional performance for included managers. Performance based in-range pay

increases are not an annual entitlement but are earned by demonstrating good or exceptional performance (as determined by the General Manager or direct line Manager) during the performance period.

The provision of performance based in-range increases for the public service must be approved each year by the Commission upon the recommendation of the General Manager.

To be eligible for annual performance based in-range increases, recommendations and performance reviews should be submitted by the General Manager to Commission in the first quarter a new year.

Decision Criteria	New or Developing	Good Performers	Exceptional Performers (as identified by Executive)
Percentage of Salary Increase	0%	Up to 5%	Up to 10%

All increases must be managed within existing budgets. Performance based in-range adjustments cannot result in an employee being paid above their position's salary range maximum.

Employees who have performance issues are not eligible for these adjustments. Employees who are developing in a new role may also be deemed ineligible for these adjustments.

To ensure employees are not penalized for accepting temporary appointments, it is recommended the in-range increase be applied to the base and temporary position of any eligible, well performing employees.

Eligibility Criteria

The effective dates of performance based in-range adjustments is January 1 of each year, pending Approval by the Commission.

Sincerely;



Luke J. Peterson



Item 5.E

Item 5.E –Authorize Submittal of the Annual Power Plan per the terms of the Boswell Purchase and Market Energy Services Agreement with Minnesota Power

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.E – Authorize Submittal of the Annual Power Plan per the terms of the Boswell Purchase and Market Energy Services Agreement with Minnesota Power

Dear Commissioners;

Per our annual discussions with Minnesota Power regarding the Boswell Power Purchase and Market Energy Services Agreement with Minnesota Power, please find attached for your review and acceptance the Annual Power Plan for MISO Planning Year 2025.

Also of Note, HPU will be Joining MISO as Member in May of 2025 to continue along these efforts for the foreseeable future.

Sincerely;



Luke J. Peterson

Annual Power Plan
HPU-MP Boswell PPA and Market Energy Services Agreement
MISO PY 25-26 (June 1, 2025 – May 31, 2026)

Content:

- I. HPU Load Expectations
- II. HPU Generation Accreditation
- III. HPU Operating and Maintenance Plans for its Generation
- IV. HPU reporting deadlines and timetable
- V. MP Substation Upgrade plans
- VI. Boswell Power Purchase Pricing and Coal Adjustments

I. HPU Load Expectations

HPU provides updates to the short-term load expectation through weekly and daily emails as appropriate.

HPU will provide MP the annual hourly forecast of load and generation on an annual basis for the next MISO PY by October 1.

II. HPU Generation Accreditation – PY 25-26

The most current Real Power Test of HPU units 3, 5, and 6 was conducted on March 28th, 2025.

The test yielded a gross generator output of 35.2 MW and an accreditation for HPU units TG3, TG5, and TG6 for the upcoming MISO Planning Year.

III. HPU Operating and Maintenance Plans for its Generation

Operation: following principles of reliability, affordability, and flexibility

June 2025 - May 2026:

- HPU purchase capacity and energy from MP per terms and conditions of the Boswell Power Purchase Agreement.
- Outages will be properly reported through MISO's Control Room Operations Wind ("CROW") outage scheduling system and specified scheduling tools.
- Fuel burning will focus more on biomass as a primary source with natural gas as a supplemental fuel. Coal will be used for testing and emergencies.
- HPU will take any remaining electric service from MISO during the balance of each month.

- HPU plans to run Turbines 3, 5, and 6 as follows
 - June: Run TG 6 at approximately 2-3 MW TG 3 & 5 are in ready reserve status
 - July: Run TG 6 at 2-3 MW; TG 3 & 5 are in ready reserve status
 - August: Run TG 6 at 2-3 MW; TG 3 & 5 are in ready reserve status
 - September: Run TG 6 at 2-3 MW; Bring TG 5 Online for Compliance Testing; TG 3 in a ready reserve status
 - October: Run TG 6 at 2-3 MW, TG 3 & 5 are in ready reserve status
 - November: Run TG 6 at 3-6 MW, TG 3 & 5 are in ready reserve status
 - December: Run TG 6 at 3-6 MW, TG 3 & 5 are in ready reserve status
 - January: Run TG 6 at 3-6 MW, TG 3 & 5 are in ready reserve status
 - February: Run TG 6 at 3-6 MW, Bring TG 3 or 5 Online For RATAs and GVTC Test
 - March: Run TG 6 at 3-6 MW, TG 3 & 5 are in ready reserve status
 - April: Run TG 6 at 2-4, MW, TG 3 & 5 are in ready reserve status
 - May: Run TG 6 at 2 MW, TG 3 & 5 are in ready reserve status

Maintenance:

- HPU plans seasonal outages in early spring 2025 which will include some boilers and feedwater systems
- HPU is anticipating a complete remodel of its continuous boiler blowdown system for late fall of 2025

Testing

- HPU Generation environmental compliance testing-will likely be initiated in September 2025.
- GVTC data must be completed and received by MP prior to August 31 of each year; HPU will target this deadline and is planning to conduct this test in conjunction with its annual RATA testing in February of 2026.

IV. HPU Reporting items and deadlines

The following timelines are associated with MP submittal of HPU data for the HPU requirements for resource adequacy, generation accreditation, and outage reporting. Actual deadlines for submittal of data by HPU to MP will generally be at least two weeks ahead of the dates listed below and will be communicated via email.

July 15 – HPU submittal of Q2 GADs data to MP.

August 31 – GVTC test completed by HPU and submitted to MP.

October 1 - HPU submits annual load and generation to MP for the upcoming MISO planning year.

October 15 - HPU submittal Q3 GADS data to MP.

October 31 - Confirmation Generation Verification Test Capacity (GVTC) due to MISO.

October 31 - Generator Availability Data due in GADS for those resources that are required to report for Q3. Resource Owners must also ensure at least 36 months of data is provided, if applicable.

November 01 - Coincident and Non-Coincident Peak Demand forecasts by LSE/EDC, monthly peak demand, seasonal peak demand and energy-for-load forecast values by LSE due to MISO. No action needed by Retail Choice LSEs. HPU to provide data to MP 30 days in advance.

January 31 - HPU submittal of Q4 GADs data to MP.

February 01 - Resource Owners confirm UCAP posted in the MECT. Excludes UCAP values for LMR and External Resource registrations. MP performs this process for HPU and will confirm with HPU.

February 15 - New Load Modifying Resource / Energy Efficiency Resource / External Resource registrations must be submitted for approval to be considered for inclusion in FRAP.

February 15 - LSEs submit request to revise Coincident Peak Demand forecast originally submitted on November 1st. MISO will review and approve/deny request.

February 28 - Hibbing to provide FRAP plan to MP, FRAP Due 7th Business Day of March.

March 01 - Generator Verification Test Capacity / Generator Availability Data for new resources or resources with increased capacity due for prompt Planning Year

March 01 - Submittals for approval in the MECT for the prompt Planning Year

March 15 - Hibbing to provide PRA plan to MP. Planning Resource Auction (PRA) Offers Due 3rd to last Business Day of March.

April 15 - HPU submittal of Q1 GADs data to MP.

V. MP Substation Upgrade plans

Minnesota Power will coordinate 115KV interconnections and substation upgrades through the Joint Investment and Reliability Committee.

VI. Boswell Power Purchase Pricing and Coal Adjustments

MP will provide to HPU the annual Energy Price contract Adjustment as well as the updated transaction fee prior to billing for January of the current year. (Typically within the first two weeks of February or sooner).



Item 6.A

Item 6.A – Approve March 2025 Interim Financials

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.A – Approve March 2025 Interim Financials

Dear Commissioners;

Please find enclosed financials as of March 31, 2025.

The quarter ended March 31, operating revenue totals \$11 million which compares with \$9.9 million in the same period last year. The slight increase versus 2024 reflects slight uptick due to colder weather. Operating expenses total \$8.7 million which compares with \$8.1 million in 2024 due to higher fuel and purchased gas expense. Operating Income (revenues – minus expenses) total \$ 2.7 million form the quarter ended March 31 compared with \$1.8 million for the same period in 2024.

Total change in net position stands at \$2.4 million compared with \$2.1 million for the same period last year at this time.

I look forward to answering any questions you may have on these financials at our meeting.

In addition, I will remind the Commission and members of the public who are so inclined to that the 2024 annual audit presentation and budget discussion will be held on April 29th at 5:00.

Sincerely;



Luke J. Peterson

Hibbing Public Utilities Commission

Financial Statements and
Supplementary Information

March 31, 2025 and December 31, 2024

Hibbing Public Utilities Commission

Table of Contents

March 31, 2025 and December 31, 2024

	<u>Page</u>
Accountants' Compilation Report	1
Financial Statements	
Statements of Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	5
Statements of Cash Flows	6
Other Information	
Schedules of Departmental Revenues and Expenses	8

Accountants' Compilation Report

To the Commissioners 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 March 31, 2025 and December 31, 2024 and the related statements of revenues, expenses and changes in net position and cash flows for the three 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 March 31, 2025 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 Schedule of Departmental Revenues and Expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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

Baker Tilly US, LLP

Madison, Wisconsin
April 18, 2025

Hibbing Public Utilities Commission

Statements of Net Position

March 31, 2025 and December 31, 2024

	March 31, 2025	December 31, 2024
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 2,327,394	\$ 4,447,094
Investments	26,313,752	26,119,909
Restricted assets:		
Cash held for fuel assistance recipients	31,185	70,788
Cash held for customer deposits	469,203	461,999
Accounts receivable, net of allowance for doubtful accounts of \$132,790 and \$58,000, respectively	3,060,093	2,458,960
Unbilled revenues	2,387,564	2,387,564
Other receivable	208,571	771,830
Current maturities notes receivable, steam conversion program	40,000	40,000
Current portion of lease receivable	82,062	82,014
Inventories	1,506,027	1,326,496
Prepaid expense	1,041,454	747,445
Total current assets	37,467,305	38,914,099
Noncurrent Assets		
Restricted assets:		
Bond reserve account	791,030	783,347
Notes receivable, Steam conversion program	164,131	174,059
Lease receivable	437,248	439,674
Investment in joint venture	794,115	812,882
Regulatory assets	3,872,271	4,035,931
Capital assets:		
Plant in service	175,057,877	174,589,777
Accumulated depreciation/amortization	(97,138,300)	(95,944,137)
Construction work in progress	11,947,342	8,500,209
Total noncurrent assets	95,925,714	93,391,742
Total assets	133,393,019	132,305,841
Deferred Outflows of Resources		
Related to net pension liability	861,143	861,143
Related to postemployment benefits liability	674,169	674,169
Related to the purchase of LEA	159,410	170,246
Total deferred outflows of resources	1,694,722	1,705,558
Total assets and deferred outflows of resources	\$ 135,087,741	\$ 134,011,399

Hibbing Public Utilities Commission

Statements of Net Position

March 31, 2025 and December 31, 2024

	March 31, 2025	December 31, 2024
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 3,370,170	\$ 5,267,622
Accrued interest	98,582	98,582
Accrued expenses	88,409	252,451
Due to City of Hibbing	597,318	1,162,904
Compensated absences payable	480,670	400,080
Current portion of lease liability	202,709	201,246
Current portion of long-term debt, bonds and notes payable	596,939	596,939
Current liabilities payable from restricted assets:		
Third-party advances for fuel assistance	31,185	70,788
Customer deposits payable	469,203	461,999
Total current liabilities	5,935,185	8,512,611
Noncurrent Liabilities		
Compensated absences payable	962,851	1,077,137
Total post employment liability	14,541,066	14,541,066
Net pension liability	2,508,776	2,508,776
Long-term debt, bonds and notes payable	7,268,841	5,911,437
Unamortized discount	(934)	(1,282)
Lease liability	262,663	311,160
Total noncurrent liabilities	25,543,263	24,348,294
Total liabilities	31,478,448	32,860,905
Deferred Inflows of Resources		
Related to net pension liability	1,672,882	1,672,882
Related to postemployment benefits liability	3,580,052	3,580,052
Related to leases	519,310	521,688
Total deferred inflows of resources	5,772,244	5,774,622
Net Position		
Net investments in capital assets	81,706,025	80,294,569
Restricted for debt service	621,706	615,127
Unrestricted	15,509,318	14,466,176
Total net position	97,837,049	95,375,872
Total liabilities, deferred inflows of resources and net position	\$ 135,087,741	\$ 134,011,399

Hibbing Public Utilities Commission

Statements of Revenues, Expenses and Changes in Net Position

Three Months Ended March 31, 2025 and Year Ended December 31, 2024

	March 31, 2025	December 31, 2024
Operating Revenue		
Charges for services	\$ 10,846,661	\$ 30,249,624
Other	157,944	605,157
Total operating revenues	11,004,605	30,854,781
Operating Expenses		
Operation and maintenance	7,364,139	24,601,433
Depreciation and amortization	1,368,659	5,300,138
Total operating expenses	8,732,798	29,901,571
Operating income (loss)	2,271,807	953,210
Nonoperating Revenues (Expenses)		
Investment income	225,038	1,352,466
Miscellaneous nonoperating income (expense)	24,380	21,278
Equity in net income of joint venture	(18,767)	(96,147)
Interest expense	(41,281)	(162,473)
Total nonoperating revenues (expenses)	189,370	1,115,124
Income before contributions	2,461,177	2,068,334
Capital Contributions	-	1,350,272
Change in net position	2,461,177	3,418,606
Net Position, Beginning	95,375,872	91,957,266
Net Position, Ending	\$ 97,837,049	\$ 95,375,872

Hibbing Public Utilities Commission

Statements of Cash Flows

Three Months Ended March 31, 2025 and Year Ended December 31, 2024

	March 31, 2025	December 31, 2024
Cash Flows From Operating Activities		
Receipts from customers	\$ 10,423,043	\$ 30,762,561
Principal collected from steam conversion loan program	9,928	55,179
Payments to suppliers	(6,965,158)	(18,868,697)
Payments for payroll and benefits	(1,455,415)	(6,026,532)
Net cash from operating activities	<u>2,012,398</u>	<u>5,922,511</u>
Cash Flows From Capital and Related Financing Activities		
Payments for additions to property, plant and equipment	(6,026,390)	(21,342,598)
Capital contributions received	575,272	775,000
Principal and interest paid on leases	(53,362)	(230,343)
Proceeds from debt issued	1,357,404	6,546,060
Principal payments on long-term debt	-	(337,684)
Interest paid	(40,933)	(62,499)
Net cash from capital and related financing activities	<u>(4,188,009)</u>	<u>(14,652,064)</u>
Cash Flows From Investing Activities		
Investments income received	64,013	1,017,640
Investments matured	161,025	22,633,700
Investments purchased	(201,526)	(13,533,448)
Net cash from investing activities	<u>23,512</u>	<u>10,117,892</u>
Net change in cash	(2,152,099)	1,388,339
Cash, Beginning	<u>4,979,881</u>	<u>3,591,542</u>
Cash, Ending	<u><u>\$ 2,827,782</u></u>	<u><u>\$ 4,979,881</u></u>
Cash is Presented on the Statements of Net Position		
Cash	\$ 2,327,394	\$ 4,447,094
Restricted assets	<u>1,291,418</u>	<u>1,316,134</u>
Total cash and restricted assets	3,618,812	5,763,228
Less noncash equivalents included in restricted assets	<u>(791,030)</u>	<u>(783,347)</u>
	<u><u>\$ 2,827,782</u></u>	<u><u>\$ 4,979,881</u></u>

Hibbing Public Utilities Commission

Statements of Cash Flows

Three Months Ended March 31, 2025 and Year Ended December 31, 2024

	March 31, 2025	December 31, 2024
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income (loss)	\$ 2,271,807	\$ 953,210
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Other nonoperating income (loss)	24,380	(10,771)
Depreciation and amortization	1,368,659	5,300,138
Change in operating assets, deferred outflows or resources, liabilities and deferred inflows of resources:		
Accounts receivable	(601,133)	185,857
Unbilled revenue	-	(74,915)
Other receivable	(12,013)	(196,558)
Inventories	(179,531)	(111,449)
Prepaid expenses	(294,009)	(42,247)
Receivable for steam conversion loan program	9,928	55,179
Lease receivable	2,378	72,636
Regulatory assets	-	(684,245)
Accounts payable	220,033	1,300,377
Compensated absences payable	(33,696)	288,711
Accrued expenses	(164,042)	19,960
Due to City of Hibbing	(565,586)	605,197
Third-party advances for fuel assistance	(39,603)	15,222
Customer deposits payable	7,204	4,167
Accrued post employment benefits	-	(1,586,971)
Net pension liability	-	(98,351)
Deferred inflows of resources	(2,378)	(72,636)
Net cash from operating activities	<u>\$ 2,012,398</u>	<u>\$ 5,922,511</u>
Noncash Capital and Related Financing Activities		
Unrealized gain on investments	<u>\$ 161,025</u>	<u>\$ 334,826</u>
Capital purchased on account	<u>\$ -</u>	<u>\$ 2,117,485</u>
Noncash lease asset additions	<u>\$ -</u>	<u>\$ 80,636</u>

OTHER INFORMATION

Hibbing Public Utilities Commission

Schedules of Departmental Revenues and Expenses
Periods Ended March 31, 2025 and December 31, 2024

		Three Months Ended March 31, 2025				
		Electric	Steam	Gas	Water	Total
Operating Revenue						
Charges for services		\$ 4,820,343	\$ 1,148,241	\$ 4,178,752	\$ 699,325	\$ 10,846,661
Other operating revenues		88,667	24,778	17,579	26,920	157,944
Others						
Total operating revenues		4,909,010	1,173,019	4,196,331	726,245	11,004,605
Operating Expenses						
Operation and maintenance		4,083,103	744,823	2,196,507	339,706	7,364,139
Depreciation and amortization		818,132	232,783	85,698	232,046	1,368,659
Total operating expenses		4,901,235	977,606	2,282,205	571,752	8,732,798
Operating (loss) income		\$ 7,775	\$ 195,413	\$ 1,914,126	\$ 154,493	\$ 2,271,807
		Year Ended December 31, 2024				
		Electric	Steam	Gas	Water	Total
Operating Revenue						
Charges for services		\$ 17,237,531	\$ 2,227,237	\$ 7,706,682	\$ 3,078,174	\$ 30,249,624
Other operating revenues		321,949	98,087	80,623	104,498	605,157
Total operating revenues		17,559,480	2,325,324	7,787,305	3,182,672	30,854,781
Operating Expenses						
Operation and maintenance		15,601,212	2,405,133	4,971,322	1,623,766	24,601,433
Depreciation		3,207,675	990,250	391,512	710,701	5,300,138
Total operating expenses		18,808,887	3,395,383	5,362,834	2,334,467	29,901,571
Operating (loss) income		\$ (1,249,407)	\$ (1,070,059)	\$ 2,424,471	\$ 848,205	\$ 953,210



Item 6.B

Item 6.B – Approve Purchase of HREC Coal Supply from DTE Energy in the amount of \$41,885

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.B – Approve Purchase of HREC Coal Supply from DTE Energy in the amount of \$41,885

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from DTE Energy for the delivery of 500 tons of Black Thunder coal to the power plant. At the conclusion of our RATA testing in March HREC held an inventory of 189.99 tons of coal on site. The last time coal was purchased was October of 2023. The purchase price for this coal is \$83.77 per ton for a total of \$41,885.00.

Please see attached quote which has been included in the 2025 budget for discussion and approval at the April 29th financial meeting.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

COAL SUPPLY AGREEMENT

This Agreement is made as of this 30th day of April, 2025, by and between Midwest Energy Resources Company ("Seller") and Hibbing Public Utilities Commission ("Buyer"). Buyer and Seller are sometimes referred to herein individually as a "Party" or collectively as "Parties".

This Agreement covers the terms and conditions for the sale by Seller and purchase by Buyer of coal for use at Buyer's Hibbing electricity generating plant, Hibbing, Minnesota ("Plant").

ARTICLE I SOURCE OF COAL

The coal to be sold by Seller and purchased by Buyer under this Agreement shall be Black Thunder coal purchased from Arch Coal Sales Company ("Coal") produced from the Black Thunder Mine ("Mine") located in Campbell County, Wyoming. Seller represents that it has acquired the coal to be furnished hereunder from Arch Coal Sales Company.

ARTICLE II TERM OF AGREEMENT

This Agreement shall become effective as of April 15, 2025 and unless terminated through another provision of this Agreement, this Agreement shall continue in effect until December 31, 2025 ("Term").

ARTICLE III QUANTITIES TO BE SUPPLIED

3.01 Quantity

During the Term of this Agreement, Buyer will purchase approximately 500 net tons of Coal ("Quantity").

3.02 Delivery Schedule

Buyer and Seller shall develop mutually agreeable delivery schedules on an ongoing basis throughout the Term of this Agreement. Seller shall deliver coal to the Plant pursuant to such delivery schedules.

ARTICLE IV
QUALITY OF COAL

Coal sold and delivered by Seller to Buyer shall reasonably conform to the typical specifications as sampled at the Mine as highlighted below.

Coal Typical Specifications

Moisture	27.00
Ash	5.50
Lbs SO2/mmbtu	.80
BTU/lb	8800

The unit train delivered to the MERC Terminal hereunder for Buyer shall meet the following minimum specifications:

	<u>Coal</u>
Lbs SO2/mmbtu	< 1.20
BTU/lb	> 8550

In the event the Coal quality fails to meet the above minimum specifications Buyer's exclusive remedy shall be as follows. Buyer may elect to suspend shipments by written notice to Seller. Seller shall have 15 days to provide Buyer reasonable assurance that coal quality will conform to such minimum specifications.

ARTICLE V
LOADING, WEIGHING, SAMPLING AND ANALYSIS

5.01 Loading/Unloading

Seller shall arrange to load the Coal into railcars at the Mine and arrange for rail delivery to the MERC Terminal in Superior, Wisconsin. Seller shall unload Coal at the MERC Terminal and stockpile such Coal within a segregated stockpile containing only like-quality coal which may contain like-quality coal destined for other customers. Seller shall independently contract for truck transportation services in covered trailers from the MERC Terminal to the Plant. Buyer agrees to make available to Seller between the hours of 07:00 and 19:00 daily, a coal receiving stockpile area or receiving hopper where Seller or its contract trucker may make immediate and uninterrupted Coal dumping by truck. Seller agrees to make a good faith effort to make all deliveries between 07:00 and 16:30.

5.02 Weighing

The weights of the Coal delivered shall be determined by certified truck scales at the MERC Terminal, which shall be inspected and approved by an independent testing organization selected by Seller. The weights thus determined shall be accepted as the quantity of Coal for which invoices are rendered and payments made under this Agreement. Buyer shall have the right, at Buyer's sole risk and expense, to have a representative present at any and all times to observe the weighing of the Coal and to observe any scale tests.

5.03 Sampling and Analysis

Representative samples of coal from each unit train of Coal delivered to the MERC terminal shall be taken at the Mine and analyzed by an independent, third party laboratory selected by the Mine in accordance with the methods and procedures approved by the American Society for Testing and Materials. Quality values on Coal delivered to Seller shall be derived from the 30-Day Rolling Average for all Coal received in the stockpile at the MERC Terminal. Buyer shall have the right, at Buyer's sole risk and expense, to have a representative present at any and all times to observe the sampling and analysis of coal from unit trains at the Mine that are to be delivered to the MERC terminal. Buyer may request at any and all times a split of the samples from the unit trains of Coal that are to be delivered to the MERC terminal for delivery to Seller.

ARTICLE VI PURCHASE PRICE

6.01 Base Prices

The Base Prices as set forth below includes all estimated costs for governmental impositions and all other costs to be incurred by the Mine and Seller in the mining, processing, loading, unloading and transportation of coal in accordance with all Federal, State and local laws and regulations (and judicial and administrative interpretations thereof) including but not limited to mine closing, reclamation and subsidence, in effect as of April 1, 2025. The Base Prices are comprised of the following Cost Components:

<u>Coal Component</u>	<u>Base Price</u>	<u>Adjustments</u>
Base Coal Price	\$24.00	None

Rail Component

Base Railcar Service Fee	\$ 2.50	None
Base BNSF Railway Cost	\$23.176	None
Base BNSF Fuel Adj.	\$ 4.04	None

Dock Component

Dock Services Fee	\$ 6.50	None
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Truck Component

Base Trucking Price	\$20.00	None
Base Trucking Fuel Adj.	\$ 1.97	See Section 6.02(a)

<u>Balance of Price</u>	<u>\$ 1.00</u>	None
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TOTAL:	\$83.77	Coal Per net ton
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6.02 Base Price Adjustments(a) Truck ComponentTrucking Fuel Adjustment

The Base Price shall be subject to changes from the Lakehead Trucking Fuel Adjustment as such index may be revised or replaced. The Lakehead Trucking Fuel Adjustment is presently calculated on or about the fifteenth (15th) day of each month and shall be effective beginning on the first day of the following calendar month. The fuel adjustment is based upon the change in the price of Minnesota on-highway diesel fuel from a base value of \$2.00 per gallon. The adjustment is determined by multiplying the estimated fuel use by the change in fuel price and dividing the result by the average tons per load. The April, 2025 Lakehead Trucking Fuel Adjustment of \$1.97 per net ton is calculated below:

Calculation Date:	March 14, 2025
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Current Fuel Price	
Per Gallon	\$ 3.529

Base Fuel Price	
Per Gallon	<u>\$ 2.000</u>

Increase	\$ 1.529
----------	----------

Fuel Adjustment per ton =	$\frac{(\text{Mileage}/5.71 \text{ mpg}) * \$1.529}{24 \text{ tons}}$
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$$\text{Fuel Adjustment per ton} = \frac{(176.7/5.71) * \$1.529}{24}$$

$$\text{Fuel Adjustment per ton} = \frac{30.95 * \$1.529}{24}$$

$$\text{Fuel Adjustment per ton} = \$ 1.97$$

(b) Other Changes in Government Impositions

Any change in the cost per net ton of Coal, operation of the dock, or cost change imposed on Seller by the rail carrier or trucker after date of this Agreement resulting from any new Federal, Tribal, State or local laws or regulations which is attributable to the coal being sold hereunder, shall result in a change in the Base price retroactive to the date of such change upon Seller providing notice to Buyer. Buyer shall have the right to audit such adjustments by retaining, at its expense, a firm of certified public accountants of its choosing.

6.03 Rounding

All calculations of adjustments shall be rounded to the nearest whole cent or if there is no nearest cent, to the next higher cent.

6.04 Retroactive Adjustment Term

Seller shall be permitted to submit retroactive adjustments allowed pursuant to this Article VI for a maximum of one year beyond the date of the applicable invoice.

ARTICLE VII
DELIVERY, TITLE, PAYMENT AND SECURITY INTEREST

7.01 Point of Delivery

Coal shall be delivered FOB Buyer's Plant, 1832 Sixth Avenue East, Hibbing, MN 55746.

7.02 Title and Risk of Loss

Title to and risk of loss of Coal shall pass from Seller to Buyer when the Coal is unloaded from the truck at the Point of Delivery.

7.03 Invoices and Payment

Seller shall invoice Buyer monthly. Seller shall submit its invoice together with supporting documentation including price adjustments as soon as such supporting documentation is available. Payment for each invoice is due from Buyer by wire transfer, within ten (10) days of the date of Buyer's receipt of invoice. Unless instructed by Midwest in writing, such wire transfer shall be made to the following account:

Midwest Energy Resources Company	
Bank Name:	JP Morgan Chase
Bank Location:	Detroit, MI
Account #	719531980
ABA #	072000326

In the event Buyer fails to make payment within the above-stated period, Buyer agrees to pay a late charge of 1/365th of the sum of two percentage points plus the prime rate in effect on the date the payment was due as published in the Wall Street Journal (Money Rate Section) times the delinquent amount, for each calendar day after the date payment was due. If Buyer fails to comply with these payment terms, Seller may suspend further shipments until Buyer pays for all previous shipments.

ARTICLE VIII DISCLAIMERS OF WARRANTIES

8.01 Express Warranties

BUYER AGREES THAT SELLER MAKES NO EXPRESS WARRANTIES OTHER THAN THOSE IDENTIFIED AS SUCH IN THIS AGREEMENT.

8.02 Implied Warranties

ALL WARRANTIES IMPLIED AT COMMON LAW, BY CONTRACT, BY STATUTE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE OR ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE ARE SPECIFICALLY DISCLAIMED AND EXCLUDED.

ARTICLE IX FORCE MAJEURE AND ENVIRONMENTAL REGULATION CHANGE

A Party may be excused from the performance hereunder if prevented or delayed by a Force Majeure. The term "Force Majeure" shall mean any act, event, condition, incident or occurrence

beyond the control of the Party claiming Force Majeure, including but not limited to the following: acts of God, including flood, storm, earthquake or other geological disturbances, hurricane, tornado, accumulation of snow or ice, or other severe weather or climatic conditions; authority of law; fire; explosion; strikes; labor disputes; labor or material shortages; railroad car shortage; transportation issues with railroad; acts of public enemy; riot or other civil disturbance; embargo; blockade; war; vandalism, accident; wreck; government law, orders, or regulations; unplanned plant outages; mechanical or electrical breakdown of equipment; or other acts, events, conditions, incidents or occurrences similar or dissimilar to those enumerated in this article. Force Majeure affecting Arch Coal Sales Company, Buyer's transportation suppliers and other suppliers shall be Force Majeure under this Agreement. It shall not, however, include any change in demand or projected demand for electrical power and/or steam generation, whether foreseeable or not. Seller and Buyer shall be excused from the performance of any obligation under this Agreement when the cause of such nonperformance is Force Majeure except that the Buyer shall not be excused from accepting and paying for coal already delivered by Seller to Buyer's Plant. Provided the Party claiming Force Majeure gives the other Party prompt written notice of such claim, the obligation of the Party giving such notice so far as it is affected by the Force Majeure shall be suspended during, but not longer than, the continuation of the Force Majeure. Deliveries of coal excused by an event of Force Majeure shall not be made up except by mutual agreement.

Seller's obligation under this Agreement to provide Coal is contingent on all necessary mining permits (federal and state) either being maintained for those currently in place or being obtained for those necessary for future mining production by Arch Coal Sales Company. The failure of the forgoing condition for any reason other than gross negligence or willful misconduct of Arch Coal Sales Company shall be considered a Force Majeure event.

The Parties recognize that, during the Term of this Agreement, legislative or regulatory bodies may adopt environmental laws, rules, or regulations that will, as a direct result thereof, make it impossible or commercially impracticable for Buyer to utilize this or like kind and quality of Coal ("Environmental Regulation Change"). If, as a result of the adoption of such laws, rules, and regulations or change in the interpretation or enforcement thereof, Buyer, in good faith, decides that it will be impossible or commercially unreasonable for the Buyer to utilize the Quantity of Coal agreed to under this Agreement, Buyer shall notify Seller, and thereupon Buyer and Seller shall promptly consider whether

corrective actions can be taken to allow for the continued burning of the Quantity of Coal. If in Buyer's reasonable judgement such action will not, without unreasonable expense to Buyer, make it possible and commercially practicable for Buyer to utilize Coal without violating any applicable law, regulation, or policy, Buyer shall have the right, upon 30 days written notice to Seller, to adjust the Quantity to levels that will allow Buyer to be compliant with any applicable law, regulation, or policy.

ARTICLE X LIMITATION OF LIABILITY

IN NO EVENT SHALL SELLER BE LIABLE FOR LOST PROFITS, COST OF PURCHASE OR REPLACEMENT ELECTRICITY, OR LOSS OF RETURN ON CAPITAL INVESTMENT, AND NEITHER BUYER NOR SELLER SHALL BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

ARTICLE XI MISCELLANEOUS

11.01 Assignment

Neither Party may assign its rights or delegate its duties created by this Agreement without the other Party's written consent, which consent shall not be unreasonably withheld; provided.

11.02 Assumption of Assignee. In the event of an approved assignment of this Agreement by either Party, the assignee shall assume all of the obligations under this Agreement of such Party, unless the assignee is a mortgagee, corporate trustee, leasing company, bank, insurance or other financial institution; provided, however, that such Party shall not (nor by the consent to such assignment) be relieved of any of its obligations under this Agreement, it being understood that such Party shall in all respects remain fully obligated and responsible for the performance of its obligations under this Agreement unless and until expressly released in writing by the other Party.

11.03 Successors and Assigns

This Agreement shall bind and inure to the benefit of the Parties, their respective successors and assigns.

11.04 Notices

All notices and other communications relating to this Agreement shall be in writing except where telephonic or

radio notices are specifically authorized and shall be effective when received by the authorized representative of the other Party designated below. For the purposes of this notice, notices sent by telex or telegram or telecopier or other electronic mail media shall be considered written notices.

If to Seller: MIDWEST ENERGY RESOURCES COMPANY
 Attention: President
 P.O. Box 787
 2400 West Winter Street
 Superior, Wisconsin 54880
 Tel: 715-395-3501
 Fax: 715-392-9137

If to Buyer: HIBBING PUBLIC UTILITIES COMMISSION
 Attention: General Manager
 1902 E 6th Ave
 Hibbing, Minnesota 55746
 Tel: 218-262-7700
 Fax: 218-262-7702

11.05 Non-Waiver

Failure of either Party at the time to require performance for any provision of this Agreement shall not limit that Party's right to enforce the provisions of this Agreement, nor shall any waiver of any breach of any provisions be a waiver of any succeeding breach of the provision itself or of any other provision.

11.06 Entire Agreement

This Agreement is the entire Agreement between the Parties. There are no other provisions, representations, warranties or understandings expressed or implied. No modification, variation or amendment of this Agreement, or trade or local custom not expressly stated in this Agreement shall have any effect unless set forth in writing and signed by both Parties. Buyer may elect to issue its standard purchase order form for purposes of ordering coal and billing only. The terms and conditions stated on Buyer's standard purchase order shall have no effect with respect to the relationship of the Parties hereto.

11.07 Governing Law

This Agreement shall be construed and enforced according to the laws of the State of Minnesota.

11.08 Severability

If any provisions of this Agreement are declared invalid or unenforceable, all other provisions of this Agreement shall remain in full force and effect.

11.09 Confidentiality

The Parties agree that the terms of this Agreement and any proprietary information of either Party that is disclosed to the other Party in the course of dealing under this Agreement shall be held in confidence and shall not be disclosed to any third party without the other Party's written consent, provided that either Party may disclose such information in response to an order, rule or regulation of a court or governmental body having jurisdiction. With the exception of government open meeting law, in which Buyer will make one copy of relevant materials available for inspection by the public at commission meetings, or as requested under public information laws.

11.10 Construction of Terms

The terms of this Agreement have been arrived at after mutual negotiations and, therefore, it is the intention of the Parties that the terms not be construed against either Party by reason of the fact that the Agreement was prepared by such Party. The captions in this Agreement are for the convenience of reference only and shall not define or limit any of the terms or provisions hereof.

11.11 Representation and Warranties

Buyer and Seller represent and warrant to each other that: (i) they are duly organized and validly exist in good standing under the laws of their states of incorporation and have all requisite power and authority to enter into this Agreement and to carry out the terms and provisions hereof; (ii) the person(s) executing this Agreement on behalf of that party are duly authorized and empowered to bind their respective Party to this Agreement; and (iii) to the best of their knowledge, there is no action, proceeding or investigation current or pending, and no term or provision of

any charter, by-law, certificate, license, mortgage, indenture, contract, agreement, judgment, decree, order, status, rule or regulation which in any way prevents, hinders, or otherwise adversely affects or would be violated by, entering into and performing this Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Coal Supply Agreement to be executed as of the day and year written above.

BUYER:
HIBBING PUBLIC UTILITIES COMMISSION

By: _____

Title: _____

Date: _____

By: _____

Title: Commission Chairperson


Date: _____

SELLER:
MIDWEST ENERGY RESOURCES COMPANY

By: _____

Title: _____

Date: _____


President
4/3/2025



Item 6.C

Item 6.C – Approve Purchase of Stainless-Steel Condensate Piping for 23rd St from domestic supplier in the amount of \$40,990

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.C – Approve Purchase of Stainless-Steel Condensate Piping for 23rd St. from domestic supplier in the amount of \$40,990

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from Hecimovich Mechanical for the purchase of 1000 feet of 4" schedule 40 stainless steel piping. There are two prices depending on where the piping is purchased. The one domestic supplier came in at \$40,990 and the international supplier is priced at \$34,130. Given today's circumstances, especially considering our local mining industries, we feel it is prudent to purchase domestically to support our steel industry.

Purchasing domestic steel is a requirement for certain grant reimbursements that this project may be funded by.

Please see attached quote for this item. This quote is included in the capital budget forecast reviewed in October and discussed / approved at the April 29th Financial Meeting.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

Bob Hecimovich Mechanical Contracting, Inc.

11236 Spudville Road
Hibbing, MN 55746-8253
office@hecimovich.com

Hibbing: 218.262.2969
Fax: 218.263.6546

April 17, 2025

Hibbing Public Utilities
1832 East 6 Avenue
Hibbing, Mn 55746

Attn: Paul Plumbon

RE: 4" Stainless Steel Pipe

Paul.

Othe price for 4" 304LSch. 40 Stainless Steel pipe is as follows:

1000 feet – Origin India -	34.13/ft	\$34,130.00
1000 feet – USA -	40.99/ft	\$40,990.00

Freight allowed based on current inventory, subject to change. Price good for one week.

Sincerely,

Tony Hecimovich



Item 6.D

Item 6.D – HREC Capital Improvements

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.D – HREC Capital Improvements

Dear Commissioners;

The following three items are related to Capital Improvements at the Hibbing Renewable Energy Center focusing on the boiler blowdown project that is in progress as we speak.

- Common Cabinet Commissioning -
- Purchase of three 657 Automatic Valves
- Purchase of two 667 Automatic Valves

These items have been included in the Capital Budget Forecast presented in October and the discussed and approved at the April 29, 2025 financial meeting.

Sincerely;



Luke J. Peterson



Item 6.D

Item 6.D.i – Approve Novaspect Common Cabinet Commissioning
in the Amount of \$30,993.91

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.D.i – Approve Novaspect Common Cabinet Commissioning in the Amount
of \$30,993.91

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from Novaspect to expand our Delta V controls into an additional cabinet. Currently we do not have enough space in our available cabinets and the future will only bring more digital components online. HPU purchased the spare cabinet from VPU and this is what will be needed to bring this cabinet to full capacity. The total price for this project is \$30,933.91.

Please see attached quote for this item.

Due the proprietary nature of the Delta V control system, Novaspect is a sole-source supplier.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

HIBBING PUBLIC UTIL.COMM.ELECTRIC*
1716 East 5th Avenue
Hibbing MN 55746

Attention: Jacob Frederick
Phone: (218) 262-7727
Email: jacobf@hpuc.com
Re: HPU - Hibbing - Controllers for Blowdown System - N-548328-1
Attachments:

Vendor:	Novaspect, Inc
Date:	4/2/2025
Quote #:	N-548328-1

Prepared By: Josh Schlag
Phone: 701-354-2110
Email: jschlag@novaspect.com
Outside Sales: Ben Wiegers
Phone / Email: (952) 738-2947 /
bwiegers@novaspect.com
CC: Ben Wiegers, Carolina Rosales, Rich Skubal
SID: DeltaV: 0001-0002-4664

Novaspect, Inc is pleased to provide this quotation comprising our offer for your consideration.

Item	Part Number	Description	Qty	Cost Each	Total Cost
1	VE3008	MQ Controller	2.00	\$11,835.92	\$23,671.84
2	VE5109	DC to DC System Power Supply	2.00	\$1,434.68	\$2,869.36
3	VE3051C0	2-Wide Power/Controller Carrier	2.00	\$479.35	\$958.70
4	VE4050S2K1C0	8-Wide I/O Interface Carrier with Carrier Shield Bar	1.00	\$1,373.68	\$1,373.68
5	VE31REDP	DeltaV Controller Redundancy Shipping: Electronic drop ship: 1 week to post	1.00	\$1,723.61	\$1,723.61
6	KJ4010X1-BA1	Field Power Input Connector and Keying Pins Shipping: 12-14 Weeks	4.00	\$84.18	\$336.72
Quote Total:					\$30,933.91

Please make your purchase orders out to **Novaspect, Inc** and reference quote: **N-548328-1**, inclusive of its terms and conditions.
Email purchase orders to customerpo@novaspect.com.

Freight**:	Billed	Estimated Shipping:	5-7 Weeks Unless Otherwise Noted In Lines
Freight Terms:	Shipping Point	Quote Valid For:	30 Days
Partial Ship:	Yes	Payment Terms:	Net 30

Estimated shipping time based on current availability. Shipment time will be confirmed after receipt of order.

****All shipments subject to handling fee.**

All orders are subject to review for cancellation and return charges based on degree of customization and production status.

All purchase orders processed with a credit card will incur a 2.5% transaction fee.

Please reach out to ar@novaspect.com to set up payment by ACH or check.

TERMS AND CONDITIONS OF SALE

UNLESS OTHERWISE MUTUALLY AGREED IN WRITING, VENDOR'S OFFER IN THIS PROPOSAL AND BUYER'S ACCEPTANCE THEREOF IS LIMITED TO THE CONDITIONS CONTAINED IN THIS PROPOSAL AND EITHER 1) THE MASTER AGREEMENT IN EFFECT BETWEEN THE PARTIES, INCLUDING THE ORDER OF PRECEDENCE TERMS CONTAINED THEREIN OR 2) THE VENDOR'S STANDARD TERMS AND CONDITIONS OF SALE OF GOODS AND SERVICES PUBLISHED AT THE IMMEDIATELY BELOW LINK. VENDOR EXPRESSLY OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS CONTAINED IN ANY BUYER-PROVIDED DOCUMENTATION.

<https://www.novaspect.com/website/media/impact-partner/Terms-and-Conditions/Novaspect-Terms-and-Conditions-2020.pdf>



Item 6.D

Item 6.D.ii – Approve Purchase of Three (3) NPA EX 657 Automatic Valves from Novaspect in the Amount of \$37,743.26

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.D.ii - Approve Purchase of Three (3) NPA EX 657 Automatic Valves from Novaspect in the Amount of \$37,743.26

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from Novaspect for three automatic valves for the boiler blowdown system being rebuilt this year. Each Valve is a 1" NPS 3 EZ 657 Size 40i DVC6200 and is estimated at approximately \$11,746.17. The lead time for these valves is four weeks.

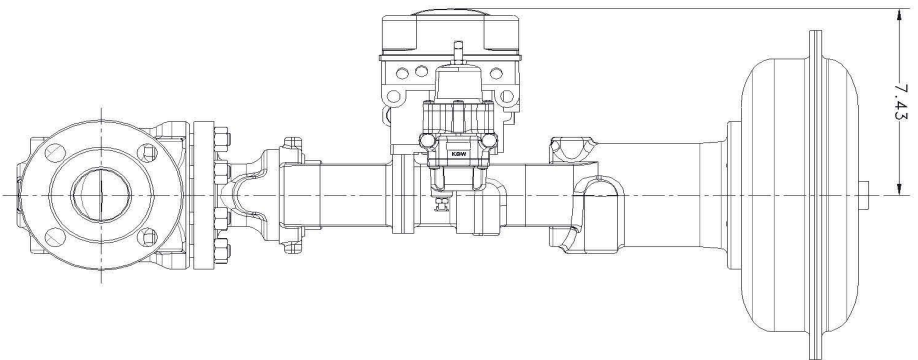
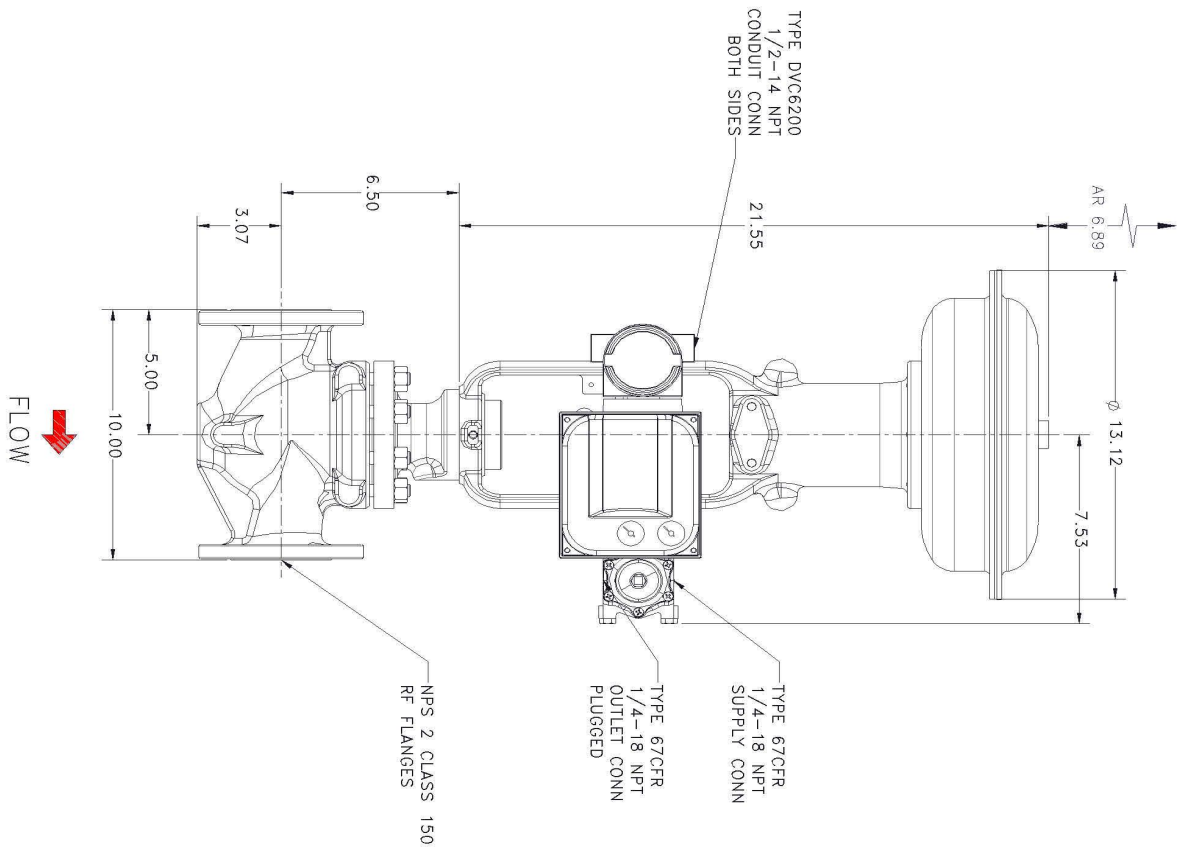
Due the proprietary nature of the Delta V control system, Novaspect is a sole-source supplier.

Thank you for your consideration.

Sincerely;



Luke J. Peterson



DIMENSIONS CERTIFIED CORRECT BY FISHER CONTROLS		FISHER	© Fisher Controls Int'l, LLC 2025
CUST: HIBBING PUBLIC UTILITIES		E2 VALVE BODY SIZE 2	
CUST REF NO.:		657 ACTUATOR SIZE 401	
FISHER REF NO.: 014-B5-250326-0403634			
TAG NO.: TCV-1,TCV-2			
PROJECT NAME:			

TOTAL CALCULATED WT +/- 10%							CUST ITEM: 0001	S.NO.:
TOTAL WEIGHT: 117.6 lb								
UNLESS OTHERWISE SPECIFIED								
UNIT OF MEASURE: INCH								
GENERAL ARRANGEMENT								SCALE: NONE
REV	DATE	DWN.	CHNG	APPRO.				
A	26-Mar-25	FJS						
							DWG. NO.	
							EMERSON.	SHEET 1 OF 1
							REV.	
							A	

FACE TO FACE TOLERANCE IS +/- 0.06
AR = ACTUATOR REMOVAL CLEARANCE

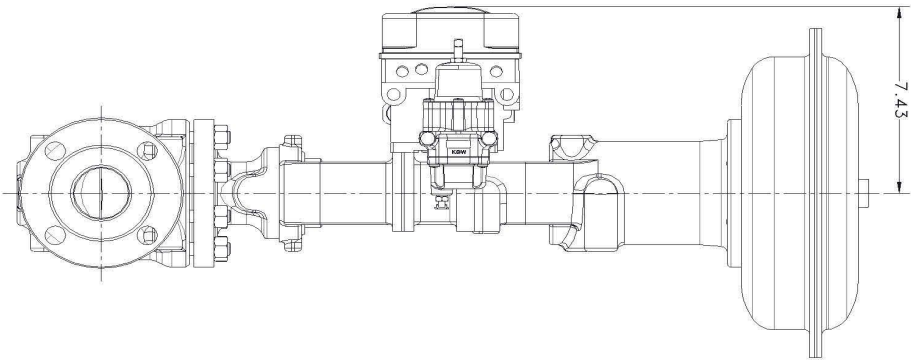
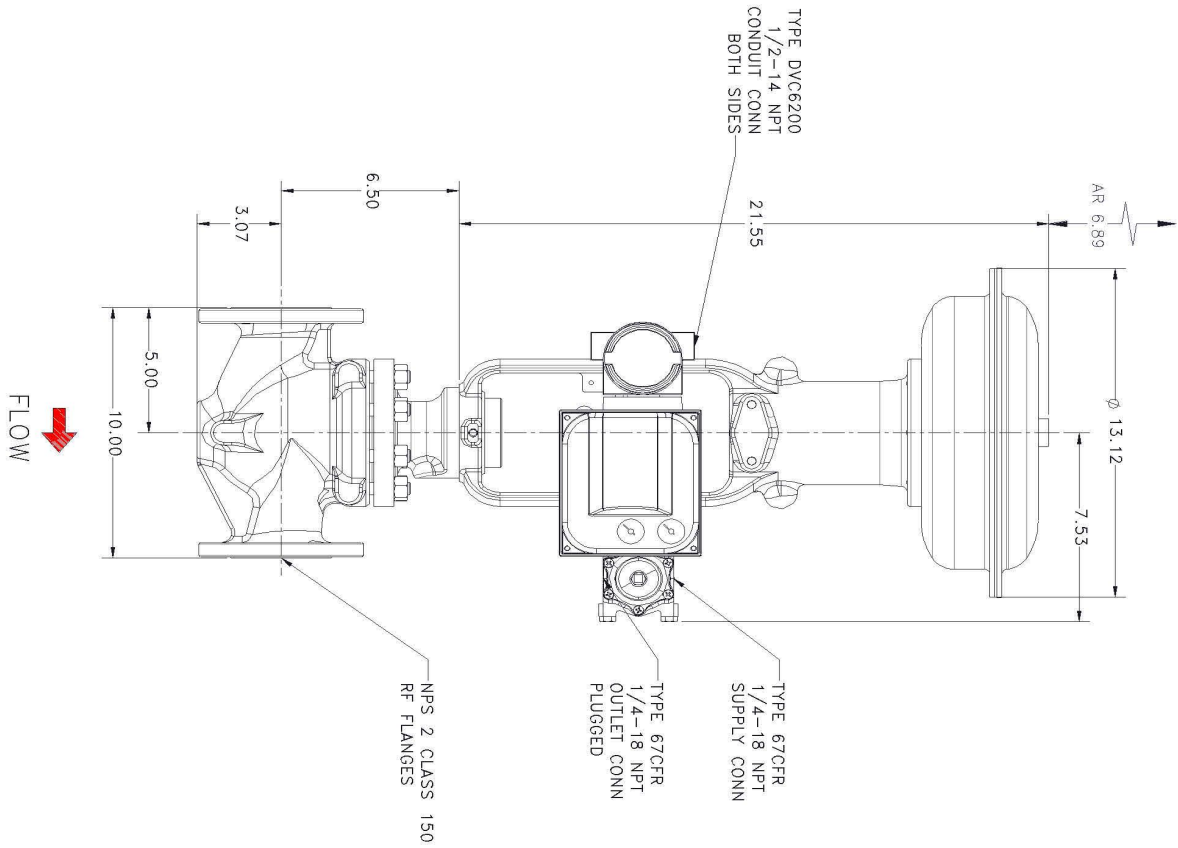
Sliding Stem Valve Specification

Customer: HIBBING PUBLIC UTILITIES	Novaspect	Lead Time: 4 weeks
Contact:	Contact: Ben Shaffner	
Customer Reference:	Sales Office Reference: N-547569	
Item: 1	Rev:	Qty: 2
Tags: TCV-1, TCV-2	Date Last Modified: 03/26/2025	
Description: NPS 2 EZ 657 Size 40i DVC6200		
Service Description:		

Service:	Positioner Type:	DVC6200,HART Communicating-HC
Size and Type: NPS 2 EZ	Input Signal:	4 to 20 mA dc
Body Style: Globe	Access:	67CFR Filter/Regulator
Design Temp: 60 deg F	Gauges:	0-60 psig/0-4 bar
Design Press:	Action:	Direct
End Connect/In/Out: CL150/RF Flg/RF Flg	Certification:	FM,Explosion Proof/Intrinsic Safe/Nonincendive
Material: WCC Steel	Controller Type:	
Ports: 1	Action:	
Flow Direction: Up	Measure Element:	
Trim Number: 101	Range:	
Cage Matl:	Output:	
Retainer Matl: CB7Cu-1 SST	Mounting:	
Bushing Matl: S17400 SST	Airset:	
Seat Ring Matl: S41600 SST	Mounting:	
VALVE PLUG	Transducer:	
Material: S41600 SST	Input Signal:	
Guiding: Post	Output Signal:	
Balance: Unbalanced	Action:	
Shutoff Class: ANSI CL IV	Mounting:	
Port Size: 2 Inch	Airset:	
Characteristic: Equal Percent	Certifications:	
Stem Material: S31600 SST	Line In:	
Stem Size: 1/2 Inch	Line Out:	
Bonnet Style: Plain	Insulation:	None
Boss Size: 2 13/16	Service Cond:	
Packing: Single PTFE	Process Fluid:	Water
Access: No,No	Critical Pressure:	
Bolt, Bonnet: SA-193-B7 Studs/2H Nuts NCF2	Shutoff Drop:	80 psi
PackFlg/Bltg: SST Pkg Flg, SST Studs & Nuts		
Actuator: Spring & Diaphragm		
Type/Size: 657/40i		
Travel: 1 1/8 Inch		
Bench Set: 3-15 psi		
Push Down To: PDTC		
Supply: Air		
To Actuator: 0 to 33 psig		
Fails Valve: Open		
Handwheel: None		
	Max Rated Cv:	53.8

Variable Name	Unit					

NOTES:



DIMENSIONS CERTIFIED CORRECT BY FISHER CONTROLS				FISHER		© Fisher Controls Int'l, LLC 2025	
CUST: HIBBING PUBLIC UTILITIES				E2 VALVE BODY SIZE 2		657 ACTUATOR SIZE 401	
CUST REF NO.:				FISHER REF NO.: 014-B5-250326-0403634		TAG NO.: TCV-1,TCV-2	
PROJECT NAME:							

TOTAL CALCULATED WT +/- 10%		REV		DATE		DWN		CHNG		APVD	
TOTAL WEIGHT: 117.6 lb		A		26-Mar-25		FOS					
UNIT OF MEASURE: INCH											
GENERAL ARRANGEMENT											
CUST ITEM: 0001											
SCALE: NONE											
DWG. NO.											
SHEET 1 OF 1											
A											

FACE TO FACE TOLERANCE IS +/- 0.06
AR = ACTUATOR REMOVAL CLEARANCE

HIBBING PUBLIC UTIL.COMM.ELECTRIC*
1716 East 5th Avenue
Hibbing MN 55746

Attention: Jacob Frederick
Phone: (218) 262-7727
Email: jacobf@hpuc.com
Re:
Attachments:

Vendor:	Novaspect, Inc
Date:	3/26/2025
Quote #:	N-547569-1

Prepared By: Ben Shaffner
Phone: 952-252-1535
Email: bshaffner@novaspect.com
Outside Sales: Patrick Namyst
Phone / Email: (218) 244-6923 /
pnamyst@novaspect.com
CC:

Novaspect, Inc is pleased to provide this quotation comprising our offer for your consideration.

Item	Description	Qty	Cost Each	Total Cost
1	NPS 3 EZ 657 Size 40i DVC6200 Tag: LCV Shipping: 4 weeks	1.00	\$14,250.92	\$14,250.92
1	NPS 2 EZ 657 Size 40i DVC6200 Tag: TCV-1,TCV-2 Shipping: 4 weeks	2.00	\$11,746.17	\$23,492.34
Quote Total:				\$37,743.26

Please make your purchase orders out to **Novaspect, Inc** and reference quote: **N-547569-1**, inclusive of its terms and conditions.
Email purchase orders to customerpo@novaspect.com.

Freight**:	Billed	Estimated Shipping:	
Freight Terms:	Shipping Point	Quote Valid For:	30 Days
Partial Ship:	Yes	Payment Terms:	Net 30

Estimated shipping time based on current availability. Shipment time will be confirmed after receipt of order.

****All shipments subject to handling fee.**

All orders are subject to review for cancellation and return charges based on degree of customization and production status.

All purchase orders processed with a credit card will incur a 2.5% transaction fee.

Please reach out to ar@novaspect.com to set up payment by ACH or check.

TERMS AND CONDITIONS OF SALE

UNLESS OTHERWISE MUTUALLY AGREED IN WRITING, VENDOR'S OFFER IN THIS PROPOSAL AND BUYER'S ACCEPTANCE THEREOF IS LIMITED TO THE CONDITIONS CONTAINED IN THIS PROPOSAL AND EITHER 1) THE MASTER AGREEMENT IN EFFECT BETWEEN THE PARTIES, INCLUDING THE ORDER OF PRECEDENCE TERMS CONTAINED THEREIN OR 2) THE VENDOR'S STANDARD TERMS AND CONDITIONS OF SALE OF GOODS AND SERVICES PUBLISHED AT THE IMMEDIATELY BELOW LINK. VENDOR EXPRESSLY OBJECTS TO ANY DIFFERENT OR ADDITIONAL TERMS AND CONDITIONS CONTAINED IN ANY BUYER-PROVIDED DOCUMENTATION.

<https://www.novaspect.com/website/media/impact-partner/Terms-and-Conditions/Novaspect-Terms-and-Conditions-2020.pdf>



Item 6.D

Item 6.D.iii – Approve Purchase of Two (2) Fisher 1' EX 667 Automatic Valves from Novaspect in the amount of \$18,032.08

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.D.iii - Approve Purchase of Two (2) Fisher 1' EX 667 Automatic Valves from Novaspect in the amount of \$18,032.08

Dear Commissioners;

For your consideration, Hibbing Public Utilities has received a quote from Novaspect for three automatic valves for the boiler blowdown system being rebuilt this year. Each Valve is a 1" EZ 667 Size 34i DVC6200 and is estimated at approximately \$9,016.04. The lead time for these valves is eight weeks.

Due the proprietary nature of the Delta V control system, Novaspect is a sole-source supplier.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

HIBBING PUBLIC UTIL.COMM.ELECTRIC*
1716 East 5th Avenue
Hibbing MN 55746

Attention: Jacob Frederick
Phone: (218) 262-7727
Email: jacobf@hpuc.com
Re:
Attachments:

Vendor:	Novaspect, Inc
Date:	4/10/2025
Quote #:	N-549292-1

Prepared By: Ben Shaffner
Phone: 952-252-1535
Email: bshaffner@novaspect.com
Outside Sales: Patrick Namyst
Phone / Email: (218) 244-6923 /
pnamyst@novaspect.com
CC:

Novaspect, Inc is pleased to provide this quotation comprising our offer for your consideration.

Item	Description	Qty	Cost Each	Total Cost
1	Fisher 1" EZ 667 Size 34i DVC6200 Shipping: 8 weeks	2.00	\$9,016.04	\$18,032.08
Quote Total:				\$18,032.08

Please make your purchase orders out to **Novaspect, Inc** and reference quote: **N-549292-1**, inclusive of its terms and conditions.
Email purchase orders to customerpo@novaspect.com.

Freight**:	Billed	Estimated Shipping:	
Freight Terms:	Shipping Point	Quote Valid For:	30 Days
Partial Ship:	Yes	Payment Terms:	Net 30

Estimated shipping time based on current availability. Shipment time will be confirmed after receipt of order.

****All shipments subject to handling fee.**

All orders are subject to review for cancellation and return charges based on degree of customization and production status.

All purchase orders processed with a credit card will incur a 2.5% transaction fee.

Please reach out to ar@novaspect.com to set up payment by ACH or check.

TERMS AND CONDITIONS OF SALE

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<https://www.novaspect.com/website/media/impact-partner/Terms-and-Conditions/Novaspect-Terms-and-Conditions-2020.pdf>



Item 6.E

Item 6.E – Award Watermain Capital Improvement Project – 17th St. E, 12th Ave., 5th Ave., & 6th Ave. to Bougalis Inf. In the amount of \$3,038,585

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.E – Award Watermain Capital Improvement Project – 17th ST. E, 12th Ave., 5th Ave., & 6th Ave. to Bougalis Inf. In the amount of \$3,038,585

Dear Commissioners;

The Commission authorized HPU staff to call for bids for the 2025 Watermain Capital Improvement Plans at the March 20th, 2025 Commission Meeting. The 17th St. E, 12th Ave., 5th Ave., & 6th Ave. bid opening was held at 10:00 am on April 15th. HPU received one bidder for the project. Please find attached for your reviewal the results of this bidding process as prepared by project engineer Josh Stier of Bolton & Menk.

HPU staff recommends that the project be awarded to Bougalis Inc. in the amount of \$3,038,585.

Sincerely;



Luke J. Peterson

April 15, 2025

Hibbing Public Utilities Commission
Luke Peterson, General Manager
1902 E. 6th Ave
Hibbing, MN 55746

RE: 2025 Capital Watermain Improvements – 17th Street E, 12th Avenue , 5th Ave E, & 6th Avenue
Hibbing Public Utilities Commission
BMI Project No. 24X.135605.000

Dear Mr. Peterson,

Bids were received and opened electronically through QuestCDN via Microsoft Teams on Tuesday, April 15 at 10:00 am for the project referenced above. One bid was received, and the results of the bids are tabulated below:

2025 Capital Watermain Improvements – 17th Street E, 12th Avenue , 5th Ave E, & 6th Avenue	
Contractor	Bid Amount
Bougalis Inc	3,038,585.00
Engineers Estimate	\$2,933,678.30

The low bidder for the project is Bougalis Inc from Hibbing, Minnesota. The bid is approximately 4.0% above the Engineer's Estimate. A detailed bid abstract of all the bids and the engineer's estimate is attached for your review.

Based on past performance on similar projects in previous years, it is our opinion that Bougalis Inc. is qualified to perform the work required under this contract. If deemed financially feasible, we hereby recommend that Bougalis Inc. be awarded the contract based on the bid contract amount of \$3,038,585.00. Please keep their attached submitted documents for your records.

Sincerely,

Bolton & Menk, Inc.



Joshua G. Stier, PE
Principal Engineer

Enclosure

ABSTRACT OF BIDS

2025 CAPITAL WATERMAIN IMPROVEMENTS

17TH STREET, 18TH STREET, 5TH AVE E, 6TH AVE E & 12TH AVE E

CITY PROJECT NO. 25-002

HIBBING PUBLIC UTILITIES COMMISSION

BMI PROJECT NO. 24X.135605.000

BID DATE: 4/15/2025
TIME: 10:00 AM

ITEM NO.	MNDOT SPEC NO.	ITEM	NOTES	APPROX. QUANT.	UNIT	Engineer's Estimate Bolton & Menk, Inc.		1 Bougalis Inc. Hibbing, Minnesota	
						UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
1	2021.501	MOBILIZATION		1	LUMP SUM	\$200,997.00	\$200,997.00	\$100,000.00	\$100,000.00
2	2101.502	CLEARING		39	EACH	\$715.00	\$27,885.00	\$850.00	\$33,150.00
3	2101.502	GRUBBING		44	EACH	\$385.00	\$16,940.00	\$500.00	\$22,000.00
4	2104.502	REMOVE HYDRANT		2	EACH	\$660.00	\$1,320.00	\$650.00	\$1,300.00
5	2104.502	REMOVE GATE VALVE & BOX		2	EACH	\$412.50	\$825.00	\$350.00	\$700.00
6	2104.502	REMOVE DRAINAGE STRUCTURE		17	EACH	\$797.50	\$13,557.50	\$1,300.00	\$22,100.00
7	2104.502	REMOVE SIGN		9	EACH	\$385.00	\$3,465.00	\$150.00	\$1,350.00
8	2104.503	REMOVE WATERMAIN		952	LIN FT	\$11.00	\$10,472.00	\$10.00	\$9,520.00
9	2104.503	REMOVE SEWER PIPE (STORM)		442	LIN FT	\$22.00	\$9,724.00	\$18.00	\$7,956.00
10	2104.503	SAWING PAVEMENT (BITUMINOUS & CONCRETE)		788	LIN FT	\$6.60	\$5,200.80	\$7.00	\$5,516.00
11	2104.503	REMOVE CURB & GUTTER		2760	LIN FT	\$8.80	\$24,288.00	\$10.00	\$27,600.00
12	2104.504	REMOVE BITUMINOUS PAVEMENT		2047	SQ YD	\$8.80	\$18,013.60	\$15.00	\$30,705.00
13	2104.504	REMOVE PAVEMENT (CONCRETE OVERLAYED WITH BITUMINOUS)		3609	SQ YD	\$12.10	\$43,668.90	\$24.00	\$86,616.00
14	2104.504	REMOVE CONCRETE DRIVEWAY PAVEMENT		186	SQ YD	\$16.50	\$3,069.00	\$25.00	\$4,650.00
15	2104.504	REMOVE CONCRETE SIDEWALK		1985	SQ YD	\$13.20	\$26,202.00	\$18.00	\$35,730.00
16	2104.602	REMOVE STREET LIGHT & FOUNDATION		8	EACH	\$660.00	\$5,280.00	\$1,800.00	\$14,400.00
17	2106.507	EXCAVATION - COMMON (P)	(1)	4758	CU YD	\$19.80	\$94,208.40	\$20.00	\$95,160.00
18	2106.507	EXCAVATION - SUBGRADE	(1) (2)	850	CU YD	\$24.20	\$20,570.00	\$22.00	\$18,700.00
19	2106.507	SELECT GRANULAR EMBANKMENT (CV)	(1) (2)	1546	CU YD	\$35.20	\$54,419.20	\$32.00	\$49,472.00
20	2106.507	STABILIZING AGGREGATE (CV)	(1) (2)	850	CU YD	\$44.00	\$37,400.00	\$53.00	\$45,050.00
21	2106.507	EXPLORATOR EXCAVATION - POTHOLE UTILITIES	(3)	25	EACH	\$935.00	\$23,375.00	\$1,000.00	\$25,000.00
22	2106.507	EXCAVATION EXPLORATORY	(3)	25	hour	\$550.00	\$13,750.00	\$225.00	\$5,625.00
23	2106.601	DEWATERING		1	LUMP SUM	\$22,000.00	\$22,000.00	\$15,000.00	\$15,000.00
24	2106.601	TEMPORARY ACCESS ROUTE		1	LUMP SUM	\$16,500.00	\$16,500.00	\$10,000.00	\$10,000.00
25	2108.504	GEOTEXTILE FABRIC TYPE 7		4280	SQ YD	\$3.30	\$14,124.00	\$5.00	\$21,400.00
26	2211.507	AGGREGATE BASE (CV) CLASS 5		1708	CU YD	\$44.00	\$75,152.00	\$54.00	\$92,232.00
27	2232.504	MILL BITUMINOUS SURFACE (2.0")		1058	SQ YD	\$6.60	\$6,982.80	\$16.00	\$16,928.00
28	2360.504	BITUMINOUS OVERLAID CONCRETE PATCH		736	SQ YD	\$104.50	\$76,912.00	\$115.00	\$84,640.00
29	2360.509	TYPE SP 12.5 WEARING COURSE MIXTURE (2,B)		655	TON	\$126.50	\$82,857.50	\$93.00	\$60,915.00
30	2360.509	TYPE SP 12.5 NON-WEARING COURSE MIXTURE (2,B)		533	TON	\$154.00	\$82,082.00	\$93.00	\$49,569.00
31	2502.503	4" PERF TP PIPE DRAIN		2035	LIN FT	\$16.50	\$33,577.50	\$15.00	\$30,525.00
32	2502.602	4" PVC PIPE DRAIN CLEANOUT		4	EACH	\$440.00	\$1,760.00	\$800.00	\$3,200.00
33	2503.503	12" RC PIPE SEWER DESIGN 3006 CLASS V		208	LIN FT	\$93.50	\$19,448.00	\$90.00	\$18,720.00
34	2503.503	15" RC PIPE SEWER DESIGN 3006 CLASS V		326	LIN FT	\$99.00	\$32,274.00	\$100.00	\$32,600.00
35	2503.503	18" RC PIPE SEWER DESIGN 3006 CLASS V		25	LIN FT	\$104.50	\$2,612.50	\$200.00	\$5,000.00
36	2503.503	8" PVC PIPE SEWER		12	LIN FT	\$82.50	\$990.00	\$125.00	\$1,500.00

ABSTRACT OF BIDS

2025 CAPITAL WATERMAIN IMPROVEMENTS

17TH STREET, 18TH STREET, 5TH AVE E, 6TH AVE E & 12TH AVE E

CITY PROJECT NO. 25-002

HIBBING PUBLIC UTILITIES COMMISSION

BMI PROJECT NO. 24X.135605.000

BID DATE: 4/15/2025
TIME: 10:00 AM

ITEM NO.	MNDOT SPEC NO.	ITEM	NOTES	APPROX. QUANT.	UNIT	Engineer's Estimate Bolton & Menk, Inc.		1 Bougalis Inc. Hibbing, Minnesota	
						UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
37	2503.503	12" PVC PIPE SEWER		10	LIN FT	\$121.00	\$1,210.00	\$200.00	\$2,000.00
38	2503.602	CONNECT TO EXISTING STORM SEWER		6	EACH	\$1,650.00	\$9,900.00	\$2,000.00	\$12,000.00
39	2504.601	TEMPORARY WATER SERVICE		1	LUMP SUM	\$71,500.00	\$71,500.00	\$180,000.00	\$180,000.00
40	2504.601	TRENCHLESS PITS		1	LUMP SUM	\$27,500.00	\$27,500.00	\$35,000.00	\$35,000.00
41	2504.601	WATERMAIN TRACING SYSTEM		1	LUMP SUM	\$16,500.00	\$16,500.00	\$21,000.00	\$21,000.00
42	2504.602	1" CORPORATION STOP & SADDLE		60	EACH	\$880.00	\$52,800.00	\$1,200.00	\$72,000.00
43	2504.602	1" CURB STOP & BOX		60	EACH	\$825.00	\$49,500.00	\$1,200.00	\$72,000.00
44	2504.602	6" GATE VALVE & BOX		6	EACH	\$3,080.00	\$18,480.00	\$3,500.00	\$21,000.00
45	2504.602	8" GATE VALVE & BOX		2	EACH	\$4,070.00	\$8,140.00	\$4,800.00	\$9,600.00
46	2504.602	12" GATE VALVE & BOX		1	EACH	\$6,600.00	\$6,600.00	\$8,000.00	\$8,000.00
47	2504.602	24" GATE VALVE & BOX		1	EACH	\$18,700.00	\$18,700.00	\$43,000.00	\$43,000.00
48	2504.602	CONNECT TO EXISTING WATERMAIN		8	EACH	\$2,420.00	\$19,360.00	\$3,200.00	\$25,600.00
49	2504.602	HYDRANT		6	EACH	\$9,350.00	\$56,100.00	\$9,000.00	\$54,000.00
50	2504.603	1.0" TYPE PE PIPE (CURB STOP TO FOUNDATION)	(1)	6	LIN FT	\$82.50	\$495.00	\$150.00	\$900.00
51	2504.603	1.0" TYPE PE PIPE (OPEN CUT - MAIN TO CURB STOP)	(1)	1538	LIN FT	\$66.00	\$101,508.00	\$90.00	\$138,420.00
52	2504.603	1.0" TYPE PE PIPE (TRENCHLESS)	(1)	206	LIN FT	\$60.50	\$12,463.00	\$90.00	\$18,540.00
53	2504.603	3" PVC WATERMAIN		5	LIN FT	\$71.50	\$357.50	\$300.00	\$1,500.00
54	2504.603	4" PVC WATERMAIN		5	LIN FT	\$74.80	\$374.00	\$300.00	\$1,500.00
55	2504.603	6" PVC WATERMAIN		149	LIN FT	\$88.00	\$13,112.00	\$110.00	\$16,390.00
56	2504.603	8" PVC WATERMAIN		580	LIN FT	\$104.50	\$60,610.00	\$100.00	\$58,000.00
57	2504.603	8" HDPE WATERMAIN (OPEN CUT)		195	LIN FT	\$104.50	\$20,377.50	\$80.00	\$15,600.00
58	2504.603	8" HDPE WATERMAIN (TRENCHLESS)		955	LIN FT	\$104.50	\$99,797.50	\$95.00	\$90,725.00
59	2504.603	12" FUSIBLE PVC WATERMAIN (OPEN CUT)		55	LIN FT	\$132.00	\$7,260.00	\$200.00	\$11,000.00
60	2504.603	12" FUSIBLE PVC WATERMAIN (TRENCHLESS)		1034	LIN FT	\$132.00	\$136,488.00	\$185.00	\$191,290.00
61	2504.603	24" PVC WATERMAIN		10	LIN FT	\$462.00	\$4,620.00	\$500.00	\$5,000.00
62	2504.604	4" POLYSTYRENE INSULATION		70	SQ YD	\$5.50	\$385.00	\$60.00	\$4,200.00
63	2504.608	WATERMAIN FITTINGS		2748	POUND	\$17.60	\$48,364.80	\$22.00	\$60,456.00
64	2506.502	ADJUST FRAME RING & CASTING		2	EACH	\$770.00	\$1,540.00	\$650.00	\$1,300.00
65	2506.502	CASTING ASSEMBLY		3	EACH	\$935.00	\$2,805.00	\$1,200.00	\$3,600.00
66	2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020		18.5	LIN FT	\$770.00	\$14,245.00	\$850.00	\$15,725.00
67	2506.602	CASTING ASSEMBLY SPECIAL 1		9	EACH	\$825.00	\$7,425.00	\$1,300.00	\$11,700.00
68	2506.603	CONSTRUCT DRAINAGE STRUCTURE DESIGN SPECIAL 1		34.2	LIN FT	\$770.00	\$26,334.00	\$900.00	\$30,780.00
69	2521.518	4" CONCRETE WALK		15749	SQ FT	\$13.20	\$207,886.80	\$9.50	\$149,615.50
70	2521.518	6" CONCRETE WALK		955	SQ FT	\$16.50	\$15,757.50	\$14.50	\$13,847.50
71	2531.503	CONCRETE CURB & GUTTER DESIGN B618		2876	LIN FT	\$38.50	\$110,726.00	\$28.00	\$80,528.00
72	2531.504	7" CONCRETE DRIVEWAY PAVEMENT		194	SQ YD	\$104.50	\$20,273.00	\$107.00	\$20,758.00

ABSTRACT OF BIDS
2025 CAPITAL WATERMAIN IMPROVEMENTS
17TH STREET, 18TH STREET, 5TH AVE E, 6TH AVE E & 12TH AVE E
CITY PROJECT NO. 25-002
HIBBING PUBLIC UTILITIES COMMISSION
BMI PROJECT NO. 24X.135605.000

BID DATE: 4/15/2025 TIME: 10:00 AM						1			
ITEM NO.	MNDOT SPEC NO.	ITEM	NOTES	APPROX. QUANT.	UNIT	Engineer's Estimate Bolton & Menk, Inc.		Bougalis Inc. Hibbing, Minnesota	
						UNIT PRICE	AMOUNT	UNIT PRICE	AMOUNT
73	2531.618	TRUNCATED DOMES		72	SQ FT	\$71.50	\$5,148.00	\$68.00	\$4,896.00
74	2540.602	PREFABRICATED RAMP (TEMPORARY WATER) - ROADWAY		10	EACH	\$935.00	\$9,350.00	\$1,000.00	\$10,000.00
75	2563.601	TRAFFIC CONTROL		1	LUMP SUM	\$66,000.00	\$66,000.00	\$30,000.00	\$30,000.00
76	2564.602	FURNISH & INSTALL SIGN PANEL, TYPE C		59	SQ FT	\$77.00	\$4,543.00	\$120.00	\$7,080.00
77	2571.502	DECIDUOUS TREE 1.5" CAL B&B		39	EACH	\$660.00	\$25,740.00	\$850.00	\$33,150.00
78	2573.501	TEMPORARY EROSION CONTROL		1	LUMP SUM	\$33,000.00	\$33,000.00	\$10,800.00	\$10,800.00
79	2574.507	TURF RESTORATION	(4)	1	LUMP SUM	\$71,500.00	\$71,500.00	\$36,600.00	\$36,600.00
80	2545.501	LIGHTING SYSTEM A		1	LUMP SUM	\$44,000.00	\$44,000.00	\$28,000.00	\$28,000.00
81	2545.501	LIGHTING SYSTEM B		1	LUMP SUM	\$33,000.00	\$33,000.00	\$46,955.00	\$46,955.00
82		CONSTRUCTION ALLOWANCE		150000	UNIT	\$1.00	\$150,000.00	\$1.00	\$150,000.00
83		WATER SERVICE ALLOWANCE		100000	UNIT	\$1.00	\$100,000.00	\$1.00	\$100,000.00
TOTAL AMOUNT BID:						\$2,933,678.30		\$3,038,585.00	

NOTES:
CV (LV) = CUBIC YARDS, LOOSE VOLUME
CY (CV) = CUBIC YARDS, COMPACTED VOLUME (MEASURED IN PLACE)
(P) = PLANNED QUANTITY BASIS OF MEASUREMENT
(1) QUANTITY IS STRICTLY AN ESTIMATE AND MAY BE INCREASED OR DECREASED BY ANY AMOUNTY WITHOUT A CHANGE IN THE UNIT BI
(2) ITEM TO BE USED AS DIRECTED BY THE ENGINEER DURING CONSTRUCTION FOR CORRECTIVE EXCAVATION BEYOND THE PLANNED TYPICAL SECTION
(3) ITEM TO BE USED AT THE DISCRETION OF THE ENGINEER
(4) ITEM INCLUDES ALL TOPSOIL, MULCH, FERTILIZER AND SEED ASSOCIATED WITH ESTABLISHING TURF. 50% PAID AT APPLICATION, 50% PAID AT TURF ACCEPTANCE



Item 6.F

Item 6.F – Authorize RFP 25-10: Distribution Groundline Inspection

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.F – Authorize RFP 25-10: Distribution Groundline Inspection

Dear Commissioners;

Groundline inspections are routinely recommended to be done by pole plant owners on a 10-year cycle, a RUS and IEEE guideline. The inspection methods test for decay, ground rot, and identify required maintenance.

Hibbing has ~4,500 poles. Inspection cost per pole varies \$15-\$40/pole. The varying cost is dependent on access/terrain, method of inspection required, and if treatment is necessary.

Proposals will be brought back to the review for a Q4 inspection. Maintenance and reconstruction will be planned, budgeted for in 2026.

Sincerely;



Luke J. Peterson



Item 6.G

Item 6.G –Approve Bolton & Menk Construction Services for the
2025 Construction Season

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.G –Approve Bolton & Menk Construction Services for the 2025
Construction Season

Dear Commissioners;

As HPU continues the 2025 Construction Season (begun in February with the 30”
watermain project) and progressing through the 23rd Street and now 17th Street
projects, I recommend approval of design and construction services time and
materials not to exceed \$869K.

Sincerely;



Luke J. Peterson



Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

Phone: (218) 231-0018
Bolton-Menk.com

Via Email

April 15, 2024

Mr. Luke Peterson, General Manager
Hibbing Public Utilities Commission
1902 E. 6th Ave.
Hibbing, MN 55746

Re: 2025 Capital Improvement Projects – Construction Engineering Services

Dear Mr. Peterson,

On behalf of Bolton & Menk, Inc., we thank you for the opportunity to present this scope and fee letter to provide design and construction engineering services to the Hibbing Public Utilities (HPU) Commission's 2025 Capital Watermain Improvement Projects.

Design Engineering:

- 30" Watermain Slip Lining – Phase II
- 2025 Hydrant Replacement Project

Construction Engineering:

- 23rd Street Reconstruction, 1st Avenue to 9th Avenue
- 17th Street, 5th, 6th, and 12th Avenue Reconstruction
- 30" Watermain Slip Lining – Phase I & II

This scope includes providing project administration through construction, construction surveying, onsite inspection of work, quality tracking, pay application development, public engagement services, and project closeout.

We appreciate the opportunity to continue serving HPU and value the great working relationship we have with staff and the commission. The enclosed scope of services presents our approach to delivering these capital improvement projects for the HPU. Please feel free to contact me with any questions or comments regarding the services proposed herein at Joshua.stier@bolton-menk.com or (218) 491-9434.

Sincerely,

Bolton & Menk, Inc.

Joshua G. Stier, P.E.
Principal Engineer

Enclosure: Scope of Services

SCOPE OF SERVICES

Bolton & Menk, Inc. will complete the following scope of work:

- Design Services for
 - 30-inch watermain Phase II & Wegener Road Loop
 - 2025 Fire Hydrant Replacement Project (Approximately 40 Hydrants)
- Construction Administration
 - 5th, 6th, 12th Ave & 17th Street Reconstruction
 - 30-Inch watermain Phase I & II, Wegener Road Looping
 - 23rd Street Project in cooperation with City

Task 2: Construction Services

Subtask 2.1 Project Management & Funding Administration

Bolton & Menk will perform construction administration for the 2024 Capital Watermain Improvement Projects. Our project manager will perform the following construction administration responsibilities:

- Coordinate & Lead preconstruction & weekly progress meetings
- Perform on-site review pertaining to work and progress as needed
- Prepare change orders and written directives
- Review shop drawings, material lists, and suppliers
- Review and approve pay requests
- Review certified payrolls | Facilitate CDBG reimbursement | Coordinate and ensure PFA compliance

Deliverables: Copies of meeting notes, change orders, directives, shop drawings, materials lists, supplier's lists, and pay requests.

Subtask 2.2 Surveying/Staking

Bolton & Menk will complete necessary field staking to facilitate construction. Our survey crews will complete construction staking on the following features:

- Vertical Control | Grading | Curb & Gutter | Miscellaneous Project Infrastructure
- Proposed Watermain System

Deliverables: Field stakes

Subtask 2.3 Construction Observation Support

Bolton & Menk will provide the necessary staff to serve as construction project representatives (CPR) to assist the project manager with construction administration and perform daily observation of the contractor's work. The CPRs will be on-site full time throughout all stages of construction to observe and review the quality of work. Our proposed CPRs are experienced performing at construction observation on similar projects and will perform the following tasks:

- Provide day-to-day construction observation and coordination between contractors, HPUC, city, and affected businesses and property owners
- Lead service line replacement documentation and coordination
- Maintain daily construction logs including daily notes and quantity tracking
- Prepare monthly pay requests
- Document construction of proposed utilities including collection of GPS shots on proposed utility network
- Project close-out walkthrough & punch list development
- Develop drawings documenting the “as-built” conditions

Deliverables: Inspection notes, photos, and other field records, GIS data, Copy of any punch list items, record drawings, punch list

FEES

Bolton & Menk, Inc.’s proposed fees to provide the described work will be billed hourly based on the enclosed fee schedule with the total estimated cost to be:

2025 Capital Watermain Improvements - Construction Services							
Task	Task Name	5th, 6th & 17th Street	23rd Street	30" Distribution Line (Phase I)	30" Distribution Line (Phase II)	2025 Hydrant Replacement	Total Cost
1.A	Design	\$0.00	\$0.00	\$0.00	\$60,000.00	\$72,000.00	\$132,000.00
Design							\$132,000.00
2.1	Project Management & Funding Admin	\$44,250.00	\$28,800.00	\$18,750.00	\$18,750.00		\$110,550.00
2.2	Surveying/Staking	\$23,600.00	\$15,360.00	\$10,000.00	\$10,000.00		\$58,960.00
2.3	Construction Observation	\$227,150.00	\$147,840.00	\$96,250.00	\$96,250.00		\$567,490.00
	<i>Subtotal</i>	<i>\$295,000.00</i>	<i>\$192,000.00</i>	<i>\$125,000.00</i>	<i>\$125,000.00</i>	Construction	\$737,000.00
	<i>Estimated Hours (\$150/hour)</i>	1967	1280	833	833		
Bolton & Menk Fee (Hourly, Not To Exceed)							\$869,000.00



Item 7.A

Item 7.A – Approve Federal Grant Compliance Manual

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.A – Approve Federal Grant Compliance Manual

Dear Commissioners;

Based on the increase of receipt of Federal jurisdictional / and grant funds at HPU, (over \$ 3 million in 2024) HPU's auditors recommend the Commission Adopt a formal FederalGrant Compliance Manual to maintain best practices and set annual training requirements on any changes to compliance with these grant funds.

HPU is currently in compliance with all Federal requirements for these funds, and the auditors are suggesting that adoptions of a policy and compliance manual would strengthen and provide the framework for continued compliance.

Attached for your consideration is a draft Federal Grants Compliance Manual that has been reviewed and approved by our Auditors and I recommend approval.

Sincerely;



Luke J. Peterson

1. PURPOSE

This Policy Manual establishes internal controls and guidance for the use and management of federal funds in compliance with **2 CFR Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards**. It ensures that expenditures of federal funds are consistent, allowable, allocable, and reasonable.

2. DETERMINATION OF ALLOWABLE COSTS

(2 CFR §200.302(b)(7))

Policy:

All costs charged to federal awards must meet the criteria of being allowable, allocable, and reasonable per **Subpart E – Cost Principles** of 2 CFR Part 200.

Procedures:

- The Finance Department shall review expenditures against the terms of each award, budget, and applicable cost principles.
 - Documentation must be retained showing how each cost:
 - Benefits the grant/project,
 - Was necessary and reasonable for performance,
 - Was treated consistently under organizational policies,
 - Was authorized under the federal award.
 - All costs must be supported by detailed documentation (e.g., invoices, receipts, contracts).
-

3. TIME AND EFFORT REPORTING

(2 CFR §200.430(a))

Policy:

Employees who work on federal programs must accurately document their

time and effort to ensure only the proportional share of their salary is charged to a federal award.

Procedures:

- Employees must submit **certified time and effort reports** at least quarterly.
 - Reports must:
 - Reflect actual time worked (not estimates),
 - Account for the total activity for which the employee is compensated,
 - Be signed by the employee or a responsible supervisor with firsthand knowledge.
 - For staff with multiple funding sources, time must be allocated appropriately.
-

4. CONFLICT OF INTEREST

(2 CFR §200.318(c)(1-2))

Policy:

All personnel involved in the selection, award, or administration of a federal contract or grant must avoid real or apparent conflicts of interest.

Procedures:

- No employee, officer, or agent may participate in any procurement action where they have a financial or personal interest.
 - Organizational conflicts include when an employee's family member has a financial interest in the contractor.
 - Conflicts must be disclosed in writing and reported to the General Manager or designee immediately.
 - Annual conflict of interest disclosures will be collected from relevant personnel.
-

5. PROCUREMENT STANDARDS

(2 CFR §§200.318 – 200.326)

Policy:

All procurement transactions involving federal funds will be conducted in a manner providing full and open competition, compliant with federal, state, and local law.

Procedures:

- **Micro-purchases (< \$25,000):** May be awarded without soliciting competitive quotes if price is reasonable.
- **Small Purchases (\$25,000–\$250,000):** Require informal quotes from at least two qualified sources.
- **Sealed Bids (> \$250,000):** Used when price is the primary factor and conditions allow a firm fixed-price contract.
- **Competitive Proposals:** Required when conditions do not permit sealed bids; used for qualifications-based procurement (e.g., architects).
- **Non-competitive Procurement:** Permitted only when justified and documented per §200.320(c), such as when only one source is available or during public emergencies.

All procurements must:

- Avoid unnecessary or duplicative items,
- Include required contract clauses,
- Maintain records with rationale for procurement method, selection of contractor, and basis for contract price.

6. EQUIPMENT MANAGEMENT REQUIREMENTS

(2 CFR §200.313)

Policy:

Equipment purchased with federal funds must be properly used, managed, and disposed of in accordance with federal requirements.

Procedures:

- Maintain an **equipment inventory log** including:
 - Description, serial number, acquisition date and cost, location, use, condition, and disposition data.
- Equipment must be used for the program it was acquired under, then made available for other federally supported programs.

- Conduct **physical inventory** at least once every two years and reconcile to inventory records.
 - Disposition of equipment must follow federal guidance:
 - If the item is no longer needed and its current fair market value is over \$5,000, disposition requires federal agency instructions or proceeds must be shared.
 - Maintain safeguards to prevent loss, damage, or theft. Report any incidents immediately.
-

7. ENFORCEMENT AND TRAINING

All employees involved in federal grants management will receive periodic training on this manual. Failure to comply may result in disciplinary action and potential disallowance of costs.

8. REVIEW AND UPDATES

This policy manual shall be reviewed **annually** by the Finance Department and General Manager and updated as federal regulations or organizational policies change.



Item 7.B

Item 7.B – Accept Notice of Retirement: Terry Garrity

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.B – Accept Notice of Retirement: Terry Garrity

Dear Commissioners;

Terry Garrity, Electrical Maintenance and Instrumentation Crew Leader, has submitted his notice of retirement and his last day of employment with HPU is May 2, 2025 after 40 years of dedicated service. I would like to thank him for his many years of service and wish him the very best in the future. He will be missed greatly by his peers and the rest of HPU.

Please accept Terry Garrity's notice of retirement, effective May 2, 2025..

Sincerely;



Luke J. Peterson



Item 7.C

Item 7.C– Declare a Vacancy and Internal Posting for Electrical Maintenance and Instrumentation Crew Leader

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.C – Declare a Vacancy and Internal Posting for Electrical Maintenance and Instrumentation Crew Leader

Dear Commissioners;

Due to a recent retirement, staff would like to recommend the Commission declare the vacancy and approve the job description and internal posting for the Electrical Maintenance and Instrumentation Crew Leader position.

The internal posting would follow HPU hiring procedures per the current employment agreement for the AFSCME Local 94 bargaining unit. The internal 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. In the event there are no internal applicants, the posting would then be advertised to external applicants.

Should the commission declare the vacancy internal posting, the posting would become active Wednesday, April 23, 2025.

Sincerely;



Luke J. Peterson

Hibbing Public Utilities

Position Description

Title	Electrical Maintenance and Instrumentation Crew Leader
Classification	Non Exempt
Department	Electrical and Instrumentation (E&I) Maintenance

Date of last evaluation	
Points Total	425
Job Class	15
Commission	December 17, 2024
Approved	

Supervisor: Superintendent of Electrical Maintenance and Instrumentation

Supervisory Responsibility: Electrical Maintenance and Instrumentation Technicians (Combined Work Force)

Overview: This position assists in planning, directing and managing electrical, technology and maintenance operations at the power plant and other HPU facilities. Actively managing and supervising electrical maintenance personnel and jobs are required to perform this duty effectively. This position also requires organizing and directing day to day operations.

Work Hours: Monday to Friday, 7:00 am to 3:30 pm and is required to be on standby duty rotation. Work outside of the regular schedule or on weekends may be required occasionally.

Responsibilities include:

Maintenance

Assists the Superintendent in supervising, planning and coordinating electrical construction and maintenance including, but not limited to the following:

- Provides leadership, supervision, and direction to electrical staff focused on completion of all Electrical and Instrumentation construction and/or maintenance projects.
- May perform all working procedures and duties of Instrument Technician and Electricians.
- Interfaces with engineering, management and staff to support Capital and O&M projects and budgeting.
- Develops a knowledgeable and highly skilled work force to leverage internal skills and knowledge to complete large projects using internal and/or external work force.
- Works with the electrical maintenance staff to ensure they plan, prioritize, inspect, schedule and direct activities in an effective manner.
- May assist in implementing department goals and policies consistent with HPUC strategies and policies and in compliance with governmental rules and regulations
- Performs highly skilled installation, commissioning, inspection, calibration, troubleshooting, repair, and maintenance of electrical, electronic, instrumentation, and related equipment.

- Reviews and updates electrical system for proper switching orders
- Coordinates and directs maintenance, calibration, and repair of CEMS & COMs systems
- Coordinates and directs maintenance, calibration, and repair of Delta V Distributive Control Systems (DCS) and Programmable Logic Control (PLC) Systems
- Coordinates the troubleshooting and identification of hardware and software needs. Requests quotes and procures materials for Capital Project and Maintenance needs

Crew Leader Duties:

- Helps to ensure compliance with federal, state, municipal and utility regulations
- Works with HPU management to ensure compliance with Title V Air Quality Permit, including helping to coordinate Relative Accuracy Test Audits (RATAs), Calibration Gas Audits, and Stack Testing
- Coordinates the delivery of accurate data to management for submittal to the Minnesota Pollution Control Agency/Environmental Protection Agency (MPCA/EPA) along with any other applicable regulatory agencies
- Responsible for coordinating training for apprentice positions within the electrical maintenance work groups.
- Receives directions from Management and performs work-related tasks
- Performs all working procedures and duties of their other crew members
- Interprets specifications, maps, and drawings, and records field changes, and forwards changes to engineering department.
- Plans and determines work procedures. Assigns duties and inspects work.
- Responsible for coordinating the training of the technicians in their work group
- Plans and Coordinates work with management and crew members from other departments
- Conducts daily safety and job briefings with crew
- Obtains quotes from vendors, requisitions and purchases parts, supplies, materials as required and per the HPU purchasing policies.
- Enters purchase requisitions into accounting software per HPU purchasing policies.
- Reviews time reports and absence requests of crew members.
- Participates in capital project specification development and review, equipment and contractor selection, and supervision and inspection of contractor's work as required.
- Uses utility software for work order management.
- Uses accounting software for customer work order management, if applicable.
- Maintains records on repairs, installations, and changes.
- Maintains inventory for stock items checked out of the warehouse, if applicable.
- Exemplifies strong leadership skills and mentoring with in their work group
- Keeps work area in safe, clean and orderly condition

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

Required Education and Experience

- 2-year degree from accredited college or institute in Electrical Maintenance, Instrumentation and Controls, or equivalent; in lieu of education:
 - 3 or more years of experience with Electrical Maintenance or Instrumentation and Controls
 - Ability to obtain Master or Journeyworker Electrician Class A, Maintenance Electrician, Power Limited Technician license from Minnesota Department of Labor and Industries
- Minimum of one year working in the Electrical Maintenance and Instrumentation Department
- Minimum of one year in a leadership role

Preferred Education and Experience

- Currently holds Master or Journeyworker Electrician Class A, Maintenance Electrician, or Power Limited Technician license registered with the Minnesota Department of Labor and Industry
- Work experience in a power plant or other industrial setting
- At least 3 of their last 5 years of employment were in the power plant
- Novaspect 7009 & 7017 course completion certificate
- One year of working in a leadership role in the Electrical Maintenance and Instrumentation Department

Minimum qualifications

- Class D driver license.
- Ability to obtain preferred licenses with the Minnesota Department of Labor and Industry

Physical Requirements

- Lifts and carries materials weighting up to 50 pounds
- Lifts materials or tools overhead of up to 25 pounds
- Moves to perform physical labor requiring twisting, pushing, pulling, bending, kneeling, and crawling. Significant force required when pulling wire.
- Positions self in awkward positions to perform work
- Ascends/descends ladders and works from heights including water towers and stack doghouses
- Grips and grasps tools and equipment to perform work. Significant force exerted when crimping connectors.
- Climbs water towers to access communication equipment.
- Climbs stack ladders to access stack doghouse.

Safety

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

The expected hourly compensation for this position is \$47.65, per the current AFSCME Local 94 employment agreement for Hibbing Public Utilities Commission employees. Additionally, this position qualifies for a comprehensive benefits package, including Retirement Benefits, Medical, Dental & Vision Plans, Health Savings Account, Flexible Spending Account, Life Insurance, Disability, Voluntary Benefits, Paid Absences, and more

Signatures

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

General
Manager

Signature

Date

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

Employee

Signature

Date



Item 7.D

Item 7.D – Approve Updated Job Description and External Posting for Accounting Analyst

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.D – Approve Updated Job Description and Advertising of the Accounting Analyst

Dear Commissioners;

HPU recently offered the Accounting Analyst position to a finalist who has declined to move forward with employment at HPU. Staff recommends to moving forward with re-advertising for this position externally to gather a fresh pool of applicants. HPU also interviewed a 2nd qualified applicant that would be invited to reapply.

Staff will refresh advertisements and posting of the vacancy on our website, social media platforms Facebook and LinkedIn, advertise on Indeed, local news and media sites Mesabi News Tribune and Hometown Focus, post on League of MN Cities and MMUA job boards. We invite Commissioners to share feedback and give input if there are other posting boards that would aid in recruiting a qualified candidate.

Enclosed is a copy of the most recently approved Job Description with a few updates in redlines. The redlines of recommended edits to the job description come from a collaborative review of the job description between our interim Controller and Finance and Customer Service Supervisor.

Please Approve the updated job description for the Accounting Analyst position and advertising of the Accounting Analyst vacancy externally beginning April 23, 2025

Sincerely;



Luke J. Peterson

Hibbing Public Utilities

Position Description

Title	Accounting Analyst
Classification	Exempt
Department	Administration

Date of last evaluation

Points Total

Commission Approved March 19, 2024

Supervisor: Finance and Customer Service Supervisor

Supervisory Responsibility: None

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

Overview: This position primary job functions include managing financial obligations to vendors and suppliers, ~~planning and coordinating accounting programs and confidential activities of the Hibbing Public Utilities Commission~~, assisting general ledger accounting, accounts payable and receivable oversight, banking and assists in treasury functions and accounting functions including annual audit and budget preparation.

In the absence of the payroll benefits administrator, this position may assist with the functions of the payroll.

Duties:

FINANCIAL

Manages Accounts Payable - Processes accounts payable to ensure timely and accurate invoicing, payments and reporting

- Monitors vendor terms and due dates and determines invoice payment dates
- Performs accounts payable invoice entry and issues vendor checks
- Processes vendor payments via wire transfer and ACH
- Maintains all vendor records in Caselle software and maintains Accounts Payable files
- Requests information from vendors and maintains vendor W9 files;
- Prepares, verifies and processes 1099's and sends them to the vendors
- Reviews travel reimbursement forms for compliance with HPU policies
- Maintains HPU credit card holder records and verifies and reconciles HPU credit card statements
- Manages Unclaimed Property process and reports to State of Minnesota
- Prepares accounts payable worksheets for external annual audit
- Grant reimbursement processing
- Provides general assistance to the finance team

Banking and General Ledger – maintain cash management and posts to the general ledger

- Monitors HPU bank account balances daily, monthly and year end
- Processes bank funds transfers as needed between bank accounts
- Updates daily cash, NSF and direct pay files to General Ledger
- Created systems to ensure no cash overdrafts in bank accounts

- Prepares and posts journal entries for funds transfers, bank reconciliation, automatic payments and customer payment adjustments, etc.
- Maintains cash flow spreadsheet
- Prepares and performs monthly and year end bank reconciliation process
- Reconciles accounting modules to general ledger, resolves discrepancies and suggests changes to cash receipting procedures (Utility Billing, AEOA, Meter Deposits, Accounts Receivable Cash Clearing and Merchandise Billing, Utility Cash Clearing and Inventory accounts
- Develops Report writing in Caselle software
- Sends W9's as requested
- Prepares cash management worksheets for external annual audit
- Understands the customer service cash receipting systems which impact cash management.
- Coordinates and assists with annual audit process and budget preparation.

PAYROLL – Ensures payroll is processed accurately and timely including but not limited to:

(Serves as the back up for the Payroll process)

Processes biweekly payroll

- Reviews and processes timesheets
- Performs pay entry and verifies payroll calculations and benefit reporting
- Completes online deferred compensation and PERA contribution reporting
- Researches, verifies, and reports electronically s PERA and Child Support payment EFT's
- Researches and computes wage garnishment calculations based on legal requirements
- Prepares and processes employee checks/direct deposit vouchers and transmittal vendor checks • Prepares and processes direct deposit ACH files
- Processes required cash management for payroll including transfers funds to Payroll bank account and prepares and posts corresponding GL journal entry
- Prepares biweekly Federal and State withholding deposits according to federal and state law
- Ensures compliance with Social Security/Medicare and PERA withholding regulations
- Creates and maintains all pay, deduction, and benefit codes, as well as transmittal vendors in Caselle
- Recommends solutions to issues and works with Civic Systems staff to resolve problems and to tailor set-up to HPU policies

Completes payroll reporting – responsible for and ensures bi-weekly payroll timely and reporting accurately

- Prepares, verifies and processes all year-end payroll processing including W2's and 1099's
- Provides verifications of employment and year-to-date earnings statements

Other Duties:

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

Required Education

- A Bachelor's degree in Accounting, Business Administration or a related field
OR
- A minimum of 5 years of relevant experience in lieu of a degree

Required Experience

Entry Level: 1-2 years of experience in Accounting, Business Administration or a related field

Mid Level: 3-7 years of experience in Accounting, Business Administration or a related field

Senior Level: 7+ years of experience in Accounting, Business Administration or a related field

Preferred Experience

- Accounts Payable and General Ledger Accounting Experience
- Utility Billing Experience
- Payroll Processing
- CPA Certificate

Additional Eligibility Qualifications

- Strong verbal and written communication with various departments and vendors.
- Proficient in Microsoft Office Suites

Minimum qualifications

- Class D Driver License

Physical Requirements

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

Safety

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

The expected annual compensation range for this position is \$65,000-\$85,000. Compensation offered to the selected candidate will vary depending on relevant knowledge, skills, training, experience, and market conditions. Additionally, this position qualifies for a comprehensive benefits package, including Retirement Benefits, Medical, Dental & Vision Plans, Health Savings Account, Flexible Spending Account, Life Insurance, Disability, Voluntary Benefits, Paid Absences, and more.



Item 7.E

Item 7.E – Approve Hiring of Electrical & Instrumentation
Maintenance Technician

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.E – Approve Hiring of Electrical & Instrumentation Maintenance Technician

Dear Commissioners;

An interview committee interviewed an external candidate for the Electrical Maintenance and Instrumentation vacancy. The finalist has many years of electrical and instrumentation experience at one of our local mines and currently holds their Class A Journeyman Electrician license.

For your consideration, I would like to recommend hiring Doug Hobbs for the Electrical Maintenance and Instrumentation vacancy contingent on pre-employment screenings and background check.

Mr. Hobbs would be a valuable addition to the crew and with his experience he will be able to easily contribute to the utilities' goals for the electrical and instrumentation cross-training and collaboration.

Sincerely;



Luke J. Peterson



Item 7.E

Item 7.E – Approve Hiring of 2025 Summer Student Recommendations

April 22nd, 2025

Jeff Hart
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.E – Approve Hiring of 2025 Summer Student Recommendations

Dear Commissioners;

The HPU Summer Student Program has annually attracted a strong field of applicants to the utility. The program helps student workers gain valuable work experience and learn more about working in the utility industry.

The role of the summer student employees will be to directly support the HPU operations crews through general labor like mowing lawns, light labor and maintenance activities at the power plant, painting gas meters, assisting with installation of water meters, GIS data collection and a handful of other special projects. Additionally, for the last two summer seasons HPU has hired a Groundsman for the Line crew that would have special requirements which we would collaborate with selecting a candidate through Northwest Line School or Wadena Technical College Lineman Program.

The summer program typically does not exceed \$100,000 in labor expense to the utility and provides 12 weeks of temporary seasonal labor that otherwise would be difficult to staff for year-round.

For your consideration, I am seeking Commission approval to hire the following students for the Summer Student Program and would follow up at a later meeting to seek approval for a qualified groundsman for the line crew.

2025 Summer Student Program Finalists

Returning applicants:

Olivia Sallila
Jace Kampsula
Mason McDonald
Preston Thronson
Joe Kolosky
Isaiah Hildenbrand
Alex Chacich
Tristen Babich

New applicants:

Nicolas Cowles

Tyler Fosso

Tim Ranta

Kelin Elsner

Quentin McClellan

Kodi Birmes

Julia Plombon

Hunter Gustafson

Raidyn Renzo Scott

Sincerely;

A handwritten signature in black ink that reads "Luke J. Peterson". The signature is written in a cursive style with a large, stylized 'L' and 'P'.

Luke J. Peterson