



Commission Regular Session

AUGUST 12TH, 2025

Commission Meeting Agenda
August 12th, 2025

Chair J. Bayliss	—	Commissioner J. Sandstede	—
Commissioner J. Stokes	—	Commissioner J. Babich	—
Commissioner J. Hart	—	Legal Counsel A. Borland	—
General Manager L. Peterson	—	Auditors Abdo., LLP	—
Customer Ser. & Finance J. Hietala	—	Manager of Power Supply P. Plombon	—
Electrical Operations S. Adams	—	Admin & Comm E. Dixon	—
	—	Local 94 President G. Pogachnik	—

1. CALL TO ORDER
2. ADDS/DELETES
3. APPROVAL OF MINUTES: July 15th, 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 July 10th – August 6th 2025
 - B. Approve the payroll paid & overtime report for the July 24th & August 7th, 2025 pay dates
 - C. Approve 2 Line Men to attend MMUA Overhead School
 - D. Authorize Commissioners to attend Sept. 19th HPU Organizational Strengthening Retreat
6. FINANCIALS & RISK MANAGEMENT
 - A. Approve July 2025 Interim Financials ****Place Holder****
 - B. Approve 5-Year Service Agreement and Master Agreement for Natural Gas Supply with Kinect Energy, Inc.
 - C. Approve Final Pay App & Change Order for Mine View Water Extension to Bougalis Inc. in the amount of \$184,074.
 - D. Approve Change Order for 23rd St. Project ****Place Holder****
7. POLICY & GOVERNANCE
 - A. Approve Resolution 25-07: Resolution Authorizing the Issuance and Sale of \$20,000,000 Utility Revenue Notes, Series 2025
8. NEW BUSINESS
9. OLD BUSINESS
10. ADJOURNMENT



Item 3 – Approval of Minutes

Item 3 – Approval of Minutes : July 15th, 2025

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 3 - Approval of Minutes: July 15th, 2025

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings of July 15th, 2025.

Sincerely;



Luke J. Peterson

MINUTES OF THE PROCEEDINGS

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

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on July 15th, 2025. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chair Bayliss called the meeting to order at 5:00 p.m. In attendance were Chair Bayliss, Commissioner Hart, Commissioner Babich, Commissioner Stokes, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, Manager of Energy Supply Paul Plombon, Finance & Customer Service Supervisor Jill Zallar, Customer Communications & Programs Manager Eliot Dixon. Also in attendance were HPU Interim Financial Controller Tammy Mattonen, Baker Tilly Rep. Bethany Ryer, HPAT Reps. Ron Wirkula; HPU Employee George Pogachnik.

Item 2. ADDS/DELETES

- Item 8.A. Summary of annual HPU GM Review
- Item 8.B. Review top-level organization chart
- Item 9.A. Updates to Instrumentation and Electrician Department

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve the regular meeting minutes of June 24th, 2025.

Motion carried unanimously.

Item 4. CITIZENS FORUM –

Item 5. CONSENT AGENDA

- Item 5.A. Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated June 21st – July 9th, 2025
- Item 5.B. Approve the payroll paid & overtime report for the June 26th & July 10th, 2025 pay dates.
- Item 5.C. Approve Request for Contribution: Hibbing College Foundation Pickleball Tournament Fundraiser in the amount of \$500
- Item 5.D. Approve Request for Contribution: Mines & Pines Revisited in the amount of \$500
- Item 5.E. Approve Request for Contribution: Hibbing Chamber of Commerce Golf Classic in the amount of \$500

Commission discussed terms of Maximo invoice listed in Item 5.A.

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

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Item 6. FINANCIALS & RISK MANAGEMENT

Item 6.A. Approve June 2025 Interim Financials

Commission discussed YTD recording of project spending and budgets. Staff reported that a draft has already been completed and would be provided to the Commission following the meeting.

Motion by Commissioner Babich, supported by Commissioner Hart, to approve the June 2025 Interim Financials as presented.

Motion carried unanimously.

Item 6.B. Approve GPM Inc for Circ. Pump #5 Rebuild in the amount of \$40,365.50

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve GPM Inc. for Circ. Pump #5 Rebuild in the Amount of \$40,365.50

Motion carried unanimously.

Item 6.C. Award RFP 25-03 Transmission Transformers to Virginia Transformers in the amount of \$2,883,539 for the Southern Interconnect Project

Commission discussed lead time & payment terms.

Motion by Commissioner Stokes, supported by Commissioner Hart, to Award RFP 25-03 Transmission Transformers to Virginia Transformers in the amount of \$2,883,539.

Motion carried unanimously.

Item 6.D. Authorize Full Detail Engineering Package for the Southern Interconnect Project including Survey in the amount of \$2,213,889 to Electric Power Engineers

Motion by Commissioner Hart, supported by Commissioner Stokes, to Authorize Full Detail Engineering Package for the Southern Interconnect Project to Electric Power Engineers in the amount of \$2,213,889

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Item 6.E. Approve Stuart Irby's Distribution Rated underground Cable Quote for Warehouse Inventory and Project material Procurement in the amount of \$65,991.96

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to Approve purchase of underground cable from Stuart Irby in the amount of \$65,991.96

Motion carried unanimously.

Item 6.F. Review Underground Excavation Contractor Sourcing for Electrical Distribution Cable Installers

Item 7. POLICY & GOVERNANCE-

Item 7.A. Accept Notice of Retirement: Greg Hooper

The Commission thanked Mr. Hooper for his many years of dedicated service to the utility.

Motion by Commissioner Sandstede, supported by Commissioner Stokes, to accept the retirement notice of Greg Hooper

Motion carried unanimously.

Item 7.B. Approve Job Description and Internal Posting for Chief Operating Engineer

Item pulled from the agenda.

Item 7.C. Discuss Recruiter and Interim Recommendation from MMUA for Senior Director of Human Resources and Organizational Development

Commission discussed options to contract a Recruiter Firm to seek a candidate for a Senior Director of Human Resources. The Commission determined to utilize MMUA's recommended Recruiting Firm.

Item 8. OLD BUSINESS-

Item 8.A. Summary of annual HPU GM Review

HPU Legal Council Andy Borland discussed results of annual HPU GM Review. Commission discussed options to follow up on the review with additional meetings.

MINUTES OF THE PROCEEDINGS

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

Item 9. NEW BUSINESS –

Item 9.A. Instrumentation & Electrical Distribution

Commission discussed the finalization of I&E department by eliminating the Instrumentation Department

Motion by Commissioner Stokes, Supported by Commissioner Hart, to eliminate the Instrumentation Department.

Motion carried 4-1.
“Nay” – Babich

Item 9.B. Review top-level organization chart

Commission discussed a draft of the top-level organization chart to send to MMUA. Commission determined that the topic should be discussed at the next Working Session.

Item 10. ADJOURNMENT

Motion by Commissioner Hart, supported by Commissioner Babich, to adjourn the meeting at 6:01 p.m.

Motion carried unanimously

Attest:

James Bayliss, Chair

Jesse Babich, Commission Secretary

Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, August 12th, 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

Item 5.A – Approve Invoices >\$10,000 and bills & ACH transfers dated July 10th, 2025

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.A – Approve Invoices >\$10,000 and bills & ACH transfers dated June 21st – July 9th, 2025

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26th 2022 Commission Meeting, please find attached enclosed invoices, bills, and payments since the last Regular Meeting held by the Commission on July 15th.

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
25811	ABSG Consulting Inc	5471963X06	Maximo License Renewal	1	06/12/2025	82,114.25	82,114.25	61997	07/11/2025
Total ABSG Consulting Inc:						82,114.25	82,114.25		
2014	BARR ENGINEERING CO	23692705.03	Boiler Blowdown Design- Labor Charges	3	06/16/2025	10,951.50	10,951.50	62005	07/11/2025
Total BARR ENGINEERING CO:						10,951.50	10,951.50		
25653	BCBS RETIREE	2507014070	RETIREE ACTIVE COVERAGE 08/01/25-08/31/25	1	07/31/2025	10,494.00	10,494.00	73120252	07/31/2025
Total BCBS RETIREE:						10,494.00	10,494.00		
25641	BOLTON & MENK, INC	0366227	GIS Support FEB 2025--Steelight GIS Collection	1	03/10/2025	18,304.50	18,304.50	62007	07/11/2025
		0366258	GIS Support May 2025-- Water GIS data edits, meeting with HFD, Office support for HPU, Flushing status dashboard, reconfig Hibbing water System, Hydrant Flushing Application Guide, Map Symbology, Survey request mapping, hydrant flushing viewer,LSL	1	06/25/2025	12,612.50	12,612.50	62007	07/11/2025
		0366298	2025 CWI-23rd St Construction Engineering 05/10/2025	1	06/25/2025	44,001.50	44,001.50	62098	07/24/2025
		0366299	2025 CWI - 30" WMN Rehab P2 (Design) 05/10/2025-06/06/2025	1	06/25/2025	19,163.00	19,163.00	62098	07/24/2025
		0366299	2025 CWI - 30" WMN Rehab P2 (Construction Engineering) 05/10/2025-06/06/2025	2	06/25/2025	27,364.50	27,364.50	62098	07/24/2025
		0366301	Senior Project Manager (CWI 17th St/5th and 6th)	2	06/25/2025	15,275.00	15,275.00	62098	07/24/2025
		0366301	Graduate Engineer (CWI 17th St/5th and 6th)	6	06/25/2025	26,625.00	26,625.00	62098	07/24/2025
		0366304	MB Steam and NG Expansion--Steam Design & Layout	1	06/25/2025	20,842.00	20,842.00	62098	07/24/2025
Total BOLTON & MENK, INC:						184,188.00	184,188.00		
160	BORDER STATES ELECT	930677400	4" schedule 40 PVC bore-gard for Aldi's	1	07/02/2025	16,510.99	16,510.99	62099	07/24/2025
		930795148	Reclosing Switchgear, Line Item 20 of BSE quote 27311720, 1st Ave Substation	1	07/23/2025	212,752.13	212,752.13	62168	08/01/2025
		930795160	Reclosing Switchgear, Line Item 20 of BSE quote 27311720, Beltline Substation	1	07/23/2025	212,752.13	212,752.13	62168	08/01/2025
		930795175	Reclosing Switchgear, Line Item 20 of BSE quote 27311720, Gas Plant Substation	1	07/23/2025	212,752.13	212,752.13	62168	08/01/2025
Total BORDER STATES ELECTRIC:						654,767.38	654,767.38		
5141	BOUGALIS INC	8244	2nd W	12	07/23/2025	15,141.00	15,141.00	62169	08/01/2025
		8244	3RD AVE E	19	07/23/2025	17,259.00	17,259.00	62169	08/01/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total BOUGALIS INC:						32,400.00	32,400.00		
25815	CLEAN HARBORS ENVIR	1005557788	DISPOSAL OF REGULATOR	1	10/31/2024	14,594.80	14,594.80	62170	08/01/2025
Total CLEAN HARBORS ENVIRONMENTAL INC.:						14,594.80	14,594.80		
25943	Crum Energy Law	25943	June legal services 53.3 hours for transmisson project including MISO certification and professional svc agreement	1	07/01/2025	18,655.00	18,655.00	62171	08/01/2025
Total Crum Energy Law:						18,655.00	18,655.00		
1604	DOWCO VALVE COMPAN	45266	Consolidated 2725B-a-X1-F1 Replacement Steam Drum Relief Valve	1	06/27/2025	22,172.67	22,172.67	62011	07/11/2025
Total DOWCO VALVE COMPANY:						22,172.67	22,172.67		
25863	ELECTRIC POWER ENGI	37928	Hibbing EPCM Services T1	1	06/30/2025	53,317.00	53,317.00	62174	08/01/2025
Total ELECTRIC POWER ENGINEERS LLC:						53,317.00	53,317.00		
24323	EMERSON LLLP	31003580	MULTIVARIABLE PRESSURE TRANSMITTER	1	06/26/2025	16,704.15	16,704.15	62013	07/11/2025
Total EMERSON LLLP:						16,704.15	16,704.15		
25933	Gardner Builders Duluth, L	PAY APP #2	window replacement project at the admin bldg MAY 2025 svc period--Windows and General conditions	1	07/10/2025	37,965.32	37,965.32	62017	07/11/2025
		PAY APP #3	window replacement project at the admin bldg--June 2025 Service--General reqs, Windows, plaster and gypsum board	1	07/10/2025	87,101.22	87,101.22	62017	07/11/2025
Total Gardner Builders Duluth, LLC:						125,066.54	125,066.54		
25942	Geislinger & Sons, Inc.	PAY APP#5 2	Connect to Existing Water Main	5	06/27/2025	80,000.00	80,000.00	62018	07/11/2025
		PAY APP#5 2	10" HDPE Watermain- Directionally Drilled	7	06/27/2025	30,175.00	30,175.00	62018	07/11/2025
Total Geislinger & Sons, Inc.:						110,175.00	110,175.00		
529	GPM INC	PSI-58716	Sump 1 & 2- Pump & Motor, Flowserve ESP3, 1E3x2SP-82RV, DCI/CS, 6.75" Trim, 3HP, 1800RPM, 460V, 182TC	1	07/10/2025	54,668.67	54,668.67	62109	07/24/2025
		PSI-58717	Sump 3- Pump & Motor, Flowserve ESP3, 1E3X2SP-82RV,DCI/CS,6.94" Trim, 3HP, 1800RPM, 460V, 182TC	1	07/11/2025	19,425.26	19,425.26	62109	07/24/2025
		PSI-58718	Sump 4- Pump & Motor, Flowserve ESP3, 1E3x2SP-82RV, DCI/CS, 6.75" Trim, 3HP, 1800RPM, 460V, 182TC	1	07/11/2025	16,615.00	16,615.00	62109	07/24/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total GPM INC:						90,708.93	90,708.93		
155	HECIMOVICH MECHANIC	4523	Air Compressor Plant	2	06/30/2025	23,582.02	23,582.02	62183	08/01/2025
		4524	23rd Street Project	4	06/30/2025	48,971.79	48,971.79	62112	07/24/2025
Total HECIMOVICH MECHANICAL CONTRACTING INC:						72,553.81	72,553.81		
25127	KINECT ENERGY INC AC	395962.2	Purchased Gas for June 2025	1	06/30/2025	268,089.91	268,089.91	71120258	07/11/2025
Total KINECT ENERGY INC ACH DO NOT MAIL:						268,089.91	268,089.91		
24578	LEAGUE OF MN CITIES I	40007180X0	Annual League Insurance Renewal	1	07/03/2025	10,120.83	10,120.83	62031	07/11/2025
		40007180X0	Annual League Insurance Renewal	2	07/03/2025	17,051.36	17,051.36	62031	07/11/2025
		40007180X0	Annual League Insurance Renewal	3	07/03/2025	12,394.38	12,394.38	62031	07/11/2025
		40007180X0	Annual League Insurance Renewal	4	07/03/2025	11,365.43	11,365.43	62031	07/11/2025
Total LEAGUE OF MN CITIES INSURANCE TRUST:						50,932.00	50,932.00		
22191	MEDICARE BLUE RX	002410377	MEDIARE RX COVERAGE AUG 2025	1	07/23/2025	29,564.00	29,564.00	62122	07/24/2025
Total MEDICARE BLUE RX:						29,564.00	29,564.00		
25946	MERJENT INC	0043126	Stakeholder Outreach/Reimbursable Expenses- Travel and lodging,meals,billable mileage	4	06/20/2025	18,641.49	18,641.49	62034	07/11/2025
Total MERJENT INC:						18,641.49	18,641.49		
20364	MINNESOTA POWER ACH	0763933898	Purchased Power Capacity Charge 6000 KW @ 12.52	1	06/17/2025	75,120.00	75,120.00	71120252	07/11/2025
		0763933898	Purchased Power Energy Charge kWh	2	06/17/2025	156,441.60	156,441.60	71120252	07/11/2025
		0763933898	Transmission Distribution Facilities Charge	3	06/17/2025	16,000.00	16,000.00	71120252	07/11/2025
		0763933898	Market Energy SVCS Fee	4	06/17/2025	13,636.77	13,636.77	71120252	07/11/2025
		0763933898	MISO Transmission	5	06/17/2025	149,133.11	149,133.11	71120252	07/11/2025
		0763933898	MISO Market Costs	6	06/17/2025	70,104.97	70,104.97	71120252	07/11/2025
		07685082811	Purchased Power Capacity Charge 6000 KW @ 12.52	1	07/15/2025	75,120.00	75,120.00	73020251	07/30/2025
		07685082811	Purchased Power Energy Charge kWh	2	07/15/2025	167,616.00	167,616.00	73020251	07/30/2025
		07685082811	Transmission Distribution Facilities Charge	3	07/15/2025	16,000.00	16,000.00	73020251	07/30/2025
		07685082811	Market Energy SVCS Fee	4	07/15/2025	13,636.77	13,636.77	73020251	07/30/2025
		07685082811	MISO Transmission	5	07/15/2025	185,328.49	185,328.49	73020251	07/30/2025
		07685082811	MISO Market Costs	6	07/15/2025	62,363.52	62,363.52	73020251	07/30/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total MINNESOTA POWER ACH DO NOT MAIL:						1,000,501.23	1,000,501.		
25272	MN PEIP	1535097	ACTIVE EMPLOYEE HEALTH COVERAGE 08/01/25-08/31/25	1	07/10/2025	183,595.76	183,595.76	62093	07/24/2025
Total MN PEIP:						183,595.76	183,595.76		
20369	MN PUBLIC FACILITIES A	07/30/2025	2023 WTP PFA loan principal payment	1	07/31/2025	400,000.00	400,000.00	80520251	08/05/2025
		07/30/2025	2023 WTP PFA interest payment	2	07/31/2025	39,521.78	39,521.78	80520251	08/05/2025
		07/30/2025.A	2023 PFA loan Watermain Principal payment	1	07/31/2025	41,939.00	41,939.00	80520251	08/05/2025
		07/30/2025.A	2023 PFA interest payment	2	07/31/2025	144,342.83	144,342.83	80520251	08/05/2025
Total MN PUBLIC FACILITIES AUTHORITY:						625,803.61	625,803.61		
23039	MN REVENUE SALES TA	07182025	MONTHLY SALES TAX JUN 2025	1	07/18/2025	117,686.00	117,686.00	71820251	07/18/2025
Total MN REVENUE SALES TAX:						117,686.00	117,686.00		
1042	NORTHERN INDUSTRIAL	19801	Labor-hopper insulation installation	1	06/26/2025	17,432.95	17,432.95	62041	07/11/2025
		19801	Insulation for hoppers	2	06/26/2025	10,317.39	10,317.39	62041	07/11/2025
		19849	Material	2	07/28/2025	24,957.72	24,957.72	62192	08/01/2025
Total NORTHERN INDUSTRIAL INSULATION:						52,708.06	52,708.06		
1193	NOVASPECT INC	99331021	MQ Controller	1	05/29/2025	23,685.69	23,685.69	62042	07/11/2025
Total NOVASPECT INC:						23,685.69	23,685.69		
4655	PRECISION COOLING TO	0011610-IN	Line 1: FD1008: 7.5:1 Ratio, LOL Switch duplicate to SN-373384 Core	1	06/30/2025	11,987.00	11,987.00	62046	07/11/2025
Total PRECISION COOLING TOWERS:						11,987.00	11,987.00		
25784	RICE LAKE CONTRACTIN	PAY APP #15	South Water Treatment Plant Rehab Project- General Conditions	1	07/02/2025	30,757.94	30,757.94	62047	07/11/2025
		PAY APP #15	Electrical	3	07/02/2025	130,000.00	130,000.00	62047	07/11/2025
		PAY APP #15	Process Piping, Fittings and Supports	4	07/02/2025	175,000.00	175,000.00	62047	07/11/2025
		PAY APP #15	Submersible Centrifugal Pumps	5	07/02/2025	19,625.54	19,625.54	62047	07/11/2025
		PAY APP #15	Process Valves	6	07/02/2025	60,000.00	60,000.00	62047	07/11/2025
		PAY APP #15	CMAR fee	10	07/02/2025	34,616.47	34,616.47	62047	07/11/2025

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Total RICE LAKE CONTRACTING CORP:						449,999.95	449,999.95		
25697	SAVANNA PALLETS	INV163060	2025 Wood Supply--Shipped 6/20	1	06/20/2025	20,116.80	20,116.80	62050	07/11/2025
		INV163357	2025 Wood Supply--Shipped 6/27	1	06/27/2025	42,926.60	42,926.60	62050	07/11/2025
		INV163528	Wood Supply 07/03/2025	1	07/03/2025	15,088.23	15,088.23	62142	07/24/2025
		INV163715	2025 Wood Supply--Shipped 7/11	1	07/11/2025	23,269.82	23,269.82	62142	07/24/2025
		INV163985	2025 Wood Supply--Shipped 7/18	1	07/18/2025	13,207.80	13,207.80	62142	07/24/2025
Total SAVANNA PALLETS:						114,609.25	114,609.25		
25611	STINSON LLP	43648192	Professional Services and disbursements rendered May 2025	1	07/24/2025	17,943.00	17,943.00	62201	08/01/2025
Total STINSON LLP:						17,943.00	17,943.00		
21611	STUART C IRBY CO	S014291723	WIRE 1/0 SOLID AL 15KV EPR 220M EPR- 1-200-1107-300	1	06/24/2025	65,991.96	65,991.96	62053	07/11/2025
Total STUART C IRBY CO:						65,991.96	65,991.96		
25836	TAMMY MATTONEN CON	JUNE.2025	Accounting Consulting June 2025; account reconciling, allocation, reporting, data compilation for stakeholders, process/reporting improvements, training and support to staff, monitor budgets/cash flow, statements, training students sales tax, stmts	1	07/29/2025	10,455.00	10,455.00	62203	08/01/2025
		MAY.2025	Accounting Consulting May 2025; APR MO End processing, allocation schedules, compensated balances, journal entries, cash flow monitoring, budget preparation, review rate design, 990T extension, clean energy credit info gathering	1	06/18/2025	11,730.00	11,730.00	62055	07/11/2025
Total TAMMY MATTONEN CONSULTING LLC:						22,185.00	22,185.00		
25031	USIC LOCATING Services, LLC	743384	PER TICKET	2	06/30/2025	12,957.12	12,957.12	62058	07/11/2025
Total USIC LOCATING Services, LLC:						12,957.12	12,957.12		
1539	WESCO RECEIVABLES C	566184	LN 375- RICH P625IC 15/25KV 600A DUST CAPS	1	06/23/2025	13,604.00	13,604.00	62062	07/11/2025
Total WESCO RECEIVABLES CORP:						13,604.00	13,604.00		
25680	ZIELIES TREE SERVICE, INC	320250557	Belt Line Substation Vegetation Management	1	06/30/2025	13,323.18	13,323.18	62064	07/11/2025
		320250558	Ainsley Road Vegetation Management	1	06/30/2025	19,580.22	19,580.22	62064	07/11/2025
Total ZIELIES TREE SERVICE, INC:						32,903.40	32,903.40		

Vendor Number	Name	Invoice Number	Description	Seq	Invoice Date	Invoice Amount	Check Amount	Check Number	Check Issue Date
Grand Totals:						<u>4,612,251.46</u>	<u>4,612,251.</u>		

Report Criteria:

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



Hibbing Public Utilities Commission Authority Matrix – Version April 2022							
P = Primary Responsibility C = Consenting A = Advises N = Notified I = Implements							
	Commissi on	Chair	Vice Chair	General Manager	Controller	Risk Manager	AP / Payroll
<i>Annual Budget</i>	P			A	A		
<i>Set Reserve Policy</i>	P			A	A		
<i>Budget Revision</i>	P			A	A		
<i>Strategic Plan</i>	P			A	A		
<i>Contract with total value exceeding \$25,000 or term greater than 5 years</i>	P			*A	N		
<i>Contracts with total value less than or equal to \$25,000 and term less than 5 years</i>	N			P	N	**	
<i>Bank Checks / ACH / Wires Greater than \$10,000</i>	P			*A	N		
<i>Emergency Purchases including End of the Month Gas Commodity Purchases</i>	C	C	C	P	N		
<i>Payroll and Statutorily Exempted Payments</i>	C			P	N		I
<i>Transfer of funds between accounts</i>				N	P		I
<i>Open/Close Bank Accounts</i>	P			A	A		
<i>Money Market / Investment Choices</i>	C			A	P		
<i>Purchase / Sale of Real Property</i>	P			A	A		



Hibbing Public Utilities Commission Authority Matrix – Version April 2022							
P = Primary Responsibility C = Consenting A = Advises N = Notified I = Implements							
<i>Debt Issuance</i>	P			A	A		
<i>Credit Facility Issuance</i>	P			N	N		
<i>Short-term borrowings/repayments under Credit Facilities</i>		N	N	P	C		
<i>Implementing Controls and ensuring compliance with Authorizations</i>	N			P	A		
<i>Employee travel for safety, trade, and business training</i>	N			P	A		
* Delegation 1	Primary approval delegated to General Manager for review and transmittal of payments, ACH, checks, payroll and approved contracts until ratification at the Commission Meeting immediately following issuance.						
** Delegation 2	General Manager delegates approval of contracts of value less than \$10,000 and less 5 years in duration to the Risk Manager						
*** Delegation 3	General Manager delegates approval of payroll, transfers, and statutorily exempted payments to Accounts Payable and Payroll function.						



Item 5.B

Item 5.B – Approval of Payroll Paid and Overtime Report for the
July 24th & August 7th, 2025 Payroll Dates

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.B – Approval of Payroll Paid and Overtime Report for the July 24th &
August 7th, 2025 Payroll Dates

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26th 2022
Commission Meeting, please payroll and overtime reports for payroll dates
subsequent to the last Commission meeting held on July 15th, 2025.

Sincerely;



Luke J. Peterson

Report Criteria:

Employee Transaction.Check Issue Date = 07/24/2025
 Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	210,708.25
Total REGULAR WAGES - FOREMAN:	1,813.44
Total REGULAR WAGES - LEAD:	430.40
Total OVERTIME WAGES:	18,193.29
Total OVERTIME WAGES - FOREMAN:	1,779.10
Total OVERTIME WAGES - LEAD:	289.41
Total SUNDAY PREMIUM:	1,541.46
Total VACATION PAY:	17,188.45
Total SICK & SAFE LEAVE:	713.49
Total SICK LEAVE - REGULAR:	9,135.93
Total UNEXCUSED SICK LEAVE:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	3,119.22
Total PERSONAL HOLIDAY:	1,920.79
Total SHIFT DIFFERENTIAL .75/HR:	441.00
Total LONGEVITY:	3,253.39
Total STANDBY:	7,849.20
Total LEAVE PAYOUT (NO RETIREMENT):	4,396.88
Total CERTIFICATE/LICENSE:	1,303.65
 Grand Totals:	 <u>284,077.35</u>

Report Criteria:

Employee Transaction.Check Issue Date = 08/07/2025

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	199,889.69
Total REGULAR WAGES - FOREMAN:	1,876.96
Total REGULAR WAGES - LEAD:	656.14
Total OVERTIME WAGES:	21,587.36
Total OVERTIME WAGES - FOREMAN:	1,357.08
Total OVERTIME WAGES - LEAD:	182.13
Total SUNDAY PREMIUM:	1,541.46
Total VACATION PAY:	21,006.41
Total SICK & SAFE LEAVE:	1,945.65
Total SICK LEAVE - REGULAR:	13,584.84
Total UNEXCUSED SICK LEAVE:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	932.42
Total PERSONAL HOLIDAY:	4,035.55
Total SHIFT DIFFERENTIAL .75/HR:	405.00
Total LONGEVITY:	3,253.39
Total STANDBY:	7,731.64
Total LEAVE PAYOUT (NO RETIREMENT):	4,396.88
Total CERTIFICATE/LICENSE:	1,282.59
Grand Totals:	285,665.19



Item 5.C

Item 5.C – Approve 2 Line Men to attend MMUA Overhead School

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.C – Approve 2 Line Men to attend MMUA Overhead School

Dear Commissioners;

3rd Quarter Travel was approved at the June 24th Commission Meeting. This item has since been added to Q3 Travel plans. HPU Staff is requesting to send Linemen Charlie Karish and Peter Jensen to the MMUA Overhead School. The Overhead School is a technical training program offering an opportunity for line workers from across the state to refresh on safety practices and sharpen skills. The travel will take place from Sept. 9th to the 12th. The estimated total cost for both travelers would be ~\$1,000.

Sincerely;



Luke J. Peterson



Item 5.D

Item 5.D – Authorize Commissioners to attend Sept. 19th HPU
Organizational Strengthening Retreat

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 5.D – Authorize Commissioners to attend Sept. 19th HPU Organizational
Strengthening Retreat

Dear Commissioners;

As per the direction of the HPU Commission at the August 5th Working Session, the HPU Organizational Strengthening Retreat has been scheduled for September 19th. Staff is working to finalize the venue of the Retreat location. As the full Commission is invited to attend, Staff will be providing proper notice of the event in alignment with Open Meeting Law.

Sincerely;



Luke J. Peterson



Item 6.A

Item 6.A – Approve July 2025 Interim Financials

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

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

Dear Commissioners;

Due to the early meeting date of August 12th, the July 2025 Monthly Financials are in the process of being completed. The financials will be provided to the Commission prior to the meeting.

Sincerely;



Luke J. Peterson



Item 6.B

Item 6.B – Approve 5-Year Service Agreement and Master Agreement for Natural Gas Supply with Kinect Energy, Inc.

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.B – Approve 5-Year Service Agreement and Master Agreement for Natural Gas Supply with Kinect Energy, Inc

Dear Commissioners;

For your consideration after meeting with representatives of World Kinect they have presented us with a new Master & Service agreement. Our current agreement expires September 1st of this year. The new agreement has a term of 5 years ending on August 31, 2028. The main change in the contract is the change to a set service fee rather than a variable monthly volumetric fee.

Sincerely;



Luke J. Peterson



SERVICE AGREEMENT

The following agreement (hereinafter "Service Agreement") is hereby entered into by:

Kinect Energy, Inc. A Florida corporation Notice address: 11100 Wayzata Blvd, Suite 200 Minnetonka, MN 55305 Attn: Legal Email: kinectNAcontracts@world-kinect.com Phone: 763-543-4600 (hereinafter referred to as " Service Provider ")	AND	Hibbing Public Utilities Commission A Minnesota municipality Notice address: 1902 6th Ave E Hibbing, MN 55746 Attn: Paul Plombon Email: paul.plombon@hpuc.com Phone: 218-208-7713 (hereinafter referred to as the " Client ")
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Service provider and the Client will hereinafter be referred to as the "Party" or jointly the "Parties".

Preamble

This Service Agreement is entered into pursuant to the Master Agreement dated **September 1, 2025** (Master Agreement) between **Kinect Energy, Inc.** and **Hibbing Public Utilities Commission**. The Parties agree that this Service Agreement and the Master Agreement form an integral part of and comprise the entire agreement (hereinafter the "Agreement") between the Parties with respect to the subject matter of the Agreement. In the event of a conflict or inconsistency between any Service Agreement and the Master Agreement, the latter shall govern.

1. Facilities

1902 6th Ave E, Hibbing, MN 55746

2. Fees

Service Fee	\$2,675.00 per month
Hedge Fee	\$0.02 per Dth (Natural Gas)

The Service Fee will increase 2.5% per year on the annual anniversary date of this Service Agreement.

Hedging Services: If Client elects to utilize Service Provider to provide physical or financial natural gas or electric hedging services an administrative fee ("Hedge Fee") will be assessed on a per unit basis for all volumes hedged to cover the costs associated with compliance with federal, state, and local commodities rules and regulations and administrative costs of facilitating this hedging service. While the hedge fee will be charged monthly for convenience, any remaining unbilled fees will be immediately due and payable should the contract terminate for any reason prior to the end of the hedged term.

Pre-approved Expenses: Client will reimburse Service Provider for any pre-approved travel and other expenses incurred by Service Provider related to the provision of Services under this Agreement. Pre-approved expenses may be billed separately or included on Client's monthly invoice.

Invoicing: On or about the first day of each month, Service Provider will invoice Client for any fees and expenses due. Client shall pay Service Provider within thirty (30) days after the date of the invoice. Client will make payment to Service Provider by wire transfer or ACH transfer, in each case with immediately available funds.

3. Agency Authorization. Service Provider shall act as Client's agent while managing the energy matters for the Facilities. In order for Service Provider to fulfill its responsibility under this Service Agreement an Agency Authorization must be executed by Client.

4. Term. September 1, 2025- August 31, 2028

After the initial term, the Agreement will automatically renew for successive one-year terms, unless Client or Service Provider terminates the Agreement upon sixty (60) days prior written notice before the annual renewal date. If Service Provider and Client establish a physical or financial transaction on behalf of Client that extends beyond the term of this Agreement, the Agreement will extend for the duration of the transaction.

5. Services

Natural Gas Supply Management. The following services will be provided when applicable to Client for the acquisition and management of Client's natural gas supply for Client's Facilities subject to this Agreement.

(A) **Procurement of Supply:** Service Provider will assist Client in the procurement of natural gas supplies for Client's Facilities.

1. Service Provider will work with Client to determine the required daily or monthly supply volumes and corresponding receipt point(s) for gas delivery.

2. Service Provider will assess whether gas utility tariff sales supply, Client transported supply, third party-transported supply, or Service Provider-transported supply will provide the most reliable and economic supply of natural gas to the Facilities.
 3. Service Provider will facilitate the procurement of natural gas on Client's behalf.
 4. Unless otherwise agreed to in writing, Service Provider will only procure natural gas at the direction of the Client.
 5. Service Provider will administer and monitor Client's gas supply contracts.
- (B) **Negotiations:** Service Provider will negotiate natural gas related agreements with third parties on Client's behalf.
1. Service Provider will provide negotiation services to establish transportation rates on interstate pipelines and gas utilities, contractual terms with suppliers and transporters, trade credit with suppliers, and new tariffs where applicable with utilities.
- (C) **Acquisition of Trade Credit:** Service Provider will advise Client of credit issues for gas facilities, transportation contracts, and gas supply.
1. Client will provide Service Provider with the necessary financial information as required by supplier(s) to obtain trade credit with various vendors.
 2. Service Provider will share Client's financial documents with third parties as directed and, in any manner, as restricted by Client in order to establish trade credit.
 3. Service Provider will work to establish trade credit with suppliers on Client's behalf. Depending on Client's gas usage, multiple sources of trade credit may be established.
 4. Service Provider makes no guarantee that adequate unsecured trade credit will be obtained from third parties. In the event adequate trade credit cannot be secured, Service Provider will discuss various credit instruments with Client including but not limited to letters of credit, parental guarantees, and prepayment. It will be Client's sole responsibility to provide the necessary security to obtain adequate trade credit.
- (D) **Cost and Consumption Analysis:** Where the utility or pipeline has provided Client's metered usage data, Service Provider will:
1. Post Client's gas cost and consumption data for each Facility to the Service Provider secure website for Client access.
 2. Service Provider will advise Client of options for Client to pursue with assistance from Service Provider in the event of measurement discrepancies with the pipeline or utility.
- (E) **FERC 704 Filing:** If Client's annual volume of natural gas purchases and sales require Client to file Form 552, and if the data needed for Form 552 is readily available to Service Provider, Service Provider will compile and provide such data to Client. Form 552 must be filed by Client due to FERC requirements.
- (F) **Energy Tax Exemption:**
1. If Client hires Service Provider for invoice processing and provides existing energy tax exemptions to Service Provider, Service Provider will verify that the exemptions are applied to Client's invoices. If an error is found, Service Provider will notify the vendor.

Logistics: Service Provider will manage Client's natural gas supply and transportation.

- (A) Service Provider will provide nomination and scheduling of Client's gas supply with the supplier(s), the pipeline, and/or local gas utility ("Supply Entity").
- (B) Service Provider will balance Client's natural gas accounts with applicable Supply Entity pursuant to the applicable Supply Entity requirements. Service Provider will exercise its reasonable discretion to facilitate the balancing service based upon the information available.
- (C) Unless otherwise agreed to in writing, the goal of the Logistics services will be to maintain compliance with the applicable Supply Entity's regulation, not price optimization.
- (D) Where necessary and where available, Service Provider will obtain Client's metered natural gas consumption data for each Facility.
- (E) Client will provide Service Provider with estimated usage volumes for each Facility on request and make a reasonable effort to notify Service Provider when Client's usage will be interrupted or changed. Service Provider will perform the Logistics services based on the most recent information regarding Client's usage that it possesses.
- (F) Service Provider will make reasonable efforts to release any excess firm pipeline capacity held by Client in the capacity release market. Revenue for such released capacity will be the property of Client. Service Provider or its affiliates may purchase the released capacity from Client at prevailing market rates.
- (G) Service Provider will evaluate gas storage alternatives available to Client. At Client's direction, Service Provider will facilitate the acquisition of such storage and will manage the use of storage for Client.
- (H) To the extent the Client has gas storage available and has authorized Service Provider's access to the same, Service Provider may utilize such storage in balancing Client's account(s).
- (I) Service Provider and its affiliates manage and own a portfolio of assets (including but not limited to storage, firm transportation entitlement, imbalance pools, etc.). From time to time, it may be in Client's best interest to have their assets managed as part of Service Provider's larger portfolio of assets resulting in lower natural gas costs to Client than would have otherwise been incurred. Client hereby authorizes Service Provider to manage their assets within the larger portfolio to achieve operational optimization.

Natural Gas Price Risk Management Service: The following risk management services are available to Client for each Facility subject to this Agreement as applicable through Service Provider's Risk Management Service:

- (A) Service Provider will conduct a risk workshop with Client to identify and understand Client's risk policies, practices, and objectives as they relate to natural gas, where:
 1. Service Provider will gain a thorough understanding of Client's natural gas purchasing practices and strategies.
 2. After completion of the above, Service Provider will develop risk management strategies appropriate to Client's risk objectives and will present a plan to Client for approval.
 3. Upon Client's approval, Service Provider will advise Client in the implementation of the risk management plan.
 4. Client can participate in dialogue with Service Provider on agreed upon intervals, and/or ad-hoc depending on the nature of the Service Agreement to understand the current energy market dynamics as they apply to Client's situation.
 5. If Client elects, Client will be provided with a:
 - a) Position Report: Listing of Client's hedged positions, expected consumption, and market pricing.
 6. Receive Kinect Energy's Base Publication Suite as well as special reports and exclusive White Papers pertaining to specific market developments throughout the year.
 7. Via Service Provider's website, Client will have access to internet-based energy pricing indices as available, energy market data, and opinions from fundamental and technical analysts retained by Service Provider.

Invoice Management with Consolidated Invoices. The following services are available to Client for the processing of Client's invoices.

- (A) Invoice Processing and Payment:
 1. Service Provider will manage the redirection of vendor invoices to Service Provider's client accounting group. This may include invoices from suppliers, utilities, pipelines, and service companies.
 2. Service Provider processes Client's invoices which contain data needed to perform contract services.
- (B) Vendor invoices are imaged into a secure database.
- (C) Invoices are reviewed for accuracy.
- (D) Service Provider will prepare a monthly consolidated invoice summarizing Client's costs from the prior month. This consolidated invoice may include actual and estimated costs dependent on the best available information at the time of invoice delivery date. Client agrees to remit funds to Service Provider per the payment terms listed in the Agreement.
- (E) Service Provider agrees that, once Client's funds are deposited and cleared in Service Provider's bank account, Service Provider has the obligation to pay Client's invoices associated with such Client funds. Client further agrees that any interest earned by Service Provider from Client funds held in Service Provider's bank account shall belong to Service Provider and become the property of Service Provider.
- (F) Payment for vendor invoices which Service Provider pays on Client's behalf must be received by Service Provider in advance of vendor due date. A due date is printed on the Service Provider generated invoice indicating the last day in which Service Provider can receive Client's funds to pay the vendor in a timely manner. Payment must be received by 11am Central Time on that due date. Client is responsible for any fees assessed by a vendor due to Client's late payment.

Agreed and accepted:

<p>Kinect Energy, Inc.</p> <p>By:</p> <p>Name:</p> <p>Title:</p> <p>Date:</p>	<p>Hibbing Public Utilities Commission</p> <p>By:</p> <p>Name:</p> <p>Title:</p> <p>Date:</p>
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AGENCY AUTHORIZATION

The purpose of this agency authorization (this "Authorization") is to set forth the authorization and agreement between **Kinect Energy, Inc.** ("Kinect Energy") and **Hibbing Public Utilities Commission** ("Client") related to the provision of energy supply management services for Client's facilities (individually referred to as "Facility" and collectively as "Facilities"). Client and Kinect Energy agree on the following terms and conditions as they pertain to Kinect Energy's role as Client's agent to transact with third-parties on Client's behalf:

1. **APPOINTMENT AND SCOPE:** Client hereby appoints Kinect Energy as its agent to deal with third-parties for energy-related matters for the Facility or Facilities. Kinect Energy is authorized, without limitation, by Client to:
 - a. Negotiate and execute contracts for energy supply procurement, transportation services, and distribution services ("Energy Contracts") with any counterparties as required for Client's Facility or Facilities and as Kinect Energy reasonably determines to be acceptable;
 - b. Amend, extend, renew, or cancel any Energy Contracts;
 - c. Review and sign energy supply transaction confirmations;
 - d. Place daily and monthly nominations for delivery of energy supplies;
 - e. Sign energy tax exemption certificates as they pertain to energy purchases or consumption for Energy Procurements made under this Authorization;
 - f. Obtain trade credit from energy suppliers as needed for Energy Procurements; and
 - g. Receive, review, approve, and pay Client's energy invoices for energy transactions made under this Authorization.

2. **RELEASE OF ENERGY CONSUMPTION RECORDS AND BILLS:** By signing this authorization, Client grants permission to pipelines, suppliers, and other parties to release Client's energy consumption records and bills to Kinect Energy.

3. **ADOPTION AND RATIFICATION:** Client agrees that each and every act performed by Kinect Energy in connection with any of the authorized powers designated in Paragraph 1 will be valid and binding on Client as if such act had been done by Client. Client acknowledges that by signing this Authorization, Client hereby ratifies any and all actions performed by Kinect Energy in furtherance of the powers granted herein.

4. **TERM:** The term of this Authorization shall commence when executed by Client and shall continue until such time as either Client or Kinect Energy terminates the Authorization by written notice to Client or Kinect Energy, as may be applicable. Client will remain obligated for any actions performed by Kinect Energy prior to the effective date of the notice of termination.

5. **AUTHORITY:** Each party represents and warrants to the other that it is fully empowered and authorized to execute and deliver this Authorization, and the individuals signing this Authorization each represent and warrant that he or she is fully authorized to do so.

Agreed to and Accepted by:

Kinect Energy, Inc.	Hibbing Public Utilities Commission
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:



MASTER AGREEMENT FOR ENERGY MANAGEMENT SERVICES

This Master Agreement for Energy Management Services ("Master Agreement") is entered into on the 1st day of September 2025 (the "Effective Date") between:

Table with 3 columns: Kinect Energy, Inc. (Service Provider), AND, and Hibbing Public Utilities Commission (Client). Each column contains contact information and legal identifiers.

Service Provider and Client are referred to individually as a "Party" or, jointly, the "Parties."

This Master Agreement replaces and supersedes the Energy Management Agreement by and between Hibbing Public Utilities Commission and Kinect Energy, Inc., dated September 1, 2019, as of the effective date of this Master Agreement.

The Parties, for good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, agree as follows:

- 1. MASTER AGREEMENT. This Master Agreement governs every energy management service agreement ("Service Agreement") entered into between the Parties and/or any of its Affiliates.
2. AUTHORIZATION. Where applicable and requested by Service Provider, Client shall provide Service Provider with necessary and proper authorization to act on Client's behalf with respect to the services to be performed ("Services").
3. COMPENSATION. The compensation owed for the Services is set out on each Service Agreement.
4. INVOICING AND PAYMENT. Service Provider will invoice Client for all compensation, including reimbursable expenses, due. Client shall remit payment to Service Provider by the due date as set forth on the invoice.
5. LATE PAYMENT. If Client fails to make any payment to Service Provider when due, without prejudice to its ability to claim interest under applicable law, Service Provider shall be entitled to charge Client interest on such overdue amount at a rate of the lesser of (i) 12% per annum or (ii) the maximum rate allowed by law from the due date up to the date of Service Provider's receipt of actual and cleared payment.
6. TAXES. All compensation excludes all duties, taxes, assessments, fees and other charges, whether foreign or domestic, of whatever type and from whatever jurisdiction, and shall be added to the applicable price.
7. SERVICE AGREEMENT TERM. The term of a Service Agreement is set out on each Service Agreement.
8. BREACH OF CONTRACT. Service Provider may terminate this Master Agreement or any Service Agreement immediately by written notice upon a material breach of this Master Agreement or any Service Agreement, including, but not limited to, non-payment of amounts due hereunder, where such non-payment is not remedied within 14 days after the due date of the invoice, insolvency, howsoever evidenced, or a breach of Sections 9, 10, 12, 13 or 18.
9. REPRESENTATIONS AND WARRANTIES. On the Effective Date and on the date of each Service Agreement:
a. Each Party represents and warrants, with respect to itself, that (i) the execution, delivery and performance of this Master Agreement and each Service Agreement have been duly authorized by all necessary corporate action, constitutional documents and all applicable laws, and that such execution, delivery and performance do not violate or conflict with any applicable law, constitutional documents or any order, rule or judgment of any court or other agency, exchange or regulatory body, and (ii) this Master Agreement and each Service Agreement is its legally valid and binding obligation, enforceable against it in accordance with its terms;
b. Client represents and warrants that (i) Service Provider is not, unless set forth to the contrary in a Service Agreement, acting as a fiduciary or financial, investment or commodity trading advisor for it, and (ii) in connection with the negotiation and execution of this Master Agreement and the entering into of each Service

Agreement, (1) it is acting as a principal only (and not as an agent or in any other capacity, fiduciary or otherwise), (2) it is not relying upon any advice or representations (whether written or oral) of Service Provider other than the representations expressly set out in this Master Agreement or the applicable Service Agreement, (3) it has made and will make its own decisions regarding the entering into this Master Agreement and each Service Agreement based upon its own judgment and upon the advice from such professional advisors as it deemed, or will deem, necessary to consult, (4) all of its decisions regarding this Master Agreement and each Service Agreement have been the result of arm's-length negotiations between the Parties, and (5) it has a full understanding of all the terms, conditions and risks of this Master Agreement and each Service Agreement and it is capable of assuming and willing to assume those risks; and

- c. Service Provider represents and warrants that it will perform the Services in a competent and workmanlike manner in accordance with the level of skill, care and diligence customarily observed by a professional service provider rendering similar services.

10. INDEMNITY AND LIABILITY.

- a. Client shall indemnify, defend and hold harmless Service Provider and its officers, directors, employees, owners and successors from and against all claims, costs, charges, penalties and overcharges, including reasonable attorneys' fees and costs of litigation (collectively, "Losses") arising out of or related to this Master Agreement and each Service Agreement, except to the extent the same are caused directly and solely by Service Provider's gross negligence or willful misconduct.
- b. THE LIABILITY OF SERVICE PROVIDER FOR ANY AND ALL CLAIMS, COUNTERCLAIMS, LOSSES, DEMANDS, CAUSES OF ACTION, DISPUTES, OR CONTROVERSIES OF ANY KIND ARISING OUT OF, OR RELATING TO, THIS MASTER AGREEMENT OR ANY SERVICE AGREEMENT WILL NOT EXCEED THE GREATER OF (I) THE FEES RECEIVED BY SERVICE PROVIDER UNDER THE MASTER AGREEMENT OR APPLICABLE SERVICE AGREEMENT (WHICHEVER IS THE CASE) IN THE TWELVE (12) MONTHS PRECEDING THE CLAIM OR (II) \$32,100.00. NOTWITHSTANDING ANY OTHER PROVISION OF THIS MASTER AGREEMENT OR ANY SERVICE AGREEMENT, IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, OR PUNITIVE DAMAGE OR LOSS ARISING OR RELATED TO THIS MASTER AGREEMENT OR ANY SERVICE AGREEMENT, INCLUDING, WITHOUT LIMITATION, DAMAGE TO REPUTATION, LOST OPPORTUNITIES, OR LOST PROFITS.
- c. Nothing in this Master Agreement or any Service Agreement limits or excludes the liability of either Party for death or personal injury resulting from negligence of such Party;

11. RISKS.

- a. All transactions are done on behalf of and at the risk of Client.
- b. Client shall be liable for any costs that may arise if Client fails to fulfil its obligations under the Agreement, including but not limited to, Client's failure to notify Service Provider of any changes in its energy usage or portfolio.
- c. Client acknowledges that it is aware of and is familiar with the volatility of the energy market and that purchasing and trading energy is a risk and losses can occur. Service Provider does not in any way guarantee the results or performance of the Services.
- d. Service Provider is without liability for the accuracy of the information received by Service Provider from the Client, information collected by Service Provider from third parties, or information received by Service Provider from suppliers. Service Provider shall not be liable if an unsuitable strategy or service is established because of inaccurate or missing information received from the Client, it being acknowledged that Service Provider is reliant on the accuracy of the information given by the Client to carry out the Services under this Agreement.
- e. Service Provider shall not be liable for the non-viability of any planned strategy, transaction(s) carried out by Service Provider on behalf of Client, or for any consequences resulting from changes in applicable legislation or regulations.

12. **PROPRIETARY RIGHTS.** Client shall retain all rights in any of Client's data ("Energy Data"). Client grants Service Provider a perpetual, royalty free, non-exclusive, non-transferable license to use and copy the Energy Data in order to perform the Services. All intellectual property rights created or contained in the Services or any deliverable ("Work Product") will remain vested in Service Provider. Provided that Client is not in breach of its obligations hereunder, Service Provider grants Client a perpetual, royalty free, non-exclusive, non-transferable license to use the Work Product for its internal business purposes.

13. **CONFIDENTIALITY AND PUBLICITY.** "Confidential Information" is any and all information that a Party ("Receiving Party") receives or gets access to about the other Party ("Disclosing Party") which reasonably should be considered confidential or proprietary, including, without limitation, the other Party's pricing, trading and operating strategies, customers, business plans, marketing and finances. The Receiving Party shall only use the Confidential Information in connection with the furtherance of this Master Agreement or a Service Agreement, shall only disclose the same to any of its Affiliates and representatives having a need to receive such Confidential Information, and shall not disclose the same to any other person or party, unless such information is (a) already in the Receiving Party's possession and

such information is not known by the Receiving Party to be subject to another confidentiality agreement, (b) is or becomes generally available to the public other than as a result of an unauthorized disclosure by the Receiving Party, (c) becomes available to the Receiving Party on a non-confidential basis from a source which is not known to be prohibited from disclosing such information to the Receiving Party, or (d) is required to be disclosed by the Receiving Party by court order, process, law, rule, regulation or order of an administrative agency, regulatory agency, exchange or other authority with jurisdiction over the Receiving Party. Client hereby grants Service Provider permission to use Client's name, logo, trade name, or other marks to (i) disclose Client's name or identity in any press release or other public announcement of this Master Agreement or each Service Agreement and (ii) disclose Client as one of Service Provider's Clients, including using Client's logo on Service Provider's website or other promotional materials for the duration of the term of this Master Agreement.

14. **ASSIGNMENT.** Service Provider may assign, delegate, subcontract or transfer any or all of its rights and obligations, in whole or in part, under this Master Agreement or any Service Agreement to any of its Affiliates or a third party acquiring all or substantially all of the assets or business of Service Provider.
15. **INDEPENDENT CONTRACTOR.** It is not the intent of the Parties to form a partnership or joint venture relationship. Each Party shall act as an independent contractor with respect to the other Party and this Master Agreement and each Service Agreement.
16. **SEVERABILITY.** If any provision of this Master Agreement is or becomes invalid or unenforceable, the remaining provisions shall not be affected, and the Parties shall replace the invalid or unenforceable provisions, as far as possible and reasonable, by new, valid and enforceable provisions corresponding to the original intention of the Parties.
17. **GOVERNING LAW AND JURISDICTION.** This Master Agreement is governed by the laws of the State of Florida without regard to conflict of law principles. The sole and exclusive forum for any proceedings between the Parties shall be the state or federal court in Miami-Dade County, Florida. Each Party consents to the exclusive jurisdiction of such court and waives its right to move any action to any other court and the right to dismiss or transfer any legal proceeding under the doctrine of forum non conveniens or similar doctrine.
18. **APPLICABLE LAWS, ANTI-CORRUPTION, SANCTIONS AND HUMAN RIGHTS.** Each party represents, warrants and covenants that in connection with this Agreement and the business resulting therefrom: (a) it shall comply with all applicable laws, statutes, and regulations from time to time in force; (b) it has not made, offered, authorized, or accepted, and will not directly or indirectly make, offer, authorize, or accept, any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate Anti-Corruption Laws, and Trade Laws; (c) it is aware of and shall comply with Anti-Corruption Laws. Regardless of whether they may be directly applicable to a party, as a minimum, "Anti-Corruption Laws" means the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010 (each as amended from time to time) and all other applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit fraud and tax evasion or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities or other benefits to, any government official or any other person; (d) it is aware of and shall comply with Trade Laws and will not engage in any transactions or activities that would cause the other party to violate Trade Laws applicable to it. Regardless of whether they may be directly applicable to a party, as a minimum, "Trade Laws" includes all sanctions, embargoes, or other trade restrictions administered or enforced by the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC", including the OFAC Specially Designated Nationals List ("SDN List")), the U.S. Department of State, the United Nations Security Council, the European Union, HM Treasury, or any other applicable authority or regulatory body; (e) it has maintained and will maintain adequate written policies, procedures and internal controls to comply with Anti-Corruption Laws, and Trade Laws; (f) in the event a party becomes aware it has breached an obligation in this clause 18, it will promptly notify the other party, subject to the preservation of legal privilege (if applicable).
 - a. Nothing in this Agreement shall require a party to perform any part of this Agreement or take any actions if, by doing so, the party would not comply with Anti-Corruption Laws, and Trade Laws.
 - b. Each party represents that it will conduct its activities under the Agreement in a manner that complies with the UK Modern Slavery Act 2015, the United Nations Universal Declaration of Human Rights and any other applicable human rights laws.
 - c. Without limitation to any other available remedies, either party may terminate this Agreement immediately upon written notice to the other party at any time, if, in its reasonable judgment, the other party is in breach of Clause 18.
19. **MISCELLANEOUS.** This Master Agreement and each Service Agreement may be executed and delivered via facsimile or pdf with the same force and effect as if an original were executed and may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures hereto were upon the same instrument. Neither Party has been induced to enter into this Master Agreement by virtue of, and is not relying upon, any representations or warranties not set forth in this Master Agreement, any term sheets or other correspondence preceding the execution of this Master Agreement, or any prior course of dealing between the Parties. This Master

Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes any and all prior agreements between the Parties.

- 20. **Waiver of Jury Trial.** The Parties to this Master Agreement knowingly, intentionally, irrevocably, and unconditionally, waive any and all right to a trial by jury concerning any claims, proceeds, or disputes arising out of or concerning this Master Agreement or any Service Agreement. The Parties acknowledge that this section has either been brought to the attention of each Party's legal counsel or that each Party had the opportunity to do so.
- 21. **Sovereign Immunity.** To the fullest extent permitted by applicable law, Client expressly and irrevocably waives, and agrees not to assert, a defense of immunity on the grounds of sovereign immunity or other similar grounds in any action or proceeding which may be commenced or asserted by Service Provider against Client or Client's revenues and/or assets, whether in whole or in part or otherwise, which status would otherwise entitle Client to assert such a defense in any claim against it from: (a) suit; (b) jurisdiction of any court; (c) relief by way of injunction, order for specific performance or for recovery of property; (d) attachment of Client's revenues and/or assets (whether before or after judgment); or (e) execution or enforcement of any judgment to which Client or Client's revenues and/or assets might otherwise be subject in any proceedings in the courts of any jurisdiction.

- 22. **Affiliate Disclosure.** Client hereby acknowledges and agrees that Service Provider, acting in its capacity as an exclusive agent hereunder, may, on Client's behalf, transact and/or enter into legally binding contracts with one or more of Service Provider's Affiliates, or recommend for any potential transaction or a series of transactions that Client transact and/or enter into legally binding contracts with one or more of Service Provider's Affiliates, in addition to transacting with other unaffiliated third parties. Client hereby agrees that any such transaction, contract execution or recommendation, to the extent it is made by Service Provider for the purpose of Client's energy supply management matters, is deemed a bona fide commercial transaction or recommendation within the scope and under authority of this Master Agreement, and Client hereby waives and will not assert any claims against (and will indemnify and hold harmless) Service Provider and its Affiliates on account of any potential or actual conflict of interest or any other claims (regardless of any legal theory or other basis) arising as a result of the foregoing.
- 23. **CTA Disclosure Acknowledgment.** **Service Provider is registered with the Commodity Futures Trading Commission as a commodity trading advisor and is member of National Futures Association. Service Provider is required to provide all clients a copy of its Commodity Trading Advisor Disclosure Document. Client hereby acknowledges and agrees that Service Provider has provided Client with a copy of Kinect Energy's Commodity Trading Advisor Disclosure Document. Initials: _____**

Agreed and accepted:

Kinect Energy, Inc.	Hibbing Public Utilities Commission
By:	By:
Name:	Name:
Title:	Title:
Date:	Date:



Item 6.C

Item 6.C – Approve Final pay App & Change Order for Mine View Water Extension to Bougalis Inc. in the amount of \$184,074

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.C – Approve Final Pay App & Change Order for Mine View Water Extension to Bougalis Inc. in the amount of \$184,074

Dear Commissioners;

Please find attached for your review, a correspondence for Bolton & Menk Project Manager Josh Stier regarding the final Pay App & Change order for the Mine View Water Extension. The contractor's pay app totaled \$184,074. This amount exceeds the original contract by \$60,234 due to unforeseen field conditions that required additional pavement removal, rock excavation, limited additional piping, and frost protection measures.

Despite these challenges, the project was completed on schedule and to the satisfaction of the Engineer.

Sincerely;



Luke J. Peterson



Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

July 24, 2025

Luke Peterson
Hibbing Public Utilities Commission
1902 6th Avenue E
Hibbing, MN 55746

RE: Mine View Water Extension
City of Hibbing, Minnesota
Project No.: 24X.134875.000

Dear Mr. Peterson:

We have attached the Final Contractor's Pay Application No in the amount of **\$184,074.00**, which is the **final payment for the project**. This amount is \$60,234.00 higher than the original contract approved amount of \$123,840.00. During construction, there were additional field conditions that necessitated additional work to complete the watermain installation including:

- Additional quantity of pavement removal/pavement patching.
 - This quantity increased due to on-site conditions while installing watermain between the edge of the existing bituminous pavement and overhead power. To provide safe working conditions, additional pavement was removed and replaced. Additional pavement is proposed to be paid at the contract unit price of \$80/SY for a total additional cost of \$55,000.00.
- Addition of Rock Removal (Boulder) to the pay items.
 - While excavating to install the watermain at the minimum bury depth, there were a number of large rocks found in the excavation area. These rocks were too large to use as backfill for the new PVC watermain. The contractor removed the large rocks from the site and disposed of them. The Rock Removal is proposed to be paid at the negotiated unit price of \$110/CY for a total additional cost of \$11,000.00.
- Addition of 12" PVC Watermain to the pay items.
 - When making the connection to the existing watermain, the contractor required 3 LF of 12" PVC to make the connection. The 12" PVC Watermain is proposed to be paid at the negotiated unit price of \$300/LF for a total additional cost of \$900.00.
- Addition of 4" Polystyrene Insulation to the pay items.
 - While installing the watermain, the contractor was directed to use 4" of polystyrene insulation to protect the watermain from frost at culvert and ditch crossings. The 4" Polystyrene Insulation is proposed to be paid at the negotiated unit price of \$60/SY for a total additional cost of \$2,300.00.

The Mine View Water Extension was completed within the contract timeline and to the satisfaction of the Engineer. It is recommended that final payment to Bougalis Inc. be made in the amount of \$184,070.00.

Sincerely,
Bolton & Menk, Inc.

Joshua G. Stier, PE
Project Manager

Contractor's Application for Payment

Owner: <u>Hibbing Public Utilities Commision</u>	Owner's Project No.: _____
Engineer: <u>Bolton & Menk, Inc.</u>	Engineer's Project No.: <u>24X.136945.000</u>
Contractor: <u>Bougalis, Inc.</u>	Agency's Project No.: _____
Project: <u>Mineview Watermain Extension</u>	
Contract: _____	
Application No.: <u>1</u>	Application Date: <u>7/25/2025</u>
Application Period: From <u>6/19/2025</u> to <u>7/25/2025</u>	

1. Original Contract Price	\$	120,840.00
2. Net change by Change Orders	\$	-
3. Current Contract Price (Line 1 + Line 2)	\$	120,840.00
4. Total Work completed and materials stored to date (Sum of Column G Lump Sum Total and Column J Unit Price Total)	\$	184,074.00
5. Retainage		
a. _____ X \$ 184,074.00 Work Completed	\$	-
b. _____ X \$ - Stored Materials	\$	-
c. Total Retainage (Line 5.a + Line 5.b)	\$	-
6. Amount eligible to date (Line 4 - Line 5.c)	\$	184,074.00
7. Less previous payments		
8. Amount due this application	\$	184,074.00
9. Balance to finish, including retainage (Line 3 - Line 4)	\$	(63,234.00)

Contractor's Certification

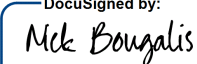
The undersigned Contractor certifies, to the best of its knowledge, the following:

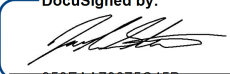
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;

(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such liens, security interest, or encumbrances); and

(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective; and

(4) The provisions of M. S. 290.92 have been complied with and that all claims against me by reason of the Contract have been paid or satisfactorily secured.

Contractor: <u>Bougalis, Inc.</u>	
Signature: <u></u>	Date: <u>July 31, 2025</u>
Name: <u>Nick Bougalis</u>	Title: <u>Owner</u>

Recommended by Engineer	Approved by Owner
By: <u></u>	By: _____
Name: <u>Josh Stier, P.E.</u>	Name: <u>Luke Peterson</u>
Title: <u>Project Manager</u>	Title: <u>General Manager</u>
Date: <u>August 1, 2025</u>	Date: _____

Progress Estimate - Unit Price Work

Contractor's Application for Payment

Owner: Hibbing Public Utilities Commision	Owner's Project No.: _____
Engineer: Bolton & Menk, Inc.	Engineer's Project No.: 24X.136945.000
Contractor: Bougalis, Inc.	Agency's Project No.: _____
Project: Mineview Watermain Extension	
Contract: _____	

Application No.: 1	Application Period: From 06/19/25 to 07/25/25	Application Date: 07/25/25
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A	B	C	D	E	F	F1	F2	G	H	I	J	K	L
Bid Item No.	Description	Contract Information				Previous Estimate		Work Completed		Materials Currently Stored (not in G) (\$)	Work Completed and Materials Stored to Date (H + I) (\$)	% of Value of Item (J / F) (%)	Balance to Finish (F - J) (\$)
		Item Quantity	Units	Unit Price (\$)	Value of Bid Item (C X E) (\$)	Quantity Previous Estimate	Value Previous Estimate	Estimated Quantity Incorporated in the Work	Value of Work Completed to Date (E X G) (\$)				
Original Contract													
1	MOBILIZATION	1.00	LUMP SUM	10,000.00	10,000.00		-	1.00	10,000.00		10,000.00	100%	-
2	EXPLORATORY EXCAVATION	15.00	HOURS	100.00	1,500.00		-	5.00	500.00		500.00	33%	1,000.00
3	REMOVE PIPE CULVERT	40.00	LIN FT	10.00	400.00		-	-	-		-		400.00
4	4" PVC WATERMAIN	55.00	LIN FT	110.00	6,050.00		-	31.00	3,410.00		3,410.00	56%	2,640.00
5	6" PVC WATERMAIN	5.00	LIN FT	100.00	500.00		-	5.00	500.00		500.00	100%	-
6	8" PVC WATERMAIN	544.00	LIN FT	110.00	59,840.00		-	567.00	62,370.00		62,370.00	104%	(2,530.00)
7	WATERMAIN FITTINGS	210.00	POUNDS	25.00	5,250.00		-	360.00	9,000.00		9,000.00	171%	(3,750.00)
8	4" GV & BOX	1.00	EACH	3,400.00	3,400.00		-	1.00	3,400.00		3,400.00	100%	-
9	6" GV & BOX	1.00	EACH	3,500.00	3,500.00		-	1.00	3,500.00		3,500.00	100%	-
10	8" GV & BOX	1.00	EACH	4,800.00	4,800.00		-	1.00	4,800.00		4,800.00	100%	-
11	HYDRANT (9' BURY)	1.00	EACH	9,500.00	9,500.00		-	1.00	9,500.00		9,500.00	100%	-
12													
13	24" CS PIPE CULVERT	40.00	LIN FT	80.00	3,200.00		-	-	-		-		3,200.00
14	24" CS PIPE APRON	1.00	EACH	1,000.00	1,000.00		-	-	-		-		1,000.00
15	BITUMINOUS PATCH	55.00	SQ YD	80.00	4,400.00		-	742.50	59,400.00		59,400.00	1350%	(55,000.00)
16	TURF ESTABLISHMENT	1,500.00	SQ YD	4.00	6,000.00		-	856.00	3,424.00		3,424.00	57%	2,576.00
17	EROSION CONTROL	1.00	LUMP SUM	1,500.00	1,500.00		-	-	-		-		1,500.00
18	ROCK REMOVAL (BOULDER)	-	CY	100.00	-		-	110.00	11,000.00		11,000.00		(11,000.00)
19	4" POLYSTYRENE INSULATION	-	SY	60.00	-		-	39.50	2,370.00		2,370.00		(2,370.00)
20	12" PVC WATERMAIN	-	LF	300.00	-		-	3.00	900.00		900.00		(900.00)
Original Contract Totals					\$ 120,840.00		\$ -		\$ 184,074.00	\$ -	\$ 184,074.00	152%	\$ (63,234.00)

Certificate Of Completion

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 Subject: Complete with Docusign: HPU MINEVIEW- Pay App 1 pdf
 Source Envelope:
 Document Pages: 3
 Certificate Pages: 5
 AutoNav: Enabled
 Envelopeld Stamping: Enabled
 Time Zone: (UTC-06:00) Central Time (US & Canada)

Status: Sent

 Envelope Originator:
 Jaclyn Hertel
 1960 Premier Drive
 MANKATO, MN 56001
 jaclyn.hertel@bolton-menk.com
 IP Address: 216.251.177.114

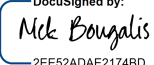
Record Tracking

Status: Original
 7/31/2025 4:25:29 PM
 Holder: Jaclyn Hertel
 jaclyn.hertel@bolton-menk.com
 Location: DocuSign

Signer Events

Nick Bougalis
 nick@bougalisconstructioninc.com
 president
 Security Level: Email, Account Authentication
 (None)

Signature

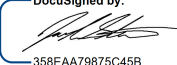
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Electronic Record and Signature Disclosure:
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 ID: 3b3dd29b-f4c0-4b73-bf21-106e49dc3d39

Joshua G Stier
 Joshua.Stier@bolton-menk.com
 Principal Engineer
 Security Level: Email, Account Authentication
 (None)

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Electronic Record and Signature Disclosure:
 Accepted: 10/7/2022 12:02:55 PM
 ID: 8c9b4938-096b-4371-ac72-ecb63d2045cc

Luke Peterson
 Luke.Peterson@hpuc.com
 General Manager
 Security Level: Email, Account Authentication
 (None)

Sent: 8/1/2025 6:20:57 AM

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Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp
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Jaclyn Hertel
jaclyn.hertel@bolton-menk.com
Security Level: Email, Account Authentication
(None)

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure

ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Bolton & Menk (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Bolton & Menk:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: docusign@bolton-menk.com

To advise Bolton & Menk of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at docusign@bolton-menk.com and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Bolton & Menk

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to docusign@bolton-menk.com and in the body of such request you must state your email address, full name, mailing address, and telephone number. If any fees are incurred you will be billed for them at that time.

To withdraw your consent with Bolton & Menk

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to docusign@bolton-menk.com and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions will take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Bolton & Menk as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Bolton & Menk during the course of your relationship with Bolton & Menk.



Item 6.D

Item 6.D – Approve Change Order for 23rd St. Project

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 6.D – Approve Change Order for 23rd St. Project

Dear Commissioners;

HPU staff is awaiting a change order for concrete work at the 23rd St. Project. Staff anticipates receiving this Change Order early next week and will distribute to the Commission prior to the Aug. 12th Commission Meeting.

Sincerely;



Luke J. Peterson



Item 7.A

Item 7.A – Approve Resolution 25-07: Resolution Authorizing the Issuance and Sale of \$20,000,000 Utility Revenue Notes, Series 2025

August 12th, 2025

James Bayliss
Commission Chair
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.A – Approve Resolution 25-07: Resolution Authorizing the Issuance and Sale of \$20,000,000 Utility Revenue Notes, Series 2025

Dear Commissioners;

Please find attached for your review and consideration Resolution 25-07 from HPU's Bond Counsel following discussion at the Aug. 5th Commission Meeting. This resolution authorizes Commission Officers (Chair/ Vice Chair and/or Secretary) to complete the necessary agreements, upon recommendation of Bond Counsel.

The \$20 million is expected to be spread across 2025, 2026, and 2027 as follow and will take the place of at lest three separate notes:

2025 - \$4.5 million
2026 - \$10 million
2027 - \$5.5 million

Sincerely;



Luke J. Peterson

**PUBLIC UTILITY COMMISSION
RESOLUTION NO. 25-07**

**RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$20,000,000
UTILITY REVENUE NOTES, SERIES 2025**

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

Section 1. Definitions. Capitalized terms used in this Resolution but not defined or required to be capitalized by the rules of grammar have the following meanings:

Acts: together, together, the City Utility Act, the Municipal Debt Act and the Enabling Act.

Authorized Managers: the General Manager and the Director of Finance of the Issuer.

Authorized Officers: the Chairperson, Vice Chairperson and/or Secretary of the Issuer and any person acting on their behalf pursuant to Section 3.05B of this Resolution.

Authorized Officials: together, the Authorized Officers and the Authorized Managers.

Bond Counsel: Fryberger, Buchanan, Smith & Frederick, P.A., bond counsel to the Issuer.

City: the City of Hibbing, Minnesota.

City Utility Act: Minnesota Statutes, Sections 412.321 through 412.391, as amended.

Closing Date: the date of delivery of the Note to the Lender.

Code: the Internal Revenue Code of 1986, as amended.

Commissioners: the members of the Issuer.

Compliance Policy: the Pre- and Post-Issuance Compliance Policy and Procedures by the Issuer.

Council: the governing body of the City.

Debt Service: collectively, principal and interest and any service charge or premium, if any due on obligations payable from the Net Revenues.

Debt Service Account: the Public Utilities Revenue Debt Service Account in the Fund created in Sections 5.01 and 5.02 hereof.

Enabling Act: Laws of Minnesota 1949, Chapter 422, as amended by Laws of Minnesota 1951, Chapter 680, and Laws of Minnesota 1971, Chapter 381, as such laws may be further amended.

Fiscal Year: the fiscal year applicable to the operations of the Issuer, as the same may be modified from time to time, currently December 31.

Fund: the Water and Light Fund created in Section 3, subdivision 2 of the Enabling Act and further described in Section 5.01 hereof.

GAAP: generally accepted accounting principles, consistently applied.

Gross Revenues: all operating and nonoperating revenues of the Public Utilities, including but not limited to receipts from rates, fees, charges and rentals established by the Issuer for the availability, benefit and use of the Public Utilities, including any availability and benefit to the Issuer and the City, and from any penalties and interest thereon and from any sales of property constituting a part of the Public Utilities and from the investment and reinvestment of all of the foregoing (other than contributions restricted in writing by the donor as to use so as not to be available for operating expenses or payment of Debt Service), all determined in accordance with GAAP.

Issuer: the City of Hibbing acting under its duly authorized Public Utilities Commission.

Lender: National Bank of Commerce.

Municipal Debt Act: Minnesota Statutes, Chapter 475, as amended, including Sections 475.61, Subdivision 5.

Net Revenues: for any month, revenues in excess of the current, reasonable and necessary costs of operation and maintenance of the Public Utilities, specifically, Gross Revenues less: (i) the amount estimated to be necessary for payment of claims to be due and payable from the Fund during such month; (ii) accruals for recurring expenses, such as insurance premiums, which are payable less frequently than monthly; and (iii) an operating reserve in an amount not exceeding one-twelfth of the total operating expenses (exclusive of interest and depreciation) of the Public Utilities for the last Fiscal Year, all determined in accordance with GAAP.

Notes: together, the Utility Revenue Notes, in one or more series, in the principal amount of not to exceed \$20,000,000, as described in Section 3.

Operating Account: the Public Utilities Operating Account in the Fund created in Sections 5.01 and 5.05 hereof.

Payment Date: each day on which a payment of principal of or interest on the Note is due and payable.

Project: the Issuer's 2025 Southern Interconnection Transmission Project.

Project Account: the 2025B/C Public Utilities Project Account in the Fund created in Sections 5.01 and 5.03 hereof.

Project Costs: means the costs of constructing the Project and the costs of issuing the Notes.

Public Utilities: the City's water, gas, steam heat and electric systems.

Replacement Reserve Account: the Reserve for Replacement Fund required by Section 4 of the Enabling Act and described in Sections 5.01 and 5.04 hereof.

State: the State of Minnesota.

Surplus Account: the Public Utilities Surplus Account in the Fund created in Sections 5.01 and 5.06 hereof.

Section 2. Recitals; Purpose of Notes; Approval of the Project.

2.01 Authority; Findings; Promise.

A. The Enabling Act authorizes the Issuer to issue revenue obligations payable from the Net Revenues to pay for expansions, extensions, additions, changes, modifications and improvements of any or all of the Public Utilities.

B. The City Utility Act authorizes the City to own and operate the Public Utilities as revenue-producing facilities and public utilities and to establish the Issuer to exercise full and exclusive control of the Public Utilities with the powers granted in the Acts.

C. The Issuer intends to issue the Notes as utility revenue notes in order to finance the Project and pay costs associated with the financing.

D. The principal of the Notes shall be paid primarily from the Net Revenues, or long-term definitive obligations which the Issuer shall offer for sale in advance of the maturity of the Notes if not paid from the Net Revenues.

E. The Issuer finds that it has established and promises to maintain, rates and charges for services and products of the Public Utilities which will provide Net Revenues sufficient to meet current principal and interest payments on the Note and all other obligations payable from the Net Revenues.

2.02 The Project. The Project is approved.

2.03 Ratification. The actions of the Commissioners, the General Manager and the Director of Finance previously taken with respect to the Notes and the Project are ratified.

Section 3. Authorization and Sale of the Note; Master Agreement; Findings.

3.01 Note Purpose. Under the Enabling Act, the Issuer is authorized to issue its revenue notes to provide funds for the payment of costs of improvements to the Public Utilities. The Issuer has applied for and received a commitment from the Lender for a loan for the Project.

3.02 Designation of Note. The Issuer authorizes the issuance and sale of Utility Revenue Notes, in one or more series, whether taxable or tax-exempt in a total principal amount of not greater than \$20,000,000 (together, the "Notes") for the Project to the Lender, in substantially the form attached hereto as **Exhibit A**.

3.03 Limited Obligation. The Notes and the interest accruing thereon are payable solely from the Net Revenues, and the Notes do not give rise to a charge against the general credit or taxing powers of the City or Issuer and neither the full faith and credit nor the taxing powers of the City are pledged for the payment of the Notes or interest thereon.

3.04 Sale. All acts, conditions and things which are required by the Constitution, the Acts and laws of the State to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Notes have been done, do exist, have happened and have been performed, in due form, time and manner as required by law.

3.05 Proceedings; Absent or Disabled Officers.

A *Proceedings.* The Authorized Officials are authorized and directed to prepare and furnish to the Lender and to Bond Counsel, certified copies of all proceedings and records of the Issuer relating to the legality and marketability of the Notes, as such facts appear from the official books and records in the officers' custody or are otherwise known to them. All such certified copies, certificates, and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of the facts recited therein and the action stated therein to have been taken. The Authorized Officers are authorized to execute and deliver any further documents related to issuance of the Notes recommended by Bond Counsel to the Issuer.

B. *Absent or Disabled Officers.* In the event of the absence or disability of one or both of the Authorized Officers, such officers of the Issuer as, in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute and deliver the Notes and do all things and execute all instruments and documents required to be done or executed by such absent or disabled officers.

Section 4. Terms of the Notes.

4.01 The Notes to be issued hereunder shall be dated as of the date of delivery to Lender, shall be issued in the aggregate principal amount of \$20,000,000, in fully registered form and lettered and numbered R-1 and upward. Interest on the tax-exempt Notes shall be at the rate of 4.662% per annum. Interest on the taxable Notes shall be at the rate of 7.25% per annum. Payments of interest only on the principal balance advanced to Issuer will be payable during the period commencing one-month from the date of issuance of the Notes, and continuing on the anniversary date of each month thereafter (a "Payment Date") through and including thirty months (30 months) from the date of issuance of the Notes; provided that interest will only be payable on the principal balance advanced to the Issuer. Payments of principal and interest will be payable in monthly installments commencing on the 31st Payment Date, and continuing on the Payment Date each month thereafter through and including 5 years from the date of issuance of the Notes. Such monthly payments of principal and accrued interest shall be based on a 20-year amortization, with a balloon payment of all outstanding principal and interest on the Final Maturity Date listed above. The Chairperson and the General Manager (the "Pricing Committee") are authorized to approve the final principal amount of each of the Notes, whether taxable or tax exempt, and the amortization schedule for each of the Notes; provided that the aggregate principal amount of the Notes does not exceed \$20,000,000.

If the principal only payments are paid by check and mailed to the registered holder of the Note, such payment shall be mailed by the Issuer at least five business days prior to the payment date.

4.02 The Notes shall be prepared for execution in accordance with the approved form and shall be signed by the manual signature of the Chair and attested by the manual signature of the Issuer Secretary. In case any officer whose signature shall appear on the Notes shall cease

to be an officer before delivery of the Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

4.03. The Issuer will cause to be kept at its offices a register in which, subject to such reasonable regulations as the Issuer may prescribe, the Issuer shall provide for the registration of transfers of ownership of the Notes. The Notes shall be initially registered in the name of the Lender and shall be transferable upon the register by the Lender in person or by its agent duly authorized in writing, upon surrender of the Notes, together with a written instrument of transfer satisfactory to the Issuer Secretary, duly executed by the Lender or its duly authorized agent.

4.04. Delivery of the Notes shall be made at a place mutually satisfactory to the Issuer and the Lender. The Notes shall be furnished by the Issuer without cost to the Lender. The Notes, when prepared in accordance with this Resolution and executed, shall be delivered to the Lender by and under the direction of the Issuer Secretary. Disbursement of the proceeds of the Notes shall be made pursuant to a disbursement request in a form satisfactory to the Lender.

Section 5. Covenants, Accounts and Representations.

5.01 Water and Light Fund.

A. *Fund Established.* The Issuer covenants with the holder of the Notes that, until the Notes are fully paid or discharged as provided in this Resolution, it will maintain in the official books and records of the Issuer the separate and special Water and Light Fund required by the Enabling Act (the "Fund"), into which it will pay as received all Gross Revenues; and will maintain separate and accurate bookkeeping accounts in the Fund to record all receipts and disbursements for the acquisition, betterment, operation, maintenance and financing of the Public Utilities, as provided in this Section.

B. *Accounts Established.* The following accounts shall be maintained as separate and distinct bookkeeping accounts in the Fund: the Public Utilities Revenue Debt Service Account, the 2025B/C Public Utilities Project Account, the Replacement Reserve Account, the Public Utilities Operating Account and the Public Utilities Surplus Account.

5.02 Debt Service Account. The Issuer will maintain the Debt Service Account as a separate account in the Fund, as follows:

A. *Pledge of Net Revenues.* In order to provide for payment of principal of and interest on the Notes, the Issuer irrevocably pledges Net Revenues which are sufficient for payment of principal of and interest on the Notes when due.

B. *Sufficiency of Net Revenues.* The Issuer represents and covenants that Net Revenues, together with the other funds of the Issuer pledged herein, are and shall be during the term of the Notes in an amount sufficient to pay the principal of and interest on the Notes when due and the principal and interest on all other notes and bonds made payable from the Net Revenues.

5.03 Project Account. Each disbursement of proceeds of the Notes shall be credited to the Project Account. Monies on deposit in the Project Account shall be used from time to time to pay the capital costs of the Project, including but not limited to costs of planning, engineering, legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Notes, as such payments become due. Upon completion of the Project, any amounts left in the Project Account shall be transferred to the Debt Service Account.

5.04 Replacement Reserve Account. The Issuer covenants to maintain the Replacement Reserve Account as required by Section 4 of the Enabling Act.

5.05 Operating Account. Gross Revenues shall be credited to the Operating Account in the Fund, at the times and in the amounts required to pay promptly as incurred and allowed all expenses which in accordance with GAAP constitute current, reasonable and necessary costs of the operation and maintenance of the Public Utilities, and to maintain prudent working capital reserves, and moneys in the Operating Account shall be used for no other purpose. To the Operating Account shall also be credited, so far as needed, any funds other than Gross Revenues which shall be appropriated by the City or the Commissioners for this purpose.

5.06 Surplus Account. All Gross Revenues from time to time received in excess of the current requirements stated above shall be credited to the Surplus Account, and the Surplus Account may be used to pay the cost of necessary replacements and capital improvements to the Public Utilities, and for such other purposes as may be authorized by law, except that all revenues from time to time on hand in the Surplus Account shall be available and shall be used to cover deficiencies in meeting the requirements of any of the preceding accounts in this Section 5.

5.07 Investments. Monies on deposit in the Fund and the accounts therein may be invested in securities permitted by Minnesota Statutes, Chapter 118A; provided, that any such investments shall mature at such times and in such amounts as will permit for payment of Project Costs and/or payment of Debt Service when due.

Section 6. Covenants.

6.01 Revenue Covenant. The Issuer covenants with the Lender that so long as any amount due under the Notes and any other obligations payable from the Net Revenues remains outstanding and unpaid:

(a) the Issuer shall operate and maintain the Public Utilities or cause the Public Utilities to be operated and maintained as revenue producing conveniences free from competition from like enterprises of the Issuer within its jurisdiction;

(b) the Issuer will establish, maintain and collect rates and charges for services and products of the Public Utilities at the times and in the amounts required to produce Net Revenues adequate to pay all of the principal when due, the principal of interest on all the obligations payable from the Net Revenues, and to maintain the Replacement Reserve Account; and

(c) the rates and charges, and any appropriations determined by the Commissioners necessary to be made in its annual budget, will be revised whenever necessary for these purposes.

Section 7. Tax Covenants.

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

B. In order to qualify the tax-exempt Notes as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

(i) the tax-exempt Notes are not “private activity bonds” as defined in Section 141 of the Code;

(ii) the Issuer designates the tax-exempt Notes as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code;

(iii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the tax-exempt Notes is being issued will not exceed \$10,000,000; and

(iv) not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the tax-exempt Notes is being issued have been designated for purposes of Section 265(b)(3) of the Code.

Section 8. Post-Issuance Compliance Policy and Procedures. The Issuer has previously approved a Pre- and Post-Issuance Compliance Policy and Procedures which applies to qualifying obligations to provide for compliance with all applicable federal regulations for tax-exempt obligations or tax-advantaged obligations (collectively, the “Policy and Procedures”). The Issuer hereby ratifies the Policy and Procedures for the Notes. The Director of Finance continues to be designated to be responsible for post-issuance compliance in accordance with the Policy and Procedures.

Adopted: August 12, 2025

Chairperson

ATTEST:

Secretary

EXHIBIT A
(Form of Note)
UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ST. LOUIS

CITY OF HIBBING PUBLIC UTILITIES COMMISSION
[TAXABLE] UTILITY REVENUE NOTE, SERIES 2025[B/C]

R-1

\$____,000,000

Date of Note: _____, **2025**
Final Maturity Date: _____, **202__**
Interest Rate: _____%

FOR VALUE RECEIVED, the CITY OF HIBBING PUBLIC UTILITIES COMMISSION, St. Louis County, Minnesota, duly organized and existing under the laws of the State of Minnesota (the "Issuer"), and whose office address is 1902 E. 6th Avenue, Hibbing, Minnesota 55746, for value received, promises to pay to the NATIONAL BANK OF COMMERCE, its successors or registered assigns (the "Lender") at its office in Superior, Wisconsin, or such other place as the Lender may designate in writing, the principal sum of _____ Million Dollars (\$____,000,000) or such portion thereof as is disbursed to the Issuer (the "Loan").

Payments of interest only on the principal balance advanced to Issuer will be payable commencing on [_____, 2025], and continuing on the [__] day of each month thereafter through and including [_____, 2028] at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months).. Payments of principal and interest will be payable in monthly installments commencing on the [__] day of [_____, 2028], and continuing on the [__] day of each month thereafter through and including [_____, 2030] at the rate per annum specified above (calculated on the basis of a 360-day year of twelve 30-day months).. Such monthly payments of principal and accrued interest shall be based on a 20-year amortization, with a balloon payment of all outstanding principal and interest on the Final Maturity Date listed above.

Payments of Principal and/or Interest are payable in lawful money of the United States of America by check or draft directly to the registered owner hereof shown on this Note registration records maintained by the Issuer, and shall be made upon presentation and surrender of this Note when due. If the principal payment is paid by check and mailed to the Lender, such payment shall be mailed by the Issuer at least five business days prior to the payment date.

This Note is issued pursuant to the authority contained in the Enabling Act (as defined in the Resolution), and all other laws and provisions thereto enabling, for the purpose of providing funds for the construction of the 2025 Transmission Project. The Note is payable primarily from the net revenues to be derived from the operation of the public utilities of the Issuer as set forth in the Resolution dated August 5, 2025, to which reference is made for a full statement of rights and powers thereby conferred. In the Resolution, the Issuer has pledged the net revenues to be derived from the operation of its public utilities in excess of normal, reasonable and current costs

of the operation and maintenance of the public utilities, for the payment of the principal when due of the Note, and the net revenues of the principal and interest on all other bonds and notes heretofore or hereafter issued and made payable from said net revenues, and has covenanted and agreed that it will impose and collect just and equitable charges for all use and for the availability of all facilities of the public utilities at the times and in the amounts required to pay the normal, reasonable and current expenses of operating and maintaining such facilities, and also to produce net revenues at least adequate at all times to pay the principal due on the Note.

This Note is subject to redemption at the written consent of Lender, in whole or in part on such dates and at such prices and upon such other terms as are specified by the Lender.

[The Issuer has designated this Note as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.]

This Note is transferable by the registered owner hereof upon surrender of this Note for transfer at the office of the Issuer duly endorsed and accompanied by a written instrument of transfer in form satisfactory to the Issuer and executed by the registered owner hereof or the owner's attorney duly authorized in writing. The Issuer may deem and treat the person in whose name this Note is last registered upon the books of the Issuer, with such registration noted on this Note, as the absolute owner hereof for the purpose of receiving payment of or on account of the principal balance, redemption price or interest and for all other purposes; all such payments so made to the registered holder or upon the order thereof shall be valid and effectual to satisfy and discharge the liability upon this Note to the extent of the sum or sums so paid, and the Issuer shall not be affected by any notice to the contrary.

IT IS CERTIFIED AND RECITED that all acts and conditions required by the laws and the Constitution of the State of Minnesota to be done and to exist precedent to and in the issuance of this Note in order to make it a valid and binding special obligation of the Issuer in accordance with its terms have been done and do exist in form, time, and matter as so required; and that the issuance of this Note does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Issuer has caused this Note to be executed in its name by the manual signatures of its Chair and Issuer Secretary as of the date of Note set forth above.

Chair

Attest:

Secretary

PROVISIONS AS TO REGISTRATION

The ownership of the unpaid principal balance of this Note and the interest accruing thereon is registered on the books of the City of Hibbing Public Utilities Commission, Minnesota, in the names of the holders last noted below.

Date of Registration	Name and Address of Registered Owner	Signature of Secretary
<p align="center">__/__/2025</p>	<p>National Bank of Commerce 1127 Tower Avenue Superior, WI 54880 Federal Tax I.D. No.:</p>	<hr/>

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Note and all rights thereunder, and does hereby irrevocably constitute and appoint _____ attorney to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Note in every particular, without alteration or enlargement or any change whatever.

The Secretary will not effect transfer of this Note unless the information concerning the assignee requested below is provided.

Name and Address: _____

Taxpayer Identification No.: _____