



Commission Meeting

DECEMBER 2ND, 2025

Commission Meeting Agenda

December 2nd, 2025

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

1. Gas Prepay

2. 2026 Capital Budget

3. Org Development Update

- a. Filling of Positions
- b. Policy Priorities
 - i. Drug & Alcohol
 - ii. Compensation Philosophy
 - iii. Employee Handbook
 - iv. State/Federal Grant Compliance Training

4. 2026 Commission Scheduling

5. Closed Session

- a. Contract Negotiations



Item 1

Item 1 – Gas Prepay

December 2nd, 2025

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

RE: Item 1 – Gas Prepay

Dear Commissioners;

As we have discussed since February 2025, HPU is a founding member of the Minnesota Municipal Gas Agency in 2007, now Minnesota Community Energy or “MCE” who as the purpose of acquiring and selling natural gas to its members at a discount. HPU is part of a group that has been working through MCE to acquire a gas with a tax-exempt discount through JP Morgan Chase and MCE that we hope to go to market and price very early 2026 for an approximate 10% discount versus market priced gas.

Based on an potential volume of 2,195 Dth / Day, the target minimum savings of \$0.32 / Dth results in annual savings ~ \$250K annually.

This discussion time is to provide an overview of the transaction and we will be joined by Jack Kegel, CEO of MCE as well as representatives from WFS Kinect, HPU's gas broker and J.P. Morgan.

Attached for your review is the financial due diligence review provided by MCE's independent municipal advisor, PFM Financial Advisors, given to the MCE Board in September for an overview of the transaction structure.

Sincerely;



Luke J. Peterson



Minnesota Community Energy

Energy/Gas Prepayment Transaction



Introduction

◆ PFM Financial Advisors LLC

- Independent Registered Municipal Advisor (“IRMA”) to MCE
- #1 ranked financial advisor to state/local governments and non-profits
- #1 ranked advisor to municipal utilities for several decades
- Advised on over \$25 billion of energy prepayment transactions
- SEC/MSRB Registered and Regulated
- Fiduciary responsibility to act in MCE’s best interests
- Advisor-only business model – no securities sales, trading, underwriting
- PFM team led by Mike Mace, Senior Director (macem@pfm.com)

40+ years of municipal utility finance experience

financial advisor on over \$100 billion of utility finance transactions



Energy Prepayment Transactions

◆ Over \$120 Billion prepay transactions executed since 2006

- Expected to generate over \$10 billion in savings for utility customers
- Prepayments authorized by 2003 Treasury regs and 2005 Energy Policy Act

◆ High level description

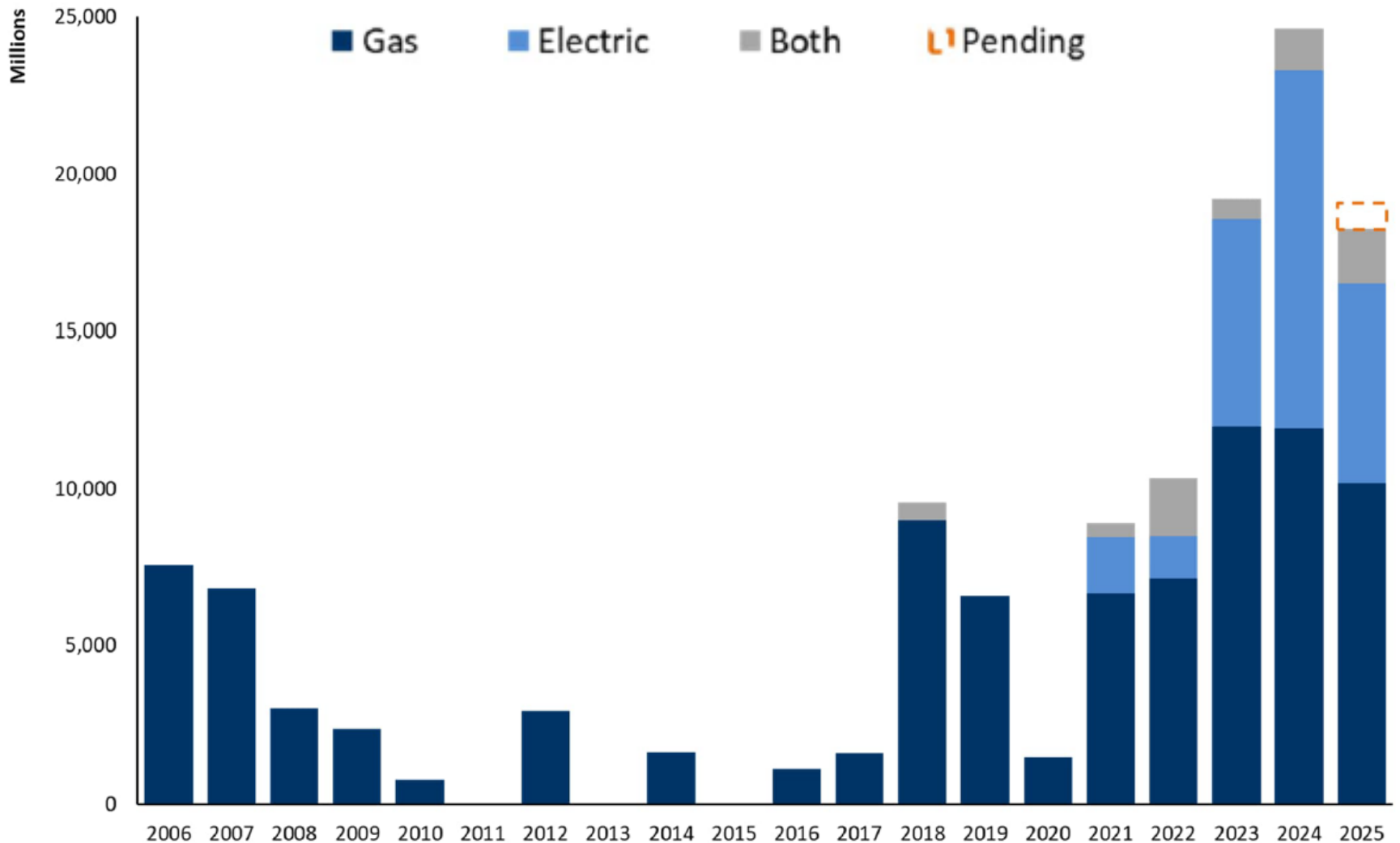
- Issuer (MCE) sells bonds to make Prepayment to Seller (JP)
- Issuer sells tax-exempt bonds at rate less than Seller cost of capital
- Seller “repays” prepayment with deliveries of gas/energy
- Issuer sells gas/energy at a discount to municipal utility customers
- Difference in Issuer bond rate and Seller capital cost creates savings
- Savings range from 5% to 10%+ of underlying commodity cost

◆ Details

- MCE commodity swap enables MCE to sell gas at “discount to Index”
- “Segmented” bond structure maximizes savings for initial 5-10 year term
- Future “segments” must achieve minimum savings targets – or customer can opt out
- Seller deposits/invests prepayment in a Funding Agreement to support bonds



Energy Prepayment Transactions - History

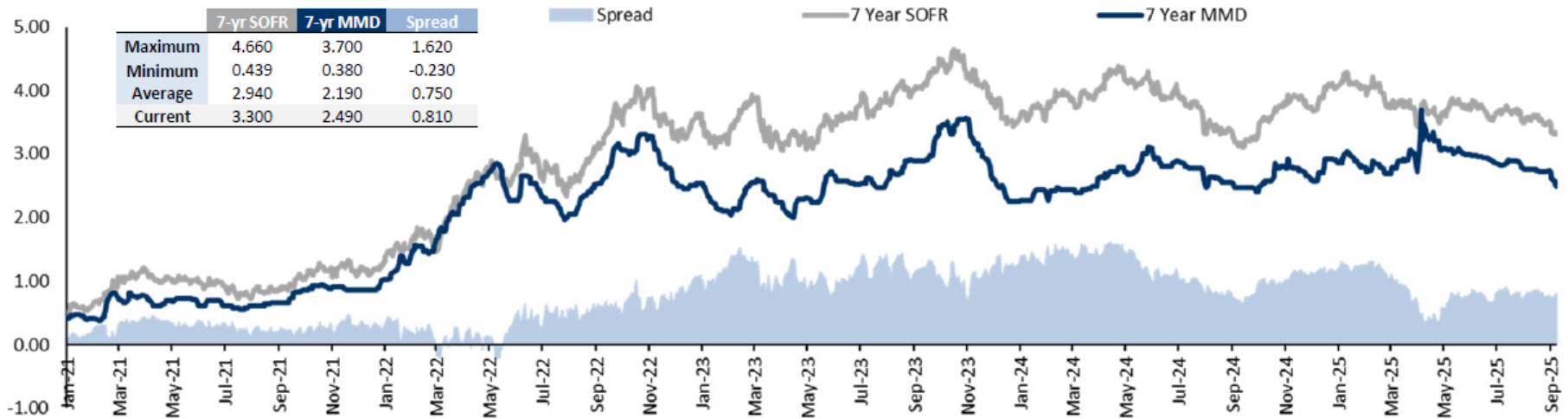




Energy Prepayment Savings Drivers

- ◆ The difference between tax-exempt and taxable interest rates drives prepayment savings potential
 - The differential creates “% savings” to be applied to underlying commodity price
 - % savings applied to commodity price delivers “cents per MMBtu” saved

Historical 7-Year MMD vs 7-Year SOFR – January 1, 2021 to Present



- “TE/TX spread” drove large savings and issuance in 2023 and 2024
- 2025 started off well, and now seeing recovery from Tariff market disruption



Energy Prepayment Risk Mitigation

- ◆ Risk management and mitigation are major prepay positives
 - Bond investors rely on ongoing gas sale revenue for bond payments
 - They also look to Seller and Funding Agreement provider in default events
 - Gas purchasers are only required to pay for gas as delivered
 - Excess gas can be remarketed
 - Termination of prepayment returns customers to prior gas purchase practices
 - Prepay debt service not included in customer metrics by rating agencies
 - Prepay debt not consolidated on customer balance sheets
 - No prepay customers have lost \$\$ on a transaction



Summary

- ◆ MCE transaction staffed by industry leading professionals
 - Prior MCE successful transaction in 2022
 - JP Morgan team has strong prepay and commodities professionals
 - Legal team (Bond, Underwriters, Gas, Tax, Seller) are all industry leaders in the roles they play in the transaction
- ◆ Transaction structure is identical to billions of bonds already sold
 - All Issuer and utility customer protections included in structure
 - Industry standard documentation and legal opinions
- ◆ Muni utilities are strong credits, many having gas prepay experience
- ◆ Transaction won't proceed unless savings targets are achieved
- ◆ PFM recommends approval of the transaction



Item 2

Item 2 – 2026 Capital Budget

December 2nd, 2025

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

RE: Item 2 – 2026 Capital Budget

Dear Commissioners;

Following our conversations of the Capital Budget and Forecast in October and November, I would like bring the topic up one more time in light of the additional discoveries on the lead service lines and issues of the water treatment plant, which have brought to light additional serious concerns that merit discussion and possible recalibration of the water projects. Since our last discussion on this we have found:

- **Lead Service Lines:** 13 blocks where 30% or more of the utility side of the service lines are lead or galvanized, requiring replacement
- **Water Supply Line to Water treatment Plant:** This water supply line is feeding the water treatment plant from the wells is 40-60% blocked with iron and manganese sludge. Since this affects all water in Hibbing we are evaluating options to rectify and improve performance.

Please find enclosed Engineering memos on these two topics I would like to discuss with you at our meeting on December 2nd.

Sincerely;



Luke J. Peterson



Vacuum Truck performing Pot Holing



Occluded Raw Water Line

**MEMORANDUM**

Date: November 26, 2025

To: Luke Peterson, General Manager, Hibbing Public Utilities

From: Andy Brotzler, PE

Subject: Lead Service Line Inventory and Replacement
Estimated Project Costs

On October 27, 2025, potholing of water shut-offs by hydro-vac commenced, expanding the scope of the ongoing lead service line inventory work to include the investigation and inventory of not only the customer side of the service lines, but also the utility side of the service lines. This initial work was funded with remaining grant dollars that were unspent as part of the 2024 LSL Replacement Project. A stipulation for the use of these remaining funds by HPU for potholing was that if and when water service lines were identified as lead or galvanized, grant funds were required to be encumbered for the replacement of the identified lead or galvanized water service lines. Through this initial work, a total of 145 water shut-offs were potholed with 11 water service lines being identified as lead.

Subsequently, on November 4, 2025, the Commission approved Change Order No. 5 which increased the funding for potholing by \$360,000. This increased funding facilitated the completion of an additional 288 potholes of water shut-offs. From this additional potholing work, an additional 47 lead water service lines were identified (totaling 58 lead water service lines) over a 4-week period.

Through ongoing conversations with the Minnesota Department of Health, it is anticipated that if 30% or more of the water service lines in a given area (e.g. city block) have been identified as lead or galvanized, all water service lines in the given area or city block will be considered eligible for grant funding by MDH for lead service line replacement. Based on this, the initial strategy for identifying water shut-offs to pothole utilized the current lead service line inventory, ages of homes, and ages and material of existing watermain as a guide. Areas were then identified during this discovery phase to city blocks where lead water service lines were likely to exist, and potholing of 1 to 2 water shut-offs per block to verify water service line materials was completed.

Following this initial work, potholing during the remaining two weeks was focused on city blocks where one or more lead water service lines was identified until 30% of the water service lines on the city block were identified as lead, or it was determined that the 30% threshold would not likely be met. Through this work, to date 13 city blocks have been identified as having 30% or more of the water service lines as being lead material. These areas have been mapped and project cost estimates developed for the full replacement of all water service lines and watermain on each identified city block, including the full reconstruction of the city streets. Within the project cost estimate for each city block, the estimated construction cost for the replacement of individual water service lines is shown in anticipation of these costs being eligible for grant funding through MDH for the replacement of lead water service lines.

Following is a table of estimated project costs for the 13 individual areas that have been identified:

	Project Location	Estimated Project Cost	Estimated GRANT ELIGIBLE LSL Replacement Cost	Difference
1	400 BLOCK OF E 3RD ST - KITZVILLE	\$185,800.00	\$120,000.00	\$65,800.00
2	1900 BLOCK OF 10TH AVE E	\$746,600.00	\$300,000.00	\$446,600.00
3	2200 BLCOK OF 10TH AVE E	\$693,200.00	\$270,000.00	\$423,200.00
4	2000 BLOCK OF 4TH AVE W	\$679,200.00	\$330,000.00	\$349,200.00
5	2100 BLOCK OF 4TH AVE W	\$629,400.00	\$300,000.00	\$329,400.00
6	2100 BLOCK OF 4TH AVE E	\$700,200.00	\$360,000.00	\$340,200.00
7	2900 BLOCK OF 4TH AVE W	\$929,000.00	\$450,000.00	\$479,000.00
8	3000 BLOCK OF 3RD AVE W	\$459,800.00	\$270,000.00	\$189,800.00
9	3300 BLOCK OF 4TH AVE W	\$659,600.00	\$300,000.00	\$359,600.00
10	2400 BLOCK OF 6TH AVE E	\$553,800.00	\$360,000.00	\$193,800.00
11	3000 BLOCK OF 5TH AVE E	\$596,800.00	\$390,000.00	\$206,800.00
12	2200 BLCOK OF 4TH AVE E	\$465,600.00	\$390,000.00	\$75,600.00
13	2500 BLOCK OF 3RD AVE W	\$716,400.00	\$420,000.00	\$296,400.00
	TOTALS	\$8,015,400.00	\$ 4,260,000.00	\$3,755,400.00

We will be in attendance at the Commission meeting on December 2, 2025, to review this information. Please do not hesitate to contact me at (218) 812-8900 or Andy.Brotzler@bolton-menk.com with questions.

PROPOSED PROJECT AREAS

HIBBING PUBLIC UTILITIES



NOVEMBER 2025



ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$11,000.00	\$11,000.00
2	TRAFFIC CONTROL	1	LS	\$2,000.00	\$2,000.00
3	REMOVE PAVEMENT-(BIT)	520	SY	\$20.00	\$10,400.00
4	REMOVE STORM SEWER PIPE	0	LF	\$25.00	\$0.00
5	ADJUST FRAME RING & CASTING	0	EA	\$1,000.00	\$0.00
6	REMOVE WATERMAIN	280	LF	\$10.00	\$2,800.00
7	REMOVE GATE VALVE	1	EA	\$800.00	\$800.00
8	REMOVE HYDRANT	0	EA	\$800.00	\$0.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	0	LF	\$5.00	\$0.00
11	REMOVE CONCRETE SIDEWALK	0	SY	\$14.00	\$0.00
12	COMMON EXCAVATION (P)	404	CY	\$27.00	\$10,904.40
13	SUBGRADE EXCAVATION	87	CY	\$27.00	\$2,340.00
14	STABILIZING AGGREGATE	173	CY	\$50.00	\$8,666.67
15	BITUMINOUS PAVEMENT 4"	113	TON	\$130.00	\$14,707.06
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	0	LF	\$28.00	\$0.00
18	CONCRETE WALK	0	SY	\$72.00	\$0.00
19	CONNECT TO EXISTING STORM SEWER	0	EA	\$1,000.00	\$0.00
20	12" STORM SEWER PIPE	0	LF	\$90.00	\$0.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	4	EA	\$3,200.00	\$12,800.00
23	6" WATERMAIN PIPE	0	LF	\$80.00	\$0.00
24	8" WATERMAIN PIPE	280	LF	\$85.00	\$23,800.00
25	6" GATE VALVE & BOX	0	EA	\$4,000.00	\$0.00
26	8" GATE VALVE & BOX	3	EA	\$5,000.00	\$15,000.00
27	HYDRANT	0	EA	\$9,000.00	\$0.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	520	SY	\$8.50	\$4,420.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$2,000.00	\$2,000.00
				SUBTOTAL:	\$129,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$25,800.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$154,800.00
				INDIRECT COSTS (20%):	\$31,000.00
				PRICE PER FOOT = \$663.57	ESTIMATED PROJECT TOTAL: \$185,800.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	4
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$120,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$65,800.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$43,000.00	\$43,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT (BIT OVER CONC)	1690	SY	\$24.00	\$40,560.00
4	REMOVE STORM SEWER PIPE	20	LF	\$25.00	\$500.00
5	ADJUST FRAME RING & CASTING	2	EA	\$1,000.00	\$2,000.00
6	REMOVE WATERMAIN	500	LF	\$10.00	\$5,000.00
7	REMOVE GATE VALVE	2	EA	\$800.00	\$1,600.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	990	LF	\$5.00	\$4,950.00
11	REMOVE CONCRETE SIDEWALK	1690	SY	\$14.00	\$23,660.00
12	COMMON EXCAVATION (P)	1313	CY	\$27.00	\$35,439.30
13	SUBGRADE EXCAVATION	282	CY	\$27.00	\$7,605.00
14	STABILIZING AGGREGATE	563	CY	\$50.00	\$28,166.67
15	BITUMINOUS PAVEMENT 4"	368	TON	\$130.00	\$47,797.93
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	990	LF	\$28.00	\$27,720.00
18	CONCRETE WALK	1690	SY	\$72.00	\$121,680.00
19	CONNECT TO EXISTING STORM SEWER	2	EA	\$1,000.00	\$2,000.00
20	12" STORM SEWER PIPE	20	LF	\$90.00	\$1,800.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	10	EA	\$3,200.00	\$32,000.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	500	LF	\$85.00	\$42,500.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	1000	SY	\$8.50	\$8,500.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$518,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$103,600.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$621,600.00
				INDIRECT COSTS (20%):	\$125,000.00
		PRICE PER FOOT = \$1,449.71		ESTIMATED PROJECT TOTAL:	\$746,600.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	10
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$300,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$446,600.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$40,000.00	\$40,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	1540	SY	\$24.00	\$36,960.00
4	REMOVE STORM SEWER PIPE	50	LF	\$25.00	\$1,250.00
5	ADJUST FRAME RING & CASTING	5	EA	\$1,000.00	\$5,000.00
6	REMOVE WATERMAIN	405	LF	\$10.00	\$4,050.00
7	REMOVE GATE VALVE	1	EA	\$800.00	\$800.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	900	LF	\$5.00	\$4,500.00
11	REMOVE CONCRETE SIDEWALK	1540	SY	\$14.00	\$21,560.00
12	COMMON EXCAVATION (P)	1196	CY	\$27.00	\$32,293.80
13	SUBGRADE EXCAVATION	257	CY	\$27.00	\$6,930.00
14	STABILIZING AGGREGATE	513	CY	\$50.00	\$25,666.67
15	BITUMINOUS PAVEMENT 4"	335	TON	\$130.00	\$43,555.51
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	900	LF	\$28.00	\$25,200.00
18	CONCRETE WALK	1540	SY	\$72.00	\$110,880.00
19	CONNECT TO EXISTING STORM SEWER	5	EA	\$1,000.00	\$5,000.00
20	12" STORM SEWER PIPE	50	LF	\$90.00	\$4,500.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	9	EA	\$3,200.00	\$28,800.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	405	LF	\$85.00	\$34,425.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	900	SY	\$8.50	\$7,650.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$481,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$96,200.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$577,200.00
				INDIRECT COSTS (20%):	\$116,000.00
		PRICE PER FOOT = \$1,650.48		ESTIMATED PROJECT TOTAL:	\$693,200.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	9
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$270,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$423,200.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$39,000.00	\$39,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT-(BIT)	1540	SY	\$20.00	\$30,800.00
4	REMOVE STORM SEWER PIPE	0	LF	\$25.00	\$0.00
5	ADJUST FRAME RING & CASTING	0	EA	\$1,000.00	\$0.00
6	REMOVE WATERMAIN	440	LF	\$10.00	\$4,400.00
7	REMOVE GATE VALVE	1	EA	\$800.00	\$800.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	980	LF	\$5.00	\$4,900.00
11	REMOVE CONCRETE SIDEWALK	1540	SY	\$14.00	\$21,560.00
12	COMMON EXCAVATION (P)	1196	CY	\$27.00	\$32,293.80
13	SUBGRADE EXCAVATION	257	CY	\$27.00	\$6,930.00
14	STABILIZING AGGREGATE	513	CY	\$50.00	\$25,666.67
15	BITUMINOUS PAVEMENT 4"	335	TON	\$130.00	\$43,555.51
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	980	LF	\$28.00	\$27,440.00
18	CONCRETE WALK	1540	SY	\$72.00	\$110,880.00
19	CONNECT TO EXISTING STORM SEWER	0	EA	\$1,000.00	\$0.00
20	12" STORM SEWER PIPE	0	LF	\$90.00	\$0.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	11	EA	\$3,200.00	\$35,200.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	440	LF	\$85.00	\$37,400.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	980	SY	\$8.50	\$8,330.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$471,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$94,200.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$565,200.00
				INDIRECT COSTS (20%):	\$114,000.00
		PRICE PER FOOT = \$1,492.75		ESTIMATED PROJECT TOTAL:	\$679,200.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	11
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$330,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$349,200.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$36,000.00	\$36,000.00
2	TRAFFIC CONTROL	1	LS	\$4,000.00	\$4,000.00
3	REMOVE PAVEMENT- (BIT)	1460	SY	\$20.00	\$29,200.00
4	REMOVE STORM SEWER PIPE	20	LF	\$25.00	\$500.00
5	ADJUST FRAME RING & CASTING	3	EA	\$1,000.00	\$3,000.00
6	REMOVE WATERMAIN	380	LF	\$10.00	\$3,800.00
7	REMOVE GATE VALVE	0	EA	\$800.00	\$0.00
8	REMOVE HYDRANT	0	EA	\$800.00	\$0.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	850	LF	\$5.00	\$4,250.00
11	REMOVE CONCRETE SIDEWALK	1460	SY	\$14.00	\$20,440.00
12	COMMON EXCAVATION (P)	1134	CY	\$27.00	\$30,616.20
13	SUBGRADE EXCAVATION	243	CY	\$27.00	\$6,570.00
14	STABILIZING AGGREGATE	487	CY	\$50.00	\$24,333.33
15	BITUMINOUS PAVEMENT 4"	318	TON	\$130.00	\$41,292.89
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	850	LF	\$28.00	\$23,800.00
18	CONCRETE WALK	1460	SY	\$72.00	\$105,120.00
19	CONNECT TO EXISTING STORM SEWER	1	EA	\$1,000.00	\$1,000.00
20	12" STORM SEWER PIPE	20	LF	\$90.00	\$1,800.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	10	EA	\$3,200.00	\$32,000.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	380	LF	\$85.00	\$32,300.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	1	EA	\$5,000.00	\$5,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	850	SY	\$8.50	\$7,225.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$4,000.00	\$4,000.00
				SUBTOTAL:	\$437,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$87,400.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$524,400.00
				INDIRECT COSTS (20%):	\$105,000.00
		PRICE PER FOOT = \$1,593.42		ESTIMATED PROJECT TOTAL:	\$629,400.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	10
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$300,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$329,400.00

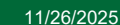
ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$40,000.00	\$40,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT(BIT OVER CONC)	1540	SY	\$24.00	\$36,960.00
4	REMOVE STORM SEWER PIPE	20	LF	\$25.00	\$500.00
5	ADJUST FRAME RING & CASTING	2	EA	\$1,000.00	\$2,000.00
6	REMOVE WATERMAIN	450	LF	\$10.00	\$4,500.00
7	REMOVE GATE VALVE	2	EA	\$800.00	\$1,600.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	900	LF	\$5.00	\$4,500.00
11	REMOVE CONCRETE SIDEWALK	1540	SY	\$14.00	\$21,560.00
12	COMMON EXCAVATION (P)	1196	CY	\$27.00	\$32,293.80
13	SUBGRADE EXCAVATION	257	CY	\$27.00	\$6,930.00
14	STABILIZING AGGREGATE	513	CY	\$50.00	\$25,666.67
15	BITUMINOUS PAVEMENT 4"	335	TON	\$130.00	\$43,555.51
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	900	LF	\$28.00	\$25,200.00
18	CONCRETE WALK	1540	SY	\$72.00	\$110,880.00
19	CONNECT TO EXISTING STORM SEWER	2	EA	\$1,000.00	\$2,000.00
20	12" STORM SEWER PIPE	20	LF	\$90.00	\$1,800.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	12	EA	\$3,200.00	\$38,400.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	450	LF	\$85.00	\$38,250.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	890	SY	\$8.50	\$7,565.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$486,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$97,200.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$583,200.00
				INDIRECT COSTS (20%):	\$117,000.00
		PRICE PER FOOT = \$1,505.81		ESTIMATED PROJECT TOTAL:	\$700,200.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	12
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$360,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$340,200.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$53,000.00	\$53,000.00
2	TRAFFIC CONTROL	1	LS	\$6,000.00	\$6,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	2120	SY	\$24.00	\$50,880.00
4	REMOVE STORM SEWER PIPE	30	LF	\$25.00	\$750.00
5	ADJUST FRAME RING & CASTING	3	EA	\$1,000.00	\$3,000.00
6	REMOVE WATERMAIN	630	LF	\$10.00	\$6,300.00
7	REMOVE GATE VALVE	2	EA	\$800.00	\$1,600.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	1180	LF	\$5.00	\$5,900.00
11	REMOVE CONCRETE SIDEWALK	2120	SY	\$14.00	\$29,680.00
12	COMMON EXCAVATION (P)	1647	CY	\$27.00	\$44,456.40
13	SUBGRADE EXCAVATION	353	CY	\$27.00	\$9,540.00
14	STABILIZING AGGREGATE	707	CY	\$50.00	\$35,333.33
15	BITUMINOUS PAVEMENT 4"	461	TON	\$130.00	\$59,959.54
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	1180	LF	\$28.00	\$33,040.00
18	CONCRETE WALK	2120	SY	\$72.00	\$152,640.00
19	CONNECT TO EXISTING STORM SEWER	1	EA	\$1,000.00	\$1,000.00
20	12" STORM SEWER PIPE	30	LF	\$90.00	\$2,700.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	15	EA	\$3,200.00	\$48,000.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	630	LF	\$85.00	\$53,550.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	1180	SY	\$8.50	\$10,030.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$6,000.00	\$6,000.00
				SUBTOTAL:	\$645,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$129,000.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$774,000.00
				INDIRECT COSTS (20%):	\$155,000.00
		PRICE PER FOOT = \$1,440.31		ESTIMATED PROJECT TOTAL:	\$929,000.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	15
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$450,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$479,000.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$27,000.00	\$27,000.00
2	TRAFFIC CONTROL	1	LS	\$3,000.00	\$3,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	920	SY	\$24.00	\$22,080.00
4	REMOVE STORM SEWER PIPE	30	LF	\$25.00	\$750.00
5	ADJUST FRAME RING & CASTING	3	EA	\$1,000.00	\$3,000.00
6	REMOVE WATERMAIN	260	LF	\$10.00	\$2,600.00
7	REMOVE GATE VALVE	2	EA	\$800.00	\$1,600.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	610	LF	\$5.00	\$3,050.00
11	REMOVE CONCRETE SIDEWALK	920	SY	\$14.00	\$12,880.00
12	COMMON EXCAVATION (P)	715	CY	\$27.00	\$19,292.40
13	SUBGRADE EXCAVATION	153	CY	\$27.00	\$4,140.00
14	STABILIZING AGGREGATE	307	CY	\$50.00	\$15,333.33
15	BITUMINOUS PAVEMENT 4"	200	TON	\$130.00	\$26,020.18
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	610	LF	\$28.00	\$17,080.00
18	CONCRETE WALK	920	SY	\$72.00	\$66,240.00
19	CONNECT TO EXISTING STORM SEWER	2	EA	\$1,000.00	\$2,000.00
20	12" STORM SEWER PIPE	30	LF	\$90.00	\$2,700.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	9	EA	\$3,200.00	\$28,800.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	260	LF	\$85.00	\$22,100.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	580	SY	\$8.50	\$4,930.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$3,000.00	\$3,000.00
				SUBTOTAL:	\$319,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$63,800.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$382,800.00
				INDIRECT COSTS (20%):	\$77,000.00
		PRICE PER FOOT = \$1,672.00		ESTIMATED PROJECT TOTAL:	\$459,800.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	9
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$270,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$189,800.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$38,000.00	\$38,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	1390	SY	\$24.00	\$33,360.00
4	REMOVE STORM SEWER PIPE	30	LF	\$25.00	\$750.00
5	ADJUST FRAME RING & CASTING	4	EA	\$1,000.00	\$4,000.00
6	REMOVE WATERMAIN	410	LF	\$10.00	\$4,100.00
7	REMOVE GATE VALVE	3	EA	\$800.00	\$2,400.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	810	LF	\$5.00	\$4,050.00
11	REMOVE CONCRETE SIDEWALK	1390	SY	\$14.00	\$19,460.00
12	COMMON EXCAVATION (P)	1080	CY	\$27.00	\$29,148.30
13	SUBGRADE EXCAVATION	232	CY	\$27.00	\$6,255.00
14	STABILIZING AGGREGATE	463	CY	\$50.00	\$23,166.67
15	BITUMINOUS PAVEMENT 4"	302	TON	\$130.00	\$39,313.09
16	CONCRETE PAVEMENT 6"	16	SY	\$100.00	\$1,600.00
17	CONCRETE CURB AND GUTTER DESIGN B618	810	LF	\$28.00	\$22,680.00
18	CONCRETE WALK	1390	SY	\$72.00	\$100,080.00
19	CONNECT TO EXISTING STORM SEWER	3	EA	\$1,000.00	\$3,000.00
20	12" STORM SEWER PIPE	30	LF	\$90.00	\$2,700.00
21	CONNECT TO EXISTING WATERMAIN	3	EA	\$3,200.00	\$9,600.00
22	1" WATER SERVICE	10	EA	\$3,200.00	\$32,000.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	410	LF	\$85.00	\$34,850.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	3	EA	\$5,000.00	\$15,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	800	SY	\$8.50	\$6,800.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$458,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$91,600.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$549,600.00
				INDIRECT COSTS (20%):	\$110,000.00
				PRICE PER FOOT = \$1,552.00	ESTIMATED PROJECT TOTAL: \$659,600.00
				ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00	SERVICES IN PROJECT AREA: 10
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$300,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$359,600.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$32,000.00	\$32,000.00
2	TRAFFIC CONTROL	1	LS	\$4,000.00	\$4,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	1120	SY	\$24.00	\$26,880.00
4	REMOVE STORM SEWER PIPE	45	LF	\$25.00	\$1,125.00
5	ADJUST FRAME RING & CASTING	2	EA	\$1,000.00	\$2,000.00
6	REMOVE WATERMAIN	315	LF	\$10.00	\$3,150.00
7	REMOVE GATE VALVE	2	EA	\$800.00	\$1,600.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	730	LF	\$5.00	\$3,650.00
11	REMOVE CONCRETE SIDEWALK	1120	SY	\$14.00	\$15,680.00
12	COMMON EXCAVATION (P)	870	CY	\$27.00	\$23,486.40
13	SUBGRADE EXCAVATION	187	CY	\$27.00	\$5,040.00
14	STABILIZING AGGREGATE	373	CY	\$50.00	\$18,666.67
15	BITUMINOUS PAVEMENT 4"	244	TON	\$130.00	\$31,676.74
16	CONCRETE PAVEMENT 6"	16	SY	\$100.00	\$1,600.00
17	CONCRETE CURB AND GUTTER DESIGN B618	730	LF	\$28.00	\$20,440.00
18	CONCRETE WALK	1120	SY	\$72.00	\$80,640.00
19	CONNECT TO EXISTING STORM SEWER	1	EA	\$1,000.00	\$1,000.00
20	12" STORM SEWER PIPE	45	LF	\$90.00	\$4,050.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	12	EA	\$3,200.00	\$38,400.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	315	LF	\$85.00	\$26,775.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	700	SY	\$8.50	\$5,950.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$4,000.00	\$4,000.00
				SUBTOTAL:	\$384,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$76,800.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$460,800.00
				INDIRECT COSTS (20%):	\$93,000.00
				ESTIMATED PROJECT TOTAL:	\$553,800.00
	ESTIMATED PRICE PER SERVICE REPLACEMENTS:	\$30,000.00		SERVICES IN PROJECT AREA:	12
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$360,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$193,800.00



ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$27,000.00	\$27,000.00
2	TRAFFIC CONTROL	1	LS	\$3,000.00	\$3,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	980	SY	\$24.00	\$23,520.00
4	REMOVE STORM SEWER PIPE	20	LF	\$25.00	\$500.00
5	ADJUST FRAME RING & CASTING	2	EA	\$1,000.00	\$2,000.00
6	REMOVE WATERMAIN	270	LF	\$10.00	\$2,700.00
7	REMOVE GATE VALVE	1	EA	\$800.00	\$800.00
8	REMOVE HYDRANT	0	EA	\$800.00	\$0.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	650	LF	\$5.00	\$3,250.00
11	REMOVE CONCRETE SIDEWALK	980	SY	\$14.00	\$13,720.00
12	COMMON EXCAVATION (P)	761	CY	\$27.00	\$20,550.60
13	SUBGRADE EXCAVATION	163	CY	\$27.00	\$4,410.00
14	STABILIZING AGGREGATE	327	CY	\$50.00	\$16,333.33
15	BITUMINOUS PAVEMENT 4"	213	TON	\$130.00	\$27,717.14
16	CONCRETE PAVEMENT 6"	0	SY	\$100.00	\$0.00
17	CONCRETE CURB AND GUTTER DESIGN B618	650	LF	\$28.00	\$18,200.00
18	CONCRETE WALK	980	SY	\$72.00	\$70,560.00
19	CONNECT TO EXISTING STORM SEWER	2	EA	\$1,000.00	\$2,000.00
20	12" STORM SEWER PIPE	20	LF	\$90.00	\$1,800.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	13	EA	\$3,200.00	\$41,600.00
23	6" WATERMAIN PIPE	0	LF	\$80.00	\$0.00
24	8" WATERMAIN PIPE	270	LF	\$85.00	\$22,950.00
25	6" GATE VALVE & BOX	0	EA	\$4,000.00	\$0.00
26	8" GATE VALVE & BOX	1	EA	\$5,000.00	\$5,000.00
27	HYDRANT	0	EA	\$9,000.00	\$0.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	600	SY	\$8.50	\$5,100.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$3,000.00	\$3,000.00
				SUBTOTAL:	\$323,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$64,600.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$387,600.00
				INDIRECT COSTS (20%):	\$78,000.00
				ESTIMATED PROJECT TOTAL:	\$465,600.00
	ESTIMATED PRICE PER SERVICE REPLACEMENTS:	\$30,000.00		SERVICES IN PROJECT AREA:	13
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$390,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$75,600.00

ITEM NO.	ITEM	QTY	UNIT	UNIT PRICE	TOTAL
1	MOBILIZATION	1	LS	\$41,000.00	\$41,000.00
2	TRAFFIC CONTROL	1	LS	\$5,000.00	\$5,000.00
3	REMOVE PAVEMENT- (BIT OVER CONC)	1570	SY	\$24.00	\$37,680.00
4	REMOVE STORM SEWER PIPE	0	LF	\$25.00	\$0.00
5	ADJUST FRAME RING & CASTING	0	EA	\$1,000.00	\$0.00
6	REMOVE WATERMAIN	445	LF	\$10.00	\$4,450.00
7	REMOVE GATE VALVE	1	EA	\$800.00	\$800.00
8	REMOVE HYDRANT	1	EA	\$800.00	\$800.00
9	REMOVE SANITARY SEWER PIPE	0	LF	\$25.00	\$0.00
10	REMOVE CURB AND GUTTER	1000	LF	\$5.00	\$5,000.00
11	REMOVE CONCRETE SIDEWALK	1570	SY	\$14.00	\$21,980.00
12	COMMON EXCAVATION (P)	1219	CY	\$27.00	\$32,922.90
13	SUBGRADE EXCAVATION	262	CY	\$27.00	\$7,065.00
14	STABILIZING AGGREGATE	523	CY	\$50.00	\$26,166.67
15	BITUMINOUS PAVEMENT 4"	342	TON	\$130.00	\$44,404.00
16	CONCRETE PAVEMENT 6"	16	SY	\$100.00	\$1,600.00
17	CONCRETE CURB AND GUTTER DESIGN B618	1000	LF	\$28.00	\$28,000.00
18	CONCRETE WALK	1570	SY	\$72.00	\$113,040.00
19	CONNECT TO EXISTING STORM SEWER	0	EA	\$1,000.00	\$0.00
20	12" STORM SEWER PIPE	0	LF	\$90.00	\$0.00
21	CONNECT TO EXISTING WATERMAIN	2	EA	\$3,200.00	\$6,400.00
22	1" WATER SERVICE	14	EA	\$3,200.00	\$44,800.00
23	6" WATERMAIN PIPE	15	LF	\$80.00	\$1,200.00
24	8" WATERMAIN PIPE	445	LF	\$85.00	\$37,825.00
25	6" GATE VALVE & BOX	1	EA	\$4,000.00	\$4,000.00
26	8" GATE VALVE & BOX	2	EA	\$5,000.00	\$10,000.00
27	HYDRANT	1	EA	\$9,000.00	\$9,000.00
28	CONNECT TO EXISTING SANITARY SEWER	0	EA	\$1,500.00	\$0.00
29	8" SANITARY SEWER PIPE	0	LF	\$80.00	\$0.00
30	TURF ESTABLISHMENT	990	SY	\$8.50	\$8,415.00
31	EROSION & SEDIMENT CONTROL	1	LS	\$5,000.00	\$5,000.00
				SUBTOTAL:	\$497,000.00
				CONSTRUCTION CONTINGENCIES (20%):	\$99,400.00
				TOTAL ESTIMATED CONSTRUCTION COST:	\$596,400.00
				INDIRECT COSTS (20%):	\$120,000.00
		PRICE PER FOOT = \$1,557.39		ESTIMATED PROJECT TOTAL:	\$716,400.00
		ESTIMATED PRICE PER SERVICE REPLACEMENTS: \$30,000.00		SERVICES IN PROJECT AREA:	14
				TOTAL ESTIMATED COST FOR SERVICE REPLACEMENTS:	\$420,000.00
				ESTIMATED TOTAL COST EXCLUDING ESTIMATED SERVICE COSTS:	\$296,400.00



Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

MEMORANDUM

Date: November 26, 2025

To: Luke Peterson, General Manager, Hibbing Public Utilities

From: Andy Brotzler, PE
Luke Heikkila

Subject: Raw Watermain Replacement Cost Estimate

As part of the water treatment plant project, the development of a new water supply well was undertaken. This new well, Well 11D is located on Wegener Road at the northern end of the well field and will replace Well 11C. The new Well 11D is projected to produce 800-850gpm which is approximately twice the production rate of the current Well 11C.

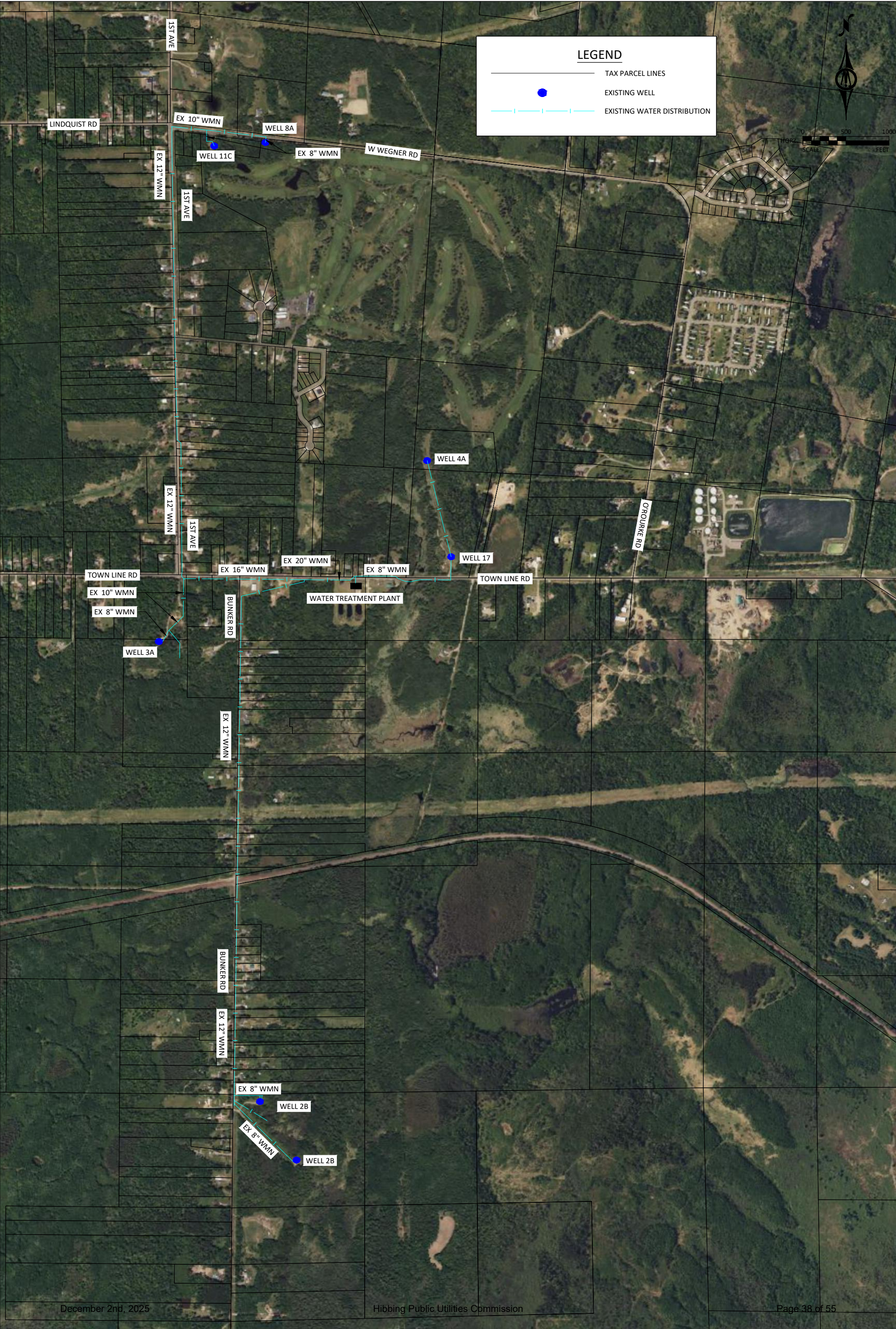
During the process of preparing to connect the new Well 11D to the existing raw watermain system, it was noted that the existing 8-inch raw watermain at this location is partially obstructed with mineral sedimentation that has accumulated over the life of the raw watermain line. At this location, the existing pipe is estimated to be 40-50% obstructed in cross-sectional area.

Reviewing the overall raw watermain system with HPU personnel, it was noted that the existing raw watermain system does not include hydrants to facilitate regular high-volume flushing of the system to remove mineral sedimentation. While it is unknown at this time the extent of the mineral sedimentation in the raw watermain system beyond the location at Well 11D, the presence of sedimentation throughout the system has the potential to reduce the overall efficiency and capacity of the raw watermain system.

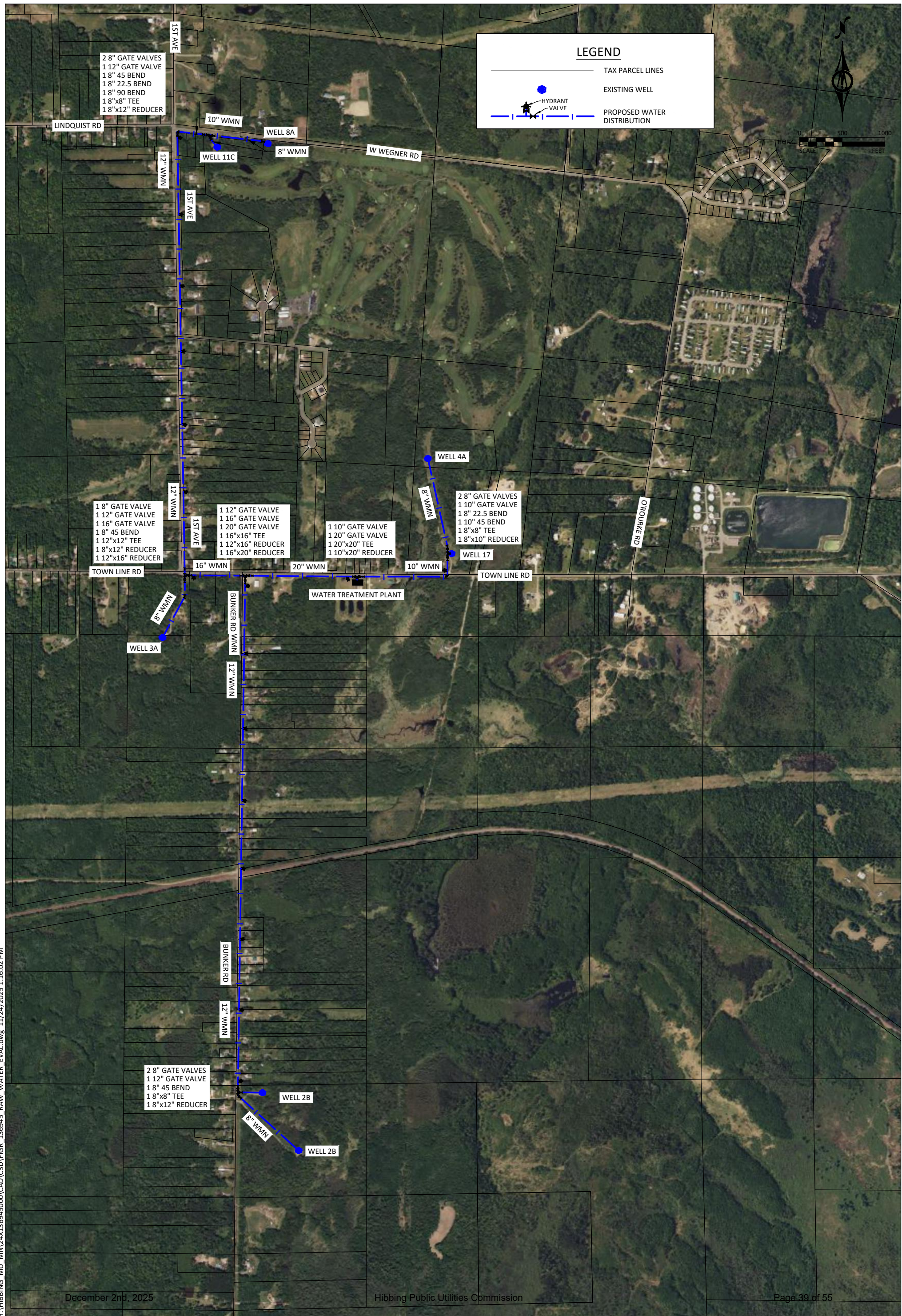
With the emergence of this issue within the past week, options to remediate the issue are in the early stages of review and consideration. Options that are recommended for further evaluation range from cleaning the existing raw watermain lines to full replacement of the raw watermain system. Cleaning of the raw watermain system would require the development of access points by installing hydrants to the system at regular intervals. The ability to take sections of the raw watermain system "off-line" for maintenance would also need to be evaluated and coordinated with seasonal water demands.

The attached figure depicts the existing well locations and raw watermain system configuration. For initial discussions regarding next steps, an estimated cost has been developed for the full replacement of the raw watermain system, estimated at \$6.9M.

We will be in attendance at the Commission meeting on December 2, 2025, to review this information. Please do not hesitate to contact me at (218) 812-8900 or Andy.Brotzler@bolton-menk.com with questions.



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ENGINEER'S PRELIMINARY COST ESTIMATE

HPUC RAW WATER EVALUATION

CITY OF HIBBING, MN

BMI Project No.: 24X13694500

11/24/2025

Item No.	Item	Unit	Estimated Quantity	Unit Price	Total Amount
BASE BID					
1	MOBILIZATION	LS	1	\$700,000.00	\$700,000.00
2	CLEARING & GRUBBING TREE	LS	1	\$10,000.00	\$10,000.00
3	CLEARING & GRUBBING BRUSH	LS	1	\$10,000.00	\$10,000.00
4	REMOVE WATERMAIN	LIN FT	70	\$8.00	\$560.00
5	DEWATERING	LS	1	\$10,000.00	\$10,000.00
6	EXCAVATION - ROCK	CY	50	\$150.00	\$7,500.00
7	EXCAVATION - EXPLORATORY	HR	24	\$400.00	\$9,600.00
8	AGGREGATE SURFACING (CV) CLASS 1	CY	900	\$60.00	\$54,000.00
9	SKID LOADER	HR	84	\$120.00	\$10,080.00
10	TRENCHLESS PITS	LS	1	\$80,000.00	\$80,000.00
11	WATERMAIN TRACER SYSTEM	LS	1	\$30,000.00	\$30,000.00
12	6" GATE VALVE & BOX	EACH	17	\$3,000.00	\$51,000.00
13	8" GATE VALVE & BOX	EACH	7	\$4,000.00	\$28,000.00
14	10" GATE VALVE & BOX	EACH	2	\$5,000.00	\$10,000.00
15	12" GATE VALVE & BOX	EACH	4	\$6,500.00	\$26,000.00
16	16" GATE VALVE & BOX	EACH	2	\$9,000.00	\$18,000.00
17	20" GATE VALVE & BOX	EACH	2	\$12,000.00	\$24,000.00
18	8" HDPE WATERMAIN (TRENCHLESS)	LIN FT	4305	\$120.00	\$516,600.00
19	10" HDPE WATERMAIN (TRENCHLESS)	LIN FT	1720	\$140.00	\$240,800.00
20	12" HDPE WATERMAIN (TRENCHLESS)	LIN FT	11255	\$160.00	\$1,800,800.00
21	16" HDPE WATERMAIN (TRENCHLESS)	LIN FT	710	\$180.00	\$127,800.00
22	20" HDPE WATERMAIN (TRENCHLESS)	LIN FT	1347	\$200.00	\$269,400.00
23	CONNECT TO EXISTING WATER STRUCTURE	EACH	7	\$2,000.00	\$14,000.00
24	WATERMAIN FITTINGS	LBS	2497	\$25.00	\$62,425.00
25	INSTALL HYDRANTS	EACH	17	\$7,000.00	\$119,000.00
26	TRAFFIC CONTROL	LS	1	\$10,000.00	\$10,000.00
27	TEMPORARY FENCE	LIN FT	1000	\$5.00	\$5,000.00
28	SEDIMENT CONTROL LOG TYPE WOOD FIBER	LIN FT	1000	\$6.00	\$6,000.00
29	SILT FENCE, TYPE HI	LIN FT	1000	\$5.00	\$5,000.00
30	COMMON TOPSOIL BORROW (LV)	CY	900	\$35.00	\$31,500.00
31	SEEDING	SQ YD	6945	\$3.00	\$20,835.00
32	MNDOT SEED MIX 36-312	LBS	225	\$6.00	\$1,350.00
33	ROLLED EROSION PREVENTION CAT 20	SY	6945	\$2.00	\$13,890.00
Subtotal					\$4,323,140.00
30% Contingency					\$1,296,940.00
Total Estimated Construction Cost					\$5,620,080.00
Design, Administration and Construction Engineering					\$1,236,000.00
Total Estimated Project Cost					\$6,856,080.00



Item 3

Item 3 – Org Development Update

December 2nd, 2025

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

RE: Item 3 – Org Development Update

Dear Commissioners;

As per Commission action at the October 28th, 2025 Commission Meeting, Hibbing Public Utilities has adopted a new Org. Chart. This action is the culmination of months of collaboration between the Commission and its employees to develop an organizational structure that will best utilize existing employees, build a structure to bring new talent, and prepare the entire organization to set and achieve our strategic goals. Staff across the management of the utility are eager to continue to fill out and build upon the structure adopted at the October meeting. Staff is seeking input from Commissioners on the topics of Filling Positions and Policy Priorities to pursue these goals.

Filling Positions

At the October 28th, 2025 Commission meeting, Commissioners were presented with the following list of hiring priorities:

- Financial Controller
- Engineering Manager
- Procurement Supervisor
- Auto/Diesel Mechanic
- Executive Assistant
- Environmental, Health & Safety Coordinator

Staff is preparing to discuss hiring procedures and outlooks with the Commission to provide a comprehensive plan and projected timeline for the hiring of these positions. Discussion will include routes of advertisement for positions, applicant selection & interview process, and discussion of position purpose and priorities.

Policy Priorities

Throughout the Organizational Development Process with MMUA and internal discussions with HPU Staff, HPU's Employee Policies were identified as an area for significant growth throughout this Organizational Development process. HPU's

internal policies are largely outdated, unknown to employees, and/or unenforced. As a part of HPU's ongoing Organizational Development process, staff is looking to begin updating and developing new Employee Policies for the following topics;

- Drug & Alcohol
 - Comprehensive update to bring the existing policy into line with industry standards.
- Compensation Philosophy
 - Overview of purpose and need for a Utility Compensation Philosophy.
 - Discussion for potential salary ranges in alignment with the new Org Chart.
 - Outlining and implementation of new performance review process for.
- Employee Handbook
 - Development of Employee policy handbook to be distributed and accessible to all Utility Employees.
- State/Federal Grant Compliance Training
 - Presentation of State/Federal Grant Compliance Training from the Financial Department, outlining purpose and scheduling.

Staff seeks Commission input on the development and priorities of these policies.

Sincerely;



Kendra Powers
Senior Director of HR & OD
Hibbing Public Utilities Commission



Item 3.b.iv

Item 3.b.iv – State/Federal Grant Compliance Training

November 26, 2025

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

RE: Item 3.b.iv – State/Federal Grant Compliance Training

Dear Commissioners;

As you recall, on April 22, 2024, the commission approved a Federal Grant compliance manual.

Accordingly, we will hold our annual purchasing training on December 10, 2025 HPU managers and all affected employees. The training will fulfill a commitment we made during the 2024 audit.

Training for staff will focus on purchasing best practices for the use and management of public funds and will include the following topics:

- Best practices for internal control
- HPU purchasing policy including approval processes, contracts and documentation
- Inventory security, checkout procedures and accuracy
- Conflict of interest in purchasing including collection of annual conflict of interest disclosures
- Federal and State funds procedures for purchases
- Cost mitigation including avoiding unnecessary or duplicative items and coordination
- Equipment management procedures including tracking, use, inventory and disposition

The Financial Controller will be required to complete 8 hours of federal grant compliance training prior to February 28, 2026. Following this training, the controller will review HPU policies to ensure compliance with Federal and State purchasing requirements.

Sincerely;



Tammy Mattonen



Item 4

Item 4 – 2026 Commission Scheduling

December 2nd, 2025

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

RE: Item 4 – 2026 Commission Scheduling

Dear Commissioners;

As the 2026 Calendar Year quickly approaches, HPU Staff is recommending approval for the scheduling of Commission Meetings. The following is the proposed meeting dates. Wherever possible the 2nd & 4th Tuesdays have been recommended, making adjustments for known holidays, elections, and utility industry meetings to maximize Commissioner presence and availability.

Month	Date
January	13 th 20 th
February	10 th 17 th
March	10 th 17 th
April	14 th 28 th
May	12 th 19 th
June	9 th 23 rd
July	7 th 21 st
August	4 th 25 th
September	8 th 22 nd
October	13 th 27 th
November	10 th 17 th
December	8 th 15 th

Timeline of Commission Priorities

Quarter 1 (Jan. – Mar.) –

- Strategic Planning
- 2026 Project Bidding/Awards

Quarter 2 (Apr. – Jun.) –

- Finalize Strategic Plan
- CY 2025 Audit Review
- Rate Adjustments
- Commission Appointments & Officer Selection - April

Quarter 3 (Jul. – Sep.)

- Set Goals for 2027
- Start 2027 Budgeting
- Policy Updates

Quarter 4 (Oct. – Dec.)

- Approve 2027 Budget
- Review 2027 Capital Investment Planning
- Organizational Performance Metrics

Sincerely;

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

Luke J. Peterson



Item 5

Item 5 – Closed Session

December 2nd, 2025

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

RE: Item 5 – Closed Session

Dear Commissioners;

Under Minn. Stat. § 13D.03, the Commission may close a public meeting to discuss Strategy for Labor Negotiations. The following procedure must be used to close a meeting under this exception:

- The council must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- A written record of all people present at the closed meeting must be available to the public after the closed meeting.
- The meeting must be recorded.
- The recording must be kept for two years after the contract is signed.
- The recording becomes public after all labor agreements are signed by the city council for the current budget period.

Sincerely;



Luke J. Peterson