



Commission Regular Session

FEBRUARY 17TH, 2026

Commission Meeting Agenda

February 17th, 2026

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	—
Interim HR Director K. Powers	—	Manager of Power Supply P. Plombon	—
Customer Ser. & Finance J. Hietala	—	Admin & Comm E. Dixon	—
Electrical Operations S. Adams	—	Local 94 President G. Pogachnik	—

1. CALL TO ORDER

2. ADDS/DELETES

3. APPROVAL OF MINUTES: January 20th & February 10th, 2026

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 January 15th – February 11th, 2026
- B. Approve the payroll paid & overtime report for the January 22nd & February 5th, 2026 pay dates
- C. Ratify Emergency Purchase of 2,000 tons of Coal from DTE
- D. Authorize Commissioners to attend South Water Treatment Plant Tour and Ribbon Cutting on Wednesday, February 18th, 10:30 am at 11871 Town Line Rd. Hibbing, MN 55746
- E. Authorize listed Requests for Contributions

6. FINANCIALS & RISK MANAGEMENT

- A. Energy Market Update – January 2026
- B. Approve Accounting Policy Resolutions:
 - i. Resolution 26-01 Deferral of 2025 Debt Issuance Costs
 - ii. Resolution 26-02 Deferral of 2025 Vegetation Management
- C. Approve Material Purchasing for Budgeted Projects
 - i. Approve purchase of 24" Valves for Steam Repairs from Hecimovich Mechanical in the amount of \$34,288.72
 - ii. Approve Purchase of Poly Duct from Border States Electric in the amount of \$24,958.74
 - iii. Approve Purchase of 3 reels of 15kV Distribution Cable from Stuart Irby in the amount of \$34,848
 - iv. Approve Purchase of 15kV 750 MCM AL Distribution Cable in the amount of \$108,972
- D. HPU Lead Projects
 - i. Approve Bolton & Menk Design & Engineering Scope of work for Corrosion Control in the amount not to exceed \$38,750.
 - ii. Approve Bolton & Menk Design & Engineering for 2026 Lead Service Line Removal Project in the amount not to exceed \$240,000
 - iii. Approve Call for RFQ 26-03: 2026 Potholing Services
 - iv. Approve to Solicit for price for Vactruck Lease related to Potholing
- E. Approve Crane Engineering for Feedwater Pump #4 Inspection in the amount of \$54,600
- F. Approval to Surplus Traffic System Inventory to City of Hibbing

7. POLICY & GOVERNANCE

- A. Approve Internal Posting and backfill of Line Crew Leader and Assistant Line Crew Leader
- B. Approve Internal Posting and backfill for Plant Mechanic Foreman
- C. Approve Proposed Compensation Philosophy
- D. Approve Customer Policy for:
 - i. CUST049: Access to Customer Property – update
 - ii. CUST116: Home Inspection with Gas Services

8. NEW BUSINESS

9. OLD BUSINESS

- A.
- B.

10. Strategic Planning Meeting with MMUA – Meeting in HEDA Suite

11. ADJOURNMENT



Item 3 – Approval of Minutes

Item 3 – Approval of Minutes : January 20th, 2026

February 17th, 2026

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

RE: Item 3 - Approval of Minutes: January 20th, 2026

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings of January 20th, 2026.

Sincerely;



Luke J. Peterson

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on January 20th, 2026. 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 Stokes, Commissioner Babich, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, Customer Service Supervisor Jill Hietala, Customer Communications & Programs Specialist Eliot Dixon. Also in attendance were Bolton & Menk rep. Andy Brotzler, HPU Employee George Pogachnik, and HPAT Rep. Ron Wirkkula.

Item 2. ADDS/DELETES

Add –

Item 5.E. – Authorize Commissioners to attend Chamber Dinner at 5:30 pm on Friday, January 30th, 2026, at the Hibbing Armor

Item 9.A. - Summary of December 16th, 2025 General Manager’s Review

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve the regular meeting minutes of the December 2nd & 16th, 2025 Commission Meetings.

Motion carried unanimously.

Item 4. CITIZENS FORUM –

Chair Bayliss commented on residents receiving solicitations regarding lead service lines. Chair Bayliss stated that HPU is working on securing state funding for the projects that would replace service lines at no cost to property owners. Residents should reach out to HPU if they have any questions regarding these letters, lead, or HPU’s Get the Lead Out projects.

Item 5. CONSENT AGENDA

Item 5.A. Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated December 11th, 2025 – January 14th, 2026

Item 5.B. Approve the payroll paid & overtime report for the December 23rd, 2025 & January 8th, 2026 pay dates.

Item 5.C. Approval of Fuel handler Posting Awarded to Gordon Terpstra

Item 5.D. Authorize listed Requests for Contribution

Item 5.E. Authorize Commissioners to attend Chamber Dinner at 5:30 pm on Friday, January 30th, 2026, at the Hibbing Armor

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

Motion carried unanimously.

Item 6. FINANCIALS & RISK MANAGEMENT

Item 6.A. Approve 2026 Capital Budget Including Additional Lead Projects Discussed at Town Hall

The Commission discussed the strategic priorities of the Utility’s water planning. HPU GM Luke Peterson stated the priorities of the water capital improvement plans include first lead removal, and secondarily the watermain capital improvement plan. Commissioner Hart expressed concerns about the total cost of projects. GM Peterson discussed several routes that HPU has pursued for external grant funding. The Commission expressed a desire to have further discussions regarding the scope of projects and external funding opportunities. Planning must be completed by March 31st. The Commission chose to take no action.

Item 6.B. Approve Engineer Design & Support Services for Capital Projects

Item 6.B.i. Barr Engineering in the amount of \$28,500 for 2026 Environmental Services

Motion by Commissioner Sandstede, supported by Commissioner Stokes, to approve Barr Engineering in the amount of \$28,500 for 2026 Environmental Services.

Motion carried unanimously.

Item 6.B.ii. Bolton & Menk for Design Engineering & Bidding of 2026 Lead Service Line Removal Projects in the amount not to exceed \$480,000 – Grant Funded

No Action Taken.

Item 6.B.iii. Bolton & Menk for Design & Engineering

1. E 23rd St. Phase 2 in the amount not to exceed \$180,000

Commission discussed the bidding process of professional services.

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve Bolton & Menk for E 23rd St. Phase 2 in the amount not to exceed \$180,000

Motion carried 3-2.
“Nay” Babich & Hart

2. Greenhaven Phase 1 in the amount not to exceed \$125,000

No Action Taken.

3. 30" Watermain Phase 3 in the amount not to exceed \$90,000

Motion by Commissioner Hart, supported by Commissioner Stokes, to approve Bolton & Menk for 30" Watermain Phase 3 in the amount not to exceed \$90,000

Motion carried unanimously.

4. Cobb Cook Phase 2 Development in the amount not to exceed \$75,000

No Action Taken.

5. Lead Corrosion Control Design, Engineering, & Oversight not to exceed \$38,750

No Action Taken.

Item 6.C. Approve Procurement of Electrical Distribution G&W Trident Multi-way Switch from Border states in the amount of \$77,165.95

Motion by Commissioner Hart, Supported by Commissioner Stokes, to Approve Procurement of Electrical Distribution G&W Trident Multi-way Switch from Border states in the amount of \$77,165.95

Motion carried unanimously.

Item 6.D. Award AMI Request for Proposal

Item 6.D.i. RFP 25-09: AMI Meter Installation – Electric to Hunt Electric in the amount of \$ 793,821.60

Motion by Commissioner Hart, supported by Commissioner Babich, to award RFP 25-09: AMI Meter Installation – Electric to Iron Range Electric in the amount of \$295,510.

Motion carried unanimously.

Item 6.B.ii. RFP 25-10: AMI Meter Installation – Water to Core & Main in the amount of \$1,439,376

Motion by Commissioner Hart, supported by Chair Bayliss, to award RFP 25-10: AMI Meter Installation – Water to Hydrocore in the amount of \$460,330.88

Motion carried unanimously.

Item 6.B.iii. RFP 25-13: AMI Meter Installation – Gas to Core & Main LP in the amount of \$871,175

Commissioner Hart stated he believed that the bid would be lower if the project were rebid with an extended project deadline.

Motion by Commissioner Hart, supported by Commissioner Stokes, to reject RFP 25-13: AMI Meter Installation – Gas

Motion carried unanimously.

Item 7. POLICY & GOVERNANCE-

Item 7.A. Approve Customer Policy for:

Commission discussed the process that would trigger HPU to perform this inspection.

Motion by Commissioner Hart, supported by Commissioner Babich, to table CUST049: Access to Customer Property & CUST116: Home Inspection with Gas Services.

Motion carried unanimously.

Item 7.B. Approve Internal & External Posting and Backfill of 2 Biomass Technician Position.

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to Approve Internal & External Posting and Backfill of 2 Biomass Tech Positions.

Motion carried unanimously.

Item 7.C. Approve External Advertising for Accounting Coordinator

Motion by Commissioner Sandstede, supported by Commissioner Stokes, to approve External Advertising for Accounting Coordinator.

Motion carried unanimously.

Item 8. NEW BUSINESS–

Item 9. OLD BUSINESS –

Item 9.A. Summary of General Manager’s Review

Andy Borland provided a summary of the General Manager’s Review

Item 9.B. Approve Rebidding of AMI Meter Installation – Gas with recommended changes

Motion by Commissioner Sandstede, supported by Commissioner Stokes, to approve rebidding of AMI Meter Installation – Gas

Motion carried unanimously.

Item 10 . ADJOURNMENT

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to adjourn the meeting at 6:13 p.m.

Motion carried unanimously

Attest:

James Bayliss, Chair

Jeff Hart, Commission Secretary

**Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, February 10th, 2026
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746.**

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Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on February 10th, 2026. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Commission Chair Bayliss called the meeting to order at 5:03 p.m. In attendance were Commissioner Hart; Commissioner Stokes; Commissioner Sandstede; Commissioner Babich; Legal Counsel, Andy Borland; General Manager, Luke Peterson; Human Resources & Organizational Development Supervisor, Kendra Powers; Energy & Operations Manager Paul Plombon; and Customer Service Supervisor, Jill Hietala; and Grant Writer & Engagement Specialist Eliot Dixon. Also in attendance was Rocky Mountain Institute reps. Matthew Popkin & Tansy Massey-Green; Bolton & Menk rep. Andrew Brotzler; HPU Employees George Pogachnik & Paul Petrich; and HPU Retiree Mark Reger.

Item 1. Energy Market Update – Winter Storm Fern

Commission discussed regional and national impacts of Winter Storm Fern. Through strong communication and management of the Hibbing Renewable Energy Center, HPU was able to avoid pricing volatility in the natural gas market. As a direct result of this strong management, no additional cost is being passed on to HPU gas customers.

Item 2. 2026 Capital Budget Discussion

Commission received a presentation on landfill solar from representatives of the Rocky Mountain Institute. The Commission requested a cost-benefit analysis for a project option being developed on the St. Louis County Landfill site.

Commission discussed 2026 Watermain Capital Investment Plans. Commission prioritized lead projects within the project planning. Commission discussed external funding opportunities. Commission requested RFQs for Potholing and Vactruck leasing to evaluate the cost of internal vs external performance of 2026 Potholing.

Item 3. Compensation Philosophy

Commission receive a presentation of a draft Utility Compensation Philosophy from HR & Organizational Development Supervisor, Kendra Powers.

Action Item

Item 4. Approve Local 94 Tentative Agreement: effective date Jan. 1st 2026

Motion by Commissioner Hart, Supported by Commissioner Babich, to approve Tentative Agreement with Local 94 with an effective date of Jan. 1st, 2026.

Motion Carried unanimously.

Item 5. Other Discussion Items

Commission briefly reviewed accounting policy resolutions and power capacity sale to be brought to them at the Feb 17th Commission Meeting.

Commissioner Stokes requested evaluation and clarification of HPU's Mutual Aid policies.

Adjournment

Motion by Chair Bayliss, supported by Commissioner Sandstede, to adjourn the meeting at 7:25 p.m.

Motion carried unanimously

Attest:

James Bayliss, Chair

Jeff Hart, Commission Secretary

**Meeting materials are available at
The next meeting is a regular meeting scheduled for Tuesday, February 17th, 2026
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 January 15th, - February 11th, 2026

February 17th, 2026

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

RE: Item 5.A – Approve Invoices >\$10,000 and bills & ACH transfers dated January 15th – February 12th, 2026

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 January 20th, 2026.

Sincerely;



Luke J. Peterson

Report Criteria:

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

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
APPLIED INDUSTR	7033741584	(2) 116P/77 .34' Strands of WDH480IH Drag Chain	01/15/2026	01/19/2026	14,085.67	63304	01/21/2026
Total APPLIED INDUSTRIAL:					14,085.67		
ARROW AUTO GLA	002-025840	Installation of (6) Operating Windows at Power Plant	12/31/2025	01/12/2026	21,637.57	63305	01/21/2026
Total ARROW AUTO GLASS AND SUPPLY:					21,637.57		
BCBS RETIREE	2601024249	RETIREE ACTIVE COVERAGE 02/01/26/-02/28/26	01/26/2026	01/26/2026	11,764.00	12120266	01/21/2026
Total BCBS RETIREE:					11,764.00		
BOLTON & MENK, I	0384258	2025 LSL Admin prof services through DEC 2025	12/31/2025	01/15/2026	27,106.51	63308	01/21/2026
	0384260	2025 General Engineering Prof Services Nov 8 to Dec 5 2025	12/31/2025	01/15/2026	11,310.50	63308	01/21/2026
	0384264	GIS Support addtl-WaterNov 8 to Dec 5 2025	12/31/2025	01/15/2026	11,561.50	63308	01/21/2026
Total BOLTON & MENK, INC:					49,978.51		
BOUGALIS INC	PAY APP# 6	2025 Water distribution 17th, 18th St, 5th, 6th and 12th Avenue	12/29/2025	01/13/2026	275,653.15	63310	01/21/2026
Total BOUGALIS INC:					275,653.15		
CORE & MAIN	Y341966	Electric meters for AMI project- Stratus IQ+ CL200 240V	01/07/2026	01/12/2026	485,318.40	63314	01/21/2026
Total CORE & MAIN:					485,318.40		
DTE	90426356	1000 Ton Coal Purchase for 2025-2026 Planning Year	01/09/2026	01/12/2026	59,400.50	63317	01/21/2026
Total DTE:					59,400.50		
GROEBNER & ASS	145662-02	AMI Gas Meters & Connections.	01/02/2026	01/12/2026	56,340.75	63329	01/21/2026
Total GROEBNER & ASSOCIATES:					56,340.75		
HIBBING ACH, CIT	000238-DEC	December Stormwater	01/21/2026	01/21/2026	25,026.40	12120265	01/21/2026
	000238-DEC	December Sewer	01/21/2026	01/21/2026	313,598.84	12120265	01/21/2026
	000238-DEC	December Garbage	01/21/2026	01/21/2026	232,864.09	12120265	01/21/2026
Total HIBBING ACH, CITY OF:					571,489.33		
HIBBING CITY OF	238-2026012	Pay App 7 23rd ST Proj--PUC Portion	01/21/2026	01/26/2026	123,703.83	63416	02/10/2026
	238-2026012	Pay App 8 23rd ST Proj--PUC Portion	01/21/2026	01/26/2026	235,856.45	63416	02/10/2026
Total HIBBING CITY OF:					359,560.28		
LAKE STATES CON	11813	Feeder 3 boring and cable pulling on TH169	12/31/2025	01/12/2026	132,831.00	63342	01/21/2026
Total LAKE STATES CONSTRUCTION LLC:					132,831.00		
LEAGUE OF MN CI	40007076.H	2026 Property and Casualty Coverage Premium	01/14/2026	01/19/2026	98,268.00	63343	01/21/2026

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
Total LEAGUE OF MN CITIES INSURANCE TRUST:					98,268.00		
MERJENT INC	0049750	Change order approved LP 7/25/25-Prof Svcs DEC 2025, Project Management, Routing Support, Land Rights Support	01/09/2026	01/20/2026	18,422.80	63345	01/21/2026
Total MERJENT INC:					18,422.80		
Minger Construction	PAY APP #6	TH 169 Sliplining - 23rd Street to 25th Street	07/30/2025	01/14/2026	14,584.13	63346	01/21/2026
Total Minger Construction Companies, Inc.:					14,584.13		
MINNESOTA POWE	0766539159	Purchased Power for December 2025	01/16/2026	01/20/2026	814,484.28	12120262	01/21/2026
Total MINNESOTA POWER ACH DO NOT MAIL:					814,484.28		
MN PEIP	1592075	ACTIVE EMPLOYEE HEALTH COVERAGE 02/01/26-02/28/26	01/10/2026	01/29/2026	163,867.72	13020262	01/30/2026
Total MN PEIP:					163,867.72		
MN PUBLIC FACILI	MPFA-DWRF	Interest on MPFA-DWRF-L-037-FY	02/20/2026	02/06/2026	66,371.82	21020261	02/10/2026
	MPFA-DWRF	Interest MPFA-DWRF-L-039-FY24	02/20/2026	02/06/2026	46,115.67	21020261	02/10/2026
Total MN PUBLIC FACILITIES AUTHORITY:					112,487.49		
MN REVENUE SAL	01212026	MONTHLY SALES TAX DEC 2025	01/21/2026	01/22/2026	136,671.00	12120264	01/21/2026
Total MN REVENUE SALES TAX:					136,671.00		
RICE LAKE CONTR	PAY APP #21	South Water Treatment Plant Rehab Project; General Conditions, Site Work, Heater, Flooring, CMAR	01/05/2026	02/09/2026	103,974.09	63417	02/10/2026
	PAY APP #21	South Water Treatment Plant Rehab Project--Well & Wellhouse Construction	01/05/2026	02/09/2026	84,500.00	63417	02/10/2026
	PAY APP #22	South Water Treatment Plant Rehab Project; General Conditions, Plumbing & HVAC, Electrical, Process Piping & Equipment CMAR Fee	02/03/2026	02/09/2026	74,778.12	63417	02/10/2026
	PAY APP #22	South Water Treatment Plant Rehab Project; Well & Wellhouse Construction	02/03/2026	02/09/2026	60,000.00	63417	02/10/2026
Total RICE LAKE CONTRACTING CORP:					323,252.21		
RIHM KENWORTH	DE-13708	New 2026 Kenworth T380bucket Sourcewell pricing Contract 032924-KTC Price: \$125036.00 Admin \$350.00 = \$125,386.00	12/29/2025	01/21/2026	125,386.00	63357	01/21/2026
Total RIHM KENWORTH:					125,386.00		
SAVANNA PALLET	INV169050	2026 Wood Supply--Shipped 1/3	01/03/2026	01/12/2026	39,641.40	63359	01/21/2026
	INV169303	2026 Wood Supply--Shipped 1/11	01/11/2026	01/20/2026	49,665.73	63359	01/21/2026
	INV169470	2026 Wood Supply--Shipped 1/17	01/17/2026	01/23/2026	61,177.30	63418	02/10/2026
	INV169671	2026 Wood Supply--Shipped 1/25	01/25/2026	02/03/2026	86,360.83	63418	02/10/2026
	INV169908	2026 Wood Supply--Shipped 2/1	02/01/2026	02/06/2026	52,871.97	63418	02/10/2026
Total SAVANNA PALLETS:					289,717.23		
TAMMY MATTONE	DECEMBER.	Accounting Consulting for DEC; Maintain accurate records, Grant Compliance Training, IRA Tax Credit corrections, Audit prelim reports, Capital Budget Update, Inventory Support & Corrections	12/31/2025	01/21/2026	13,557.50	63364	01/21/2026
	NOVEMBER.	Accounting Consulting for NOV; Maintain accurate					

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
		records, Fraud Mitigation and Positive Pay Implementation, IRA tax credit, Budgeting work	01/20/2026	01/21/2026	12,750.00	63364	01/21/2026
Total TAMMY MATTONEN CONSULTING LLC:					26,307.50		
WEG TRANSFORM	2344054	10 MVA Transformer - WEG Q495938879 - Gas Plant Substation	12/30/2025	01/06/2026	724,988.00	63392	01/30/2026
Total WEG TRANSFORMERS USA LLC:					724,988.00		
WEX HEALTH, INC.	01152026	HSA CONTRIBUTIONS 2026	01/15/2026	01/26/2026	423,500.00	12020261	01/20/2026
	01162026	VEBA CONTRIBUTIONS 2026 RETIREE	01/16/2026	01/26/2026	12,687.50	11620263	01/16/2026
	01162026-1	VEBA CONTRIBUTIONS 2026	01/16/2026	01/26/2026	24,500.00	11620262	01/16/2026
Total WEX HEALTH, INC.-:					460,687.50		
Grand Totals:					5,347,183.02		

Report Criteria:

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



Item 5.B

Item 5.B – Approval of Payroll Paid and Overtime Report for the
January 22nd & February 5th, 2026 Payroll Dates

February 17th, 2026

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

RE: Item 5.B – Approval of Payroll Paid and Overtime Report for the October 2nd &
January 22nd & February 5th, 2026 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 January 20th, 2026.

Sincerely;



Luke J. Peterson

Report Criteria:

Employee Transaction.Check Issue Date = 01/22/2026

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	194,517.58
Total REGULAR WAGES - FOREMAN:	1,584.48
Total REGULAR WAGES - LEAD:	613.82
Total OVERTIME WAGES:	7,669.17
Total OVERTIME WAGES - FOREMAN:	237.16
Total OVERTIME WAGES - LEAD:	239.31
Total SUNDAY PREMIUM:	1,384.50
Total VACATION PAY:	6,835.12
Total SICK LEAVE - REGULAR:	8,258.94
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total PERSONAL HOLIDAY:	1,003.92
Total SHIFT DIFFERENTIAL .75/HR:	360.00
Total LONGEVITY:	2,722.53
Total STANDBY:	3,057.75
Total CERTIFICATE/LICENSE:	1,082.85
Grand Totals:	<u>229,567.13</u>

Report Criteria:

Employee Transaction.Check Issue Date = 02/05/2026

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	187,135.31
Total REGULAR WAGES - FOREMAN:	2,420.18
Total REGULAR WAGES - LEAD:	667.68
Total OVERTIME WAGES:	17,754.19
Total OVERTIME WAGES - FOREMAN:	2,356.29
Total OVERTIME WAGES - LEAD:	160.92
Total SUNDAY PREMIUM:	1,434.78
Total VACATION PAY:	11,282.63
Total SICK LEAVE - REGULAR:	7,834.87
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	303.60
Total PERSONAL HOLIDAY:	1,965.12
Total SHIFT DIFFERENTIAL .75/HR:	411.38
Total LONGEVITY:	2,722.53
Total STANDBY:	2,911.63
Total LEAVE PAYOUT (NO RETIREMENT):	2,907.68
Total MUTUAL AID:	16,061.58
Total CERTIFICATE/LICENSE:	1,082.85
Grand Totals:	<u>259,413.22</u>



Item 5.C

Item 5.C – Ratify Emergency Purchase of 2,000 tons of coal from DTE

February 17th , 2026

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

RE: Item 5.C – Ratify Emergency Purchase of 2,000 tons of coal from DTE

Dear Commissioners;

Staff is requesting the ratification of an emergency purchase of 2,000 tons of coal from DTE. This purchase was authorized for emergency purchase to maintain maximum feasible operations at HREC during the most critical stretch of the Winter Storm Fern event. The pricing of the coal was \$83.64 per ton, which is identical to the purchase price authorized by the Commission during the November 2025 Commission Meeting.

As per Commission policy, the Commission was notified on the day of the emergency purchase, January 26th. This action now requires formal ratification by action of the Commission.

Sincerely;



Luke J. Peterson

From: [Luke Peterson](#)
To: [Luke Peterson](#)
Cc: [Paul Plombon](#); ["Andy Borland"](#); [Kendra Powers](#); [Dan Edwards](#)
Bcc: [James Bayliss](#); [jamesbayliss](#); [Jesse Babich](#); [Julie Sandstede](#); [Jeff Hart](#)
Subject: Coal Purchase - Emergency Purchase & Gas Update
Date: Monday, January 26, 2026 12:07:00 PM
Attachments: [Coal Supply Agreement - Hibbing 2026 - 2,000 tons \(Partially Executed - 01.26.2026\).pdf](#)
[image001.png](#)

Dear Commissioners,

As mentioned over the weekend in my email on Saturday morning, I wanted to inform you of an emergency purchase of 2,000 of coal that I have authorized today. The price of \$83.64 / ton are identical to the 1,000 tons purchased in November that we expect to burn through by tomorrow. We are still intending to run the plant at maximum generation through the middle of this week, waiting for at least 1-2 days of 'normal' conditions before taking off line. We are receiving 10-12 trucks per day and will want to ensure we have adequate coal in storage after the energy crises subsides for the next batch of volatile weather.

Natural Gas prices are continuing to be a concern – the protection that we have had on our operations has been taken away and we will be managing this tightly while we are still burning gas to keep up max generation.

I hear from Paul that we will be cut to approximately 6,000 Dth which is close to what the gas utility usage is. The plant gas purchases usage has the risk of being exposed to higher gas prices which we will manage through; however, I am taking a risk of purchasing high price gas ensure we have adequate generation until we have 1 or 2 days of 'normal' conditions.

While the weather is warming and the most of the effects of the storm meteorologically are passing, there are still wide spread gas cuts around Northern's system. Mike Casper, a friend from Jo Carrol Coop in northern IL and Board President of APGA just mentioned they are being cut completely and needing to buy gas at high market prices, worse than ours. I have made requests through APGA to speak with someone at DOE or FERC about the cuts and pricing implications in the upper mid-west and I will keep you posted.

Please Reach out with any questions.

Best Regards and Thanks,

Luke

LUKE PETERSON

General Manager

Hibbing Public Utilities
1902 E 6th Avenue
Hibbing, MN 55746



Tel: +1 (218) 262-7759
Mobile: +1 (218) 421-3926

COAL SUPPLY AGREEMENT

This Agreement is made as of this 26th day of January, 2026, by and between Midwest Energy Resources Company ("Seller") and Hibbing Public Utilities Commission ("Buyer"). Buyer and Seller are sometimes referred to herein individually as a "Party" or collectively as "Parties".

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

ARTICLE I SOURCE OF COAL

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

ARTICLE II TERM OF AGREEMENT

This Agreement shall become effective as of January 26, 2026 and unless terminated through another provision of this Agreement, this Agreement shall continue in effect until June 30, 2026 ("Term").

ARTICLE III QUANTITIES TO BE SUPPLIED

3.01 Quantity

During the Term of this Agreement, Buyer will purchase approximately 2,000 net tons of Coal ("Quantity").

3.02 Delivery Schedule

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

ARTICLE IV
QUALITY OF COAL

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

Coal Typical Specifications

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

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

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

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

ARTICLE V
LOADING, WEIGHING, SAMPLING AND ANALYSIS

5.01 Loading/Unloading

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

5.02 Weighing

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

5.03 Sampling and Analysis

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

ARTICLE VI
PURCHASE PRICE

6.01 Base Prices

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

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

Rail Component

Base Railcar Service Fee	\$ 2.50	None
Base BNSF Railway Cost	\$23.76	None
Base BNSF Fuel Adj.	\$ 4.04	None

Dock Component

Dock Services Fee	\$ 6.50	None
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Truck Component

Base Trucking Price	\$20.00	None
Base Trucking Fuel Adj.	\$ 1.84	See Section 6.02(a)

<u>Balance of Price</u>	<u>\$ 1.00</u>	None
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TOTAL:	\$83.64	Coal Per net ton
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6.02 Base Price Adjustments

(a) Truck Component

Trucking Fuel Adjustment

The Base Price shall be subject to changes from the Lakehead Trucking Fuel Adjustment as such index may be revised or replaced. The Lakehead Trucking Fuel Adjustment is presently calculated on or about the fifteenth (15th) day of each month and shall be effective beginning on the first day of the following calendar month. The fuel adjustment is based upon the change in the price of Minnesota on-highway diesel fuel from a base value of \$2.00 per gallon. The adjustment is determined by multiplying the estimated fuel use by the change in fuel price and dividing the result by the average tons per load. The November, 2025 Lakehead Trucking Fuel Adjustment of \$1.84 per net ton is calculated below:

Calculation Date: October 14, 2025

Current Fuel Price
Per Gallon \$ 3.424

Base Fuel Price
Per Gallon \$ 2.000

Increase \$ 1.424

Fuel Adjustment per ton = $\frac{\text{Mileage}/5.71 \text{ mpg} * \$1.424}{24 \text{ tons}}$

$$\text{Fuel Adjustment per ton} = \frac{(176.7/5.71) * \$1.424}{24}$$

$$\text{Fuel Adjustment per ton} = \frac{30.95 * \$1.424}{24}$$

$$\text{Fuel Adjustment per ton} = \$ 1.84$$

(b) Other Changes in Government Impositions

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

6.03 Rounding

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

6.04 Retroactive Adjustment Term

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

ARTICLE VII
DELIVERY, TITLE, PAYMENT AND SECURITY INTEREST

7.01 Point of Delivery

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

7.02 Title and Risk of Loss

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

7.03 Invoices and Payment

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

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

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

ARTICLE VIII DISCLAIMERS OF WARRANTIES

8.01 Express Warranties

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

8.02 Implied Warranties

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

ARTICLE IX FORCE MAJEURE AND ENVIRONMENTAL REGULATION CHANGE

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

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

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

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

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

ARTICLE X
LIMITATION OF LIABILITY

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

ARTICLE XI
MISCELLANEOUS

11.01 Assignment

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

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

11.03 Successors and Assigns

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

11.04 Notices

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

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

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

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

11.05 Non-Waiver

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

11.06 Entire Agreement

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

11.07 Governing Law

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

11.08 Severability

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

11.09 Confidentiality

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

11.10 Construction of Terms

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

11.11 Representation and Warranties

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

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

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

BUYER:
HIBBING PUBLIC UTILITIES COMMISSION

By: _____

By: _____

Title: _____

Title: Commission Chairperson

Date: _____

Date: _____

SELLER:
MIDWEST ENERGY RESOURCES COMPANY

By: _____
[Signature]

Title: _____
President

Date: _____
1/26/2016



Item 5.E

Item 5.E – Authorize listed Requests for Contribution

February 17th, 2026

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

RE: Item 5.E – Authorize Listed Requests for Contribution

Dear Commissioners;

The Hibbing Public Utilities Commission has the authority to make the charitable contributions to community organizations and events that develop the tourist, recreational, industrial, commercial, or vocational resources of Hibbing. As per the Commission direction, contributions are being awarded to qualified organizations as applications are received and then presented to the Commission for authorizations.

The Following contributions were awarded in the month of February, 2026

Organization	Sector of Support	Request Amount
Hibbing Chamber of Commerce	Commercial	\$519
Northstar Foundation	Recreation	\$500
Mesaba Concert Association	Recreation	\$500

Sincerely;



Luke J. Peterson



REQUEST FOR CONTRIBUTION

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

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

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

REQUESTING PARTY INFORMATION:

NAME OF ORGANIZATION: Hibbing Chamber of Commerce

CHECK PAYABLE TO: Same

CONTACT NAME: Amy Mandt PHONE NO. 218-262-3895

ADDRESS: 318 E Howard St., Hibbing, MN 55746

DATE: 1/22/2026

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

The Hibbing Chamber of Commerce is hosting its Annual Dinner on Friday, January 30th at a transformed Hibbing Armory Building. This event brings together community leaders from all sectors in Hibbing to unite around a shared vision of the future of the community. The Chamber is seeking a sponsor to support the decoration of the venue.

AMOUNT OF REQUEST: \$519

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

This event brings together community leaders from the tourist, recreational, industrial, commercial, and vocation sectors of Hibbing and across the Iron Range. This event provides a net benefit to all of these sectors through the networking opportunities that allow each sector to advance their interests and improve Hibbing's resources across these sectors.



REQUEST FOR CONTRIBUTION

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

Commission Secretary

Date

p/forms/admin/Request for Contribution.doc



REQUEST FOR CONTRIBUTION

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

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

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

REQUESTING PARTY INFORMATION:

NAME OF ORGANIZATION: NorthStar Foundation

CHECK PAYABLE TO: NorthStar Foundation

CONTACT NAME: David Bodnarszuk PHONE NO. 218/262-5132

ADDRESS: P.O. Box 293 Hibbing MN 55746

DATE: Feb. 3, 2026

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

The 31st annual Art Camp for youth will be held at Mesaba Coop Park, June 15-18, 2026. 24 children, ages 8-13, will enjoy music, hiking, Maypole & Radio Drama. Est Project

AMOUNT OF REQUEST: \$500⁰⁰ | Cost: \$8,500⁰⁰

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

The NorthStar Art Camp for children develops recreational resources for youth & families in Hibbing and the surrounding area. The fee for campers is low, due to contributions from local businesses and organizations.



REQUEST FOR CONTRIBUTION

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

Commission Secretary

Date

p/forms/admin/Request for Contribution.doc

REQUEST FOR CONTRIBUTION

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

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

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

REQUESTING PARTY INFORMATION:

NAME OF ORGANIZATION: Mesaba Concert Association (MCA)
CHECK PAYABLE TO: MCA
CONTACT NAME: Suzanne Dustrude Starr PHONE NO. 218-969-7777
ADDRESS: 406 N. Inner Drive, Hibbing, MN 55746
DATE: Oct. 29, 2025

PROJECT DESCRIPTION: (Please provide project description including scope, estimated project costs, location, schedule, etc.)
MCA brings high quality concerts at a very affordable price to Hibbing. This year our season has 5 concerts in Hibbing plus 4 in Virginia. Our concerts are at HHS. Our budget is \$25,000 - \$30,000 for these concerts. We rely on community sponsorship to offset what ticket \$500 sales don't bring in. ^(#50 for a full season)
AMOUNT OF REQUEST: \$500 * see attached.

REASON FOR REQUEST: (Please describe the ways in which the request meets the statutory purpose, describe under PURPOSE above):
Music is a great source of relaxing energizing recreation. Having a full concert series such as MCA provides is an outstanding accomplishment for a city our size. Live entertainment + cultural experiences are attractive to people considering moving here as well as wonderful enrichment right here at home for those not excited about having to drive to Duluth or Mpls. to see good, live music.
Thank you so much for your consideration. *Suzanne*



REQUEST FOR CONTRIBUTION

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

Commission Secretary

Date

p/forms/admin/Request for Contribution.doc

Dear HPUC,
Need this year! Please see incentives we provide in return for your generous support. Call Suzanne @ 218-969-7777 + I will be sure to get your free tickets to you. Thank you.

Mesaba Concert Association (MCA) *Suzanne*



Sponsor or Friend Benefits

Platinum "Hallelujah Chorus" Sponsor **(\$5000 +)** *

- Name printed in program for all Hibbing concerts (or anonymous)
- Ticket package (optional), please circle one:
 - a) 10 MCA Household Season Passes + 25 single tickets to any Hibbing concert (\$1600 value)
 - b) 4 MCA Adult Season Passes + 70 single tickets to any Hibbing concert (\$1600 value)
 - c) 80 single tickets to any Hibbing concert (\$1600 value)
 - d) Custom combination not to exceed \$1600 value (we will contact you to arrange)

Gold Sponsor **(\$1000-\$4999)** *

- Name printed in program for all Hibbing concerts (or anonymous)
- Ticket package (optional), please circle one below:
 - a) 2 MCA Household Season Passes + 29 single tickets to any Hibbing concert (\$800 value)
 - b) 4 MCA Adult Season Passes + 30 single tickets to any Hibbing concert (\$800 value)
 - c) 40 single tickets to any Hibbing concert (\$800 value)
 - d) Custom combination not to exceed \$800 value (we will contact you to arrange)

Silver Sponsor **(\$500-\$999)** *

- Name printed in program for all Hibbing concerts (or anonymous)
- Ticket package (optional), please circle one below:
 - a) 1 MCA Household Season Passes + 15 single tickets to any Hibbing concert (\$410 value)
 - b) 2 MCA Adult Season Passes + 15 single tickets to any Hibbing concert (\$400 value)
 - c) 20 single tickets to any Hibbing concert (\$400 value)
 - d) Custom combination not to exceed \$410 value (we will contact you to arrange)

Bronze Sponsor **(\$250-\$499)** *

- Name printed in program for all Hibbing concerts (or anonymous)
- Ticket package (optional), please circle one below:
 - a) 1 MCA Household Season Passes + 5 single tickets to any Hibbing concert (\$210 value)
 - b) 2 MCA Adult Season Passes + 5 single tickets to any Hibbing concert (\$200 value)
 - c) 10 single tickets to any Hibbing concert (\$200 value)
 - d) Custom combination not to exceed \$210 value (we will contact you to arrange)

Iron Friend **(\$100-\$249)** *

- Name printed in program for all Hibbing concerts (or anonymous)

Taconite Friend **(Up to \$99)** *

- Name printed in program for all Hibbing concerts (or anonymous)

* Option to donate "In memory of" at the bottom of the reverse page.



Dear Mesaba Concert Association (MCA) supporter,

MCA has 9 exciting concerts for our 2025-26 season, 5 at the historic Hibbing High School auditorium and 4 in Virginia! Our organization has been in existence for almost 75 years and brings a wide variety of exceptional live music to Hibbing audiences at affordable prices. Please help us keep MCA thriving.

Besides joining us as a Member, Friend, or Sponsor, here are some other ways to support MCA:

- If you are a Thrivent client, please consider directing your Thrivent Choice Dollars to MCA.
- If you have a Required Minimum Distribution (RMD), please consider making a Qualified Charitable Distribution (QCD) to MCA.

Feel free to reach out to us if you want to make any other form of planned giving through your estate or financial planning such as bequests, charitable remainder trusts, charitable gift annuities, or naming MCA as a beneficiary of a life insurance policy or retirement plan.

Thank you from the bottom of our hearts!
Your MCA Board



2025-2026 Mesaba Concert Association (MCA)

Please fill in completely, scan the QR code, or go online to www.mesabaconcert.org.
Questions: mesabaconcert@gmail.com

Name _____ Address _____
 City _____ State ____ Zip code _____ Phone _____
 Email _____ Referred by _____

<p><u>MEMBER TICKETS</u></p> <p>Adults _____ @ \$50 = \$ _____ Students _____ @ \$10 = \$ _____ Household _____ @ \$110 = \$ _____</p> <p><u>FRIEND DONATIONS:</u></p> <p>Iron Friend (\$100-\$249) \$ _____ * Taconite Friend (up to \$99) \$ _____ *</p> <p>Total Enclosed \$ _____</p> <p>____ Please list my donation as anonymous</p>	<p><u>SPONSOR DONATIONS</u></p> <p>Platinum "Hallelujah" Sponsor (\$5000+) \$ _____ * Gold Sponsor (\$1000-\$4999) \$ _____ * Silver Sponsor (\$500-\$999) \$ _____ * Bronze Sponsor (\$250-\$499) \$ _____ *</p> <p>____ YES, I have circled a ticket package on the other side ____ NO, I am not interested in tickets, just Sponsoring</p> <p>Total Enclosed \$ _____</p> <p>____ Please list my donation as anonymous</p>
--	---

**Make checks payable and mail to: MCA (Mesaba Concert Association)
PO Box 214, Hibbing MN, 55746-0214**

* To donate "In memory of" someone, please list that information on the line below:



Item 6.A

Item 6.A – Energy Market Update – Winter Storm Fern

February 17th, 2026

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

RE: Item 6.A – Energy Market Update – Winter Storm Fern

Dear Commissioners;

In this discussion topic, we will discuss the impacts of Winter Storm Fern.

Beginning January 16th, 2026 with the Willow River pipeline rupture, and subsequently compounded by the national impacts of Winter Storm Fern, Hibbing Public Utilities was affected by a Northern Natural Gas Force Majeure. This event created significant supply constraints across the region. During this event, HPU experienced potential gas supply reductions, requiring close coordination between HPU staff and NNG to manage nominations and protect system reliability.

At the same time the Midcontinent Independent System Operator (MISO) declared maximum generation emergency events due to regional generation shortages and extreme weather conditions. In response, HPU operated the HREC plant at a high level output throughout the weekend of January 24th through early February.

The combination of these events spiked the prices of energy commodities, increasing the cost of Dekatherm of gas and MW/h of power by 10-20 times the average market costs. HPU's priorities throughout this market volatility were first to protect the capacity and affordability of local services to meet the needs of our community, and secondly to increase HREC operations to maximum output to benefit from favorable market pricing. HPU is uniquely positioned to respond to these types of events due to the smart, long-term investments in the Hibbing Renewable Energy Center's fuel flexibility and the dedicated work of our employees.

While conditions fluctuated, HPU maintained generation levels ranging from approximately 15 MW to 24 MW, and at times exported power in excess of local load to support grid reliability. To sustain plant operations during these elevated grid conditions and avoid fuel shortages, HPU utilized HREC's ability to burn coal as a generation fuel. This strategy also helped protect gas customers by reducing plant gas consumption during a period of constrained supply, while preserving HREC's ability to maintain maximum feasible output.

Staff views this event as a valuable proof of concept for HPU's operational model and generation philosophy. Accordingly, staff look forward to discussing lessons learned and continuing to pursue projects and strategies that will strengthen HPU's ability to respond to future energy emergencies.

Sincerely;

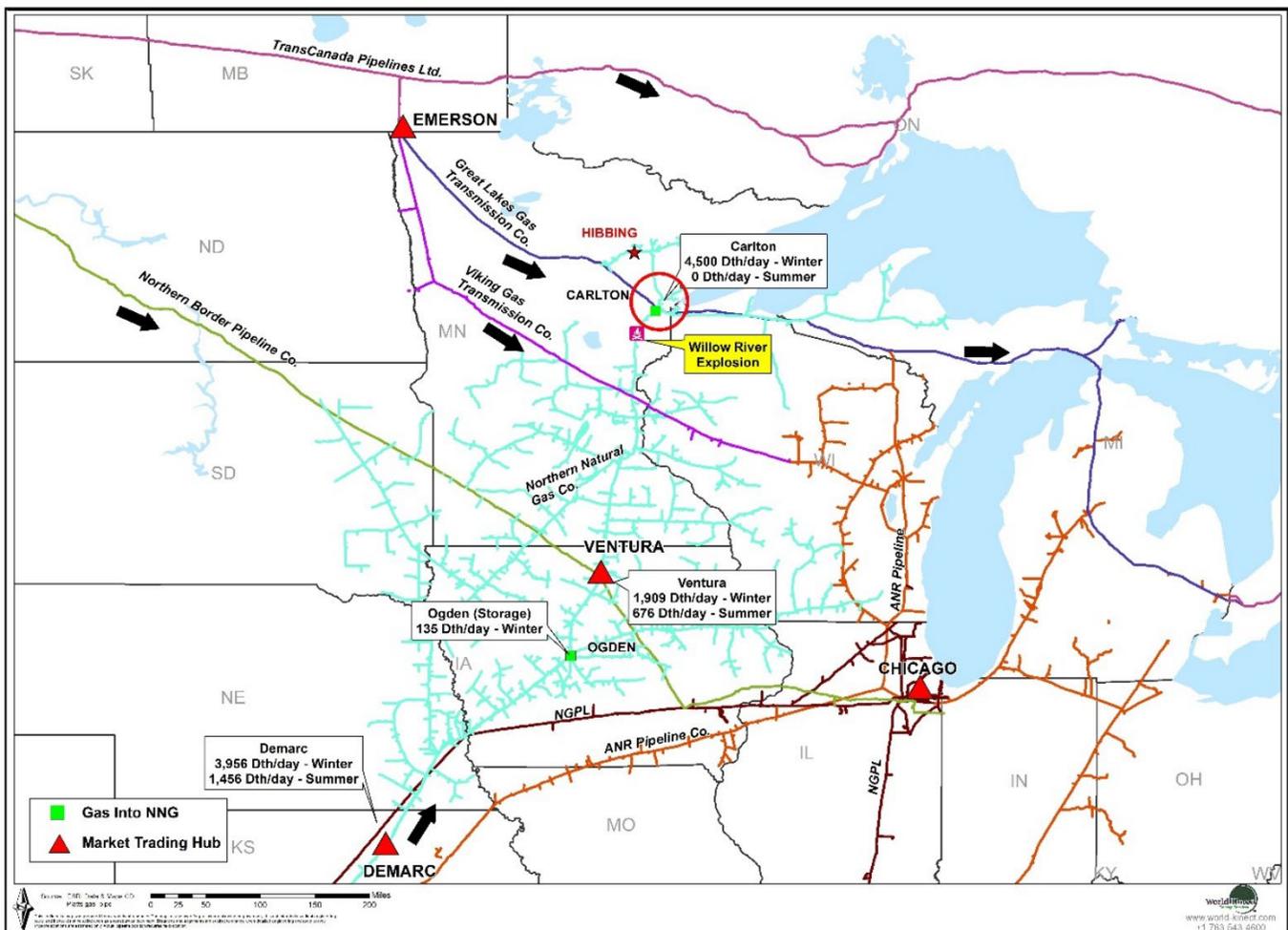
A handwritten signature in black ink that reads "Luke J. Peterson". The signature is written in a cursive style with a large initial 'L' and 'P'.

Luke J. Peterson

Hibbing Public Utilities Commission
General Notes for FERC Meeting: 1/29/26

NNG Force Majeure

- On Friday, January 16th, Northern had a pipeline rupture on a section of their pipe near Willow River, MN
 - [News Article](#)
 - [NNG FMJ Posting](#)
- Due to the rupture, Northern had to call a Force Majeure and impact supply
 - This primarily impacted receipts from Great Lakes Gas Transmission (GLGT)
 - Prior to impact, there was capacity available for almost 687,000 of receipts
 - Post-impact, the capacity for these receipts was reduced to 225,000 collectively



	Original Capacity			
GLGT Carlton	550,000			
GLGT Wakefield	24,610			
GLGT Grand Rapids	24,000			
Semco Marquette M-35	88,000			
Semco Marquette Emergency	-			
		FMJCap	Max Impact	
	686,610	225,000		67%

Winter Storm Fern

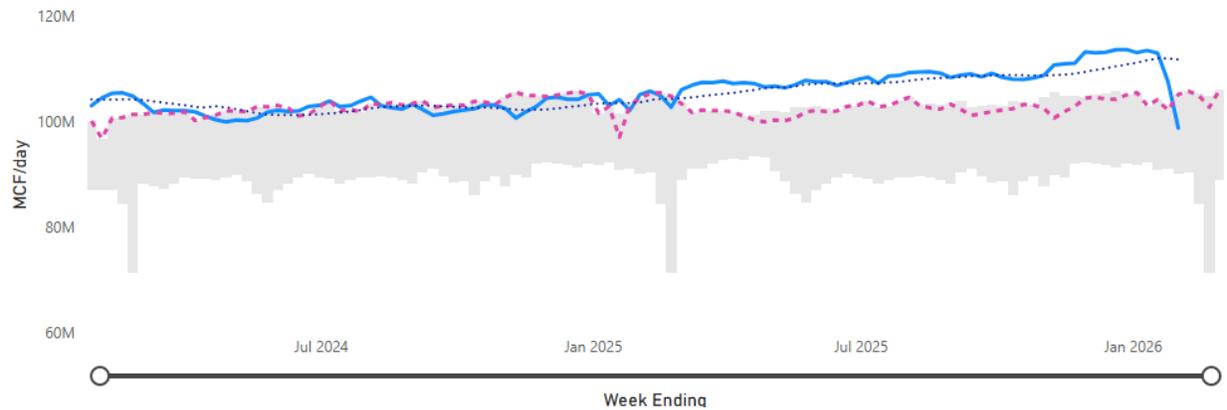
- **Supply**

- Natural gas production fell this last weekend as below freezing temperatures were sustained in key production areas such as Texas and Oklahoma. Early indications show roughly over 10 Bcf of production that had come offline Sunday (1/25) into Monday (1/26)

Natural Gas : Average Weekly Production

Lower 48

● 5yr Range ● Current Year ● Previous Year ● 90d MA



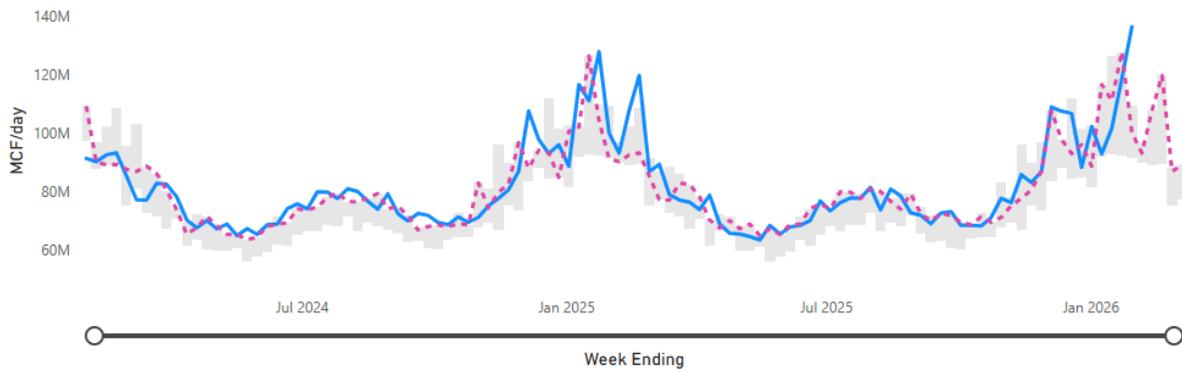
- **Demand**

- Demand during Winter Storm Fern was notably higher—as expected—with below freezing temperatures gripping most of the lower 48
- Power generation created another strong pull on supply outside of the typical ResComm need, increasing total demand and putting more strain and competition on supply

Natural Gas : Average Weekly Consumption

Industrial, Gas-for-Power and Residential & Commercial (Lower 48)

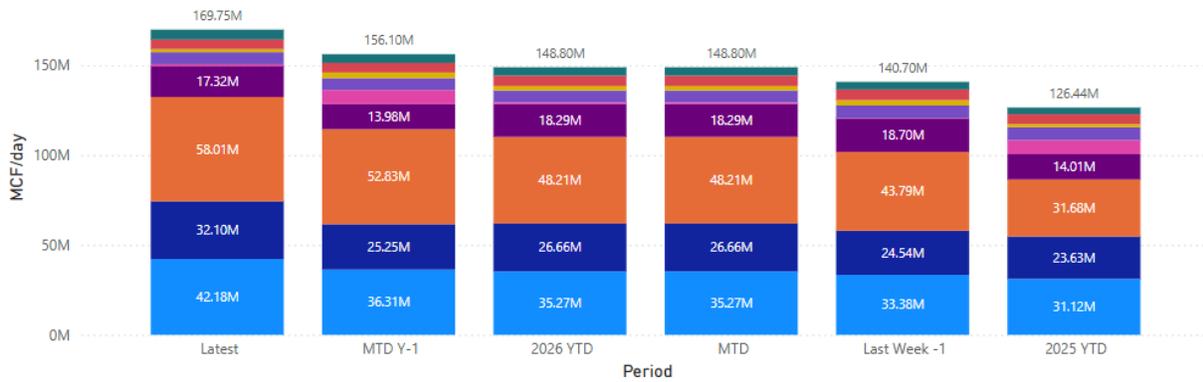
● 5yr Range ● Current Year ● Previous Year



Natural Gas : Average Daily U.S Demand

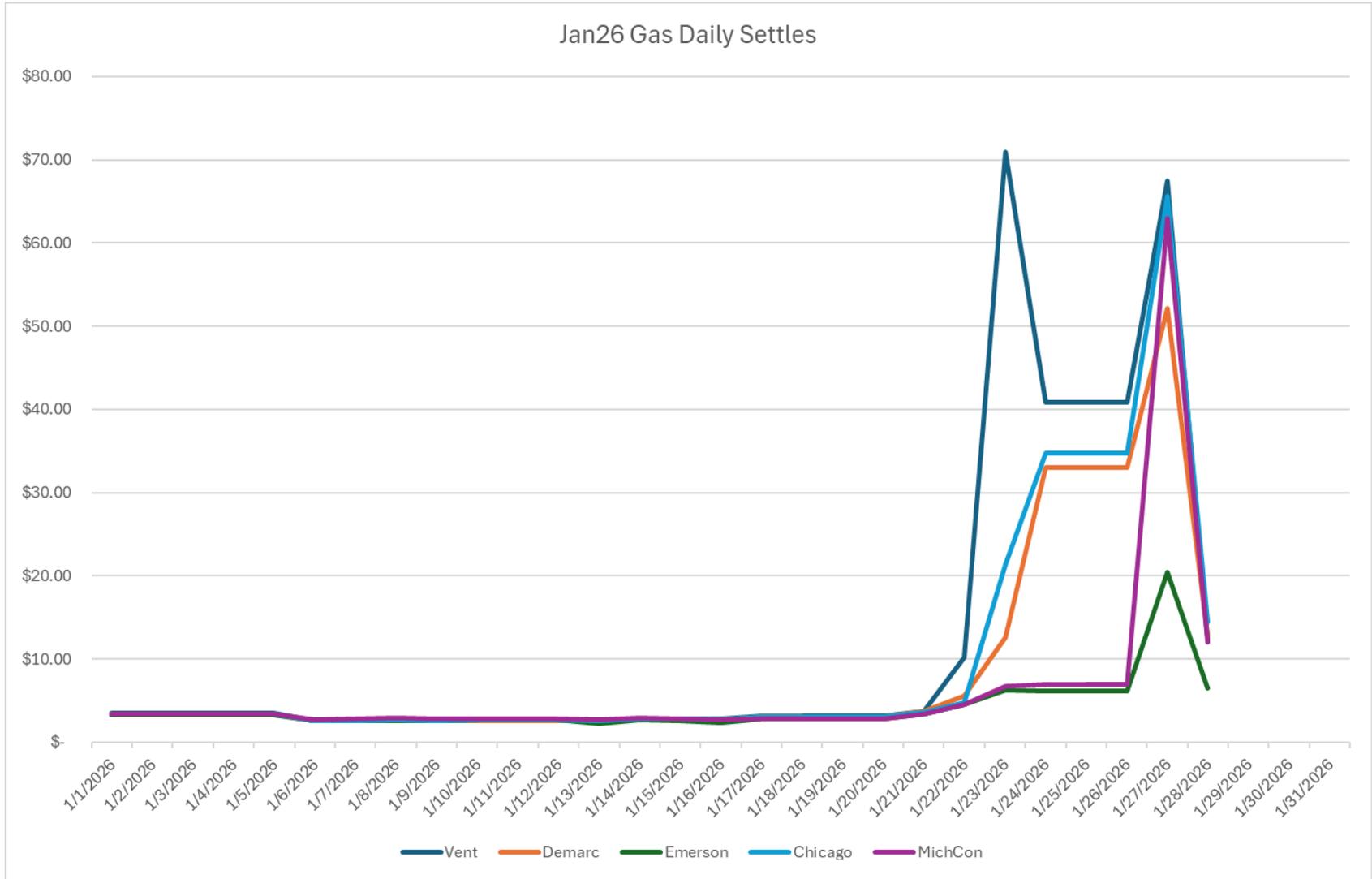
Lower 48

● Gas-for-Power ● Industrial ● ResComm ● LNG Feed Gas ● Storage Injection ● Exports (Mexico) ● Exports (Canada) ● Plant Fuel ● Pipe Losses

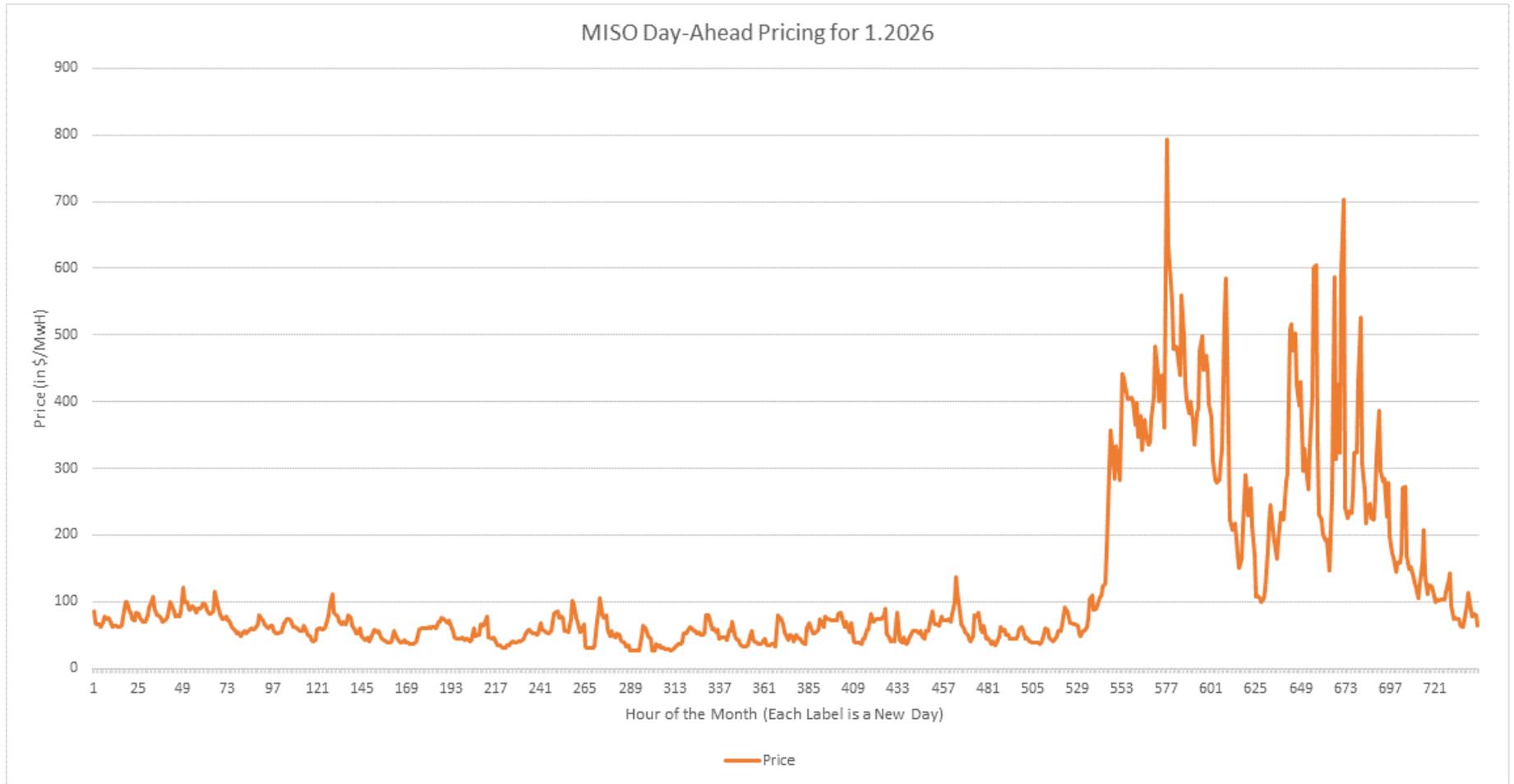


- **Pricing impacts**

- In the Midwest, pricing became very volatile heading into the brunt of Winter Storm Fern, on the news of lower temperatures, higher demand, and potential for production freeze-offs
 - This volatility was amplified by Northern's Force Majeure, as around 0.25-0.375 Bcf/d of usual market supply was no longer able to be sourced from Great Lakes
- Pricing in Northern's market area and surrounding hubs all broke double digits following the news of WS Fern
 - Ventura, one of Northern's primary supply points for their market area, hit a high daily settle of just under \$71/Dth for Friday, 1/23. Surrounding hubs at this same time remained relatively muted, with Chicago the next closest at ~\$21, Demarc at ~\$12.50, and Emerson at ~\$6
 - For the weekend, pricing remained elevated, with Ventura settling close to \$41/Dth, Demarc at close to \$33, and Chicago close to \$35
 - Following the weekend, things were still volatile for Tuesday, 1/27, as actual (instead of anticipated) production freeze-offs played into the supply/demand balance. Ventura, Chicago, and MichCon all settled over \$60/Dth, with Demarc settling in the \$50s



Hibbing's LMP Node





Item 6.B

Item 6.B – Approve Accounting Policy Resolutions

February 17th , 2026

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

RE: Item 6.B – Approve Accounting Policy Resolutions

Dear Commissioners;

The following items for your consideration are accounting policy resolutions recommended by Baker Tilly and HPU Staff for the 2026 Financial Year. Each resolution has a preceding cover letter describing the basis of and reason for the policy. Please reach out with any questions.

Sincerely;



Luke J. Peterson



Item 6.B.i

Item 6.B.1 – Approve Resolution 26-01:Deferral of 2025 Debt Issuance Costs

February 17st, 2025

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

RE: Item 6.B.1 – Approve Resolution 26-01: Deferral of 2026 Debt Issuance Costs

Dear Commissioners;

Please find attached for your consideration Resolution 26-01: Deferral of 2025 Debt Issuance Costs. The proposed resolution would defer the debt issuance costs for the 2025B, C and D revenue notes in the amount of \$245,750 over the life of the loan. Approval of this resolution would align expenses with the benefit received and allow for costs being recovered by MISO rates as the debt issuance will be utilized to finance transmission project costs.

Sincerely;



Luke J. Peterson

RESOLUTION NO. 26-01

Implement GASB Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, allowing the implementation of regulatory accounting treatment for debt issuance costs related to the 2025B, C, and D Revenue Notes.

WHEREAS, Hibbing Public Utilities (HPU) is required to maintain its accounting and financial records in accordance with the latest accounting rules promulgated by the Government Accounting Standards Board (GASB) for recording financial transactions by government agencies; and

WHEREAS, GASB Statement No.65: Items Previously Reported as Assets and Liabilities would require HPU to expense debt issuance costs at the time it is incurred rather than amortizing the cost over the life of the loan; and

WHEREAS, HPU believes it is more accurate and consistent with the principles that costs are to be paid over the useful life of the bond and to treat debt issuance costs as a regulatory asset to be amortized over the respective debt repayment schedule (from the period April 2028 through April 2048 when principal payments will be made per the contract); and

BE IT RESOLVED, that the Commission of the Hibbing Public Utilities does hereby approve and authorize staff to setup debt issuance costs resulting from the 2025B, C, and D revenue notes as a regulatory asset and amortize such costs over the respective debt repayment/rate recovery schedule.

Passed this 17th day of February, 2026.

Authorized by:

Commission Chair
James Bayliss

Commission Secretary
Jeff Hart



Item 6.B.ii

Item 6.B.ii – Approve Resolution 25-02: Deferral of 2025 Vegetation Management

February 17st, 2025

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

RE: Item 6.B.ii – Approve Resolution 26-02: Deferral of 2025 Vegetation Management

Dear Commissioners;

Please find attached for your consideration Resolution 26-02: Deferral of 2025 Vegetation Management. The proposed resolution would defer the 2025 vegetation management expenses of \$249,306.60 over 5 years in alignment with GASB Statement No. 62. Approval of this resolution would be in alignment with past Commission action for the 2022, 2023 and 2024 vegetation expenses.

Sincerely;



Luke J. Peterson

Resolution 26-02: Deferral of Vegetation Program

Be it resolved by the Hibbing Public Utilities (HPU) in its regular Board of Directors meeting of February 17th, 2026 that it hereby approves and adopts a policy to defer certain vegetation management costs for future rate recovery from customers.

HPU committed to spending amounts for vegetation management in 2022, 2023, 2024 and 2025 and would like to collect these vegetation management costs from ratepayers over a 5-year period. In 2025, HPU incurred \$249,306.60 in vegetation management costs. HPU management wishes to defer the 2025 expenditures as a regulatory asset and recover these costs in the next rate adjustment using a 5-year amortization. The 2022 expense deferral for vegetation management costs totaling \$75,925.914 was approved on April 25, 2023 in Resolution 15-23, the 2023 expense deferral for vegetation management costs totaling \$413,393.75 was approved on February 27, 2024 in Resolution 24-02 and the 2024 expense deferral for vegetation management costs totaling \$615,819.70 was approved on January 21, 2025.

To do as described in the preceding paragraph, the Board authorizes the use of Governmental Accounting Standards Board Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, specifically ***Regulated Operations***, (GASB 62) for the deferral of the tree trimming program costs.

The Board thus approves the deferral of \$ 249,306.59 in vegetation management costs and directs that these costs be recovered in customer rates over a 5-year period beginning with the next HPU electric rate adjustment.

Passed this 17th day of February, 2026.

Authorized by:

Commission Chair
James Bayliss

Commission Secretary
Jeff Hart



Item 6.C

Item 6.C – Approve Material Purchasing for Budgeted Projects

February 17th , 2026

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

RE: Item 6.C – Approve Material Purchasing for Budget Projects

Dear Commissioners;

The following items for your consideration are recommendations for materials purchasing for budgeted projects. Each recommendation is made in compliance with the required quoting process for purchases >\$25,000.

Please reach out with any questions regarding these items.

Sincerely;



Luke J. Peterson



Item 6.C.i

Item 6.C.i – Approve Purchase of 24” Valves for Steam Repairs from Hecimovich Mechanical in the amount of \$34,288.72

February 17th , 2026

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

RE: Item 6.C.i – Approve Purchase of 24” Valves for Steam Repairs from Hecimovich Mechanical in the amount of \$34,288.72

Dear Commissioners;

For your consideration, we are presenting three quotes for (2) 24” 150# CS FLG Gate valves. Quotes are from Allied Valve at \$53,438.00, James D. Acers at \$42,686.00, at Hecimovich Mechanical at \$34,288.72. We are recommending to purchase the valves from Hecimovich Mechanical.

Please see attached quotes.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

Bob Hecimovich Mechanical Contracting, Inc.

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

Hibbing: 218.262.2969
Fax: 218.263.6546

January 26, 2026

Hibbing Public Utilities
1832 East 6 Avenue
Hibbing, Mn 55746

Attn: Paul

RE: 19th St and 7th Ave Steam Tunnel 24" Valves

Paul,

Our price to supply two Powell 24" Gate Valves for the steam tunnel at 19th St and 7th Ave is \$34,288.72 plus freight.

Note: These valves have the best lead time compared to other brands.

Sincerely,

Tony Hecimovich



Item 6.C.ii

Item 6.C.ii- Approve Purchase of Ploy Duct from Border States Electric in the amount of \$24,958.74

February 10th, 2026

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

RE: Item 6.C.ii - Approve Purchase of Ploy Duct from Border States Electric in the amount of \$24,958.74

Dear Commissioners;

Staff is requesting Commission approval to purchase 300' 4" & 2,250' 6" HDPE SDR to install during the Beltline Substation project.

Quotes were requested from multiple material vendors. Border States Electric had the lowest, best quote in the amount of \$24,958.74.

Please let us know if additional information is requested.

Sincerely;



Luke J. Peterson



Border States - DUL
 4451 Airpark Blvd
 Duluth MN 55811-5728
 Phone: 218-727-8170

HIBBING PUBLIC UTILITIES
 1902 6TH AVE E
 HIBBING MN 55746-2154

Quote

Quote: 28365112
 Sold-To Acct #: 5003
 Valid From: 02/09/2026 To: 02/16/2026
 PO No: HDPE Duct for HPUC
 PO Date: 02/09/2026
 Payment Terms: NET 25TH PROX (31)

Created By: Easton H. Knealing
 Tel No:
 Fax No:

Inco Terms:
 FOB ORIGIN

Ship-to:
 HIBBING PUBLIC UTILITIES
 1902 6TH AVE E
 HIBBING MN 55746-2154

Cust Item	Item	Material MFG - Description	Quantity	Price	Per	UoM	Value
000010	3246827	DURL - 20000245 4IN SHUR-LCK CPLR IN STOCK AT PLANT ALLOW TRANSIT	3 EA	37.50	/ 1	EA	112.50
000020	3246830	DURL - 20000258 6IN SHUR-LCK CPLR IN STOCK AT PLANT ALLOW TRANSIT	2 EA	68.60	/ 1	EA	137.20
000030		- HDP400RSDR013SWREDREDNPP12DSSRS9 MOQ 3K FT LEAD TIME 14 DAYS 4" /SDR-13.5 /Regular /Smooth-Wall /Red /Red /No Lube /1,250# Poly Tape /Ink Jet /Standard Print /Steel /SR 96x42 Wide /500 No. of Reels: 6	3,000 EA	284.88	/ 100	EA	8,546.40
000040		- HDP600RSDR013SWREDREDNPP12DSSR12 MOQ 3.6K FT LEAD TIME 14 DAYS 6" /SDR-13.5 /Regular /Smooth-Wall /Red /Red /No Lube /1,250# Poly Tape /Ink Jet /Standard Print /Steel /SR 120x45 Wide /450 No. of Reels: 8	3,600 EA	476.74	/ 100	EA	17,162.64
000050		- 4IPS DR13.5 CONDUIT SMOOTH-RED; 96" ST R LEAD TIME 5 WEEKS	600 EA	3.49	/ 1	EA	2,094.00
000060		- 6IPS DR13.5 CONDUIT SMOOTH-RED; 120" ST LEAD TIME 5 WEEKS	2,250 EA	7.02	/ 1	EA	15,817.50

remove lines 50 & 60
 not needed

Total 10, 20, 30, 40
 \$24,958.74



Item 6.C.iii

Item 6.C.iii – Approve Purchase of 3 reels of 15kV Distribution Cable from Stuart Irby in the amount of \$34,848

February 17th , 2026

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

RE: Item 6.C.iii – Approve Purchase of 3 reels of 15kV Distribution Cable from Stuart Irby in the amount of \$34,848

Dear Commissioners;

Staff is requesting Commission approval to purchase three (3) reels of Okonite 15kV, 1/0 AL distribution cable to install during the New Haven Drive roadway development project.

This cable will be used to construct new underground primary distribution facilities required as part of the roadway development and eventually serve a proposed housing project.

Quotes were requested from multiple material vendors. Stuart Irby submitted the lowest quote in the amount of \$34,848.

Recommendation:

Approve the purchase of three (3) reels of Okonite 15kV, 1/0 distribution cable from Stuart Irby for a total cost of \$34,848 for the New Haven Drive roadway project.

Please let us know if additional information is requested.

Sincerely;



Luke J. Peterson



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

Quotation

QUOTE DATE	ORDER NUMBER
02/03/26	S014499728
REMIT TO:	PAGE NO.
STUART C IRBY CO POST OFFICE BOX 741001 ATLANTA GA 30384 1001	1

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

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

ORDERED BY: Tom

CUSTOMER NUMBER		CUSTOMER ORDER NUMBER		JOB/RELEASE NUMBER		OUTSIDE SALESPERSON	
113796						Michael J Uphoff	
INSIDE SALESPERSON		REQD DATE	FRGHT ALLWD	SHIP VIA			
Susan K Hill		02/03/26	Yes	BW BEST-WAY			
ORDER QTY	SHIP QTY	LINE	DESCRIPTION		Prc/UOM	Ext Amt	
8250FT		1	OKON 161-23-3069 1/0-SOL AL 220M EPR 15KV 16X14 2750' (+/-) Your # 054402 3 x 2750' Reels +/-05% Tolerance		4224.000M	34848.00	
Metals escalation based on Cu=\$6.0625 Al=\$2.47816 Base Price is \$4224/MFT					<div style="border: 1px solid black; border-radius: 50%; padding: 10px; display: inline-block;"> 4.22 per foot </div>		
Available May-June.							
<p><i>Ready to Order:</i> <i>Inventory 054402</i> <i>8250ft 1/0 OKON</i> <i>Solid AL 15KV EPR 220 MIL</i></p> <p><i>Last Purchase: PO 25008183</i> <i>8443 @ 3.96</i></p>							

*** This is a quotation ***

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

All transactions are subject to and exclusively governed by our Terms and Conditions of Sale which are incorporated herein and available at: <https://www.irbyutilities.com/terms>. Additional or conflicting terms are rejected, void, and of no force or effect.

Subtotal	34848.00
S&H CHGS	0.00
Sales Tax	0.00
TOTAL	34848.00

** Reprint ** Reprint ** Reprint **



Item 6.C.iv

Item 6.C.iv – Approve Purchase 3 Reels of 15kV 750 MCM AL
Distribution Cable in the Amount of \$108,972

February 17th , 2026

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

RE: Item 6.C.iv – Approve Purchase 3 Reels of 15kV 750 MCM AL Distribution Cable in
the Amount of \$108,972

Dear Commissioners;

Staff is requesting Commission approval to purchase three (3) reels of Okonite 15kV,
750 MCM AL cable to install at the substation and on feeder from the substation to
the hospital.

Quotes were requested from multiple material vendors. Stuart Irby submitted the
lowest quote in the amount of \$108,972.00.

Please let us know if additional information is requested.

Sincerely;



Luke J. Peterson



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

Quotation

QUOTE DATE	ORDER NUMBER
01/16/26	S014483472
REMIT TO: STUART C IRBY CO POST OFFICE BOX 741001 ATLANTA GA 30384-1001	PAGE NO. 1

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

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

ORDERED BY: Joe

CUSTOMER NUMBER		CUSTOMER ORDER NUMBER		JOB/RELEASE NUMBER		OUTSIDE SALESPERSON	
113796						Michael J Uphoff	
INSIDE SALESPERSON			REQD DATE	FRIGHT ALLWD	SHIP VIA		
Susan K Hill			01/16/26	Yes	BW BEST-WAY		
ORDER QTY	SHIP QTY	LINE	DESCRIPTION		Prc/UOM	Ext Amt	
300FT		1	PRWC 350-0135KV345MALJT 350MCM 35K ALUM TRXLP 1/3 LL Plus Freight		9.600EA	2880.00	
9000FT		2	Stock in Little Rock OKON 162-23-3096 750MCM-61X AL F/S 220M EPR 15KV 15X10 1500' (+/-) Stock- Subject to Prior Sale Metals escalation based on Cu-\$5.948 Al-\$2.37548		12108.000M	108972.00	
200FT		3	OKON 163-23-6072 170 345MIL URD, 2000 FT REELS 10-14 business days to ship Cutting charge of \$35 Reel charge per reel of 118 Length tolerance of +/-03% Tolerance Metals escalation of Cu-\$6.009 Al-\$2.37548 ----- Plus Freight!		8996.000M	1799.20	
1EA		4	Ref # 34-60037-000 ALFO 2EHD2PAL-18-AS PLATFORM 18' DBL EX HD AL ASSEMBLED 8-10 wks		16241.000EA	16241.00	

* This is a quotation *

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

Subtotal	129892.20
S&H CHGS	0.00
Sales Tax	0.00
TOTAL	129892.20

All transactions are subject to and exclusively governed by our Terms and Conditions of Sale which are incorporated herein and available at: <https://www.irbyutilities.com/terms>. Additional or conflicting terms are rejected, void, and of no force or effect.

** Reprint ** Reprint ** Reprint **



Item 6.D

Item 6.D – HPU Lead Projects

February 17th , 2026

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

RE: Item 6.D – HPU Lead Projects

Dear Commissioners;

As per the discussion at the February 10th, 2026 Commission Meeting, the Commission's top priority in 2026 water planning is the identification and removal of lead service lines and related risks. HPU staff is bringing forward the following items related to HPU's Lead Service Line and Potholing Projects for your consideration.

Please reach out with any questions.

Sincerely;



Luke J. Peterson

Item 6.A – Approve 2026 Capital Budget Including Lead Service Line Removal Projects

January 20th , 2026

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

RE: Item 6.A – Approve 2026 Lead Service Line Removal Projects

Dear Commissioners;

Following discussions at the October, November, and December workings sessions and most recently customer feedback at the Lead Town Hall held on January 12th, as well as the January working session on January 13th, HPU staff is pleased to report the 2026-2030 Capital Budget & Forecast.

This Forecast retains many of the priorities set by the Commission through conversations at the end of 2025, this budget outlines projects across HPU's Water, Steam, Gas, and Electric utilities. These projects will advance the shared goals of the Commission, HPU Staff, and community members to provide Hibbing with safe and reliable utility services, at industry-competitive rates.

Following discussions at the January 12th HPU Lead Open House, and the subsequent January 13th Working Session. It was identified that HPU's 2026 Capital Budget must include and prioritize projects resulting in the identification and removal of lead from Hibbing's Water System. These projects have been added to the budget for your consideration. Please find a summary of the proposed work below.

The following 8 city blocks are recommended to be included in the ***2026 Lead Service Line and Watermain Replacement Project***.

- 2000 Block of 4th Avenue W
 - 12 total service lines
 - 4 known LSL (utility side)
 - 8 unknown service lines
 - 4-inch watermain to be upsized to 8-inch watermain
 - 1 service line repair on record
 - Sanitary sewer and steam not within street area
- 2100 Block of 4th Avenue W
 - 14 total service lines
 - 4 known LSL (3 utility side; 1 private side)

- 10 unknown service lines
 - 12-inch CIP watermain replaced with PVC watermain
 - Sanitary sewer and steam not within street area
- 2100 Block of 4th Avenue E
 - 13 total service lines
 - 5 known LSL (4 utility side; 1 private side)
 - 8 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - 2 service line repairs on record
 - Sanitary sewer and steam not within street area
- 2200 Block of 4th Avenue E
 - 12 total service lines
 - 7 known LSL (6 utility side; 1 private side)
 - 5 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - Sanitary sewer and steam not within street area
- 2500 Block of 4th Avenue E
 - 18 total service lines
 - 8 known LSL (7 utility side; 1 private side)
 - 10 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - 1 service line repair and 2 watermain repairs
 - Sanitary sewer and steam not within street area
- 2200 Block of 10th Avenue E
 - 9 total service lines
 - 4 known LSL (utility side)
 - 3 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - Sanitary sewer and steam not within street area
- 2100 Block of 11th Avenue E
 - 19 total service lines
 - 4 known LSL (utility side)
 - 1 known galvanized (private side)
 - 14 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - 1 service line repair
 - Water service curb stops on east side of street located within paved roadway and will be relocated to boulevard to improve operation and maintenance
 - Sanitary sewer and steam not within street area
- 2200 Block of 11th Avenue E
 - 11 total service lines
 - 1 known LSL (utility side)
 - 10 unknown service lines

- 6-inch CIP watermain replaced with 8-inch PVC watermain
- 1 service line repair
- Sanitary sewer and steam not within street area

At an potential project cost of \$750,000 per city block for the replacement of watermain and service lines, including full street reconstruction, the total estimated project cost for the **2026 Lead Service Line and Watermain Replacement Project** is \$6,000,000. Lastly, based on our recent meeting with MDH staff, final plans and specifications are required to be submitted to MDH by March 31,2026 for certification to access the 2026 grant funding awarded for LSL replacement.

Also, as discussed during the lead townhall and subsequent discussions, HPU is including a separate line item in 2026 and 2027 for Lead Service Line Identification / Pothole Investigation.

HPU has already been awarded \$1M in grant funding for the replacement of lead service lines in 2026 and expects an additional grant funding based on our ability to identify all of the lead service lines throughout the city.

Through investigative work completed in October and November 2025, more than 100 lead service lines were identified throughout the core area of Hibbing.

The proposed project includes the replacement of 91 water service lines of which 37 are known to be lead or galvanized requiring replacement. Additionally, the project will replace approximately 3,500 linear feet of 4 and 6-inch CIP watermain that has exceeded its useful life and will be replaced with large water main for increased fire flow.

In total, this Forecast retains many of the priorities set by the Commission through conversations at the end of 2025, this budget outlines projects across HPU's Water, Steam, Gas, and Electric utilities. These projects will advance the shared goals of the Commission, HPU Staff, and community members to provide Hibbing with safe and reliable utility services, at industry-competitive rates.

Sincerely;

A handwritten signature in black ink that reads "Luke J. Peterson". The signature is written in a cursive, flowing style.

Luke J. Peterson

2026 LSL WATERMAIN REPLACEMENT PROJECT AREAS

HIBBING PUBLIC UTILITIES COMMISSION

JANUARY 2026



H:\HIBBING_MU_MN\001134423\CAD\C3D\2026 LSL WATERMAIN REPLACEMENT PROJECT AREA FIGURE.dwg 1/14/2026 3:22:59 PM



February 17th, 2026

Hibbing Public Utilities Commission

Page 113 of 178

PROJECT LOCATION



Item 6.D.i

Item 6.D.i – Approve Bolton & Menk Design & Engineering Scope of work for Corrosion Control in the amount not to exceed \$34,848

February 17th , 2026

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

RE: Item 6.D.i – Approve Bolton & Menk Design & Engineering Scope of work for Corrosion Control in the amount not to exceed \$34,848

Dear Commissioners;

For your consideration, we are have received a proposal from Bolton & Menk for the design, engineering, and oversight of the new Corrosion Control System at the Water Treatment Plant. BMI will be working closely with the Minnesota Department of Health to make sure HPU is meeting or exceeding all levels of this new asset to Hibbing's water infrastructure. The total for all work is not-to-exceed \$38,750.00.

Please see attached proposal.

Thank you for your consideration.

Sincerely;



Luke J. Peterson



Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

Via Email

December 12, 2025

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

Re: Corrosion Control System – Engineering and Design Services

Dear Mr. Peterson,

On behalf of Bolton & Menk, Inc., we thank you for the opportunity to present this scope and fee letter in response to the Hibbing Public Utilities (HPU) Commission's request for developing project plans and specifications for the addition of a corrosion control system at the South WTP.

Lead and copper samples are taken by HPU each year to ensure compliance with the federal Lead and Copper Rule. This rule regulates lead and copper in drinking water for public water systems across the US. As a part of this rule, sample results are analyzed for the 90th percentile concentration. If this concentration is above 15 µg/L for lead, and 1.3 mg/L for copper, a system is considered in violation of the rule. The 90th percentile in the latest round of lead and copper sampling for HPU was 32.5 µg/L, meaning the system needs to take action to lower the concentration of lead in the water system.

Lead in drinking can be naturally present in the source water, or it can enter via lead plumbing, pipes, and solder in the distribution system. HPU has tested its drinking water wells, and none have naturally elevated lead. Therefore, the lead is believed to enter the system via corrosion of lead plumbing in either the distribution system or individual homes.

HPU is currently completing an aggressive lead and copper replacement plan, but this will take time. HPU will also not be able to replace all in-home plumbing that may contain lead. Therefore, additional action is needed. HPU can use water treatment to reduce the corrosion potential of the water, reducing the risk of lead leaching into the drinking water. This can be done via the addition of a corrosion inhibitor, such as orthophosphate.

Multiple conversations have been held with the Minnesota Department of Health, who holds enforcement power of the lead and copper rule. During these discussions, it was determined the most effective option for HPU to lower lead levels was corrosion control via a corrosion inhibitor. To meet current regulations for separation of chemicals and chemical storage, this will require a separate chemical storage room to be constructed to house the corrosion inhibitor. This will be accomplished by constructing an interior wall within the large chlorine room to create an additional chemical room. The following work will be included in this project.

Name: Peterson
Date: December 12, 2025
Page: 2

- Construction of an interior masonry wall to create a new chemical room for the corrosion inhibitor.
- Removal of the existing overhead door and installation of a man door for access to the chemical room.
- Installation of new chemical feed equipment including chemical tanks, scales, pumps, and chemical feed lines.
- HVAC and plumbing for new chemical room.
- Electrical and controls for the new chemical system.

Bolton & Menk is able to design and oversee the construction of a corrosion control system addition at the South WTP to meet MDH requirements, and lower lead in drinking water for HPU.

We appreciate the opportunity to continue serving HPU and value the great working relationship we have with staff and the commission. The enclosed scope of services presents our approach to delivering these improvements for HPU. Please feel free to contact me with any questions or comments regarding the services proposed herein at Brian.Guldan@bolton-menk.com or (612) 499-0533.

Sincerely,
Bolton & Menk, Inc.



Brian Guldan, PE
Water/Wastewater Practice Leader

Enclosure: Scope of Services

CC: Paul Plombon, HPU
Andy Brotzler, Bolton & Menk
Luke Heikkila, Bolton & Menk



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301 E Howard Street
Suite 26
Hibbing, MN 55746

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

Scope of Services Corrosion Control System

The tasks below represent the project development process from existing data collection through accepting of bids. Items not included within this scope and fee are as follows:

- a) Revisions or updates to contract documents after acceptance of bids.
- b) Construction contract administration.
- c) All permitting fees will be invoiced separately to HPU.

The following scope of services is broken into two primary tasks as follows.

Task 1: Final Design (Development of Plans and Specifications)

Bolton & Menk will complete the detailed design of the proposed improvements in accordance with HPU design standards and follow all federal and state laws, rules, and regulations. Comprehensive, detailed construction plans and specifications will be prepared to comply with HPU, City and State standards, as required. In addition to construction plans, Bolton & Menk will prepare and assemble bidding documents which will include project specifications, instructions to bidders, bid proposal form, and any necessary labor/wage requirements. We will prepare and coordinate all necessary permits for the project. Our team envisions weekly correspondence to ensure HPU's input on the design is actively included throughout the process. We intend to submit final design plans, specifications, and engineer's estimate for review at the following stages of completion:

- a) 60% Plan Review – Submittal to include preliminary design and cost estimate.
- b) 100% Plan Review – Submittal of final design plans and project specifications for approval and signatures.

Deliverables:

- 60% Construction Plan Set for HPU Review and Comment
- Draft specifications for HPU Review and Comment
- Final Construction Plan Set & Project Proposal
- Required Permits
- Engineer's Cost Estimate

Task 2: Project Advertisement and Bidding

The final task will include advertising and bidding of the proposed construction project. Upon acceptance of bids the project manual will be updated with appropriate contractor information and submitted to HPU for construction administration.

- a) Bolton & Menk will coordinate advertisement of bids.
- b) Bolton & Menk will respond to contractor inquiries.
- c) Bolton & Menk and HPU will host the bid opening.
- d) Bolton & Menk will produce a bid abstract and updated contract documents.
- e) Bolton & Menk will provide a recommendation to the Commission for award of the contract.

Deliverables:

- Bid Advertisement Documentation
- Bidding Documents (Project Manual)
- Final Contract Documents
- Bid Abstract

PROJECT SCHEDULE

The preliminary project schedule is presented below with milestones and approximate dates.

<u>Milestone</u>	<u>Approximate Date</u>
Commission Authorize Design	January 2026
60% Design Submittal	March2026
100% Design Submittal	April 2026
Advertise for Bids	May 2026
Bid Opening	June 2026
Award Contract	June 2026
Construction	June – December 2026

FEES

Bolton & Menk proposes to perform all work on an hourly basis for a **not-to-exceed fee of \$38,750**. This represents over 210 hours of engineering and technical staff time. Final costs of the work will be based upon the actual hours spent on performance of the scope stated in this letter. This amount will not exceed \$38,750 without prior authorization from HPUC.

Due to the nature of construction and the possibility of unforeseen conditions and schedules, we would propose an estimated hourly fee for construction-related services. We will provide a proposal and summary of these services after the bids are received in order to provide a well-defined scope and schedule.



Item 6.D.ii

Item 6.D.ii – Approve Bolton & Menk for Design & Engineering of 2026 Lead Service Line Removal Projects in the amount not to exceed \$240,000

February 17th, 2026

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

RE: Item 6.D.ii – Approve Bolton & Menk for Design & Engineering of 2026 Lead Service Line Removal Projects in the amount not to exceed \$480,000

Dear Commissioners;

Following extensive Commission discussion as well as direct input from community members at the Jan. 12th Lead Town Hall, HPU staff is again putting forward for your consideration an updated scope and fee letter from Bolton & Menk. The following proposal includes an updated scope of services for the 2026 Lead Service Line Removal Projects. In alignment with discussion at the February 10th Working Session, the scope of these services is limited to four blocks of high lead concentration to maximize the effectiveness of external funding. In accordance with this reduced scope, the related fee for these services has been reduced to not exceed \$240,000.

Identified blocks for these projects would include:

- 2000 Block of 4th Avenue W
 - 12 total service lines
 - 4 known LSL (utility side)
 - 8 unknown service lines
 - 4-inch watermain to be upsized to 8-inch watermain
 - 1 service line repair on record
 - Sanitary sewer and steam not within street area
- 2100 Block of 4th Avenue W
 - 14 total service lines
 - 4 known LSL (3 utility side; 1 private side)
 - 10 unknown service lines
 - 12-inch CIP watermain replaced with PVC watermain
 - Sanitary sewer and steam not within street area
- 2100 Block of 4th Avenue E
 - 13 total service lines

- 5 known LSL (4 utility side; 1 private side)
- 8 unknown service lines
- 6-inch CIP watermain replaced with 8-inch PVC watermain
- 2 service line repairs on record
- Sanitary sewer and steam not within street area
- 2200 Block of 4th Avenue E
 - 12 total service lines
 - 7 known LSL (6 utility side; 1 private side)
 - 5 unknown service lines
 - 6-inch CIP watermain replaced with 8-inch PVC watermain
 - Sanitary sewer and steam not within street area

Please see the attached proposal.

Sincerely;

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

Luke J. Peterson



**BOLTON
& MENK**

Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

Via Email

February 17, 2026

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

Re: 2026 Lead Service Line and Watermain Replacement Project
Engineering and Design Services - REVISED

Dear Mr. Peterson,

On behalf of Bolton & Menk, Inc., we thank you for the opportunity to present this scope and fee letter in response to the Hibbing Public Utilities (HPU) Commission's request for developing project plans and specifications for the 2026 Lead Service Line and Watermain Replacement Project.

This scope of work has been broken into three primary tasks; preliminary design, final design and project bidding services. Developing an accurate and concise project manual for bidding is one of the most important steps to delivering a successful project and we consider these tasks as the milestones in the project development process.

We appreciate the opportunity to continue serving HPU and value the great working relationship we have with staff and the commission. The enclosed scope of services presents our approach to delivering these capital improvement projects for the HPU Please feel free to contact me with any questions or comments regarding the services proposed herein at Andrew.Brotzler@bolton-menk.com or (218) 812-8900.

Sincerely,
Bolton & Menk, Inc.

Andy Brotzler, PE
Municipal Senior Project Manager

Enclosure: Scope of Services



Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

Scope of Services for 2026 Lead Service Line and Watermain Replacement Project - REVISED

The **2026 Lead Service Line and Watermain Replacement project** includes the replacement of 51 water service lines (of which 20 are known lead or galvanized), 1,600 linear feet of watermain, and full reconstruction of the following streets:

- 2000 Block of 4th Avenue W
- 2100 Block of 4th Avenue W
- 2100 Block of 4th Avenue E
- 2200 Block of 4th Avenue E

The tasks below represent the project development process from existing data collection through accepting of bids. Items not included within this scope and fee are as follows:

- a) Revisions or updates to contract documents after acceptance of bids.
- b) Construction contract administration.
- c) All permitting fees will be invoiced separately to HPU.

The following scope of services is broken into three primary tasks as follows.

Task 1: Survey and Preliminary Design

Bolton & Menk will perform a field control survey and create a base map identifying existing above and below ground infrastructure features including existing roadway features, storm sewer, public utility infrastructure, adjacent buildings, contours, and private small utilities. Boring and pavement core sampling will be conducted to confirm existing conditions. Underground utility information will be located and described per available as-builts, field markings, and private utility map information facilitated through Gopher State One Call. Right-of-way and property lines will be illustrated based on found field monumentation and plat information received from Saint Louis County and the City of Hibbing.

Preliminary design will focus on data collection and the establishment of existing conditions. Topographic data collected in the field will be processed and combined with the base map and utility data to create a working existing conditions map for use in the Final design.

Deliverables:

- Utility Locate Documentation
- Boring and Pavement Core Sampling Results
- Existing Conditions Figures

Task 2: Final Design (Development of Plans and Specifications)

Bolton & Menk will complete the detailed design of the proposed improvements in accordance with HPU design standards and follow all federal and state laws, rules, and regulations. Comprehensive, detailed construction plans and specifications will be prepared to comply with HPU, City and State standards, as required. In addition to construction plans, Bolton & Menk will prepare and assemble bidding documents which will include project specifications, instructions to bidders, bid proposal form, and any necessary labor/wage requirements. We will prepare and coordinate all necessary permits for the project, including the submittal of necessary plans and specifications to MDH for certification of the proposed improvements and project. Our team envisions weekly correspondence to ensure HPU's input on the design is actively included throughout the process. We intend to submit final design plans, specifications, and engineer's estimate for review at the following stages of completion:

- a) 60% Plan Review – Submittal to include existing conditions, proposed removals, construction plan & profiles, preliminary utility relocations, and preliminary cost estimate.
- b) 100% Plan Review – Submittal of final design plans, project proposal and specifications, and engineer's estimate for approval and signatures.

Deliverables:

- 60% Construction Plan Set for HPU Review and Comment
- Draft specifications for HPU Review and Comment
- Final Construction Plan Set & Project Proposal
- Required Permits
- Engineer's Cost Estimate
- Funding coordination for LSL funds awarded for the project and processing for lead service line replacements.

Task 3: Project Advertisement and Bidding

The final task will include coordination for advertising and bidding for the proposed construction project.

- a) Bolton & Menk will coordinate advertisement of bids.
- b) Bolton & Menk will respond to contractor inquiries.
- c) Bolton & Menk and HPU will host the bid opening.
- d) Bolton & Menk will produce a bid abstract and updated contract documents.
- e) Bolton & Menk will provide a recommendation to the Commission for award of the contract.

Deliverables:

- Bid Advertisement Documentation
- Bidding Documents (Project Manual)
- Final Contract Documents
- Bid Abstract

PROJECT SCHEDULE

The preliminary project schedule is presented below with milestones and approximate dates.

<u>Milestone</u>	<u>Approximate Date</u>
Commission Authorize Design	February 17, 2026
MDH Submittal for Certification	March 31, 2026
Advertise for Bids	May 2026
Bid Opening	June 2026
Award Contract	June/July 2026
Construction	July 2026 – July 2027**

** As the project design progresses, we will work with you to evaluate a final proposed construction schedule.

FEES

Bolton & Menk proposes to perform all work on an hourly basis for a **not-to-exceed fee of \$240,000.** With an estimated project cost of \$3,000,000, this is 8 percent of the estimated project cost and represents almost 1,500 design hours to deliver the project in accordance with the above project schedule. Final costs of the work will be based upon the actual hours spent on performance of the scope stated in this letter. This amount will not exceed \$240,000 without prior authorization from HPUC.

Due to the nature of construction and the possibility of unforeseen conditions and schedules, we would propose an estimated hourly fee for construction-related services. We will provide a proposal and summary of these services after the bids are received in order to provide a well-defined scope and schedule. We anticipate that this fee will be approximately 10 percent of the construction costs but may vary based on the level of construction administration services requested by the HPU.



Item 6.D.iii

Item 6.D.iii – Approve Call for RFP 26-03: 2026 Potholing Services

February 17th, 2026

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

RE: Item 6.D.iii – Approve Call for RFP 26-03: 2026 Potholing Services

Dear Commissioners;

Staff is requesting a formal authorization request proposal for 2026 Potholing Services. In alignment with the project timeline, this RFP will close April 7th.

Sincerely;



Luke J. Peterson



Item 6.D.iv

Item 6.D.iv – Approval to Solicit for price for Vactruck Lease related to Potholing

February 17th, 2026

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

RE: Item 6.D.iii – Approval to Solicit for price of Vactruck Lease related to Potholing

Dear Commissioners;

We are writing to formally request a permission to seek out quotes for the supply and delivery, and leasing costs of one (1) HydroVac truck to support our ongoing and upcoming infrastructure maintenance and utility service projects.

We are seeking a HydroVac unit with specifications suitable for utility excavation, trenching, and debris removal operations. We would seek quotes to include detailed pricing and technical information for available models, as well as using the State Bid Site, that meet the following general requirements:

- Vacuum system suitable for hydro excavation applications
- High-pressure water system with adjustable flow and pressure
- Debris tank capacity
- Boom reach suitable for urban and confined workspaces
- Chassis compliant with local road regulations
- Required safety features and operational certifications
- Warranty coverage and after-sales service support

Thank you for your consideration. We look forward to your guidance for next steps and approval.

Sincerely;



Luke J. Peterson



Item 6.E

Item 6.E – Approve Crane Engineering for Feedwater Pump #4
Inspection in the amount of 54,600

February 17th , 2026

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

RE: Item 6.E – Approve Crane Engineering for Feedwater Pump #4 Inspection in the
amount of 54,600

Dear Commissioners;

For your consideration we are presenting two quotes for the inspection only of Boiler
Feedwater Pump #4. It was recently discovered that this feedwater pump was not
delivering the required output and records cannot determine the last time it was
rebuilt. The first quote is from GPM at \$189,714.00 and the second is from Crane
Engineering at \$54,600.00. We are recommending to have Crane Engineering
inspect #4 Feedwater Pump.

Please see attached policies.

Thank you for your consideration

Sincerely;



Luke J. Peterson



QUOTE

Headquarters
707 Ford Street, Kimberly, WI 54136
t. 920-733-4425 f. 920-733-0211

Minnesota Office
26489 Industrial Blvd, Cohasset, MN 55721
t. 218-999-5100

Number CESQ118321
Date Jan 22, 2026
Expires Feb 5, 2026

Sold To

Hibbing Public Utilities- Hibbing
Dan Edwards
P O Box 249
Hibbing, MN 55746
Saint Louis

dan.edwards@hpuc.com
Phone 507-5841880
Fax

Ship To

Hibbing Public Utilities- Hibbing
Dan Edwards
P O Box 249
Hibbing, MN 55746
Saint Louis

dan.edwards@hpuc.com
Phone 507-5841880
Fax

Sales Rep

Sr. Fluid Process Engineer
Rick Ogle 715-409-0265
r.ogle@craneengineering.net

Sr. Service Coordinator
Barb Linder 218-999-5100
b.linder@craneengineering.net

Here is the quote you requested.

Terms	RFQ	Ship Via	FOB	Crane Order#
N15	3x8 DA 6 STG BFP	Best Way	Warehouse	

Line	Qty	Product	Lead Time	Unit Price	Ext. Price
------	-----	---------	-----------	------------	------------

1	1	Repair	10-12 Weeks - Approximately	\$49,500.00	\$49,500.00
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Flowserve Boiler Feed Pump 3x8 DA 6 STG
S/N 01RLCB0017100101
Year: 2001
Order# 02568
Custom.Item: 0194-001
350 GPM
MAWP 1100 PSIG
2075 FT
MAWT/SG 250 F/0.94
3560 RPM
1650 PSIG
CCW ROTATION

This is a blind estimate to repair your Flowserve 3x8 DA 6 STG boiler feed pump and the quoted price may be changed once inspection is completed should additional work be required. Scope of work for this blind estimate includes the following for a basic rebuild:

- Impeller Rings
- Mechanical Seal Replacement
- Throttle Bushing Repair
- Throttle Sleeve Repair
- Bearings
- Center Bushing and Sleeve Repair

Once the pump is inspected a final, accurate quote will be provided with an inspection report showing the findings of the inspection.

2	1	Inspection Fee		\$5,100.00	\$5,100.00
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Disassembly/inspection fee to provide an accurate repair quote (Optional)

Price does not include tax and shipping charges unless stated above.
Effective Nov. 1st, 2025, all new orders paid by credit card will be assessed a 3% fee. If you wish to pay by ACH, please email ar@craneengineering.net to request banking information.

**We reserve the right to adjust quoted pricing due to the current volatility of the materials market.
We will make every effort to maintain the quoted price.**

Line	Qty	Product	Lead Time	Unit Price	Ext. Price
------	-----	---------	-----------	------------	------------

Total	\$49,500.00
--------------	--------------------

We reserve the right to charge a minimum inspection fee of \$75.00 on all inspections; fee is waived if repair or replacement is purchased.

We reserve the right to dispose of any materials sent to our facility 180 days after the date of quotation.

Crane Engineering has the right to request additional charges based on finding additional damages to equipment found during the process of repair.

Equipment & Repair Warranty: Applies only to Full OEM Repairs. Functional Repairs are Not Covered by Warranty.

Price does not include tax and shipping charges unless stated above.

Effective Nov. 1st, 2025, all new orders paid by credit card will be assessed a 3% fee. If you wish to pay by ACH, please email ar@craneengineering.net to request banking information.

We reserve the right to adjust quoted pricing due to the current volatility of the materials market. We will make every effort to maintain the quoted price.

- 1. Governing Provisions.** These Terms and Conditions of Sale (the "Agreement") constitute an offer by Crane Engineering Sales, Inc. ("Seller") to provide the Products as set forth on the Contract of Sale attached to this Agreement (the "Products") to Buyer, subject to the terms and conditions set forth below. Buyer may not modify, renounce or waive any term or condition hereof or any of Seller's rights hereunder unless Seller consents in writing. Seller agrees to provide the Products to Buyer only on the terms of this Agreement (except as supplemented and/or modified by the parties Contract of Sale), notwithstanding any language in Buyer's purchase order, if one exists, or other writing or oral representation previously or hereafter received by Seller purporting to modify or replace the terms of this Agreement with any different or additional terms or reciting that provision or delivery of the Products or any other action or inaction by Seller constitutes agreement or consent by Seller to such modification or replacement. SELLER'S AGREEMENT TO PROVIDE THE PRODUCTS IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO ALL OF THE TERMS AND CONDITIONS SET FORTH BELOW AND, NOTWITHSTANDING BUYER'S SUBMISSION OF A PURCHASE ORDER, THE TERMS AND CONDITIONS OF SALE OF THIS AGREEMENT (AND THE DISTRIBUTOR AGREEMENT) SHALL CONTROL.
- 2. Purchase Orders and Payment.** All orders must be accompanied by a signed purchase order and must be approved for credit. For orders under \$50,000 the terms are net 15 days from the date of invoice, unless agreed to otherwise in writing by both parties prior to order entry. Seller may require full or partial payment or a payment guarantee in advance of shipment whenever, in its opinion, the financial condition of the Buyer so warrants. For orders exceeding \$50,000 in sell price, terms of payment will be 40% down with order, 20% payable upon approved drawings, 20% payable upon inspection and approval of assembly prior to shipment (witness test available as an optional charge), 10% payable upon shipment, and 10% payable upon commissioning of equipment not to exceed 90 days from shipment. Note: Equipment will be shipped after receipt of 80% of the value of the order. From time to time Buyer (or its Customers) will be asked to fill out a credit application, which is subject to Seller's Credit Department's approval. Seller reserves the right to change the terms and required method of payment at any time, and to charge Buyer a 1.25% finance charge per month on any past due amounts, or the highest rate applicable by law. Buyer agrees to reimburse Seller for all costs incurred by Seller in collecting any sums owed by Buyer to Seller, including without limitation, interest and attorney's fees. Each purchase order that Buyer delivers to Seller for the purchase of Products ("Order") shall set forth the following terms as agreed upon by Seller and Buyer for such Order: the quantity, description and prices of the Products being ordered; the address for delivery of the Products; requested delivery dates; shipping instructions; and the address to which Seller's invoice shall be sent. Any other terms contained in any Order shall be objected to by Seller without need for further notice of objection, shall not be binding upon Seller and shall have no force or effect. Buyer's mutually agreed change orders shall be subject to all provisions of this Agreement, whether or not the Order or change order so states. All Orders shall be subject to Seller's acceptance. Seller shall promptly provide notice to Buyer of acceptance or rejection of Buyer's Orders.
- 3. Acceptance.** Buyer shall be deemed to have accepted this Agreement on the earliest to occur of the following: (a) Seller's receipt of Buyer's Order, if Seller has previously supplied Buyer with a copy of the terms and conditions of sales set forth in this Agreement, (b) Buyer's payment of any amounts due under this Agreement; (c) Buyer's or its representative's or customer's receipt of the Products; or (d) any other event constituting acceptance under applicable law.
- 4. Cancellation or Modification.** Buyer may not cancel or modify any Order except upon terms accepted by Seller in a writing signed by Seller's authorized officer. In the event of such cancellation or modification, Buyer shall compensate Seller for all resulting costs and damages, including, but not limited to, out-of-pocket expenses, lost profit, allocable overhead and all other incidental and consequential damages.
- 5. Returns.** No Products may be returned to Seller for refund or credit without Seller's prior written approval and, if permitted, shall be subject to an inspection/restocking charge and/or depreciation fee when applicable, plus the costs of freight, packaging and insurance costs.
- 6. Prices.** Buyer shall purchase from Seller the Products at the prices determined by Seller from time to time. Seller may at any time and in its sole discretion change the prices of Products, without notice, and the price at time of shipment applies except when specifically covered by a firm price quotation. Unless otherwise agreed in writing, all prices shall be F.O.B. Shipping Point.
- 7. Taxes and Other Costs.** All charges for freight, insurance, any sales, use, excise and other federal, state and local taxes, broker fees, or required by any governmental agency incident to the sale shall be paid by Buyer in addition to the price for the Products unless otherwise agreed upon. Such charges will be added at rates in effect at time of delivery except when forbidden by law to be collected by Seller from Buyer, unless Buyer furnishes Seller an exemption certificate acceptable to taxing authorities.
- 8. Delivery.** Delivery dates are approximate. Seller shall not be liable for any loss or damage due to delays in delivery or manufacture, resulting from causes beyond Seller's reasonable control, including, without limitation, an event of Force Majeure (as defined below). Partial deliveries shall be permitted. Title to Products and all risk of loss of or damage to Products shall pass to Buyer when Seller delivers the Products to the F.O.B. shipping point. Seller is not responsible for loss or damage in transit. If shipment is deferred at Buyer's (or its Customer's) request beyond the shipping date specified in the original Order, Seller reserves the right to immediately bill Buyer (or its Customer, as the case may be) for such unshipped portion, and for expenses incurred for storage, it being understood that unshipped material become Buyer's (or its Customer's, as the case may be) property and Seller's liability is that of warehouseman only.
- 9. Warranties and Remedy.** Seller warrants that all new Products manufactured by Seller will be free from material defects in workmanship and material for a period of 12 months from date of delivery under normal use and service. The warranty for all components in Seller's Products and all parts and Products not manufactured by Seller is limited to the warranty specified by original manufacturer of such component, part or Product. Buyer must make claims to Seller in writing for shortages in the Products within 10 days following the date of delivery of the Products and for defects in the Products within the Warranty Time Period specified herein and, in either case, within ten days after discovery of such shortage or defect. Buyer's failure to inspect the Products and/or make a claim pursuant to this section for shortages within 10 days following the date of delivery of the Products and for defects within the specified Warranty Time Period and, in either case, within ten days after discovering such shortage or defect shall constitute Buyer's irrevocable acceptance of the Products and Buyer's acknowledgment that the Products fully comply with the terms, conditions and specifications of this Agreement.

Seller's obligation under this warranty is limited to repairing or replacing, at Seller's option, any part which upon Seller's examination proves defective. Alternatively, at Seller's option, Seller may grant Buyer a credit toward future purchases in the amount of the net price paid for any Products proved to be defective. All credits are subject to inspection and approval by Seller's authorized representatives. Such warranty satisfaction shall be available only: (a) with respect to shortages, in the 10 days following the date of delivery of the Products; and (b) with respect to defects, within the specified Warranty Time Period; provided, however, Seller is notified in writing within ten days after discovery of alleged shortage or defect and the defect has not been caused by Buyer's or its representative's or customer's misuse, neglect or alteration or by physical environment.

This warranty excludes Products and any parts, failures and damage:

- (i) to which repair or replacement becomes necessary due to normal wear and tear;
- (ii) which are exhaustible items, including but not limited to such items as filter bags and seals;
- (iii) on which repairs, alterations or adjustments have been performed or begun by Buyer or any third party without Seller's consent;
- (iv) which are not promptly reported to Seller within the warranty period above;
- (v) which are modified without Seller's written approval;
- (vi) which are due to negligence other than that of Seller;
- (vii) which are due to accident, misuse, abuse, overloading, jamming, improper installation (other than installations made by Seller), improper operation, or abnormal conditions of temperature, moisture, dirt or corrosive matter or other environmental factors; or
- (viii) which have been damaged otherwise without the fault of Seller.

Seller's obligation or liability under this warranty does not include any transportation or other charges or liability for direct, indirect, special or consequential damages or delay resulting from the improper use or application of the product or the substitution upon it of parts or accessories not approved by Seller or repair by anyone other than a Seller authorized representative. Buyer shall be responsible for all parts and service technician charges relating to work not covered by warranty. Buyer shall pay Seller for such parts and service work not under warranty within 15 days of the date of Seller's invoice. A past due charge of 1.25% per month shall apply to amounts past due.

10. LIMITATION OF LIABILITY. SELLER'S AGGREGATE LIABILITY WITH RESPECT TO DEFECTIVE PRODUCTS SHALL BE LIMITED TO THE MONIES PAID BY BUYER TO SELLER FOR THE DEFECTIVE PRODUCTS MANUFACTURED BY SELLER. SELLER EXTENDS NO WARRANTY, INCLUDING WITHOUT LIMITATION ANY WARRANTY AGAINST DEFECTS, IN PRODUCTS MANUFACTURED BY PARTIES OTHER THAN SELLER.

SELLER SHALL NOT BE LIABLE TO BUYER, OR TO ANYONE CLAIMING UNDER BUYER, FOR ANY OTHER OBLIGATIONS OR LIABILITIES, INCLUDING, BUT NOT LIMITED TO, OBLIGATIONS OR LIABILITIES ARISING OUT OF BREACH OF CONTRACT OR WARRANTY, NEGLIGENCE OR OTHER TORT OR ANY THEORY OF STRICT LIABILITY, WITH RESPECT TO THE PRODUCTS OR SELLER'S UNDERTAKINGS, ACTS OR OMISSIONS. IN NO EVENT SHALL SELLER BE LIABLE FOR INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF BUYER, ITS CUSTOMERS OR USERS OF THE PRODUCTS, INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS.

11. DISCLAIMER OF IMPLIED WARRANTIES. SELLER AND BUYER AGREE THAT THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE. SELLER HEREBY DISCLAIMS ALL OTHER EXPRESS OR IMPLIED WARRANTIES. Any oral or written description of the Products is for the sole purpose of identifying the Products and shall not be construed as an express warranty.

12. ASSIGNMENT. BUYER SHALL NOT, WITHOUT THE PRIOR WRITTEN CONSENT OF SELLER, ASSIGN ITS RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT TO ANY THIRD PARTY. SUBJECT TO THE FOREGOING, THIS AGREEMENT SHALL BIND AND INURE TO THE BENEFIT OF SELLER AND BUYER AND THEIR RESPECTIVE PERMITTED SUCCESSORS AND ASSIGNS.

13. Force Majeure. Seller shall be entitled to suspend performance of its obligations under the Agreement to the extent that such performance is impeded by circumstances beyond the reasonable control of Seller, including, but not limited to war (whether declared or not), revolution, national strikes, natural disasters, acts of government, export or import prohibitions, fire, explosions, floods, accidents, sabotage, civil unrest, riots, and breakage or loss during transportation or storage as well as subcontractors' material and part shortages and delivery delays.

14. Governing Law and Jurisdiction. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin. Upon termination of this Agreement for any reason, Seller shall have all of the rights and remedies provided by law, including without limitation the rights of a secured party under Chapter 409, Wisconsin Statutes or any successor statute or similar statute in the jurisdiction where Buyer is located or stores the Products.

15. Miscellaneous. Seller reserves the right to correct clerical or similar errors relating to price or any other term shown in this Agreement. If any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby. No waiver of breach of any of the provisions of this Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provision.



Item 6.F

Item 6.F – Approval to Surplus Traffic System Inventory to City of Hibbing

February 17th , 2026

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

RE: Item 6.F – Approval to Surplus Traffic System Inventory to City of Hibbing

Dear Commissioners;

Staff is requesting Commission approval to surplus traffic system inventory currently held in the HPU warehouse to the City. HPU's electrical staff historically assisted in maintenance and some replacements. The city is sourcing an electrical contractor to do this work.

The materials proposed for surplus include traffic signal detection equipment, control cabinet components, and signal bulbs. The total value of the inventory is estimated to be valued at \$5,945.00. Staff referenced invoices and current published prices to estimate value.

Surplusing this material to the City will reduce excess inventory, free warehouse space, and transfer the equipment to the entity that owns and will continue to maintain and operate the traffic system.

Sincerely;



Luke J. Peterson

PART	QUANTITY	UNIT COST	TOTAL COST
Bulbs-all colors + walk signal	40	\$63.00	\$2,520.00
Bus Interface Unit (BIU)	1	\$112.95	\$112.95
Sarasota Loop Detector Card 222N GP5	7	\$44.99	\$314.93
Peek Traffic Sarasota 515B	2	\$431.72	\$863.44
EDI Reno G-200 Dual-Channel Loop Detector	3	\$289.99	\$869.97
Struthers-Dunn W21ACPX-2	9	\$29.75	\$267.75
SSM-LE Signal Monitor	3	\$289.89	\$869.67
Reno LS-200	8	\$15.75	\$126.00
			\$5,944.71



Item 7.A

Item 7.A – Approve Internal Posting and Backfill Line Crew Leader and Assistant Line Crew Leader

February 17th, 2026

James Baylis, Commission Chair
Hibbing Public Utilities Commission
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.A – Approve Internal Posting and Backfill Line Crew Leader and Assistant Line Crew Leader

Dear Commissioners,

I am requesting approval to initiate a job posting for the recently vacated Line Crew Leader position. This would be an internal-only posting. Additionally, in anticipation of needing to backfill the Assistant Line Crew position, I am seeking approval at this time so that we can post, if needed, following the Line Crew Lead bid.

The attached job descriptions were reviewed by management and the union.

Thank you for your consideration,



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



Item 7.B

Item 7.B– Approve Internal Posting and Backfill Plant Mechanic Crew Lead

February 17th, 2026

James Baylis, Commission Chair
Hibbing Public Utilities Commission
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 7.B– Approve Internal Posting and Backfill Plant Mechanic Crew Lead

Dear Commissioners,

I am requesting approval to initiate the recruitment and posting for the recently vacated Plant Mechanic Crew Lead position. This would be an internal-only posting.

The attached job description was reviewed by management and the union.

Thank you for your consideration,



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



Item 7.C

Item 7.C – Approve Proposed Compensation Philosophy

February 17th , 2026

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

RE: Item 7.C – Approve Proposed Compensation Philosophy

Dear Commissioners;

I am requesting approval for the proposed compensation philosophy, as discussed during 2/10/26 working session.

To recap, the purpose of this proposed philosophy is to establish a clear, consistent, and sustainable compensation approach that supports organizational goals while maintaining fairness, transparency, and market competitiveness.

Base compensation is intended to reflect the scope, responsibility, and level of each position. Salary increases are a variable component that recognizes achievement of defined performance measures and are not guaranteed.

Please find the attached performance review documentation, which outlines the evaluation criteria, performance metrics, rating guidelines, and review procedures to be followed. Two evaluations will be completed annually; one being a self-evaluation and the other a supervisor evaluation. The attached documents are intended to ensure consistency, transparency, and fairness in assessing employee performance across all departments.

Supervisors are expected to review the materials carefully and conduct evaluations in alignment with the outlined standards. The process will include goal assessment, competency evaluation, performance feedback, and development planning discussions.

Thank you for your consideration.

Sincerely;



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

Hibbing Public Utilities Compensation Philosophy

Purpose

The compensation philosophy of Hibbing Public Utilities Commission supports the delivery of safe, reliable, and affordable utility services by attracting, retaining, and motivating a highly qualified workforce, while maintaining accountability to the community we serve.

Guiding Principles

Public Stewardship and Fiscal Responsibility

Compensation practices reflect the utility's responsibility to ratepayers. Pay decisions are fiscally responsible, sustainable over the long term, and aligned with the financial capacity of the utility and the community.

Market-Competitive

Target compensation is generally aligned with the *median of relevant labor markets*, including comparable municipal utilities, local and regional public-sector employers, and select private-sector roles where competition for specialized talent exists. The utility does not seek to lead the market but to remain competitive enough to attract and retain a skilled workforce.

Job Structures

Jobs are evaluated and classified using objective, job-related criteria. Structured pay ranges promote equitable treatment across roles and departments and ensure consistency in compensation decisions.

Pay Transparency

HPU is committed to transparent compensation practices. Job classifications, salary ranges, and compensation structures are clearly defined and, where appropriate, made available to the public in accordance with applicable laws and policies.

Compensation decisions are based on documented, objective factors such as job responsibilities, required qualifications, experience, and performance. Employees are informed about how pay ranges are established, how progression within a range occurs, and the factors influencing merit, step, or incentive-based increases.

Emphasis on Total Rewards

Total compensation is viewed with competitive base pay combined with comprehensive benefits such as healthcare, retirement, and paid leave including vacation, personal days and holidays.

Performance and Accountability

Where applied, performance-based increases are modest and aligned with public service values,

including safety, reliability, regulatory compliance, customer service, and responsible financial stewardship.

Governance

Compensation practices are documented, regularly reviewed, and subject to appropriate governance by the Commission. Market studies, equity analyses, and compensation adjustments are conducted periodically to ensure continued alignment with labor markets.

Executive and management compensation is reviewed and approved by the Commission in accordance with public-sector standards. Collective bargaining agreements are respected and integrated into compensation administration.

Commitment

This philosophy reflects the utility’s commitment to fairness, transparency, accountability, and responsible stewardship of public resources while supporting a stable, skilled workforce dedicated to serving the community.

Salary Band Structure

- Each band represents a level of responsibility, scope and impact not just a job title.
- Salary Ranges within each band:
 - Minimum – Entry point for the role/level; staff promoted from lower classification
 - Midpoint – Fully competent, multiple years of experience/subject matter expertise
 - Maximum – Senior experience/subject matter expertise, high performing
- Bands are set using external market data.
- Multiple salary ranges, identified by position, are within each band.
- Performance reviews:
 - Used to allocate merit increases within a salary tier
 - Identify readiness for future promotion
 - Ensure pay decisions are consistent and defensible
 - Performance reviews will not be used to guarantee annual increases, replace benchmarking, or justify promotions without job scope changes.

Band	Minimum	Midpoint	Maximum
Band 1	\$130,000	\$162,500	\$190,000
Band 2	\$86,700	\$114,650	\$142,600
Band 3	\$86,700	\$104,875	\$123,050
Band 4	\$58,225	\$76,837	\$95,450
Band 5	\$46,750	\$60,175	\$73,600

Salary bands are tied to the role, not the person.

Each position is assigned to a salary band based on the *level of work required*, not individual performance or tenure. Salary bands reflect the level of the role; pay within those bands reflects position, experience, and performance.

How bands are determined

- Scope of responsibility – size and importance of decisions the role makes
- Complexity of work – routine tasks vs. solving new or ambiguous problems
- Independence – how much supervision or guidance is needed
- Impact – effect on customers, revenue, operations, or risk
- Required skills and experience – what’s needed to perform the role effectively
- Market value – what similar roles pay in our industry and location

Roles with similar responsibility and impact are grouped into the same band to ensure fairness and consistency.

What bands do *not* represent

- They are not a judgment of individual value
- They are not a ceiling on growth
- They do not automatically change when someone excels in the role

Strong performance is recognized through merit increases, while band changes happen when the role itself changes.

How someone moves to a higher band

A position is reviewed for a higher band only when:

- The role’s responsibilities expand significantly
- Decision-making authority increases
- The scope or impact of the job changes permanently

HPU Positions within each band

Band	Position
Band 1	<ul style="list-style-type: none">• General Manager• Sr. Human Resource Director
Band 2	<ul style="list-style-type: none">• Engineering Manager• Financial Controller• Plant Manager• Manager of Energy and Operations
Band 3	<ul style="list-style-type: none">• Electrical Engineer• Mechanical Engineer• Process Engineer

Band 4	<ul style="list-style-type: none"> • Electrical Manager • Field Operations Supervisor • Procurement Supervisor • Customer Service Supervisor • Business Analyst • Environmental, Health & Coordinator • Payroll & Human Resources Coordinator
Band 5	<ul style="list-style-type: none"> • Grant & Engagement Specialist • Accounting Coordinator • Executive Assistant

Annual Performance Based In-Range Compensation Adjustments

Rating	Rating Criteria	Merit Increase Range
1	Performance does not meet job requirements; the employee consistently fails to meet expectations, deadlines, or quality standards, and immediate improvement is required.	0%
2	Performance occasionally falls below expectations; the employee meets some job requirements but shows inconsistency or skill gaps that require improvement and additional support.	0-1%
3	Performance consistently meets job requirements; employee fulfills responsibilities effectively, completes work on time, and maintains acceptable quality and professionalism.	2-3%
4	Performance frequently exceeds job requirements; employee shows strong competence, reliability, and initiative, often going above and beyond assigned duties.	3-4%
5	Performance consistently delivers beyond expectations; expands the scope of work without being asked; sets the standards for others; impact seen beyond immediate role or team.	4-5%

Employee Performance Review & Evaluation

Employee name:

Supervisor:

Position:

Supervisor Title:

Department:

Review Period:

Evaluation Ratings

- 1 - Performance does not meet job requirements; employee consistently fails to meet expectations, deadlines, or quality standards, and immediate improvement is required.
- 2 - Performance occasionally falls below expectations; employee meets some job requirements but shows inconsistency or skill gaps that require improvements and additional support.
- 3 - Performance consistently meets job requirements; employee fulfills responsibilities effectively, completes work on time, and maintains acceptable quality and professionalism.
- 4 - Performance frequently exceeds job requirements; employee shows strong competence, reliability, and initiative, often going above and beyond assigned duties.

Job Knowledge & Skills

Rating

Supervisor Comments

Demonstrates strong understanding of job responsibilities
 Applies skills and knowledge effectively in daily work
 Keeps skills up to date and learns new processes

Quality of Work

Rating

Supervisor Comments

Pays attention to detail and minimizes errors
 Meets established standards & expectations
 Takes responsibility for correcting mistakes

Productivity & Time Management

Rating

Supervisor Comments

Effectively prioritizes tasks and manages workload
 Works independently with minimal supervision
 Demonstrates consistency in performance

Communication

Rating

Supervisor Comments

Communicates clearly and professionally
 Keeps supervisor & team informed of progress or issues
 Writes emails and documentation clearly and accurately

Teamwork & Collaboration	Rating	Supervisor Comments
<p>Works well with coworkers & contributes positively to the team</p> <p>Willingly assists others when needed</p> <p>Supports team and department goals</p>		
Initiative & Accountability	Rating	Supervisor Comments
<p>Accepts responsibility for work outcomes</p> <p>Follows through on commitments</p> <p>Takes initiative to solve problems or improve processes</p>		
Adaptability & Problem Solving	Rating	Supervisor Comments
<p>Adjusts well to changes in priorities or workload</p> <p>Identifies solutions and seeks help when appropriate</p> <p>Handles challenges calmly and professionally</p>		
Attendance & Professionalism	Rating	Supervisor Comments
<p>Maintains reliable attendance and punctuality</p> <p>Uses time effectively during work hours</p> <p>Attendance at Utility events</p>		
Upholds HPU's Core Values	Rating	Supervisor Comments
<p>Exemplifies HPU's commitment to customer service</p> <p>Anticipates problems and plans ahead</p> <p>Complies with policies & procedures</p>		
Asset Protection	Rating	Supervisor Comments
<p>Makes cost-conscious buying decisions</p> <p>Handles company property, inventory & equipment responsibly</p> <p>Identifies risk & policy gaps to protect HPU assets</p>		
Safety	Rating	Supervisor Comments
<p>Follows and promotes all safety procedures</p> <p>Proactively identifies potential hazards</p> <p>Participates in safety training and encourages culture of safety</p>		

Goals from last review period

Rating

Supervisor Comments

1

2

3

Goals for next review period

1

2

3

Overall Score #DIV/0!

Employee Signature: _____

Reviewer Signature: _____



Item 7.D

Item 7.D – Approve Customer Policy Updates

February 17th , 2026

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

RE: Item 7.D - Approve Customer Policy Updates

Dear Commissioners;

For your consideration, we are presenting two customer policies for approval. The first policy references meter access and safety for reading internal meters; this will be important to have implemented prior to AMI installations. The second policy references new fees that will be required to recoup operating costs when conducting inspections of newly installed gas appliances.

Please see attached policies.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

Hibbing Public Utilities
Policy Number: CUST049accessproperty
Date: January 20, 2026

Subject: ACCESS TO CUSTOMER PROPERTY

HPUC employees or representatives have the right of access at all reasonable times to all HPUC-owned equipment on a customer's property. The HPUC may access the premises of the customer for the purpose of reading meters, testing, installing, maintaining, repairing, removing, replacing, using, or exchanging HPUC-owned equipment that is used to supply and deliver utility service to the customer.

The HPUC has the right of way, right of access, and easements necessary to serve the customer at no cost to the HPUC.

Customers must provide and maintain reasonable access to all utility meters and associated equipment located on their premises.

Access must meet the following minimum standards:

Safety:

The area surrounding the meter must be free of hazards such as loose debris, unstable surfaces, aggressive animals, exposed wiring, or other unsafe conditions.

Utility employees must be able to approach, read, repair, or replace the meter without risk of injury.

Sanitation:

The meter location and access path must be kept sanitary and free from excessive waste, refuse, animal feces, or other unsanitary conditions that could pose a health risk.

Adopted by Commission Action

Hibbing Public Utilities
Policy Number: CUST116HomeInspectionGasService
Date: January 20, 2026

Subject: Home Inspection with Gas Services

Hibbing Public Utilities Authorized employees will perform home inspections. The work performed will be timely, using the most efficient process, and with the most cost effective approach. Authorized employees are not certified inspectors. Utility inspections are beneficial but do not constitute official code approval.

Gas lines and authorized appliances are checked initially for visible signs of damage, such as corrosion, cracks, and damaged connections. They also check appliance connections and ventilation systems to ensure they are properly installed and functioning as intended. This visual inspection helps identify potential issues that might not be immediately apparent.

Appliances typically Covered and maybe subject to change:

- Gas stoves and ovens
- Gas water heaters
- Gas furnaces and boilers
- Gas dryers
- Gas fireplaces and space heaters

The amount billed will include (1) direct internal labor and benefit costs; (2) external labor costs; (3) equipment costs at \$100.00

Adopted by Commission Action

