



# Commission Regular Session

MARCH 17<sup>TH</sup>, 2026



## Commission Meeting Agenda

March 17<sup>th</sup>, 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:** February 17<sup>th</sup>, 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 February 12<sup>th</sup> – March 11<sup>th</sup>, 2026
- B. Approve the payroll paid & overtime report for the February 19<sup>th</sup> & March 5<sup>th</sup>, 2026 pay dates
- C. Approve Overnight Employee Travel: 2026 Q2 April - June
- D. Approve Hiring of Tyler Platt, EHS Coordinator; anticipated start date April 6<sup>th</sup>
- E. Approve Hiring of Magan Schoeben, Executive Assistant; anticipated start date April 6<sup>th</sup>
- F. Approve Hiring of Oren Kero, Accounting Coordinator; anticipated start date April 6<sup>th</sup>
- G. Approve Hiring of Chris Zubich, Procurement Supervisor; anticipated start date April 20<sup>th</sup>

**6. FINANCIALS & RISK MANAGEMENT**

- A. Approve January 2026 Financials
- B. Material Purchasing for Budgeted Projects
  - i. Approve Purchase of Distribution Transformers for Voltage Conversion Project from T&R Electric in the amount of \$34,880
  - ii. Approve Purchase of Materials for Beltline Substation Project
- C. HPU Project
  - i. Approve Call for Public Bid 26-04: Beltline Substation Reconstruction
- D. Authorize Resolutions for HPU to Make Application for Loans and Grants from the Drinking Water Revolving Fund of the Minnesota Public Facilities Authority
  - i. Resolution 26-04 for 2026 Lead Service Lines

**7. POLICY & GOVERNANCE**

- A. Approve Customer Policy CUST050: Opt-Out of AMI Installation
- B. Approve Architects-Engineers-Surveyors Selection Policy

**8. NEW BUSINESS**

**9. OLD BUSINESS**

- A.

**10. CLOSED SESSION**

- A. Employee Performance Review

**11. ADJOURNMENT**





## Item 3 – Approval of Minutes



Item 3 – Approval of Minutes : February 17<sup>th</sup>, 2026

March 17<sup>th</sup>, 2026

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

RE: Item 3 - Approval of Minutes: February 17<sup>th</sup>, 2026

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings of February 17<sup>th</sup>, 2026.

Sincerely;



Luke J. Peterson



Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6<sup>th</sup> Ave., Hibbing, MN 55746, held on February 17<sup>th</sup>, 2026. Meeting held at Hibbing City Hall, 401 E. 21<sup>st</sup> St., Hibbing MN. Vice Chair Sandstede called the meeting to order at 5:02 p.m. In attendance were Commissioner Hart, Commissioner Stokes, Commissioner Babich, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, OD & HR Manager, Kendra Powers; Engineering Manager, Paul Skubinna; Customer Communications & Programs Specialist Eliot Dixon. Also in attendance were MMUA reps. Karleen Koss and Shelly Dau, Bolton & Menk rep. Andy Brotzler, HPU Employee George Pogachnik, and HPAT Rep. Ron Wirkkula.

## **Item 2. ADDS/DELETES**

**Delete** – Item 5.D from consent agenda

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

Motion by Commissioner Stokes, supported by Commissioner Hart, to approve the regular meeting minutes of the January 20<sup>th</sup> & February 10<sup>th</sup>, 2026 Commission Meetings.

Motion carried unanimously.

## **Item 4. CITIZENS FORUM –**

## **Item 5. CONSENT AGENDA**

**Item 5.A.** Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated January 15<sup>th</sup> – February 11<sup>th</sup>, 2026

**Item 5.B.** Approve the payroll paid & overtime report for the January 22<sup>nd</sup> & February 5<sup>th</sup>, 2026 pay dates.

**Item 5.C.** Ratify Emergency Purchase of 2,000 tons of Coal from DTE

**Item 5.E.** Authorize listed Requests for Contributions

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

Motion carried unanimously.

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

**Item 6.A.** Energy Market Update – January 2026

HPU General Manager Luke Peterson provided an update and report on January 2026 Energy Markets.

**Item 6.B.** Approve Material Purchasing for Budgeted Projects

**Item 6.B.i.** Approve Resolution 26-01 Deferral of 2025 Debt Issuance Cost

**Item 6.B.ii.** Approve Resolution 26-02 Deferral of 2025 Vegetation Management

Motion by Commissioner Hart, supported by Commissioner Stokes, to approve Resolution 26-01 Deferral of 2025 Debt Issuance Cost and Resolution 26-02 Deferral of 2025 Vegetation Management

Motion carried unanimously.

**Item 6.C.** Approve Material Purchasing for Budgeted Projects

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

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Purchase of 24" Valves for steam Repairs from Hecimovich Mechanical in the amount of \$34,288.72

Motion carried unanimously.

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

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Purchase of Poly Duct from Border States Electric in the amount of \$24,958.74

Motion carried unanimously.

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

Motion by Commissioner Hart, supported by Commissioner Stokes, to approve Purchase 3 reels of 15kV Distribution Cable from Stuart Irby in the amount of \$34,848.

Motion carried unanimously.

**Item 6.C.iv.** Approve Purchase of 15kV 750 MCM AL Distribution Cable from Stuart Irby in the amount of \$108,972

Motion by Commissioner Hart, supported by Commissioner Stokes, to approve Purchase 3 reels of 15kV Distribution Cable from Stuart Irby in the amount of \$34,848.

Motion carried unanimously.

**Item 6.D.** HPU Lead Projects

**Item 6.D.i.** Approve Bolton & Menk Design & Engineering Scope of Work for Corrosion Control in the amount not to exceed \$38,750.

Motion by Commissioner Stokes, supported by Commissioner Sandstede to Approve Bolton & Menk Design & Engineering Scope of Work for Corrosion Control in the amount not to exceed \$38,750.

Motion carried unanimously.

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

Commission discussed the scope of work for the 2026 Lead Service Line Removal Projects and Bolton & Menk's service proposal. Commission discussed bidding strategy for projects. Commissioner Hart stated a preference that BMI would bid each project with a base bid.

Motion by Commissioner Hart, supported by Commissioner , to approve Bolton & Menk Design & Engineering for 2026 Lead Service Line Removal Projects in the amount not to exceed \$240,000 with the requirement of that the projects be bid separately.

Motion carried unanimously.

**Item 6.C.iii.** Approve Call for RFQ 26-03: 2026 Potholing Services

Motion by Commissioner Hart, supported by Commissioner Stokes, to approve Call for RFQ 26-03: 2026 Potholing Services.

Motion carried unanimously.

**Item 6.C.iv.** Approve to Solicit for price for Vactruck Lease related to Potholing.

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Solicit for price for Vactruck Lease related to Potholing.

Motion carried unanimously.

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

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Crane Engineering for Feedwater Pimp #4 Inspection.

Motion carried unanimously.

**Item 6.F.** Approve to Surplus Traffic System Inventory to City of Hibbing

Motion by Commissioner Hart, supported by Commissioner Stokes, to Surplus Traffic System Inventory to City of Hibbing.

Motion carried unanimously.

**Item 7. POLICY & GOVERNANCE-**

**Item 7.A.** Approve Internal Posting and backfill of Line Crew Leader and Assistant Line Crew Leader

Motion by Commissioner Stokes, supported by Commissioner Hart, to approve Internal Posting and backfill of Line Crew Leader and Assistant Line Crew Leader.

Motion carried unanimously.

**Item 7.B.** Approve Internal Posting and backfill for Plant Mechanic Foreman

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Internal Posting and backfill for Plant Mechanic Foreman.

Motion carried unanimously.

Chair Bayliss arrived to meeting at 5:35 pm.

**Item 7.C.** Approve Proposed Compensation Philosophy

Motion by Commissioner Stokes, supported by Commissioner Hart, to approve Compensation Philosophy as proposed.

Motion carried unanimously.

**Item 7.D.** Approve Customer Policy for:

**Item 7.D.i** CUST049: Access to Customer Property – Updated

Motion by Commissioner Hart, supported by Commissioner Babich, to approve CUST049: Access to Customer Property update as proposed.

Motion carried unanimously.

Item 7.D.ii CUST116: Home Inspection with Gas Service

The Commission discussed the process of these inspections. Chair Bayliss stated that he would talk with City staff regarding the purpose and process of permits. The Commission requested more information. Commission stated

Motion by Commissioner Hart, supported by Commissioner Stokes, to reject CUST116: Home Inspection with Gas Service as proposed.

Motion carried unanimously.

**Item 8. NEW BUSINESS–**

**Item 9. OLD BUSINESS –**

**Item 10. ADJOURNMENT**

Motion by Commissioner Hart, supported by Commissioner Stokes, to adjourn the meeting at 6:43 p.m.

Motion carried unanimously

Attest:

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James Bayliss, Chair

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Jeff Hart, Commission Secretary

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

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Item 5.A



Item 5.A – Approve Invoices >\$10,000 and bills & ACH transfers dated February 12<sup>th</sup> – March 11<sup>th</sup>, 2026

March 17<sup>th</sup>, 2026

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

RE: Item 5.A – Approve Invoices >\$10,000 and bills & ACH transfers dated February 11<sup>th</sup> – March 11<sup>th</sup>, 2026

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26<sup>th</sup> 2022 Commission Meeting, please find attached enclosed invoices, bills, and payments since the last Regular Meeting held by the Commission on February 17<sup>th</sup>, 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
BCBS RETIREE	2601304282	RETIREE ACTIVE COVERAGE 03/01/26-03/31/26	02/20/2026	02/25/2026	11,245.00	22320261	02/23/2026
Total BCBS RETIREE:					11,245.00		
BENCHMARK GRO	02252026	conservation improvement program for Walmart in Hibbing	02/25/2026	02/26/2026	28,166.88	63441	02/26/2026
Total BENCHMARK GROUP:					28,166.88		
BOLTON & MENK, I	0385355	WATER Treatment Plant design professional services Dec 6 2025-Jan 16 2026	01/26/2026	02/02/2026	50,213.10	63443	02/26/2026
Total BOLTON & MENK, INC:					50,213.10		
CORE & MAIN	Y403157	Electric meters for AMI project- Stratus 1Q	01/21/2026	01/22/2026	139,529.04	63447	02/26/2026
Total CORE & MAIN:					139,529.04		
Crum Energy Law	JAN2026.CR	JAN 2026 Legal Services; Merjent, MISO, EPE Meetings & Review, land meetings, review contracts	01/31/2026	02/05/2026	24,815.00	63448	02/26/2026
Total Crum Energy Law:					24,815.00		
ELECTRIC POWER	44013	2026 Q1 Projected Costs-EPCM billed through JAN 2026	01/30/2026	02/02/2026	53,317.00	63453	02/26/2026
Total ELECTRIC POWER ENGINEERS LLC:					53,317.00		
HIBBING ACH, CIT	000238-JAN	January 2026 Stormwater	02/18/2026	02/18/2026	25,676.96	30420251	03/04/2026
	000238-JAN	January 2026 Sewer	02/18/2026	02/18/2026	326,715.51	30420251	03/04/2026
	000238-JAN	January 2026 Garbage	02/18/2026	02/18/2026	189,825.76	30420251	03/04/2026
Total HIBBING ACH, CITY OF:					542,218.23		
IRON RANGE ENGI	140	Electrical Engineering Consulting for Beltline Substation, Voltage Conversion, and other PE review on electrical distribution as required.	02/02/2026	02/03/2026	15,436.50	63505	03/05/2026
Total IRON RANGE ENGINEERING AND CONSULTING:					15,436.50		
KINECT ENERGY I	406210	Purchased Gas for January 2026	02/04/2026	02/05/2026	1,531,394.21	22620261	02/26/2026
Total KINECT ENERGY INC ACH DO NOT MAIL:					1,531,394.21		
MILLIMAN	037HPU9001	OPEB valuation	01/27/2026	02/06/2026	11,200.00	63475	02/26/2026
Total MILLIMAN:					11,200.00		
MINNESOTA POWE	07611672430	Monthly Purchased Power January 2026	03/04/2026	02/18/2026	451,201.27	30520261	03/05/2026
Total MINNESOTA POWER ACH DO NOT MAIL:					451,201.27		
MN PEIP	1599648	ACTIVE EMPLOYEE HEALTH COVERAGE 03/01/26-03/31-26	02/10/2026	02/25/2026	192,673.00	30520262	03/05/2026

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
Total MN PEIP:					192,673.00		
MOTOROLA SOLU	8282262854	Base unit for Turbine Room, digger derrick, aerial bucket + Armr Radio training for plant staff.	01/08/2026	01/26/2026	10,565.21	63479	02/26/2026
Total MOTOROLA SOLUTIONS:					10,565.21		
Grand Totals:					3,061,974.44		

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  
February 19<sup>th</sup> & March 5<sup>th</sup>, 2026 Payroll Dates

February 17<sup>th</sup>, 2026

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

RE: Item 5.B – Approval of Payroll Paid and Overtime Report for the October 2<sup>nd</sup> &  
February 19<sup>th</sup> & March 5<sup>th</sup>, 2026 Payroll Dates

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26<sup>th</sup> 2022  
Commission Meeting, please payroll and overtime reports for payroll dates  
subsequent to the last Commission meeting held on February 19<sup>th</sup>, 2026.

Sincerely;



Luke J. Peterson



Report Criteria:

Employee Transaction.Check Issue Date = 02/19/2026

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	195,675.32
Total REGULAR WAGES - FOREMAN:	1,735.68
Total REGULAR WAGES - LEAD:	244.96
Total OVERTIME WAGES:	10,744.25
Total OVERTIME WAGES - FOREMAN:	2,303.17
Total OVERTIME WAGES - LEAD:	459.27
Total SUNDAY PREMIUM:	2,838.12
Total VACATION PAY:	8,134.38
Total SICK LEAVE - REGULAR:	10,486.67
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	475.70
Total PERSONAL HOLIDAY:	2,626.80
Total SHIFT DIFFERENTIAL .75/HR:	405.75
Total LONGEVITY:	2,978.12
Total STANDBY:	3,776.75
Total LEAVE PAYOUT (NO RETIREMENT):	9,230.78
Total RETRO PAY:	29,450.87
Total CERTIFICATE/LICENSE:	1,082.85
 Grand Totals:	 <u>282,649.44</u>

Report Criteria:

Employee Transaction.Check Issue Date = 03/05/2026

Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	177,313.71
Total REGULAR WAGES - FOREMAN:	1,533.56
Total REGULAR WAGES - LEAD:	265.68
Total OVERTIME WAGES:	11,517.32
Total OVERTIME WAGES - FOREMAN:	582.47
Total OVERTIME WAGES - LEAD:	54.98
Total SUNDAY PREMIUM:	2,808.48
Total VACATION PAY:	10,517.57
Total SICK LEAVE - REGULAR:	9,483.79
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	2,623.73
Total PERSONAL HOLIDAY:	2,437.52
Total HOLIDAY PAY:	20,736.48
Total SHIFT DIFFERENTIAL .75/HR:	435.76
Total HOLIDAY WORKED:	4,728.18
Total LONGEVITY:	2,992.66
Total STANDBY:	3,972.77
Total LEAVE PAYOUT (NO RETIREMENT):	7,488.00
Total RETRO PAY:	32.58
Total CERTIFICATE/LICENSE:	1,082.85
Grand Totals:	260,608.09



Item 5.C



Item 5.C – Authorize Travel for Q2 2026

March 17<sup>th</sup>, 2026

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

RE: Item 5.C – Authorize Travel for Q2 2026

Dear Commissioners;

Please find attached for your review and consideration proposed employee overnight travel for Q2 of 2026.

Sincerely;



Luke J. Peterson



<b>Event</b>	<b>Location</b>	<b>Employee</b>	<b>Dates</b>	<b>Total Expected Travel Cost/ person</b>
<b>MMUA Generation School</b>	Fairmont, MN	Plant Manager, 2 operators	April 7 <sup>th</sup> – 9 <sup>th</sup>	\$800
<b>Utility 2030 Energize Retreat</b>	Charleston, SC	Customer Service Lead 1 Commissioner or HPU Staff	April 21 <sup>st</sup> – 23 <sup>rd</sup>	\$1,750
<b>APGA Spring Conference &amp; Board Meeting</b>	Colorado Springs, CO	HPU General Manager, 1 Commissioner	May 3 <sup>rd</sup> – 6 <sup>th</sup>	\$1,200
<b>MMUA Underground School</b>	Marshall, MN	2 HPU Linemen	May 5 <sup>th</sup> – 8 <sup>th</sup>	\$750
<b>MISO Board Meeting</b>	TBD	HPU General Manager, 1 Commissioner	June 15 <sup>th</sup> – 19 <sup>th</sup>	\$1,500

\*\*rough estimates per person (pp)





Item 5.D



Item 5.D – Approve to hire Mr. Platt in the Environmental, Health, and Safety position

3/17/2026

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

RE: Item 5.D - Approve to hire Mr. Platt in the Environmental, Health, and Safety position

The position of Environmental, Health, and Safety within the HR/Safety Department was approved by the Commission on December 16, 2025. Following that authorization, the recruitment and selection process was performed in accordance with established hiring policies and procedures.

After completing the review of applications, interviews, and candidate evaluations, the selection panel has identified Tyler Platt as the finalist for this position. The candidate's qualifications, experience, and demonstrated ability meet the requirements of the role.

I respectfully request approval from the Commission to proceed with hiring Mr. Platt contingent upon completion of all standard pre-employment requirements; anticipated start date is April 6, 2026.

Thank you for your consideration,



Kendra Powers  
Senior Human Resources Director  
Hibbing Public Utilities Commission





Item 5.E



Item 5.E – Request approval to hire Ms. Schoeben in the Executive Assistant position

3/17/2026

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

RE: Item 5.E - Request approval to hire Ms. Schoeben in the Executive Assistant position

The position of Executive Assistant within the Human Resources Department was approved by the Commission on December 16, 2025. Following that authorization, the recruitment and selection process was performed in accordance with established hiring policies and procedures.

After completing the review of applications, interviews, and candidate evaluations, the selection panel has identified Magan Schoeben as the finalist for this position. The candidate's qualifications, experience, and demonstrated ability meet the requirements of the role.

I respectfully request approval from the Commission to proceed with hiring Ms. Schoeben, contingent upon completion of all standard pre-employment requirements; anticipated start date is April 6, 2026.

Thank you for your consideration,



Kendra Powers  
Senior Human Resources Director  
Hibbing Public Utilities Commission





Item 5.F



Item 5.F – Request approval to hire Mr. Kero in the Accounting Coordinator position

3/17/2026

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

RE: Item 5.F - Request approval to hire Mr. Kero in the Accounting Coordinator position

The position of Accounting Coordinator within the Finance Department was approved by the Commission on January 20, 2026. Following that authorization, the recruitment and selection process was performed in accordance with established hiring policies and procedures.

After completing the review of applications, interviews, and candidate evaluations, the selection panel has identified Oren Kero as the finalist for this position. The candidate's qualifications, experience, and demonstrated ability meet the requirements of the role.

I respectfully request approval from the Commission to proceed with hiring Mr. Kero contingent upon completion of all standard pre-employment requirements; anticipated start date is April 6, 2026.

Thank you for your consideration,



Kendra Powers  
Senior Human Resources Director  
Hibbing Public Utilities Commission





Item 5.G



Item 5.G – Request approval to hire Mr. Zubich in the Procurement Supervisor position

3/17/2026

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

RE: Item 5.G – Request approval to hire Mr. Zubich in the Procurement Supervisor position

The position of Procurement Supervisor within the Energy & Operations department was approved by the Commission on January 20, 2026. Following that authorization, the recruitment and selection process was performed in accordance with established hiring policies and procedures.

After completing the review of applications, interviews, and candidate evaluations, the selection panel has identified Chris Zubich as the finalist for this position. The candidate's qualifications, experience, and demonstrated ability meet the requirements of the role.

I respectfully request approval from the Commission to proceed with hiring Mr. Zubich contingent upon completion of all standard pre-employment requirements; anticipated start date is April 20, 2026.

Thank you for your consideration,



Kendra Powers  
Senior Human Resources Director  
Hibbing Public Utilities Commission





Item 6.A



## Item 6.A – Approve 2026 January Financials

March 17<sup>th</sup>, 2026

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

RE: Item 6.A – Approve 2026 January Financials

Dear Commissioners;

The month ended January 2026, operating revenue totals \$3.8 thousand which is the same as January 2025 revenue. Operating expenses for the current year to date were \$3.7M for compared with \$2.7 million in 2025. The difference is primarily due to higher gas prices. Operating Income (revenues – minus expenses) is \$119K which is less than 1.1M for January 2025.

Total change in net position stands at \$120 thousand compared with \$1.1 million for the same period last year at this time. This decrease is largely attributable to the gas utility with a change of \$800K year over year. Our total gas commodity and transportation for the month is 31% higher than the previous year due to the impacts of Storm Fern as well as higher gas Transmission Rates for Northern Natural Gas. Direct HREC expenses increased 6% or \$69K year over year. Increases of fuel inputs of \$318K were offset by a \$193K decrease in purchase power expense on higher MWh's produced.

Sincerely;

Tammy Mattonen



# **Public Utilities Commission**

Financial Statements and  
Supplementary Information

January 31, 2026 and December 31, 2025

# Public Utilities Commission

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January 31, 2026 and December 31, 2025

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## Accountants' Compilation Report

To the Commissioners of  
Hibbing Public Utilities Commission

Management is responsible for the accompanying financial statements of the Hibbing Public Utilities Commission, which comprise the statements of net position as of January 31, 2026 and December 31, 2025 and the related statements of revenues, expenses and changes in net position for the one month and year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's financial position, results of operations and cash flows. Accordingly, the financial statements are not designed for those who are not informed about such matters.

A statement of cash flows for the one month ended January 31, 2026 and year ended December 31, 2025 has not been presented. Account principals generally accepted in the United States of America require that such a statement of cash flows be presented when financial statements purport to present financial position and results of operation.

Accounting principles generally accepted in the United States of America require the following:

- That the component unit, the Laurentian Energy Authority, be blended into the Hibbing Public Utilities Commission's financial statements.
- That the effects of Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, be considered and included in the financial statements. Management has not adjusted the balances for January 31, 2026 because actuarial information is not yet available.

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

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

The accompanying Schedule of Departmental Revenues and Expenses and Budget to Actual Comparison are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

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

*Baker Tilly US, LLP*

Madison, Wisconsin  
March 11, 2026

# Public Utilities Commission

## Statements of Net Position

January 31, 2026 and December 31, 2025

	<u>January 31, 2026</u>	<u>December 31, 2025</u>
<b>Assets and Deferred Outflows of Resources</b>		
<b>Current Assets</b>		
Cash	\$ 220,830	\$ 4,036,506
Investments	15,130,579	15,086,906
Restricted assets:		
Cash held for fuel assistance recipients	45,582	75,978
Cash held for customer deposits	475,332	478,301
Accounts receivable, net of allowance for doubtful accounts of \$62,407 and \$87,148, respectively	3,084,201	2,503,020
Unbilled revenues	2,268,507	2,268,507
Other receivable	169,410	173,279
Current maturities notes receivable, steam conversion program	34,000	35,000
Current portion of lease receivable	9,794	9,778
Inventories	1,421,693	1,419,670
Prepaid expense	1,499,536	822,066
	<u>24,359,464</u>	<u>26,909,011</u>
Total current assets		
<b>Noncurrent Assets</b>		
Restricted assets:		
Bond reserve account	805,286	803,284
Notes receivable, Steam conversion program	131,002	133,203
Lease receivable	429,074	429,896
Investment in joint venture	719,279	731,444
Regulatory assets	3,437,313	3,493,964
Capital assets:		
Plant in service	196,844,307	197,115,783
Accumulated depreciation/amortization	(101,123,356)	(100,584,292)
Construction work in progress	22,539,632	19,258,383
	<u>123,782,537</u>	<u>121,381,665</u>
Total noncurrent assets		
Total assets	<u>148,142,001</u>	<u>148,290,676</u>
<b>Deferred Outflows of Resources</b>		
Related to net pension liability	1,048,219	1,048,219
Related to postemployment benefits liability	121,611	121,611
Related to the purchase of LEA	123,290	126,902
	<u>1,293,120</u>	<u>1,296,732</u>
Total deferred outflows of resources		
Total assets and deferred outflows of resources	<u>\$ 149,435,121</u>	<u>\$ 149,587,408</u>

# Public Utilities Commission

## Statements of Net Position

January 31, 2026 and December 31, 2025

	<b>January 31, 2026</b>	<b>December 31, 2025</b>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 5,614,553	\$ 5,284,286
Accrued interest	120,088	89,267
Accrued expenses	296,282	272,675
Due to City of Hibbing	-	571,889
Compensated absences payable	384,058	401,319
Current portion of lease liability	207,662	207,161
Current portion of long-term debt, bonds and notes payable	755,000	755,000
Current liabilities payable from restricted assets:		
Third-party advances for fuel assistance	45,582	75,978
Customer deposits payable	475,332	478,301
	<u>7,898,557</u>	<u>8,135,876</u>
Total current liabilities		
<b>Noncurrent Liabilities</b>		
Compensated absences payable	959,572	978,224
Total post employment liability	13,690,202	13,690,202
Net pension liability	2,232,991	2,232,991
Long-term debt, bonds and notes payable	19,278,970	19,278,970
Lease liability	88,178	103,999
	<u>36,249,913</u>	<u>36,284,386</u>
Total noncurrent liabilities		
	<u>44,148,470</u>	<u>44,420,262</u>
Total liabilities		
<b>Deferred Inflows of Resources</b>		
Related to net pension liability	1,785,211	1,785,211
Related to postemployment benefits liability	2,329,319	2,329,319
Related to leases	438,868	439,674
	<u>4,553,398</u>	<u>4,554,204</u>
Total deferred inflows of resources		
<b>Net Position</b>		
Net investments in capital assets	98,574,075	96,086,044
Restricted for debt service	161,984	161,984
Unrestricted	1,997,194	4,364,914
	<u>100,733,253</u>	<u>100,612,942</u>
Total net position		
	<u>\$ 149,435,121</u>	<u>\$ 149,587,408</u>
Total liabilities, deferred inflows of resources and net position		

## Public Utilities Commission

Statements of Revenues, Expenses and Changes in Net Position  
One Month Ended January 31, 2026 and Year Ended December 31, 2025

	<b>January 31, 2026</b>	<b>December 31, 2025</b>
<b>Operating Revenue</b>		
Charges for services	\$ 3,799,936	\$ 31,334,132
Other	41,323	580,896
Total operating revenues	<u>3,841,259</u>	<u>31,915,028</u>
<b>Operating Expenses</b>		
Operation and maintenance	3,122,782	25,602,213
Depreciation and amortization	599,327	6,250,070
Total operating expenses	<u>3,722,109</u>	<u>31,852,283</u>
Operating income (loss)	<u>119,150</u>	<u>62,745</u>
<b>Nonoperating Revenues (Expenses)</b>		
Investment income	56,992	1,767,355
Miscellaneous nonoperating income (expense)	4,992	(317,916)
Equity in net income of joint venture	(12,166)	(81,438)
Interest expense	<u>(48,657)</u>	<u>(225,451)</u>
Total nonoperating revenues (expenses)	<u>1,161</u>	<u>1,142,550</u>
Income before contributions	120,311	1,205,295
<b>Capital Contributions</b>	-	4,030,723
Change in net position	120,311	5,236,018
<b>Net Position, Beginning</b>	<u>100,612,942</u>	<u>95,376,924</u>
<b>Net Position, Ending</b>	<u><u>\$ 100,733,253</u></u>	<u><u>\$ 100,612,942</u></u>

## **OTHER INFORMATION**

## Public Utilities Commission

Schedules of Departmental Revenues and Expenses  
 Periods Ended January 31, 2026 and January 31, 2025

	One Month Ended January 31, 2026				
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 1,842,223	\$ 410,038	\$ 1,286,501	\$ 261,174	\$ 3,799,936
Other operating revenues	21,328	7,488	4,901	7,606	41,323
Others					
Total operating revenues	<u>1,863,551</u>	<u>417,526</u>	<u>1,291,402</u>	<u>268,780</u>	<u>3,841,259</u>
<b>Operating Expenses</b>					
Operation and maintenance	1,422,592	366,633	1,217,892	115,665	3,122,782
Depreciation and amortization	382,890	89,253	35,517	91,667	599,327
Total operating expenses	<u>1,805,482</u>	<u>455,886</u>	<u>1,253,409</u>	<u>207,332</u>	<u>3,722,109</u>
Operating (loss) income	<u>\$ 58,069</u>	<u>\$ (38,360)</u>	<u>\$ 37,993</u>	<u>\$ 61,448</u>	<u>\$ 119,150</u>
	One Month Ended January 31, 2025				
	Electric	Steam	Gas	Water	Total
<b>Operating Revenue</b>					
Charges for services	\$ 1,696,401	\$ 429,162	\$ 1,474,952	\$ 235,467	\$ 3,835,982
Other operating revenues	27,095	8,408	4,701	6,405	46,609
Total operating revenues	<u>1,723,496</u>	<u>437,570</u>	<u>1,479,653</u>	<u>241,872</u>	<u>3,882,591</u>
<b>Operating Expenses</b>					
Operation and maintenance	1,298,907	300,810	687,925	88,783	2,376,425
Depreciation	229,960	61,983	20,498	77,046	389,487
Total operating expenses	<u>1,528,867</u>	<u>362,793</u>	<u>708,423</u>	<u>165,829</u>	<u>2,765,912</u>
Operating (loss) income	<u>\$ 194,629</u>	<u>\$ 74,777</u>	<u>\$ 771,230</u>	<u>\$ 76,043</u>	<u>\$ 1,116,679</u>

## Public Utilities Commission

Budget to Actual Comparison  
One Month Ended January 31, 2026

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
<b>Operating Revenue</b>			
Electric revenue	\$ 1,863,551	\$ 1,755,855	\$ 107,696
Steam revenue	417,526	439,569	(22,043)
Gas revenue	1,291,402	1,484,153	(192,751)
Water revenue	268,780	241,756	27,024
	<u>3,841,259</u>	<u>3,921,333</u>	<u>(80,074)</u>
<b>Operating Expenses</b>			
Electric:			
Operation and maintenance	1,422,592	1,271,746	150,846
Depreciation	382,890	370,372	12,518
	<u>1,805,482</u>	<u>1,642,118</u>	<u>163,364</u>
Steam:			
Operation and maintenance	366,633	243,458	123,175
Depreciation	89,253	90,000	(747)
	<u>455,886</u>	<u>333,458</u>	<u>122,428</u>
Gas:			
Operation and maintenance	1,217,892	873,760	344,132
Depreciation	35,517	34,557	960
	<u>1,253,409</u>	<u>908,317</u>	<u>345,092</u>
Water:			
Operation and maintenance	115,665	99,261	16,404
Depreciation	91,667	91,667	-
	<u>207,332</u>	<u>190,928</u>	<u>16,404</u>
	<u>3,722,109</u>	<u>3,074,821</u>	<u>647,288</u>
<b>Operating Income (Loss)</b>			
Electric	58,069	113,737	(55,668)
Steam	(38,360)	106,111	(144,471)
Gas	37,993	575,836	(537,843)
Water	61,448	50,828	10,620
	<u>\$ 119,150</u>	<u>\$ 846,512</u>	<u>\$ (727,362)</u>



Item 6.B.i



Item 6.B.i - Approve Purchase of Distribution Transformers for Voltage Conversion Project from T&R Electric in the amount of \$34,880

March 17<sup>th</sup>, 2026

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

RE: Item 6.B.i - Approve Purchase of Distribution Transformers for Voltage Conversion Project from T&R Electric in the amount of \$34,880

Dear Commissioners;

For your consideration, we are presenting a request to purchase transformers required for our primary voltage conversion project on Feeder 70.

Quotes:

- Sunbelt Solomon at \$88,550.00
- Border States \$72,725.85
- T&R \$34,880.00

We are recommending purchasing from T&R. They are the lowest & qualified. This purchase is within our planed project budget included in the 2026 Electrical Capital Improvement Plan.

Please see the attached quote.

Thank you for your consideration.

Sincerely;



Luke J. Peterson





*"The Transformer People"*

**When Every Minute Counts**

Call Toll Free 800-843-7994  
 (Outside U.S.) 605-534-3555  
 FAX 605-534-3861  
 Website <http://t-r.com>

**Quote Rev. 137822-2**

Contact: Samantha Adams

Phone: 218-966-1437

Date: 03/03/2026

Company: Hibbing Public Utilities  
 Comm

Fax: 218-262-7702

Email: [samantha.adams@hpuc.com](mailto:samantha.adams@hpuc.com)

**Quote Summary**

#	Item	Type	Qty	Category	Ph	KVA	Primary	Secondary	Price	Total
1	0	RC	10	POLE MOUNT	1	15	2400/4160Y X 7970/13800Y	120/240	\$849.00 USD	\$8,490.00 USD
2	0	RC	5	POLE MOUNT	1	25	2400/4160Y X 7970/13800Y	120/240	\$994.00 USD	\$4,970.00 USD
3	0	RC	15	POLE MOUNT	1	50	2400/4160Y X 7970/13800Y	120/240	\$1,428.00 USD	\$21,420.00 USD
<b>Grand Total</b>										<b>\$34,880.00 USD</b>

**Additional Notes**

1. All quotes are subject to the "Standard Terms and Conditions of Sale".
2. This quote is valid for 15 days.
3. Estimated manufacturing lead-time is a best estimate at time of quotation and may vary.
4. Upon completion of order, immediate shipment is available plus freight on a common carrier. Unless otherwise specified, freight on quotes is prepaid and allowed in the contiguous US on our next available truck going to your area.
5. Electrical Test reports available upon request.
6. Prices subject to change. Due to the current volatility of the transformer components market (including copper), prices are subject to change in the event a rapid or extreme fluctuation in price occurs between the time of order placement and sourcing of materials. A rapid or extreme fluctuation occurs when a component part increases by more than 5% from the time the order is placed, and the time materials are ordered. T&R Electric agrees to use its best efforts to obtain advantageous pricing from materials suppliers. In the event there is a price increase through no fault of T&R Electric, we will notify the customer as soon as practicable.
7. Note: In order for a Purchase Order to be entered into the work queue and receive a designated time slot for production, these conditions must be accepted, and a note of acknowledgement must be present on said purchase order.

If you have any questions or need any additional information please call me at 800-843-7994. You may also email me at [bill.hawkins@trelectric.com](mailto:bill.hawkins@trelectric.com).

Sincerely,  
 Bill Hawkins  
 Sales Representative



"The Transformer People"

When Every Minute Counts

Call Toll Free 800-843-7994  
(Outside U.S.) 605-534-3555  
FAX 605-534-3861  
Website <http://t-r.com>

**Quote Rev. 137822-2**

Contact: Samantha Adams

Phone: 218-966-1437

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Fax: 218-262-7702

Email: [samantha.adams@hpuc.com](mailto:samantha.adams@hpuc.com)

**Item #1 - Single Phase 15 KVA Pole Mount**

Product Type: Reconditioned

Transformer Type: Pole Mount

**Specifications:**

KVA:	15	Phase:	1
High Voltage:	2400/4160Y X 7970/13800Y	Low Voltage:	120/240
Taps:	W/O TAPS		

**Accessories:**

- Double Primary Bushing
- Primary Top Mounted
- Secondary Lug
- Conventional
- Mineral Oil (standard)
- Non-PCB Label
- Pressure Relief Device
- ANSI 70 Paint

**Notes:**

Reconditioned Units  
Lead times are Estimated, Not Guaranteed  
Current lead times are 2-4 weeks for delivery  
Fuel surcharge applies on all deliveries  
Delivery on our next truck in your area.

**Quantity: 10**

Warranty: 36 Month Guarantee

**Price: \$849.00 USD Each**

Manufacturing Time: 2 - 4 weeks (ARO)

Delivery: Fob: Destination

After Release to Production

**Electrical Tests:**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Transformer Turns Ratio Test</li> <li>2. Polarity and Phase Relation Test</li> <li>3. DC HYPOT TEST<br/>Performed at Two Times Rated Line Voltage Plus 1000 Volts <ol style="list-style-type: none"> <li>a. HV to LV</li> <li>b. HV to Ground</li> <li>c. LV to Ground</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>4. Core Loss and Excitation Test</li> <li>5. Load and No Load Testing</li> <li>6. Induced Potential Test at 400 Hertz for 7200 Cycles</li> </ol> |
|---|---|



*"The Transformer People"*

**When Every Minute Counts**

Call Toll Free 800-843-7994  
(Outside U.S.) 605-534-3555  
FAX 605-534-3861  
Website <http://t-r.com>

**Quote Rev. 137822-2**

Contact: Samantha Adams

Phone: 218-966-1437

Date: 03/03/2026

Company: Hibbing Public Utilities  
Comm

Fax: 218-262-7702

Email: [samantha.adams@hpuc.com](mailto:samantha.adams@hpuc.com)

**Item #2 - Single Phase 25 KVA Pole Mount**

Product Type: Reconditioned

Transformer Type: Pole Mount

**Specifications:**

KVA:	25	Phase:	1
High Voltage:	2400/4160Y X 7970/13800Y	Low Voltage:	120/240
Taps:	W/O TAPS		

**Accessories:**

- Double Primary Bushing
- Primary Top Mounted
- Secondary Lug
- Conventional
- Mineral Oil (standard)
- Non-PCB Label
- Pressure Relief Device
- ANSI 70 Paint

**Notes:**

Reconditioned Units  
Lead times are Estimated, Not Guaranteed  
Current lead times are 2-4 weeks for delivery  
Fuel surcharge applies on all deliveries  
Delivery on our next truck in your area.

**Quantity:**

**5**

**Price:**

**\$994.00 USD Each**

Warranty:

36 Month Guarantee

Manufacturing

2 - 4 weeks (ARO)

Time:

Delivery:

Fob: Destination

After Release to Production

**Electrical Tests:**

- |   |   |
|---|---|
| <ol style="list-style-type: none"> <li>1. Transformer Turns Ratio Test</li> <li>2. Polarity and Phase Relation Test</li> <li>3. DC HYPOT TEST<br/>Performed at Two Times Rated Line Voltage Plus 1000 Volts <ol style="list-style-type: none"> <li>a. HV to LV</li> <li>b. HV to Ground</li> <li>c. LV to Ground</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>4. Core Loss and Excitation Test</li> <li>5. Load and No Load Testing</li> <li>6. Induced Potential Test at 400 Hertz for 7200 Cycles</li> </ol> |
|---|---|



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Call Toll Free 800-843-7994  
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**Quote Rev. 137822-2**

Contact: Samantha Adams

Phone: 218-966-1437

Date: 03/03/2026

Company: Hibbing Public Utilities  
 Comm

Fax: 218-262-7702

Email: [samantha.adams@hpuc.com](mailto:samantha.adams@hpuc.com)

**Item #3 - Single Phase 50 KVA Pole Mount**

Product Type: Reconditioned

Transformer Type: Pole Mount

**Specifications:**

KVA:	50	Phase:	1
High Voltage:	2400/4160Y X 7970/13800Y	Low Voltage:	120/240
Taps:	W/O TAPS		

**Accessories:**

- Double Primary Bushing
- Primary Top Mounted
- Secondary Lug
- Conventional
- Mineral Oil (standard)
- Non-PCB Label
- Pressure Relief Device
- ANSI 70 Paint

**Notes:**

Reconditioned Units  
 Lead times are Estimated, Not Guaranteed  
 Current lead times are 2-4 weeks for delivery  
 Fuel surcharge applies on all deliveries  
 Delivery on our next truck in your area.

**Quantity: 15**  
 Warranty: 36 Month Guarantee

**Price: \$1,428.00 USD Each**  
 Manufacturing Time: 2 - 4 weeks (ARO)

Delivery: Fob: Destination

After Release to Production

**Electrical Tests:**

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. Transformer Turns Ratio Test</li> <li>2. Polarity and Phase Relation Test</li> <li>3. DC HYPOT TEST<br/>           Performed at Two Times Rated Line Voltage Plus 1000 Volts           <ol style="list-style-type: none"> <li>a. HV to LV</li> <li>b. HV to Ground</li> <li>c. LV to Ground</li> </ol> </li> </ol> | <ol style="list-style-type: none"> <li>4. Core Loss and Excitation Test</li> <li>5. Load and No Load Testing</li> <li>6. Induced Potential Test at 400 Hertz for 7200 Cycles</li> </ol> |
|--|---|



**36 MONTHS  
100%  
Guarantee**

## **GUARANTEE**

**ALL T&R TRANSFORMERS ARE GUARANTEED TO BE FREE FROM DEFECTS IN WORKMANSHIP AND MATERIALS FOR 36 MONTHS UNDER NORMAL USE OR SERVICE ; THAT NORMAL USE OR SERVICE DOES NOT INCLUDE ABNORMAL STRESSES OR STRESS FROM SUCH CAUSES AS INCORRECT PRIMARY VOLTAGE, FREQUENCY OR IMPROPER LOAD.**

**We are not responsible for consequential losses or damages outside of this equipment nor for any repairs or replacements made by others without our written authorization. Should any unit fail within 36 months, we will either repair or replace the transformer or refund your money at our option.**

Excluded under this guarantee are all newly-manufactured transformers and all transformers rebuilt by other rebuilders, in which case their guarantee will prevail.

This guarantee is expressly in lieu of other guarantees.

(605) 534-3555  
(800) 843-7994  
FAX: (605) 534-3861  
E-MAIL: t-r@t-r.com

**T&R Electric Supply Co., Inc.**  
**STANDARD TERMS AND CONDITIONS OF SALE**  
Effective Date: January 23, 2020

**1. Applicable Terms.** These Terms and Conditions of Sale (the "Terms") apply to and govern the sale of all material, equipment, components, products, goods and/or documents (the "Products") sold by T&R Electric Supply Co., Inc. ("T&R") to Customer, unless otherwise expressly agreed in a written agreement signed by T&R. T&R offers to sell the Products solely pursuant to these Terms, and any acceptance is expressly limited to these Terms. Any terms proposed by Customer in any offer, acceptance, confirmation or other document are rejected by T&R and do not bind the parties. If Customer objects to any provisions of these Terms, such objection must be in writing and received by T&R prior to commencement of performance by T&R. If Customer fails to timely provide a written objection, Customer will be deemed to have conclusively accepted these Terms. All dollar amounts referenced herein, or payments owed under the terms hereof, refer to and shall be paid in US dollars.

**2. Quotations.** Each quotation is valid for 30 days from its issue date unless otherwise stated in the quotation or unless revoked by T&R prior to the issuance of Customer's purchase order.

**3. Prices.** Prices are subject to change by T&R without notice. Unless otherwise specified, prices will be the prices in effect at the time of written order acknowledgment by T&R, subject to any mutually agreed upon escalation formula and/or adjustment for any subsequent change to the Product requested by Customer and agreed to by T&R. Except as otherwise provided in Section 6 (Delivery/Shipment) or as otherwise agreed in writing by T&R, prices will include freight Prepaid and Allowed to the accessible common carrier point nearest the first destination designated by Customer in the 48 contiguous United States on the next available T&R truck delivering to Customer's area, unless immediate shipping is required by Customer, in which case such charges are not included in the original quote and shall be additionally paid by Customer. In the event of a price change, the effective date of the change will be the date shown on the revised quotation. Where a price change is made by letter, fax or email, the effective date may be given as part of the letter, fax or email. Pallets are not included in the price of quote and must be requested separately by Customer. Pallets and export packaging provided by T&R will not be fumigated and any special requests shall be made in advance, and may not be available through T&R. Customer shall give at least two weeks' notice to T&R in the event witness tests are required by Customer, and charges for such tests will be set by T&R but will be no less than \$1,000 per day.

**4. Taxes.** The price quoted by T&R for the Products does not include any federal, state or local property, license, privilege, sales, use, excise, gross receipts or other like taxes which may now or hereafter apply. Customer shall be solely responsible for paying all such applicable taxes. Payment by T&R of any such taxes will be for the account of Customer, and shall be immediately reimbursed by Customer to T&R. Where Customer's or the end-user's destination is located outside of the United States, Customer shall pay all customs, duties and local customs broker fees and costs (U.S. and/or non-U.S.), as well as all other non-U.S. taxes of any type.

**5. Payment.** Payment terms are 30 calendar days from the date of invoice, unless otherwise agreed in writing by T&R. If the financial condition of Customer at any time prior to shipment is reasonably questioned by T&R, T&R may require payment in advance by Customer or cancel any outstanding order, without any liability or obligation to Customer and whereupon, in the event of cancellation, T&R will be entitled to receive reasonable cancellation charges. If any payment is not made when due, Customer shall pay a late charge equal to the greater of 1½% per month cumulative or the highest applicable rate allowed by law on all principal outstanding and prior assessed late charges. In addition, Buyer shall pay T&R all costs and expenses incurred by T&R in enforcing these Terms, including reasonable attorneys' fees.

**6. Delivery/Shipment.** Unless otherwise agreed in writing by T&R, all orders of Products with net invoice values of \$1,000 or more are shipped F.O.B. Colman, South Dakota Prepaid and Allowed, and all orders with net invoice values of less than \$1,000 are shipped F.O.B Colman, South Dakota Prepaid and Added. All shipments are F.O.B. accessible common carrier point nearest first destination designated by Customer in the 48 contiguous United States on the next available contracted carrier truck delivering to Customer's area, unless immediate shipping is required by Customer (which charges are not included in the original quote, freight prepaid, and shall be paid by Customer).

Cartage (Store Door Delivery): Transportation charges incurred from the nearest accessible common carrier point to final destination or to shipside (in case of shipment to U.S. possessions) are the responsibility of Customer unless the common carrier furnishes store delivery at no extra charge.

Method of Shipment: T&R will determine the point of origin of shipment, the method of transportation, and the routing of shipment. Customers requiring shipment by a method or routing other than that of T&R's selection will be billed any excess or premium in transportation charges. Any charges for special services, including special train, lighterage, coordinated arrival times of multiple trucks or other modes of conveyance shall be paid or reimbursed by Customer.

Shipping Dates: Shipping dates contained in quotations are approximate and are based on receipt of complete information with the order. If drawing approval by Customer is required, drawings must be returned to T&R by Customer and released to production within 14 days, in writing, by email, facsimile or first class mail. Upon release to production, a shipment date will be determined by work load level at the time of release and may not be the same as initially quoted. An acknowledgement shipment date will be provided upon Customer request.

Customer Pick-Up: No allowance will be made in lieu of transportation if Customer accepts shipment at the factory or warehouse or freight station.

Will Call Orders: Customer expressly consents that will-call orders (e.g. orders for which Customer elects to arrange for transportation) will be invoiced on the later of the contractually acknowledged shipment date or the date of Product completion. T&R will not be responsible in any way for Customer's inability to secure timely transportation or any other delay by Customer or its service providers whatsoever. Any applicable storage charges of completed Products will be in accordance with Section 17 (Delayed Shipment).

Shipment Damage: Except in the event of F.O.B. Destination shipment, T&R will not participate in any settlement of claims for concealed or other shipment damage. When shipment has been made on an F.O.B. Destination basis, Customer shall unpack immediately and, if damage is discovered, shall: (i) not move the Product from the point of examination; (ii) retain shipping container and packing material (if applicable); (iii) notify the carrier of any apparent damage in writing on carrier's delivery receipt and request carrier to make an inspection; (iv) notify T&R within 72 hours of delivery; and (v) send T&R a copy of the carrier's inspection report.

Inspection and Acceptance: Products will be deemed accepted by Customer upon receipt. Should a Product not comply with required technical specifications, Customer shall notify T&R in writing of any alleged noncompliance within two calendar days of receipt and off-loading. Any notification of alleged noncompliance must cite each specification criteria that is alleged to be non-compliant, with evidence of the deviation. Correction of any confirmed noncompliance will be in accordance with T&R's obligations under Section 8 (Warranty).

**7. Force Majeure.** T&R shall not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including but not limited to: acts of God; acts or omissions which are substantially attributable to Customer or Customer's service providers; fire; floods, hurricanes, tornadoes or other unusually severe or harsh weather conditions; strikes or other labor difficulties; any act or failure to act or delay in acting on the part of any governmental authority or entity; changes in law; epidemics; quarantine restrictions; war; insurrection or riot; acts of a civil or military authority; title or environmental issues; embargoes; fuel or energy shortage; blockage; transportation delays or accidents; inability to obtain necessary labor, material or manufacturing facilities from usual sources; or delays of subcontractors. In the event of delay in performance due to any such cause, the date of shipment or time for completing will be extended by a period of time equal to the greater of (i) the time reasonably necessary to overcome the effect of such delay, or (ii) the time equal to the period of the delay.

**8. Warranty.** T&R warrants to Customer that, for the length of time stated in the quote given by T&R to Customer (or if no length of time is stated, for a period of one year from the date of invoice), the Products will be free from defects in material and workmanship under normal use, service and conditions. T&R shall have no liability for the failure of any Product to conform with this warranty if such failure is caused by abnormal stresses (such as stresses caused by incorrect primary voltage, frequency or improper overload), accident, misuse, neglect, alteration, improper installation or repair, inadequate maintenance, normal wear and tear, or use contrary to any product specifications or instructions of T&R. Customer may elect, at Customer's sole expense, to install, use and maintain a metering device that will record values for current (amps), voltage (V), frequency (Hz), loading of the transformer (kW), and such other information as may be required by T&R (collectively, the "Metered Information"). In the event of a defect or other failure of the Product, Customer is required to provide Metered Information regarding the Product to T&R, and such Metered Information will be used by T&R to determine whether the alleged defect or failure is covered by this warranty. If Customer elects not to install, use, and maintain a metering device, or otherwise fails to provide Metered Information to T&R, T&R shall analyze the Product and make the determination, in its sole discretion, whether the alleged defect or failure is covered by this warranty. In the event a Product fails to conform to this warranty during the warranty period, T&R, at its sole option, will repair the Product, replace the Product, or refund the purchase price of the Product to Customer. Excluded from this warranty are all newly manufactured transformers, regulators, switches and other equipment and all transformers, regulators, switches and other equipment rebuilt by other rebuilders, in which case such other manufacturers' or rebuilders' warranties will apply and be Customer's exclusive warranty to be enforced directly by Customer against such third party. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY CONSTITUTES T&R'S SOLE LIABILITY, AND CUSTOMER'S SOLE REMEDY, FOR ANY BREACH OF WARRANTY OR OTHER NONCONFORMITY OF PRODUCTS. T&R MAKES NO OTHER WARRANTY, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT, OR THAT MAY ARISE FROM COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. T&R does not extend this warranty, and Customer may not transfer it, to any third party; in the event this warranty is deemed to extend to any third party, this warranty shall be subject to all conditions and limitations of these Terms.

**9. Limitation of Liability.** The total, aggregate, and cumulative liability of T&R, and its affiliates, parent, subsidiaries, shareholders, directors, officers, employees, agents, assigns and their respective predecessors and successors, to Customer or any third party, whether by indemnity, in contract, guaranty or tort (including negligence or strict liability), by statute or under any other legal theory, shall in no event exceed the amount paid by Customer for the Product giving rise to such liability. The existence of multiple claims with respect to the same Product will not enlarge this limit.

Under no circumstances will T&R be liable to Customer or any third party, whether by indemnity, in contract, guaranty or tort (including negligence or strict liability), by statute or under any other legal theory, for any punitive, special, incidental, indirect or consequential damages or losses of any nature, even if Customer advised T&R in advance of the possibility of such damages, including without limitation loss of profit, loss of production, loss of contract, loss of revenue, cost of replacement power or temporary equipment, claims of Customer's customers, cost of money, loss of investment or business opportunity, increased operating costs, financing costs or government fines, penalties or sums due.

No action, regardless of form, arising with respect to any Product may be brought by Customer more than one year after the event giving rise to the cause of action occurred. T&R shall be entitled to the payment of its attorneys' fees and costs in the event T&R is forced to defend a legal action by Customer on a claim precluded by this section. The remedies of Customer set forth in these Terms are exclusive and include anything done in connection with the Products, such as the performance or breach of these Terms or the manufacture, sale, repair, replacement, delivery, resale or use of the Products.

Customer acknowledges that T&R set its prices, and agreed to sell the Products to Customer, in reliance on the limitations of liability, disclaimer of warranties, and remedies set forth in these Terms,

and that such provisions form an essential basis of the bargain between the parties, without which T&R would not have agreed to sell the Products to Customer.

**10. Delay Damages.** In the event T&R fails to deliver a Product at the time required by an order, T&R's liability for such delay shall be limited by these Terms (including, but not limited to, Section 9 (Limitation of Liability)) and in no event shall exceed an amount equal to 5% of the purchase price of the Product at issue. Such compensation shall represent full and final satisfaction of T&R's liability for delay. Customer shall be entitled to the delay damages described in this section only if Customer substantiates through appropriate and reliable documents the damages it incurred due to the late performance of T&R. Customer shall be entitled to such damages only if T&R fails to meet the final shipment date of a Product; no delay damages shall apply with respect to any intermediate milestone or deliverable. Any amounts payable by T&R pursuant to this section shall be subject to the terms of Section 9 (Limitation of Liability), including the total, aggregate liability cap set forth therein. Customer shall use all reasonable efforts to mitigate the effect of any delay caused by T&R. In no event shall T&R be liable for delay damages where late shipment was caused by a force majeure event as defined in Section 7 (Force Majeure), a suspension of the work, a change order or modification to the Product requested by Customer, or any other act or omission of Customer or end-user which contributed to the delay at issue.

**11. Intellectual Property.** The sale by T&R of a Product does not convey or grant any license, express or implied, to Customer regarding any of T&R's intellectual property, including but not limited to any patents, copyrights, trademarks, trade secrets, designs, artwork or other proprietary rights, except Customer's non-exclusive right to use such intellectual property solely for the purpose of, and only to the extent necessary for, use of the Product in accordance with T&R's specifications or use documentation.

**12. Transfer.** In the event Customer sells, assigns or otherwise transfers a Product or any right or interest therein to a third party, such third party shall be bound by these Terms in the same manner as Customer. In the event such third party is for any reason determined to not be bound by these Terms, Customer shall indemnify, defend and hold harmless T&R from and against all liability of T&R to such transferee or any subsequent transferee in excess of what T&R's liability would have been if such transferee had been bound by these Terms in the same manner as Customer.

**13. Title; Risk of Loss.** Title to the Products will pass to Customer at the point of delivery to Customer. Risk of loss of the Products will pass to Customer upon the earlier of the invoicing date or the date of delivery to Customer. Until such time as Customer has paid T&R in full for a Product, Customer shall perform all acts necessary to protect the Product free of claims, demands, liens and encumbrances, to insure the Product for its full replacement value at Customer's expense, and, to the extent Customer owes T&R any amount under the purchase order, hold the proceeds of any insurance claim in respect of the Product in trust for T&R.

Without prejudice to any other remedy or right of T&R, if Customer fails to timely pay for a Product delivered to Customer, T&R may take possession of the Product and sell it. Customer irrevocably authorizes T&R or its agents to enter any premises owned, leased or otherwise occupied by Customer for the purpose of taking possession of the Product. If T&R takes possession of and sells a Product, Customer continues to be liable to T&R for an amount equal to the aggregate of the unpaid amounts and costs and expenses incurred by T&R in taking possession of, transporting, storing and selling the Product, less an amount equal to the proceeds of the sale.

**14. Contract Variations.** The following terms apply to purchase order variations.

**Drawing Approval and Changes:** If Customer approval of drawings is required, such review, comment or approval must be received by T&R no later than 14 calendar days after submittal of drawings by T&R to Customer. If Customer fails to meet this requirement, or if the Product has not otherwise been released to production within 30 calendar days of written order acknowledgement by T&R, the order shall be subject to adjustment of price and shipment terms. Where Customer's specifications are not sufficiently detailed, T&R reserves the right to design the Product in accordance with T&R's professional judgment and good commercial practices. If at any time Customer makes changes to a design as covered in Customer's specifications, the order shall be subject to adjustment of price and shipment terms to reasonably cover any additional costs and commitments caused by the change.

**Hold:** An order placed on hold by Customer for any reason, or by T&R while awaiting payment of overdue invoices, will be taken out of the production schedule. If/when the hold is removed, the order will be rescheduled from that subsequent release date at the then prevailing lead-time, and Customer shall be responsible for all additional costs and expenses associated therewith.

**Change Order:** A change order submitted by Customer for a previously acknowledged purchase order is subject to additional charges. Changes to purchase orders that have not been released for production are subject to price adjustments for changes to the Products and the costs of technical and administrative services, as well as applicable material and/or restocking costs. Changes made to purchase orders that have been released to production are subject to these same price adjustments, plus \$500 per change for production disruption and inefficiency costs. Lead-time extensions may result, depending on the nature of the changes.

**Customer Supplied Material:** In the event T&R agrees to install Customer-supplied material, the following additional terms shall apply:

(i) T&R will not be responsible for delays in shipment caused by delays in the receipt of Customer-supplied material. Such delays will be subject to possible price adjustments due to Customer-induced delays and disruptions.

(ii) Customer shall supply T&R all applicable technical data and drawings, in sufficient detail as determined by T&R, at time of order entry, so as to ensure the Product design can be made to accommodate form, fit, function and interface with Customer-supplied material.

(iii) Failure by Customer to supply the correct material per the detailed technical data supplied at the time of order may result in delays in shipment and price adjustments.

T&R will not be responsible for Customer-supplied material that is inferior, damaged or defective. In such an event, delays in shipment may result and shall be subject to price adjustments in favor of T&R.

**Service Conditions:** Liquid-filled transformer products supplied by T&R shall be suitable for operation within the "usual service conditions" as defined in IEEE Standard C57.12.00, Section 4.1. These usual service conditions include, without limitation, the following:

(i) The transformer is designed for step down duty.

(ii) The transformer is designed for operation at the rated kVA, at 3300 feet altitude, without exceeding temperature limits, provided the average temperature of the ambient air does not exceed the limits as listed below. The dielectric strength of the bushings and arrestors will be suitable to allow satisfactory operation at 3300 feet.

(iii) The temperature of the ambient air may not exceed 40 degrees C at any one time and the average temperature of the ambient air, for any 24 hour period, may not exceed 30 degrees C.

(iv) The input voltage when applied to any rated tap, at rated frequency, may not result in an output voltage greater than 110% at no load, and 105% at rated output load. The output load power factor must be 80% or better.

(v) When unusual or special service conditions occur or exist, such as damaging or explosive vapors, abnormal vibrations, shocks, transportation or storage conditions, poor wave form, unbalanced voltage, or planned regular short circuits, or service conditions other than those described in (i), (ii), (iii) or (iv) above, it is the responsibility of Customer to bring these conditions to the attention of T&R at the time a quotation is requested by Customer.

Failure by Customer to expressly provide advance notice to T&R of any unusual or special service conditions which do not meet the above shall render the Product warranty void.

**15. Termination by Customer.** An order or contract may be terminated by Customer only by written notice to T&R and upon payment to T&R of the termination charges described in this section, which must be paid with 30 days of the notice of termination.

Where the order is in process, but the Product is not released for manufacture, cancellation charges paid by Customer to T&R shall equal the cost of materials that are not useable on other orders, plus 20% of the price of the Product noted on the purchase order.

Where the order is in process and the Product is released for manufacture, the following charges shall be paid by Customer to T&R, based on stage of production:

If engineering is complete, 25% of the Product price

If purchasing is complete, 50% of the Product price

If materials have been received by T&R, 75% of the Product price

Within six weeks of acknowledged date of shipment, 100% of the Product price

**16. Suspension by Customer.** Any order held or delayed or rescheduled at the request of Customer shall be subject to the prices and conditions of sale in effect at the time of the release of the hold or reschedule. Any such order held or delayed beyond 30 calendar days will be treated as a Customer termination pursuant to Section 15 (Termination by Customer).

**17. Delayed Shipment; Storage.** When a Product is ready for shipment and shipment cannot be made because of reasons beyond T&R's control, T&R shall submit an invoice for the Product due and payable in accordance with the agreed payment terms, and T&R, upon written notice to Customer, shall store the Product, subject to the terms of this section.

Notwithstanding anything to the contrary herein, risk of loss of the Product shall pass to Customer upon moving the Product to storage. All expenses incurred by T&R in connection with the storage of the Product, including demurrage, cost of preparation for storage, storage charges, insurance and handling charges, shall be payable by Customer upon submission of invoices by T&R.

T&R, in its sole discretion, may agree to store completed Products for a maximum of two weeks at no additional charge on a space available basis, with the understanding and the hereby expressed consent of Customer that the date of invoice will be the date the Product was originally scheduled to ship and that payment terms will not be changed. After such two-week timeframe, a storage charge of \$250 per Product per week, or part thereof, will be assessed and billed monthly to Customer.

**18. Termination by T&R.** T&R shall have the right to terminate an order at any time in the event Customer breaches these Terms. T&R shall notify Customer of termination by written notice.

**19. Returning of Product.** No Product may be returned to T&R by Customer, except with the prior written agreement of T&R and subject to the terms specified therein by T&R.

**20. Product Notices.** Customer shall provide the end-user of a Product with all T&R-supplied Product and patent notices, warnings, instructions, recommendations and similar materials. Under no circumstances shall Customer or the end-user remove any such information which may be affixed to the Product or to the related materials shipped with the Product.

**21. United States Export Controls.** Customer acknowledges that the Products and all documentation and other technical information delivered pursuant to these Terms is subject to export controls under U.S. laws, including but not limited to the Export Administration Act and the regulations promulgated thereunder. Customer shall comply with all legal requirements established under these controls and cooperate fully with T&R in any official or unofficial audit or inspection that relates to these controls. Customer shall not export, re-export, divert or transfer, directly or indirectly, the Products or any documentation or other technical information delivered pursuant to these Terms to any country, or to the nationals of any country, which the U.S. government determines is a country to which such export, re-export, diversion, transfer or disclosure is restricted. Customer shall defend, indemnify and hold harmless T&R from and against any claims, liability and expenses arising from or related to any breach of this section by Customer. T&R's obligation to deliver the Products to Customer is conditioned upon Customer's attainment of all required licenses and permits.

**22. Testing and Acceptance of Goods.** Testing of the Products before shipment is done in accordance with T&R's standard factory test procedures. Upon Customer's request, T&R will provide test reports for the Products. In the event Customer requests testing other than T&R's standard factory tests and/or requests witness testing and/or inspections, Customer shall pay for all such additional testing, witness costs, and all associated charges.

**23. Severability.** If any provision of these Terms is found to be in violation of law or unenforceable, the remainder of these Terms shall remain in full force and effect.

**24. No Assignment.** Neither these Terms nor any rights, interest or benefits of Customer hereunder may be assigned by Customer to any other party, except upon the prior written consent of T&R.

**25. Disputes; Choice of Law; Venue.** If any dispute arises under these Terms between Customer and T&R, no action, suit, arbitration or other proceeding may be commenced before the parties have attempted to resolve the dispute pursuant to mediation, unless immediate injunctive relief is being sought. The validity, performance, construction, and effect of any purchase order which is subject to

these Terms shall be governed by the laws of the State of South Dakota, without regard to its choice of law rules or those of any other jurisdiction. The parties agree that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to any Products sold by T&R to Customer or any agreement or dispute between the parties. The sole and exclusive jurisdiction and venue for any legal action arising from or related to a dispute between T&R and Customer with respect to the Products, a purchase order, these Terms or any related matter shall be in the federal or state courts located in the State of South Dakota, and the parties consent to such jurisdiction and venue.



Item 6.B.ii



Item 6.B.ii – Approve Purchase of Materials for Beltline Substation Project

March 17<sup>th</sup>, 2026

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

RE: Item 6.B.ii – Approve Purchase of Materials for Beltline Substation Project

Dear Commissioners;

Staff is requesting Commission approval to purchase materials for our Beltline Substation Reconstruction Project. Quotes for substation materials were obtained from multiple vendors. Each supplier's total price reflects the lowest quoted cost for the individual material components required for the project.

Based on the quotes received, staff assembled the most cost-effective combination of materials across vendors. The proposed procurement is within the approved project budget, and current lead times support the project construction schedule.

Staff respectfully requests the Commission's authorization to proceed with material procurement of the Beltline Substation reconstruction materials from Wesco, Border States Electric and Resco. Please see material and pricing detail within attached supporting documents.

Wesco: \$30,544.18

Border States Electric: \$18,976.73

Resco: \$47,939.95

Thank you for your consideration.  
Sincerely;



Item	Part Number	Quantity Total	Qty needed	Qty Quoted	Wesco Unit	Wesco total
Ground Wire	#2 7-strand SD Copper Ground wire, feet	1000	1000	1000	\$1.62	\$1,623.00
Ground Wire	4/0 19-strand SD Copper Ground wire, feet	2250	2250	2250	\$5.21	\$11,718.00
Wire	336.4 18/1 Merline ACSR, feet	2500	2500	2500	\$1.38	\$3,440.00
Straight Thimble eye bolt 3/4" x 12"	Allied 5814	20	20	30	\$15.65	\$469.50
Crossarm brace 60" x 18" drop	Aluma-Form RA 6018	20	20	20	\$29.08	\$581.60
336.4 ACSR Deadend Strain Clamp	Anderson ASOD6841N	50	50	50	\$18.39	\$919.50
Wedge Clamp - 336.4 ACSR to 4/0 CU	Burndy WCY56PB	30	30	30	\$35.97	\$1,079.10
2-hole lug - 1/0 AL	Burndy YA252N	10	10	10	\$6.73	\$67.30
2-hole lug - 350 MCM AL	Burndy YA312N	6	6	6	\$11.43	\$68.58
2-hole lug - 750 MCM AL	Burndy YA392N	36	36	36	\$23.04	\$829.44
15kV 200A Elbow Kit - 1/0 SOL AL 15kV	Elastimold 162LRJSB5230S	6	6	6	\$59.42	\$356.52
Elbow Arresters-10kV 200A LB	Elastimold 167ESA-10	15	15	15	\$110.70	\$1,660.50
Terminator Kit - 750 MCM AL 15kV	Elastimold R2T15J4	24	24	24	\$77.45	\$1,858.80
Terminator Kit - 1/0 MCM AL 35kV	Elastimold R2T35J2	2	2	2	\$108.21	\$216.42
Terminator Kit - 350 MCM AL 35kV	Elastimold R2T35J4	3	3	3	\$117.32	\$351.96
7/16" Preform	Hubbell FWDE1108	40	40	40	\$5.61	\$224.40
25kV Deadend Insulators	Hubbell/Ohio Brass 4010280215	40	40	40	\$17.97	\$718.80
Riser Arrester - 30kV	MacLean ZRP030-0000000	8	8	8	\$138.22	\$1,105.76
Strandwise - 7/16"	Maclean 5203	20	20	20	\$44.37	\$887.40
Riser Arresters-10kV	MacLean ZRP010-0000100	40	40	40	\$49.94	\$1,997.60
Ground wire staples - small 1/2"	Staples - 1/2"	1000	1000	1000	\$0.37	\$370.00
					Total	\$30,544.18

Wesco

Item	Part Number	Quantity Total	Qty needed	Qty Quoted	BSE unit	BSE total
2-hole lug - 4/0 CU	Burndy YA282N	180	180	180	\$7.18	\$1,292.40
Ground Rod Clamps	Burndy YGHC29C26	40	40	40	\$11.77	\$470.80
Ground Wire Clamps	Burndy YGHC29C29	110	110	110	\$11.81	\$1,299.10
Ground Wire Clamps	Burndy YGHC2C2	18	18	18	\$5.07	\$91.26
Cable Positioner	Chance CCS820	24	24	24	\$42.45	\$1,018.80
Sandwich Bracket	Chance PSC2060980	48	48	48	\$30.41	\$1,459.68
15kV 600A to 200A Reducer LRTP	Cooper BLRTP615A	40	40	40	\$185.32	\$7,412.80
25kV 600A to 200A Reducer LRTP	Cooper BLRTP625A	2	2	2	\$214.25	\$428.50
25kV 600A Elbow Insulating Plug	Cooper DIP625A	1	1	1	\$54.66	\$54.66
15kV 200A parking stands	Elastimold 161SOP	12	12	12	\$61.19	\$734.28
Threaded stud for 600A elbows	Elastimold 650SA	12	12	12	\$8.41	\$100.92
600A Bushing Extender	Elastimold K655BE	21	21	21	\$153.33	\$3,219.93
Insulator Pins	Hubbell 2170	25	25	25	\$13.20	\$330.00
Eye Nut, 5/8" Clevis	Maclean CN-5	30	30	30	\$13.68	\$410.40
Angled Thimble eye bolt 3/4" x 12"	Maclean J8162	20	20	20	\$1.16	\$23.20
Pole Foam Kit - 5 Sq Ft	Rainbow Manufacturing Company 79705	4	4	4	\$157.50	\$630.00
					Total	\$18,976.73

## Border State Electric

Item	Part Number	Quantity Total	Qty needed	Qty Quoted	Resco unit	Resco total
Wire	1/0 6/1 Raven ACSR, feet	5000	5000	6095	\$0.48	\$2,925.60
Wire	4/0 CU 7-Strand Covered, feet	1000	1000	1000	\$2.04	\$2,040.00
Ground Rods	5/8" x 10' Copper Clad Ground Rod	50	50	50	\$19.60	\$980.00
25kV LB Cutout	Aluma-Form CSG-27-LD-100A-125-CB-12KA	15	15	15	\$184.50	\$2,767.50
Crossarm - Fiberglass 8' Deadend	Aluma-Form FDA30-2-96-EB-IP-FG	18	18	25	\$316.75	\$7,918.75
Crossarm - Fiberglass 8' Tangent	Aluma-Form FTA20-6-96-A-IP	8	8	28	\$187.35	\$5,245.80
Hot Line Clamp	Blackburn HLC3974AP	56	56	56	\$16.55	\$926.80
15kV 600A Solid Blade Disconnects (crossarm mount)	Chance M3C156X	15	15	15	\$309.00	\$4,635.00
Crossarm 3-3/4 x 4-3/4 x 10'	Crossarm 3-3/4 x 4-3/4 x 10'	15	15	15	\$115.55	\$1,733.25
Crossarm 3-3/4 x 4-3/4 x 8'	Crossarm 3-3/4 x 4-3/4 x 8'	8	8	8	\$97.35	\$778.80
15kV 600A Dummy Caps	Elastimold 160DRG	30	30	30	\$35.95	\$1,078.50
Elbow Arresters-12kV 200A LB	Elastimold 167ESA-12	15	15	15	\$145.55	\$2,183.25
25kV 600A Elbow Kit - 350MCM 35kV	Elastimold K656LR-M0300	3	3	3	\$241.00	\$723.00
15kV 600A Elbow Kit - 750MCM 15kV	Elastimold K656LR-M0380	48	48	48	\$241.00	\$11,568.00
15kV Pin Insulators	Hendrix HPI-55-5-01	25	25	24	\$8.65	\$207.60
15kV Deadend Insulators	Hubbell/Ohio Brass 4010150215	70	70	60	\$16.75	\$1,005.00
Oval Eye Nut 5/8"	Maclean J1092	30	30	30	\$2.05	\$61.50
Oval Eye Nut 3/4"	Maclean J1093	50	50	50	\$2.35	\$117.50
Angled Thimble eye bolt 3/4" x 18"	Maclean J8165	20	20	20	\$25.00	\$500.00
Ground Wire Clamps	NSI 500T	4	4	12	\$8.05	\$96.60
Shackle, 5/8"	Preformed Line Products AS-5L	20	20	20	\$13.50	\$270.00
Ground wire staples - large 1/4"	Staples - 1/4"	1000	1000	25	\$7.10	\$177.50
					Total	\$47,939.95

## Resco



Item 6.C.i



Item 6.C.i – Approve Call for Public Bid 26-04: Beltline Substation Reconstruction

March 17<sup>th</sup>, 2026

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

RE: Item 6.C.i – Approve Call for Public Bid 26-04: Beltline Substation Reconstruction

Dear Commissioners;

As has been done for our previous two substation sites on this project, our project engineer pursued direct negotiations with contractors for portions of the work scopes.

However, during preliminary discussions it is clear that market conditions have changed significantly since our last sites were quoted on the project. Contractors indicate cost of specialized contract labor, construction equipment, and materials used in substation work has increased considerably.

Staff is therefore requesting authorization to advertise and solicit competitive bids for Beltline Substation Reconstruction. Once bids are received and evaluated, staff will return to the Commission with a recommendation for award.

Thank you for your consideration.  
Sincerely;

Tammy Mattonen





Item 6.D



Item 6.D –Authorize Resolutions for HPU to Make Application for Loans and Grants from the Drinking Water Revolving Fund of the Minnesota Public Facilities Authority

March 17<sup>th</sup>, 2026

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

RE: Item 6.D –Authorize Resolutions for HPU to Make Application for Loans and Grants from the Drinking Water Revolving Fund of the Minnesota Public Facilities Authority

Dear Commissioners;

As you are aware, HPU relies on grants and low cost loans to fund HPU’s water capital improvement plan. Our chief source of water funding is the Minnesota Public Facilities Authority Drinking Water Revolving Fund. With the 2026 Intended Use Plan finalized on January 9<sup>th</sup>, HPU intends to move forward with Certification for this year’s funding cycle of:

- A Grant in the amount of \$1 million for 2026 Lead Service Lines

To complete the application of funding for certification by March 31<sup>st</sup>, we are seeking Commission approval of Resolutions 26-04 for the 2026 Lead Service Lines.

Thank you for your consideration.  
Sincerely;



Luke Peterson



At the Regular Commission meeting held \_\_\_\_\_, 2026, at 5 p.m. in the Hibbing City Council Chamber, Commissioner \_\_\_\_\_, offered the following Resolution and moved its adoption:

**PUBLIC UTILITY COMMISSION**  
**RESOLUTION NO. 26-04**

**RESOLUTION OF APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY DRINKING WATER REVOLVING FUND FOR A LEAD SERVICE LINE REPLACEMENT PROJECT**

**WHEREAS THE** City of Hibbing, acting through its duly authorized Public Utilities Commission, (i.e., Commission) operating under MN Statutes Chapter 412 and its own statute is hereby applying to the Minnesota Public Facilities Authority with the Concurrence of the City of Hibbing for a loan and/or grant from the Drinking Water Revolving Fund for a lead service line replacement project as described in the application; and

**WHEREAS THE** Commission estimates the loan amount to be \$1,000,000 or the as-bid cost of the project.

**NOW BE IT RESOLVED** that Commission has the legal authority to apply for the loan and/or grant, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the projects for their designed life.

Whereupon said Resolution No. 26-04 was declared duly passed and adopted this \_\_\_ day of March, 2026.

The motion to adopt the foregoing Resolution was duly supported by Councilor \_\_\_\_\_, upon being put to a vote, carried as follows:

FOR ADOPTION:

AGAINST:

ABSENT:

Passed and adopted this \_\_\_\_\_ day of March, 2026.

PUBLIC UTILITY COMMISSION

ATTEST: \_\_\_\_\_  
Jeff Hart, Commission Secretary                      James Bayliss, Chair





Item 7.A



Item 7.A – Approve Customer Policy CUST050: Opt-Out of AMI Installation

March 17<sup>th</sup>, 2026

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

RE: Item 7.A – Approve Customer Policy CUST050: Opt-Out of AMI Installation

Dear Commissioners;

HPU staff is submitting for your consideration a new customer policy regarding customers opting-out of HPU AMI Meter Installation Project. As discussed at the March 10<sup>th</sup> Commission Meeting, a \$50 fee has been set and would be implemented following the installation of the AMI meters this summer.

Thank you for your consideration.

Sincerely;

Jill Hietala



[Date]

[Resident Name]

[Address]

[City]

Dear [Utility Customer],

The Hibbing Public Utilities Commission is implementing Advanced Metering Infrastructure (AMI) for electric, water, natural gas, and steam services. AMI technology allows for improved system reliability, enhanced outage response, operational efficiency, and more accurate meter reading.

As a municipally owned and operated utility under Minnesota law, the Hibbing Public Utility establishes its utility service policies and requirements as adopted by the Hibbing Public Utility Commission. Pursuant to those authorities, installation of an AMI meter is mandatory for all utility customers receiving service from the Hibbing Public Utilities.

The utility does not offer an opt-out option for AMI metering. Refusal to allow installation, failure to provide access to the meter, or any action preventing implementation of AMI equipment constitutes non-compliance with the utility service requirements or policies.

Customers who request to opt-out of AMI installation will be subject to a monthly non-compliance fee in the amount of \$50.00 per utility service, as authorized by the Hibbing Public Utility Commission.

The Hibbing Public Utility Commission remains committed to providing safe, reliable, and cost-effective utility services to our community.

Thank you for your cooperation.

Sincerely,



## **Subject: Opt-Out of Advanced Metering Infrastructure (AMI) / Smart Meter Installation, Maintenance, Reading, or Exchange**

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### **1. Purpose**

This policy establishes procedures when a utility customer requests to opt-out of Advanced Metering Infrastructure (AMI) or smart meter equipment.

The policy supports:

- System reliability and grid modernization
- Accurate and timely billing

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### **2. Applicability**

This policy applies to:

- All HPU electric, gas, water and steam utility customers with AMI meter capabilities

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### **3. Definition of AMI / Smart Meter**

For purposes of this policy, AMI or “smart meter” equipment includes:

- Digital interval meters
- Two-way communication modules
- Authorized remote connect/disconnect devices
- Meter Data Management System (MDMS) integrated devices
- Communication antennas and associated field network equipment

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### **4. Opt-Out of AMI Installation or Exchange**

Opt-Out includes, but is not limited to:

- Explicit denial of installation, exchange, or access
- Failure to respond to repeated access attempts
- Physical obstruction of meter access (e.g., snow, ice, or other hazards)
- Removal, tampering, or disabling of communication components

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### **5. Utility Procedures Following Refusal**

#### **5.1 First Failed Attempt**

The utility shall:

- Document the date, time, and reason access was not obtained
- Leave written notice when feasible
- Provide contact information to reschedule

#### **5.2 Final Attempt**

If access remains unavailable, the utility shall mail written notice explaining:

- Opt-out of AMI policy
- A deadline to schedule installation (minimum 10 days)
- Applicable fees or consequences

A monthly non-compliance charge of \$50 shall be applied, per utility service, to the customer's utility bill until installation is completed.

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## **6. Billing During Refusal**

If AMI installation or exchange is delayed HPU may continue billing based on:

- Existing meter readings, or
- Estimated consumption

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Adopted by Commission Action

DRAFT



Item 7.B



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## Item 7.B – Architects – Engineers – Surveyors Selection Policy

March 17<sup>th</sup>, 2026

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

RE: Item 7.B – Architects – Engineers – Surveyors Selection Policy

Dear Commissioners;

Please find attached the Architects/Engineers/Surveyor Selection Policy (Policy) for your consideration. The purpose of the policy is to clarify and document a transparent and standardized process for Hibbing Public Utilities (HPU) to use when selecting consultants for professional services related to applicable projects. The attached Policy document describes the procedures that will be followed with the goal of staffing projects with the “best qualified” external professional services focused on achieving the “best value” for HPU in the services provided, while maintaining reliable, accessible, and skilled local consulting service providers.

In addition to being tailored to achieving best values services for individual projects, the policy also uses different types of competitive selection processes based on project size and complexity. This approach allows HPU to be flexible, nimble and efficient in pursuing its Capital Improvement Plan as consultant selection. To that end, smaller or less complex projects will not be mired in the perpetual gridlock of individual requests for, and scoring of proposals for smaller or less complex projects.

Also included in your packet is a draft template contract intended to be used for Major or Intermediate project as defined in the Policy. Each contract will be brought to the Commission for consideration and action and will define a specific scope under the contract. This helps minimize scope creep, provides clear sideboards for the Consultant to be able marshal and deliver best value services, and provides an opportunity for Commission to consider each contract.

Staff recommend adoption of the attached policy with acknowledgement that the attached template contract is the standard, but that edits to it, or use of an appropriate alternative contract may be necessary on a project-by-project basis. ‘One size’ truly does not fit all for contracting these types of services.

Sincerely, Respectfully;



Paul Skubinna, PE, MS  
Engineering Manager



## HIBBING PUBLIC UTILITIES

### ARCHITECTS/ENGINEERS/SURVEYORS SELECTION POLICY MARCH XX, 2026

#### I. PURPOSE

It shall be the policy of Hibbing Public Utilities (HPU) to negotiate agreements for Architect/Engineer/Surveyors (A/E/S) services on the basis of demonstrated competence and qualification for the type of professional services required by HPU, in HPU's determination of its best interests. The main intent and purpose of the policy is as follows:

- A. To provide for a systematic procurement of A/E/S Services;
- B. To ensure the best qualified talent is obtained to perform services for the public; and
- C. To obtain professional services required by HPU at fair and reasonable fees.

Hibbing Public Utilities intends this policy to be applicable only to the professionals as defined in the following classification section. Hibbing Public Utilities may, at its discretion, use this policy for other professional services procurement contracts.

#### II. CLASSIFICATION

For purposes of classification, HPU initially establishes Architects, Engineers, and Surveyors as the categories in which each firm can classify itself.

**A. Architect Services.** Architect Services means any professional service or creative work requiring the application of advanced knowledge of architectural design, building construction, and standards and involving the constant exercise of discretion and judgement in such activities, in which the safeguarding of life, health, or property is concerned, as consultation, investigation, evaluation, planning, design, and/or inspection of construction for any public or private building.

**B. Engineer Services.** Engineer services means any service or creative work, the adequate performance of which requires engineering education, training, and experience in the application of special knowledge of the mathematical, physical and engineering sciences to such services or creative work as consultation, investigation, evaluation, planning and design of engineering works and systems, planning the use of water, teaching of advanced engineering subjects, and the inspection of construction for the purpose of assuring compliance with drawings and specifications; any of which embraces such services or work, either public or private, in connection with any utilities, structures, buildings, machines, equipment, processes, work systems, projects, and industrial or consumer products or equipment of mechanical, electrical, electronic, hydraulic, pneumatic, or thermal nature insofar as they involve safeguarding life, health, and property.

The term does not include the work ordinarily performed by persons who operate or maintain machinery or equipment, communication lines, signal circuits, electric powerlines, and/or pipelines.

**C. Surveying Services.** Surveying services means any service or work, the performance of which requires the application of special knowledge of the principles of mathematics, physical sciences, applied sciences, and; the principles of property boundary law to the recovery and preservation of evidence pertaining to earlier land surveys; teaching of land surveying subjects; measurement and allocation of lines, angles, elevations, and coordinate systems; location of natural and constructed features in the air, on the surface of the earth, within underground workings, and on the beds of bodies of water, including such work for the determination of areas and volumes; monumenting of property boundaries; platting and layout of lands, and the subdivisions of land, including the alignment and grades of streets and roads in subdivisions; preparation and perpetuation of maps, plats, field note records, and property descriptions; and locating, relocating, establishing, reestablishing, laying out, or retracing of any property line or boundary of any tract of land or road, right-of-way, easement, right-of-way easement, alignment, or elevation of any of the fixed works embraced within the practice of engineering. Aerial photography, photogrammetric mapping, and/or Lidar are excluded from the definition of surveying services due to the highly specialized equipment and technical skills required.

### III. PROCEDURE

**A. Filing Solicitation.** Every three years, HPU will advertise for filing of Standard Federal Government Form (SF) 330. All completed 330 forms that are received will be filed and the respective firms will be considered for work that they are qualified to perform. The filing will be in effect until the expiration of the three-year filing period. All 330 forms or amended 330 forms may be submitted at any time during the three-year period. New filings will be required at the end of each three-year filing period. All firms that desire to be placed on the minor projects list should notify the Engineering Manager of the desire to be included on that classification list and must provide all information necessary to be included on that list.

**B. Project Specific Solicitation.** An HPU Request for Proposal (RFP) will be available on the HPU website, newspaper, and/or other public posting for all major projects. Proposals submitted by the consultants shall contain the Standard Federal Government Form (SF) 330 and other information specifically addressing the project specific criteria. Selections will be made as outlined in this Policy. The SF 330 may contain up to ten (10) years of historical projects.

**C. RFQ/RFP.** Requests for Proposals will include the following:

1. Estimated Project Budget;
2. Scope of Services Requested;
3. Schedule and Time Frame;
4. Fee. A maximum fee for the services requested which is established by HPU in relation to project complexity. Firms will either respond or not, based on proposed schedule and fee offered. The maximum fee may be set by the entire selection committee; and
5. Specific Fee Items:
  - a) HPU will not pay mark up for reimbursable expenses except for sub-consultants. Sub-consultants' mark up will be limited to a maximum of 10%.
  - b) HPU will pay Internal Revenue Service (IRS) rate for mileage reimbursement.
  - c) HPU will not pay extra for fax usage, email, phone calls (other than long distance), and other miscellaneous office expense. Postage will be reimbursed if consultant distributes contract documents.

**IV. PROJECT CATEGORIES**

**A. Major Projects.** Projects having a total estimated budget (consultant fees plus construction) in excess of \$4,000,000 for Engineers or Architects, and projects similar to historical surveys, master plans, ongoing will-call services, feasibility and other planning studies with a budget in excess of \$250,000 will be awarded based on SF 330 evaluations and interviews via the RFP process. The SF 330 and proposal evaluation will be 50% and the interview will be 50% of the total rating.

**B. Intermediate Projects.** Projects having a total estimated budget (consultant fees plus construction) of less than or equal to \$4,000,000, or \$250,000 for historical surveys, master plans, ongoing will call services, feasibility and other planning studies will be awarded to consultants on a rotational basis, at HPU's discretion, provided the consultant can meet the project schedule and a fee can be negotiated. HPU Staff will review the rotation list and identify the next three qualified consultants. HPU Staff will rank the three consultant firms based on project familiarity and involvement criteria. If the top consultant is unable to meet the project schedule or fee settlement, staff will contact the next qualified consultant and the first consultant will maintain its position on the list for the next upcoming project.

**C. Minor Projects.** Projects having a total estimated budget (consultant fees plus construction) of \$250,000 or less are considered minor projects. HPU may award these

projects, at its discretion, to an A/E/S based on project familiarity and involvement criteria in lieu of strictly rotational criteria. Non-selected A/E/S's shall, however, be included in the next rotation to help ensure equitable distribution of projects. HPU shall endeavor to provide equal work to all consultants in this category in conjunction with the intermediate projects.

Note: HPU may choose to use the RFP process for any category of project at HPU's discretion.

**V. RFP SELECTION COMMITTEE**

The selection committee for services obtained through the RFP process will include a Commission Member, General Manager, the Engineering Manager, and Department Manager(s) in charge of an asset that is being improved. HPU reserves the right to include additional HPU personnel on the selection committee that may have an interest in the project.

**VI. SELECTION CRITERIA FOR MAJOR PROJECTS**

**A. SF 330 Point Allocation.** The point allocation criteria will be used by the Selection Committee to rank consultants submitting RFPs on major projects. The criteria will provide 50% of the point total for selection on major projects based on RFPs, with the interview providing the remaining 50%. Interviews may or may not be conducted, at HPU's discretion.

**B. Criteria.** Firms will be evaluated based on the following criteria:

<u>CRITERIA (50% of CUMULATIVE POINT TOTAL)</u>	<u>POINTS</u>
Past Performance	20
Technical Experience	20
Technical Capabilities (Staffing, Equipment, Facilities)	20
Location	20
Knowledge and Project Approach	<u>20</u>
 TOTAL POINTS	 100

**C. Rating Criteria Definitions.** The following definitions are to supplement the intent of the criteria as noted above in the SF 330 point allocation:

1. Past Performance. Check references to determine the quality of performance (however, do not limit contact to individuals listed as reference). Make on-site inspections, if possible, of projects that the consultant has worked on. Contact personnel operating a project that was designed or supervised by the consultant. How long has the consultant been in business? Did the consultant make necessary

corrections to ensure the project performs properly? Exit interviews from previous projects may be utilized, if available.

2. **Technical Experience.** General experience of the firm and experience applicable to the specific project or tasks to be done.

3. **Technical Capabilities.** Availability of adequate personnel, equipment, and facilities to do the needed work. The name of the individual or individuals to be assigned to the project with particular attention to their qualifications, competence, and service with that firm and previous firm(s). It should be noted that the age or the size of the firm is not always a prime consideration for every project.

4. **Location.** The location of a firm may allow up to 20 points to be added to an evaluation. Hibbing firms shall receive 20 points. The greater the distance from Hibbing, the fewer the points to be awarded.

5. **Project Approach.** The approach to the project work. The familiarity with the project site. The proposed time schedule for completing the work.

6. HPU may place a limit on the number of pages that may be submitted in the different sections of the RFP. Limits will be provided to the consultants at the start of the RFP process.

**D. Written Proposal Point Totals.** At the completion of the written Proposal evaluations, HPU may distribute the point totals to the consultants, if three or more consultant teams have submitted Proposals. Based on the point totals and other individual decisions, consultants may request to be omitted from the interview process. At least 10 days shall elapse between the time point totals are distributed and the time of the interviews. Consultants who request not to continue to the interview process must contact HPU at least 5 days prior to the start of the interviews.

**E. Interviews.** Interviews will be rated at 50% of the cumulative point total. One interview question shall include the consultants' view of the scope of work, timetable and level of effort required. Four other project specific questions will be rated. Prior to the interview, the submitting firms will be notified of their proposal ranking and their resulting position relative to the other firms. The interview portion of the ranking will total 100 points. A listing of all firms to be interviewed will be distributed.

**F. Final Ranking.** Total scores for each respondent will be compiled by the Engineering Manager based on the Selection Committee's scoring of the background and interview ratings. A respondent ranking hierarchy will be established and reviewed with the Department Manager responsible for the asset (or designee). The Engineering Manager will provide notice to the top ranked Respondent and schedule a time for the top ranked Respondent to present a final proposal review and summary and negotiate fee.

**G. Sealed Fee Estimates.** Sealed fee estimates are required to be submitted at the interview based on the Proposal provided. Fee estimates shall remain sealed until

interviews are completed and final scores and rankings are determined. Fee estimates are non-binding.

**H. Final Selection.** If final scope and fee negotiations with the number one ranked firm are successful, the final scope of the project will be documented, attached to a professional services agreement, and presented to the Commission for final approval ratification. If approved the Professional Services Agreement will be executed and filed.

If fee negotiations with the top ranked firm are unacceptable, the top ranked firm will be notified in writing and given 10 days to respond with a final proposal. If the final proposal from the top ranked firm still is not acceptable the Engineering Manager will notify the top ranked firm as such. At that time the second ranked firm will be notified and invited to provide a proposal review and summary and negotiate a final fee.

## **VII. CONTRACT DOCUMENT**

**A. Documents.** HPU's Standard Contract Document shall be used except as approved by the Commission for purposes of meeting funding source criteria or other legal criteria. The document may be modified during negotiations.

**B. Cost of Services.** The Cost of Services section of the contract will be broken down by phase as well as identifying classification of employee, rate per hour and estimated number of hours. The rate per hour shall include all overhead and profit.

Example: CADD Operator    \$75.00 per hour    10 hours    \$750.00

## **VII: NO COURSE OF ACTION**

**A. Nothing contained in this policy shall give any rise of action to any person or entity negatively impacted by its application.**

**B. This policy may be amended at any time by action of the Hibbing Public Utilities Commission.**

Adopted:    XX-XX-XXXX

## PROFESSIONAL SERVICES AGREEMENT

**THIS AGREEMENT** is made and entered into by and between the **HIBBING PUBLIC UTILITIES** as the Hibbing Public Utility Commission incorporated under §412.361, Minn Stat. and Minnesota Sessions Law Chapters 422 (1949), 680 (1951), 655 (1953), 440 (1959), 292 (1967), and 381 (1971), located at 1902 E 6<sup>th</sup> Avenue, Hibbing, Minnesota 55746, hereinafter referred to as “Hibbing Public Utilities” or “HPU,” and , , , , , hereinafter referred to as “Consultant.”

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

1. **Purpose:** HPU agrees to hire Consultant as an independent contractor to perform for HPU services described in the Scope of Services attached hereto as Exhibit “A” and by this reference made a part hereof.

2. **Term of Agreement:** This Agreement is effective upon the date of its execution. Both parties reserve the right to cancel this Agreement by providing a written thirty (30) day notice to the other party.

3. **Scope of Work:** Consultant will perform the work and provide the services in accordance with the requirements of the Scope of Services.

4. **Payment:** Hibbing Public Utilities agrees to pay Consultant (or add time and materials not to exceed) \_\_\_\_\_ DOLLARS (\$) for services performed pursuant to the Scope of Services. Any alteration or deviation from the described work that results in costs exceeding the dollar amount in this paragraph will be performed by Consultant only after written request by HPU. Pursuant to paragraph three, the parties must agree in writing to an updated scope of the additional work resulting in charges exceeding the dollar amount in this paragraph.

5. **Independent Contractor Status:** The parties agree that Consultant is an independent contractor for purposes of this Agreement and is not to be considered an employee of HPU for any purpose. Consultant is not subject to the terms and provisions of HPU’s personnel policies handbook and may not be considered an HPU employee for workers’ compensation or any other purpose. Consultant is not authorized to represent HPU or otherwise bind HPU in any dealings between Consultant and any third parties.

Consultant shall comply with the applicable requirements of Title - Workers’ Compensation, Chapter 176 Minn Stat. Consultant shall maintain workers’ compensation coverage for all members and employees of Consultant’s business, except for those members who are exempted by law.

Consultant shall furnish HPU with copies showing one of the following: **(1)** a binder for workers’ compensation coverage by an insurer licensed and authorized to provide workers’ compensation insurance in the State of Minnesota; or **(2)** proof of exemption from workers’ compensation granted by law for independent contractors.

**6. Indemnification:** To the fullest extent permitted by law, Consultant shall fully indemnify, defend, and save HPU, its agents, representatives, employees, and officers harmless from and against any and all claims, actions, costs, fees, losses, liabilities or damages of whatever kind or nature arising from or related to Consultant’s performance of this Agreement and Consultant’s work on the Construction Project or work of any subcontractor or supplier to Consultant. The indemnification obligations of this Section must not be construed to negate, abridge, or reduce any common-law or statutory rights of HPU which would otherwise exist. Consultant’s indemnity under this Section shall be without regard to and without any right to contribution from any insurance maintained by HPU. Consultant also waives any and all claims and recourse against HPU or its officers, agents or employees, including the right of contribution for loss or damage to person or property arising from, growing out of, or in any way connected with or incident to the performance of this Agreement except responsibility for its own fraud, for willful injury to the person or property of another, or for violation of law, whether willful or negligent, and according to §604.21, Minn Stat. These obligations shall survive termination of this Agreement and the services performed hereunder.

**7. Insurance:** Consultant shall purchase and maintain insurance coverage as set forth below. The insurance policy, except Workers’ Compensation, must name HPU, (including its elected or appointed officers, officials, employees, or volunteers), as an additional insured and be written on a “primary—noncontributory basis.” Consultant will provide HPU with applicable additional insured endorsement documentation. Each coverage shall be obtained from an insurance company that is duly licensed and authorized to transact insurance business and write insurance within the state of Minnesota, with a minimum of “A.M. Best Rating” of A-, VI. Each coverage will protect the Consultant, the various acts of subcontractors, HPU and its officers, employees, agents, and representatives from claims for bodily injury and/or property damage which may arise from operations and completed operations under this Agreement. All insurance coverage shall remain in effect throughout the life of this Agreement and for a minimum of one (1) year following the date of expiration of Consultant’s warranties. All insurance policies, except Workers’ Compensation, must contain a provision or endorsement that the coverage afforded will not be canceled, materially changed, or renewal refused until at least thirty (30) days prior written notice has been given to Consultant, HPU, and all other additional insureds to whom a certificate of insurance has been issued. All insurance documentation shall be in a form acceptable to HPU.

**\* Insurance Coverage at least in the following amounts is required:**

1.	Commercial General Liability (bodily injury and property damage)	\$1,000,000 per occurrence \$2,000,000 aggregate
2.	Products and Completed Operations	\$2,000,000
3.	Automobile Liability	\$2,000,000 combined single limit
4.	Workers’ Compensation	Not less than statutory limits
5.	Employers’ Liability	\$1,000,000

6. Professional Liability (E&O) \$2,000,000 per occurrence  
(only if applicable) \$2,000,000 aggregate

Consultant may provide applicable excess or umbrella coverage to supplement Consultant's existing insurance coverage, if Consultant's existing policy limits do not satisfy the coverage requirements as set forth above.

**\* If a request is made to waive certain insurance requirements, insert the insurance item # and corresponding description from the list above: .**

**Legal reviewer initials:**  **Approved**  **Denied**

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8. **Professional Service:** Consultant agrees that all services and work performed hereunder will be accomplished in a professional manner.

9. **Compliance with Laws:** Consultant agrees to comply with all federal, state and local laws, ordinances, rules and regulations, including the safety rules, codes, and provisions of the Occupational Safety and Health Act of 1973 and revisions there-to Title - Labor, Industry; Chapter 182 Minn Stat.

10. **Nondiscrimination:** Consultant agrees that all hiring by Consultant of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, national origin, or other class protected by state and/or federal law.

11. **Default and Termination:** If either party fails to comply with any condition of this Agreement at the time or in the manner provided for, the other party, at its option, may terminate this Agreement and be released from all obligations if the default is not cured within ten (10) days after written notice is provided to the defaulting party. Said notice shall set forth the items to be cured. Additionally, the non-defaulting party may bring suit for damages, specific performance, and any other remedy provided by law. These remedies are cumulative and not exclusive. Use of one remedy does not preclude use of the others. Notices shall be provided in writing and hand-delivered or sent certified mail return receipt required to the parties at the addresses set forth in the first paragraph of this Agreement.

12. **Modification and Assignability:** This document contains the entire agreement between the parties and no statements, promises or inducements made by either party or agents of either party, which are not contained in this written Agreement, may be considered valid or binding. This Agreement may not be enlarged, modified or altered except by written agreement signed by both parties hereto. The Consultant may not subcontract or assign Consultant's rights, including the right to compensation or duties arising hereunder, without the prior written consent of HPU. Any subcontractor or assignee will be bound by all of the terms and conditions of this Agreement.

13. **Ownership and Publication of Materials:** All reports, information, data, and other materials prepared by the Consultant pursuant to this Agreement are the property of HPU. HPU has the exclusive and unrestricted authority to release, publish or otherwise use, in whole or part, information relating thereto. Any re-use without written verification or adaptation by the Consultant for the specific purpose intended will be at HPU's sole risk and without liability or legal exposure to the Consultant. No material produced in whole or in part under this Agreement may be copyrighted or patented in the United States or in any other country without the prior written approval of HPU.

14. **Liaison:** HPU's designated liaison with Consultant is **Paul Skubinna** and Consultant's designated liaison with HPU is **[REDACTED]**.

15. **Applicability:** This Agreement and any extensions hereof shall be governed and construed in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, Consultant and HPU have caused this Agreement to be executed and intend to be legally bound thereby as of the date set forth below.

**HIBBING PUBLIC UTILITIES**

**CONSULTANT**

By: \_\_\_\_\_  
Print Name: Luke Peterson  
Print Title: General Manager  
Date:

By: \_\_\_\_\_  
Print Name:  
Print Title:  
Date:

ATTEST:

(Seal of HPU)

\_\_\_\_\_  
Tammy Mattonen, Controller

APPROVED AS TO FORM:

By \_\_\_\_\_  
Andy Borland, HPU General Counsel\*

\* By law, HPU General Counsel may only advise or approve contract or legal document language on behalf of Hibbing Public Utilities, and not on behalf of other parties. Review and approval of this document was conducted solely from the legal perspective, and for the benefit, of Hibbing Public Utilities. Other parties should not rely on this approval and should seek review and approval by their own respective counsel.





Item 10.A



Item 10.A – Employee Performance Review

March 17<sup>th</sup>, 2026

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

RE: Item 10.A – Employee Performance Review

Dear Commissioners;

I am requesting a closed session to be held immediately following the regular Commission meeting scheduled for 03/17/2026

The closed session will be conducted in accordance with applicable policies and governing regulations and will be limited to authorized participants only. The purpose of this session is to provide General Manager, Luke Peterson with his quarterly performance review.

Thank you for your consideration,



Kendra Powers  
Senior Human Resources Director  
Hibbing Public Utilities Commission

