



Commission Regular Session

MAY 19TH, 2026

Commission Meeting Agenda

May 19th, 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	—
HR & OD Director K. Powers	—	Manager of Power Supply P. Plombon	—
Plant Manager D. Edwards	—	Executive Assistant M. Schoeben	—
Engineering Manager P. Skubinna	—	Local 94 President G. Pogachnik	—

1. CALL TO ORDER

2. RECONSIDER GENERAL MANAGER RESIGNATION

3. ADDS/DELETES

4. APPROVAL OF MINUTES: April 28th and May 4th, 2026

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

6. CONSENT AGENDA

- A. Approve invoices >\$10,000 & approve the bills & ACH transfers dated April 23rd, though, May 14th, 2026.
- B. Approve the payroll paid & overtime report for April 30th, and May 14th, 2026, pay dates.
- C. Request approval to award Line Crew Assistant Lead (26-04) to George Pogachnik
- D. Authorize Listed Request for Contributions, Iron Range Street Jams, Organized by Sammy's- Hibbing & The Iron House & ISD 701 HHS Career Academy.
- E. Approve Commissioners to attend the Southern Interconnect Landowner Meeting, May 20th, 2026.
- F. Approve Commissioners to attend the Ever-Green Energy Tour June 2nd, 2026, in Twin Cities.

7. FINANCIALS & RISK MANAGEMENT

- A. Current Financials
 - i. Approve April Financials
 - ii. Review and Discuss Budget Current Estimate
- B. Annual Rate Adjustment
 - i. Approve Base Rate Adjustments Per 2025 Rate Study
 - ii. Review and Consider Annual Purchase Gas & Power Purchase Adjustments
- C. Capital Plan
 - i. Sources of Funds
 - 1. Approve Resolution 26-07; 2025/2026 Drinking Water Revolving Fund in the Amount of 9,206,993
 - 2. Approve Resolution 26-08; Authorizing Grant
 - 3. Approve Resolution 26-09; Surplus Equipment
 - ii. Uses of Funds
 - 1. (OF0004.2) Beltline Substation Project Bid Opening
 - 2. (OF0010.0) Electric Distribution Annual Maintenance - Vegetation Management Pre-request for Bid Update
 - 3. (OF0005) Authorize Merjent Permitting and Landowner Engagement
 - 4. (OF0009.0) Gas AMI Discussion

5. (OF0003.0) Lead Water Main Bids 4th Avenue East & 4th Avenue West
6. Alliance Proposal for Stack Testing

8. POLICY & GOVERNANCE

- A. Market Energy Service Agreement
 - i. Approve Annual Power Plan
 - ii. Approve & Discuss Communication Regarding Future with MN Power.
- B. Approve Succession of Leadership Policy
- C. Approve Commission Officers

9. NEW BUSINESS

10. OLD BUSINESS

11. ADJOURNMENT

Please Note: Following the Adjournment of this Meeting Hibbing Public Utilities Will be Moving Directly into a Joint Workshop Session with The City of Hibbing Council at 6:00 PM in the City Hall Conference Room.



1902 E 6TH AVE
HIBBING, MINNESOTA 55746-0249
TELEPHONE: 218-262-7700
FAX: 218-262-7702

May 12, 2026

Dear Commissioners,

After further reflection and discussion, I am formally retracting my resignation and respectfully requesting to continue serving as General Manager of Hibbing Public Utilities.

I remain committed to the employees, customers, and community we serve, and I believe there is important work ahead for the utility. I appreciate the conversations that have taken place over the past several days and look forward to moving ahead professionally and collaboratively.

Respectfully,

A handwritten signature in black ink that reads 'Luke Peterson'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Luke Peterson



Item 4 – Approval of Minutes

Item 4 – Approval of Minutes: April 28th, and May 4th, 2026

May 19th, 2026

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

RE: Item 4 - Approval of Minutes: April 28th, and May 4th, 2026

Dear Commissioners;

Please find attached for your approval draft minutes from the Commission Meetings from April 28th, and May 4th, 2026.

Sincerely;



Luke J. Peterson

MINUTES OF THE PROCEEDINGS

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

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on April 28th, 2026. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Chair Bayliss called the meeting to order at 5:02 p.m. In attendance were Chair Bayliss, Commissioner Hart, Commissioner Stokes, Commissioner Babich, Commissioner Sandstede, Legal Counsel, Andy Borland; General Manager Luke Peterson, OD & HR Manager, Kendra Powers; Manager of Operations ; Paul Plombon, Engineering Manager, Paul Skubinna; Interim Financial Controller, Tammy Mattonen; Customer Service Coordinator. Jill Hietala; and Grant Writer & Engagement Specialist Eliot Dixon. Also in attendance were HPU Employee George Pogachnik, HPAT Rep. Ron Wirkkula, and Community Members Chris Zubich, Nick Bougalis, and Mark Reger. Absent was

Item 2. ADDS/DELETES

Add –

Item 5.K – Approve Commissioners to attend Joint City Council Workshop on Tuesday, May 19th, 2026 following the regular Commission Working Session at Hibbing City Hall

Item 5.L – Approve Commissioners to attend South Water Treatment Plant Ribbon Cutting at 11871 Town Line, Hibbing, MN on May 22nd, 2026, 11:00 am

Item 6.A.iii – MMUA Presentation on Strategic Planning Questionnaire content & strategy

Item 5.M. – Approve resignation of HPU General Manager Luke Peterson

Item 5.N. - Closed Session: Employee Performance Review

Item 3. APPROVAL OF MINUTES

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve the regular meeting minutes of the March 10th, 17th, 24th, & April 14th, 2026 Commission Meetings.

Motion carried unanimously.

Item 4. CITIZENS FORUM –

Comments from Nick Bougalis expressed concern regarding the development of an internal HPU Construction Crew. Mr. Bougalis expressed concern regarding leasing of a HydroVac Truck.

Item 5. CONSENT AGENDA

Item 5.A. Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated March 12th – April 22nd, 2026

Item 5.B. Approve the payroll paid & overtime report for the March 19th, April 2nd, and April 16th, 2026 pay dates.

MINUTES OF THE PROCEEDINGS

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

- Item 5.C. Approve Annual Salary Increase for Management Staff
- Item 5.D. Approve Hiring of Chris Zubich, Procurement Supervisor, anticipate start date June 1st
- Item 5.E. Approve Plant Mechanic Crew Lead (26-02) to Mark Trenberth
- Item 5.F. Approve to award Line Crew Lead (26-03) to Chad Adams
- Item 5.G. Approve MOU for Materials Risk Coordinator
- Item 5.H. Approve Resolution 26-05; authorizing Hibbing Public Utilities to make application to and accept funds from Source Water Protection Plan Implementation & Competitive Grant
- Item 5.I. Approve Resolution 26-05; authorizing Hibbing Public Utilities to make application to and accept funds from Natural Gas Distribution Infrastructure Safety and Modernization Grant Program
- Item 5.J. Authorize Listed Requests for Contributions
- Item 5.K. Approve Commissioners to attend Joint City Council Workshop on Tuesday, May 19th, 2026 following the regular Commission Working Session at Hibbing City Hall
- Item 5.L. Approve Commissioners to attend South Water Treatment Plant Ribbon Cutting at 11871 Town Line, Hibbing, MN on May 22nd, 2026, 11:00 am
- Item 5.M. Approve the resignation of HPU General Manager Luke Peterson
- Item 5.N. Closed Session: Employee Performance Review

Commissioner Stokes requested Items 5.A., 5.D., 5.E., & 5.F. be pulled for discussion.

Motion by Commissioner Stokes, supported by Commissioner Babich, to approve Consent Agenda items 5.B., 5.C., 5.G., 5.H., 5.I., 5.J., 5.K., 5.L., 5.M., & 5.N. as presented.

Motion carried 4-1
No - Hart

MINUTES OF THE PROCEEDINGS

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

Item 5.A. Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated March 12th – April 22nd, 2026

Commissioner Stokes discussed a well drilling invoice with HPU General Manager Luke Peterson.

Motion by Commissioner Stokes, supported by Commissioner Hart, to approve Approving invoices >\$10,000 & approve the bills & ACH transfers >\$10,000 dated March 12th – April 22nd, 2026.

Motion carried unanimously.

Item 5.D. Approve Hiring of Chris Zubich, Procurement Supervisor, anticipate start date June 1st

Motion by Commissioner Bayliss, supported by Commissioner Babich, to approve hiring of Chris Zubich to Procurement Supervisor.

Motion carried 4-1
No - Stokes

Item 5.E. Approve Plant Mechanic Crew Lead (26-02) to Mark Trenberth

Motion by Commissioner Stokes, supported by Commissioner Hart, to award Plant Mechanic Crew Lead (26-02) to Mark Trenberth.

Motion carried unanimously.

Item 5.F. Approve to award Line Crew Lead (26-03) to Chad Adams

Motion by Commissioner Stokes, supported by Commissioner Hart, to award Line Crew Lead (26-03) to Chad Adams.

Motion carried unanimously.

Item 6. FINANCIALS & RISK MANAGEMENT

Item 6.A. Approve HPUC Calendar Year 2025 Audit

Item 6.A.i. Audit Presentation, Bonnie Schwieger, Abdo

Item 6.A.ii. Financial Metrics, Bethany Ryers, Baker Tilly

Item 6.A.iii. MMUA Presentation of Strategic Planning Questionnaire

Commission reviewed presentation and acknowledged 2025 audit.

Item 6.B. Approve February & March 2026 Financials

MINUTES OF THE PROCEEDINGS

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

Motion by Commissioner Hart, supported by Commissioner Bayliss, to approve February & March 2026 Monthly financials.

Motion carried unanimously.

Item 6.C. (OF0004.2) Beltline Substation Reconstruction

Item 6.C.i. Approve Prefabricated Modular Block Wall Material Purchase for Beltline Substation Reconstruction from Eull's Manufacturing \$47,597.50

Motion by Commissioner Sandstede, supported by Commissioner Hart, to approve purchase of Prefabricated Modular Block Wall Material from Eull's Manufacturing in the amount of \$47,597.50

Motion carried unanimously.

Item 6.C.ii. Approve Lake States Construction for Beltline Substation Feeder 1 Exit work: excavation, cabinet and cable work in the amount of \$46,500

Motion by Commissioner Hart, supported by Commissioner Babich, to approve Lake States Construction for Beltline Substation Feeder 1 Exit work in the amount of \$46,500.

Motion carried unanimously.

Item 6.C.iii. Approve Resco Materials Purchase: Beltline Substation Project in the amount of \$47,939.95

Motion by Commissioner Hart, supported by Commissioner Babich, to approve Resco Materials Purchase: Beltline Substation Project in the amount of \$47,939.95

Motion carried unanimously.

Item 6.C.iv. Approve Wesco Materials Purchase: Beltline Substation Project in the amount of \$30,544.18

Motion by Commissioner Hart, supported by Commissioner Sandstede, to approve Wesco Materials Purchase: Beltline Substation Project in the amount of \$30,544.18

Motion carried unanimously.

Item 6.C.v. Approve Spill Containment and Filter System material Purchase for Beltline Substation Reconstruction from Basic Concepts Inc. in the amount of \$25,580

Motion by Commissioner Hart, supported by Commissioner Babich, to approve Spill Containment and Filter System material Purchase for Beltline Substation Reconstruction from Basic Concepts Inc. in the amount of \$25,580

MINUTES OF THE PROCEEDINGS

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

Motion carried unanimously.

Item 6.D. (OF0009.0) AMI Meters

Item 6.D.i. Approve Purchase of AMI Gas Meters Project from Groebner in the amount of \$423,322

Motion by Commissioner Hart, supported by Commissioner Bayliss, to approve Purchase of AMI Gas Meters Project from Groebner in the amount of \$423,322

Motion carried unanimously.

Item 6.D.ii. Award Request for Proposals 25-13: AMI Meter Installation for Gas Meters to Tromco Electric in the amount of \$182,968

Motion by Commissioner Hart, supported by Commissioner Sandstede, to Award Request for Proposals 25-13: AMI Meter Installation for Gas Meters to Tromco Electric in the amount of \$182,968

Motion carried unanimously.

Item 6.D.iii. Award Installation of Electric AMI Meters to Hunt Electric in the amount of \$793,821.60

Commission discussed the requirements of bid and performance bonds.

Motion by Commissioner Hart, supported by Commissioner Stokes, to Award Installation of Electric AMI Meters to Hunt Electric in the amount of \$793,821.60

Motion carried unanimously.

Item 6.E. (OF0002.2) E 23rd Street Water – Phase 2

Item 6.E.i. Approve Bids and Award Construction Contract: 23rd St. Water and Steam Improvements – Phase 2 to Bougalis Inc. in the amount of \$2,334,675.05

Motion by Commissioner Stokes, supported by Commissioner Hart, to Approve Bids and Award Construction Contract: 23rd St. Water and Steam Improvements – Phase 2 to Bougalis Inc. in the amount of \$2,334,675.05

Motion carried unanimously.

MINUTES OF THE PROCEEDINGS

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

Item 6.E.ii. Approve Professional Services Agreement with Bolton & Menk Inc. for Construction Phase Services: 23rd Street Water and Steam Improvements – Phase 2 in the amount of \$ 144,057

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to Approve Professional Services Agreement with Bolton & Menk Inc. for Construction Phase Services: 23rd Street Water and Steam Improvements – Phase 2 in the amount of \$ 144,057

Motion carried unanimously.

Item 6.F. (OF0003.2) Lead & Copper Compliance – 2026 Annual Service Line Potholing

Item 6.F.i. Approve Lease to Own 2023 VA HXX PD 12YD Hydro Vac Truck from MacQueen

Commission discussed the cost of internal performance of pot holing.

Motion by Commissioner Stokes, supported by Commissioner Bayliss, to Approve Lease to Own 2023 VA HXX PD 12YD Hydro Vac Truck from MacQueen

Motion carried 3-2.
No – Babich, Hart

Item 6.G. (OF0002.0) Annual Hydrant & Valve Replacement

Item 6.G.i. Approve Professional Services Agreement for Construction Phase Services: Water Distribution Improvement – Annual Hydrant Replacements in the amount not to exceed \$104,929

Motion by Commissioner Sandstede, supported by Commissioner Hart, to Approve Professional Services Agreement for Construction Phase Services: Water Distribution Improvement – Annual Hydrant Replacements in the amount not to exceed \$104,929

Motion carried 4-1
No - Stokes

Item 6.H. (OF0002.0) New Haven – Phase 1 Street Lighting

Item 6.H.i. Approve Cooperative Construction Agreement New Haven – Phase 1 Street Lighting in the amount of \$48,107.50

MINUTES OF THE PROCEEDINGS

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

Motion by Commissioner Hart, supported by Commissioner Babich, to Approve Cooperative Construction Agreement New Haven – Phase 1 Street Lighting in the amount of \$48,107.50

Motion carried unanimously.

Item 7. POLICY & GOVERNANCE-

Item 7.A. Approve 2026-2030 Capital Improvement Plan

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve 2026-2030 Capital Improvement Plan

Motion carried 4-1.
No - Hart

Item 7.B. Approve Annual Revisions of Management Staff Job Descriptions

Motion by Commissioner Babich, supported by Commissioner Stokes, to approve Annual Revisions of Management Staff Job Descriptions.

Motion carried unanimously.

Item 7.C. Approve Summer Students Hiring Policy

Motion by Commissioner Stokes, supported by Commissioner Sandstede, to approve Summer Students Hiring Policy.

Motion carried unanimously.

Item 7.D. Approve Summer Students Job Description & Staffing

Motion by Commissioner Stokes, supported by Commissioner Hart, to approve Summer Students Job Description & Staffing.

Motion carried unanimously.

Item 8. NEW BUSINESS–

Item 9. OLD BUSINESS –

Item 9.A. County Solar Project

Commission discussed that it has no further interest in further pursuing the land fill solar project.

Item 10. ADJOURNMENT

MINUTES OF THE PROCEEDINGS

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

Motion by Commissioner Stokes, supported by Commissioner Hart, to adjourn the meeting at 6:36 pm, immediately following the conclusion of the closed session.

Motion carried unanimously.

Attest:

James Bayliss, Chair

Jeff Hart, Commission Secretary

Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, May 12th, 2026
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746.

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MINUTES OF THE PROCEEDINGS

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

Minutes of the regular meeting of the Public Utilities Commission, Hibbing, Minnesota, 1902 E. 6th Ave., Hibbing, MN 55746, held on May 4th, 2026. Meeting held at Hibbing City Hall, 401 E. 21st St., Hibbing MN. Vice Chair Sandstede called the meeting to order at 6:00 p.m. In attendance were Commissioner Hart, Commissioner Stokes, Commissioner Babich, Legal Counsel, Andy Borland; OD & HR Manager, Kendra Powers; Engineering Manager, Paul Skubinna; Executive Assistant, Magan Schoeben. Also in attendance were City Clerk, Candie, Seppala and member of the community Tim, Powers. Absent was Chair Bayliss.

Item 2. Succession Planning for General Manager's Resignation

Commission discussed the need for a Succession Planning Group to guide the process of the General Manager's departure from Hibbing Public Utilities.

Motion by Commissioner Sandstede, supported by Commissioner Babich, to form a Transition Committee for the General Manager consisting of Commissioner Stokes, and Commissioner Hart.

Motion carried unanimously.

Commission discussed the need for a definitive date of departure for General Manager, Luke Peterson. The General Manager's contract states a 45-day notice is required, June 12th, 2026, would fulfill the General Manager's contract.

Motion by Commissioner Hart, supported by Commissioner Stokes to approve General Manager, Luke Peterson's final day of employment as June 12th, 2026.

Motion carried unanimously.

Motion carried unanimously.

Commission discussed the outstanding issue with the unit clarification. HR Director Kendra Powers provided an update on the performance of the unit clarification being directed through the Bureau of Labor Relations. Commissioner Hart stated that he desired for the item to be resolved before hiring. Commission concurred that hiring items should be returned via Special Meeting as soon as unit clarification is resolved.

MINUTES OF THE PROCEEDINGS

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

Item 7.C.

Commissioner Hart stated his desire that any activity regarding the remaining LEA Funds require Commission Action. Commissioner Sandstede stated the restrictions on the funds exist within statutes that require the reinvestment of LEA funds into Biomass Operations and/or Economic Development. Commissioner Sandstede requested that the motion be amended to include activity for a 4M accounts.

Motion by Commissioner Hart, supported by Commissioner Stokes, to require Commission approval regarding any activity of the 4M Fund.

Motion carried unanimously.

Item 11. ADJOURNMENT

Motion by Commissioner _____, supported by Commissioner _____, to adjourn the meeting at 6:33 pm.

Motion carried unanimously.

Attest:

James Bayliss, Chair

Jeff Hart, Commission Secretary

Meeting materials are available at
The next meeting is a working meeting scheduled for Tuesday, May 12th, 2026
at 5:00 p.m. at the Hibbing City Hall, 401 E. 21st St., Hibbing MN 55746.

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Item 6.A

Item 6.A – Approve Invoices >\$10,000 and bills & ACH transfers dated April 23rd, 2026 – March 4th, 2026

May 19th, 2026

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

RE: Item 6.A – Approve Invoices >\$10,000 and bills & ACH transfers dated April 23rd, 2026 – March 4th, 2026

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26th 2022 Commission Meeting, please find attached enclosed invoices, bills, and payments since the last Regular Meeting held by the Commission on April 28th, 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
BALDWIN SUPPLY	3999870	woodfeed truck unload parts for the Drag chain and spike roll	03/31/2026	04/02/2026	10,825.79	63807	04/24/2026
Total BALDWIN SUPPLY CO:					10,825.79		
BCBS RETIREE	2604014351	RETIREE ACTIVE COVERAGE 05/01/26-05/31/26	04/20/2026	04/20/2026	11,072.00	42420261	04/24/2026
Total BCBS RETIREE:					11,072.00		
BOLTON & MENK, I	0391520	PH.2 for E 23rd ST Water Services-watermain design svc Feb 14 - Mar 13 2026	03/31/2026	04/10/2026	13,139.00	63809	04/24/2026
	0391526	2026 Lead Service Line & Watermain Replacement Project--Feb 14 -Mar 13 2026, Design Survey, Plan Review, Design,	03/31/2026	04/10/2026	59,847.00	63809	04/24/2026
Total BOLTON & MENK, INC:					72,986.00		
BORDER STATES	932183745	YA282N 2H Lug(25), C26 Comp GRD TAP (40), 250MCM COMPGRD TAP (82), 2STR Comp GRD TAP (18), Support Cable Positioner (24), 615A BolT 15KV ALum (40), Elam Insul 200A Park Bushing (12), 2H Lug (40), Pin Pole Top 18" (25)	03/27/2026	04/02/2026	11,549.25	63810	04/24/2026
Total BORDER STATES ELECTRIC:					11,549.25		
C & C Winger, Inc	7086	spill containment/transformer pad drainage at Hull Rust and Mahoning substation sites during modernization project 2025.	03/31/2026	04/23/2026	26,039.50	63811	04/24/2026
Total C & C Winger, Inc:					26,039.50		
Crum Energy Law	MAR2026.C	March 2026 Legal Svcs; SI project updates, ROE updates with Merjent, Email comms with Merjent and EPE, route issues, land strategies/updates, MISO, analyze contracts, attend meetings	03/31/2026	04/13/2026	19,950.00	63814	04/24/2026
Total Crum Energy Law:					19,950.00		
ELECTRIC POWER	45944	Southern Interconnect - T3 30% Package Issuance	03/31/2026	04/02/2026	342,725.00	63865	05/07/2026
	46078	2026 Q1 Projected Costs-EPCM	03/31/2026	04/02/2026	53,317.00	63865	05/07/2026
Total ELECTRIC POWER ENGINEERS LLC:					396,042.00		
EQUIPMENT RENT	54282	Service body truck 117 and rigging.	04/10/2026	05/06/2026	39,735.00	63866	05/07/2026
Total EQUIPMENT RENTAL COMPANY:					39,735.00		
HIBBING ACH, CIT	MARCH 202	March 2026 Garbage	04/22/2026	04/23/2026	193,084.89	50620261	05/06/2026
	MARCH 202	March 2026 Sewer	04/22/2026	04/23/2026	320,883.74	50620261	05/06/2026
	MARCH 202	March 2026 Storm Water	04/22/2026	04/23/2026	27,612.72	50620261	05/06/2026
Total HIBBING ACH, CITY OF:					541,581.35		
Hitachi Energy USA	815239636	High voltage circuit breaker 20%	04/07/2026	04/17/2026	170,282.40	63875	05/07/2026
Total Hitachi Energy USA Inc.:					170,282.40		

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
IRON RANGE ENGI	146	Electrical Engineering Consulting for Beltline Substation, Voltage Conversion, and other PE review on electrical distribution as required.	04/01/2026	04/02/2026	24,963.12	63879	05/07/2026
	146	Addtl; Electrical Engineering Consulting for Beltline Substation, Voltage Conversion, and other PE review on electrical distribution as required.	04/01/2026	04/02/2026	41,217.34	63879	05/07/2026
Total IRON RANGE ENGINEERING AND CONSULTING:					66,180.46		
L & S ELECTRIC IN	0055279	New electric motor for Feedwater #1	04/03/2026	04/06/2026	16,500.00	63884	05/07/2026
Total L & S ELECTRIC INC:					16,500.00		
MEDICARE BLUE	003170362	MEDIARE RX COVERAGE MAY 2026	04/20/2026	04/20/2026	15,171.00	63830	04/24/2026
Total MEDICARE BLUE RX:					15,171.00		
MINNESOTA POWE	76119856238	Purchased Power for March 2026	04/30/2026	04/23/2026	590,431.35	50120261	05/01/2026
Total MINNESOTA POWER ACH DO NOT MAIL:					590,431.35		
MN PEIP	1623107	ACTIVE EMPLOYEE HEALTH COVERAGE05/01/26-05/31/26	04/10/2026	04/20/2026	183,390.10	50720261	05/07/2026
Total MN PEIP:					183,390.10		
NORTH COUNTRY	HIBBINGPU	Water crew svc truck (replacing truck 60) and Fleet Maintenance Svc Truck (replacing Truck 12)	03/11/2026	04/17/2026	105,565.86	63834	04/24/2026
	HIBBINGPU	Fleet 2026 Chev Silv 3500HD (CK30903) 4wd reg Cab 142" Work Truck	03/16/2026	04/17/2026	51,160.56	63834	04/24/2026
Total NORTH COUNTRY CHEVORLET BUICK GMC:					156,726.42		
NOVASPECT INC	CD10021008	Boiler Tuning	02/26/2026	03/31/2026	16,123.65	63836	04/24/2026
Total NOVASPECT INC:					16,123.65		
PEC Solutions LLC	S001267247	underground cable pulling + terminations UG lighting 23rd St.	04/07/2026	04/08/2026	24,840.00	63895	05/07/2026
Total PEC Solutions LLC:					24,840.00		
RICE LAKE CONTR	PAY APP #24	South Water Treatment Plant Rehab Project	04/02/2026	04/13/2026	47,341.25	63900	05/07/2026
	PAY APP #24	South Water Treatment Plant- Well construction	04/02/2026	04/13/2026	25,000.00	63900	05/07/2026
Total RICE LAKE CONTRACTING CORP:					72,341.25		
SAVANNA PALLET	INV171732	2026 Wood Supply--Shipped 3/29	03/29/2026	04/02/2026	59,683.56	63842	04/24/2026
	INV172033	2026 Wood Supply--Shipped 4/4/26	04/04/2026	04/13/2026	62,228.35	63901	05/07/2026
	INV172067	2026 Wood Supply shipped 4/6/26	04/06/2026	04/15/2026	12,063.84	63901	05/07/2026
Total SAVANNA PALLETS:					133,975.75		
TAMMY MATTONE	FEBRUARY	Accounting Consulting for FEB; Internal audit YE acct balance, capital asset listing, mgmt support fleet lead svc PFA, External audit mgmt, Cash flow mgmt, Prep Jan Financials	03/31/2026	04/13/2026	16,235.00	63846	04/24/2026
Total TAMMY MATTONEN CONSULTING LLC:					16,235.00		

Name	Invoice Number	Description	Vendor Invoice Date	Invoice Approval Date	Invoice Amount	Check Number	Check Issue Date
Grand Totals:					<u>2,591,978.27</u>		

Report Criteria:

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



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



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



Item 6.B

Item 6.B – Approval of Payroll Paid and Overtime Report for the
April 30th & May 14th, 2026, Payroll Dates

May 19th, 2026

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

RE: Item 6.B – Approval of Payroll Paid and Overtime Report for the April 30th, & May
14th, 2026 Payroll Dates

Dear Commissioners;

Per HPU's Authorization and Approval matrix approved at the April 26th, 2022,
Commission Meeting, please payroll and overtime reports for payroll dates
subsequent to the last Commission meeting held on May 14th, 2026.

Sincerely;



Luke J. Peterson

Report Criteria:

Employee Transaction.Check Issue Date = 04/30/2026
Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	203,031.84
Total REGULAR WAGES - FOREMAN:	1,782.52
Total REGULAR WAGES - LEAD:	287.36
Total OVERTIME WAGES:	11,565.39
Total SUNDAY PREMIUM:	2,808.48
Total VACATION PAY:	8,744.71
Total SICK LEAVE - REGULAR:	5,884.04
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME USED:	1,810.71
Total PERSONAL HOLIDAY:	2,736.59
Total SHIFT DIFFERENTIAL .75/HR:	364.50
Total LONGEVITY:	2,945.81
Total STANDBY:	6,178.62
Total LEAVE PAYOUT (NO RETIREMENT):	2,028.52
Total RETRO PAY:	36.00
Total CERTIFICATE/LICENSE:	1,172.21
Grand Totals:	<u>251,377.30</u>

Report Criteria:

Employee Transaction.Check Issue Date = 05/14/2026
Pay Code.Pay Code = 1-19, 25

Payroll Type	Amount
Total REGULAR WAGES:	189,949.81
Total REGULAR WAGES - FOREMAN:	1,448.44
Total REGULAR WAGES - LEAD:	447.96
Total OVERTIME WAGES:	15,036.04
Total OVERTIME WAGES - FOREMAN:	251.61
Total OVERTIME WAGES - LEAD:	351.66
Total SUNDAY PREMIUM:	2,370.06
Total VACATION PAY:	18,832.68
Total SICK & SAFE LEAVE:	300.00
Total SICK LEAVE - REGULAR:	6,627.81
Total UNEXCUSED SICK LEAVE:	.00
Total COMP FROM STADBY:	.00
Total COMP TIME EARNED:	.00
Total COMP TIME USED:	1,955.98
Total PERSONAL HOLIDAY:	6,600.51
Total SHIFT DIFFERENTIAL .75/HR:	355.50
Total LONGEVITY:	2,945.81
Total STANDBY:	6,591.50
Total RETRO PAY:	560.80
Total CERTIFICATE/LICENSE:	1,172.21
Grand Totals:	<u><u>255,798.38</u></u>



Item 6.C

Item 6.C – Request approval to award Line Crew Assistant Lead (26-04) to George Pogachnik

May 19th , 2026

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

RE: Item 6.C - Request approval to award Line Crew Assistant Lead (26-04) to George Pogachnik

Dear Commissioners;

Approval to backfill Line Crew Assistant Lead was granted by the Commission on February 17, 2026.

Following a thorough review of applications, interviews, and candidate evaluations, the selection panel has determined that Mr. Pogachnik meets the criteria established in the collective bargaining agreement. His qualifications, experience, and demonstrated abilities align well with the requirements of the role.

I respectfully request the Commission's approval to proceed with awarding the Line Crew Leader position to Mr. Pogachnik.

Thank you for your consideration,

A handwritten signature in blue ink that reads "Kendra Powers". The signature is written in a cursive, flowing style.

Kendra Powers
Senior Director of Human Resources and Organizational Behavior
Hibbing Public Utilities Commission



Item 6.D

Item 6.D – Authorize listed Requests for Contribution

May 19th, 2026

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

RE: Item 6.D – Authorize Listed Requests for Contribution

Dear Commissioners;

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

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

Organization	Sector of Support	Request Amount
Iron Range Street Jams	Commercial	\$500
ISD 701	Recreation	\$500

Sincerely;



Luke J. Peterson



REQUEST FOR CONTRIBUTION

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

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

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

REQUESTING PARTY INFORMATION:

NAME OF ORGANIZATION: Iron Range Street Jams (organized by Sammy's - Hibbing and The Iron House)

CHECK PAYABLE TO: The Iron House

CONTACT NAME: Rena Freeman or Brita Barratto PHONE NO. Rena: 218-969-3561 Brita: 218-208-7519

ADDRESS: 112 E Howard Street, Hibbing MN 55746

DATE: 5/12/2026

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

The Iron Range Street Jams is a series of block parties taking place between 1st and 2nd Ave on Howard Street. It is a collaborative event hosted by The Iron House and Sammy's in Hibbing. There will be live music once a month beginning in June. Dates are as follows: 6/19, 7/11 (Jubilee), 8/15, and 9/19 (Oktoberfest). There will be live music, food, games, and drinks for the community to purchase and enjoy. Our goal is to keep the Hibbing community in town for entertainment and to increase repeat tourism business and traffic to the downtown businesses. The current estimated cost is \$5450.

AMOUNT OF REQUEST: \$500

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

Money that is fundraised will go towards the following items necessary to ensure the event's success and to create a clean and enjoyable experience for the Hibbing community. Expenses include: security (Hibbing Police Department), Local Artists (bands and sounds production), sanitary services (garbages and toilets), city stage (Hibbing Parks and Rec), and potential games for the community to enjoy.

We're excited to introduce a new summer event series coming to downtown Hibbing – **Iron Range Street Jams**, a collaboration between Sammy's Pizza and The Iron House.

This monthly block party will bring the community together by transforming Howard Street (between 1st Ave and 2nd Ave) into a lively, high-energy space featuring live music, great food, and a fun, welcoming atmosphere for all ages.

Event Dates:

- June 19
- July 11 – Hibbing Jubilee Street Dance
- August 15
- (Tentative) September 19 – Oktoberfest Finale

We're currently working to fund and grow this event series and are inviting local businesses to be part of it.

Community Sponsorship – a minimum of \$100

Your support directly helps us bring live entertainment and community-driven experiences to downtown Hibbing. In return, your business will receive:

- Promotion across our social media platforms leading up to each event (Facebook, Instagram, TikTok, and Google Business)
- Placement on event marketing materials
- A sponsorship poster displayed on stage during all events

This is a great opportunity to increase visibility for your business while supporting a high-energy, community-focused summer series.

If you're interested in contributing at a higher level or supporting the event in another way, we'd love to connect and explore options with you.

Please reach out to Rena or Brita to get involved. Thank you for helping us build something special for Hibbing this summer!

Rena Freeman
The Iron House
218.969.3561
contact@ironhousemn.com



Brita Baratto
Sammy's Pizza
218.208.7519
britabaratto@gmail.com





REQUEST FOR CONTRIBUTION

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

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

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

REQUESTING PARTY INFORMATION:

NAME OF ORGANIZATION: Hibbing High School

CHECK PAYABLE TO: ISD 701

CONTACT NAME: Carrie Fawkes PHONE NO. 218-208-0841 ext. 11260

ADDRESS: 800 East 21st Street, Hibbing

DATE: 5/14/2026

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

For the past 3 years HHS Career Academy has put together an Industrial Arts end of the year BBQ. These students in particular work hard with hands on projects that help support our community. Our biggest project is the support of building the habitat for humanity home.

AMOUNT OF REQUEST: \$500.00

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

Our goal is to thank our hard working students who have contributed to the meaningful projects throughout the school year. This event will feed up to 220 students enrolled in our Industrial Arts classes.



REQUEST FOR CONTRIBUTION

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

Commission Secretary

Date

p/forms/admin./Request for Contribution.doc



Item 7.A.i

Item 7.A.i – Approve April 2026 Interim Financials

April 22, 2026

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

RE: Item 7.A.i – Approve April 2026 Interim Financials

Dear Commissioners;

Please find enclosed financials as of April 2026.

The year to date ended April 30, 2026 operating revenue totals \$13.6 million compared to \$13.9 million for the same period last year. Increases in revenue from the electric utility of \$467K were offset by a decrease of \$739K in gas revenue resulting in a net \$268K decrease in revenue year over year. Gas revenue declined in 2026 compared to 2025 due to a purchase gas adjustment that was in place in 2025. In addition, gas rates were decreased 4.5% in 2026.

Operating expenses total \$13.4 million which compares to \$11.4 million in 2025. The increase of \$1.9 M in expense includes an increase of \$638K in gas prices.

Operating income (operating revenues-minus operating expenses) is 323K compared to \$2.5M one year ago.

April 2026 overall operating revenue was \$304K compared to \$65K in 2025. The positive change helped to decrease the YTD operating deficit.

Sincerely;



Utility Sales Increase (Decrease)			
January-April 2026 Quantity versus 2025			
Water		-4.2%	
Electric		1.8%	
Gas		1.1%	
Steam		-4.1%	

Tammy Mattonen

Public Utilities Commission

Financial Statements and
Supplementary Information

April 30, 2026 and December 31, 2025

Public Utilities Commission

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April 30, 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 April 30, 2026 and December 31, 2025 and the related statements of revenues, expenses and changes in net position for the four months and year then ended, in accordance with accounting principles generally accepted in the United States of America. We have performed compilation engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

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

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

- That the component unit, the Laurentian Energy Authority, be blended into the Hibbing Public Utilities Commission's financial statements.
- That the effects of Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions* and GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, be considered and included in the financial statements. Management has not adjusted the balances for April 30, 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.

Madison, Wisconsin
May 14, 2026

Public Utilities Commission

Statements of Net Position

April 30, 2026 and December 31, 2025

	<u>April 30,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
Assets and Deferred Outflows of Resources		
Current Assets		
Cash	\$ 391,039	\$ 4,198,490
Investments	14,774,057	15,086,906
Restricted assets:		
Cash held for fuel assistance recipients	19,478	75,978
Cash held for customer deposits	471,570	478,301
Accounts receivable, net of allowance for doubtful accounts of \$76,785 and \$58,000, respectively	2,730,831	2,503,020
Unbilled revenues	2,268,507	2,268,507
Other receivable	4,147	173,279
Current maturities notes receivable, steam conversion program	34,000	35,000
Current portion of lease receivable	9,827	9,778
Inventories	1,449,585	1,419,670
Prepaid expense	848,373	822,066
	<u>23,001,414</u>	<u>27,070,995</u>
Noncurrent Assets		
Restricted assets:		
Bond reserve account	1,111,283	641,300
Notes receivable, Steam conversion program	120,014	133,203
Lease receivable	426,610	429,896
Investment in joint venture	694,043	731,444
Regulatory assets	3,146,517	3,493,964
Capital assets:		
Plant in service	197,770,496	197,115,783
Accumulated depreciation/amortization	(102,492,679)	(100,584,292)
Construction work in progress	24,895,032	20,044,239
	<u>125,671,316</u>	<u>122,005,537</u>
Total noncurrent assets	<u>125,671,316</u>	<u>122,005,537</u>
Total assets	<u>148,672,730</u>	<u>149,076,532</u>
Deferred Outflows of Resources		
Related to net pension liability	740,024	740,024
Related to postemployment benefits liability	121,611	121,611
Related to the purchase of LEA	112,454	126,902
	<u>974,089</u>	<u>988,537</u>
Total deferred outflows of resources	<u>974,089</u>	<u>988,537</u>
Total assets and deferred outflows of resources	<u>\$ 149,646,819</u>	<u>\$ 150,065,069</u>

Public Utilities Commission

Statements of Net Position

April 30, 2026 and December 31, 2025

	April 30, 2026	December 31, 2025
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Accounts payable	\$ 4,881,895	\$ 6,063,852
Accrued interest	102,928	89,267
Accrued expenses	150,037	272,675
Due to City of Hibbing	553,210	571,889
Accrued vacation	501,982	401,319
Current portion of lease liability	209,173	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	19,478	75,978
Customer deposits payable	471,570	478,301
	<u>7,645,273</u>	<u>8,915,442</u>
Total current liabilities		
Noncurrent Liabilities		
Accrued sick leave	980,112	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	19,874,720	19,278,970
Lease liability	33,600	103,999
	<u>36,811,625</u>	<u>36,284,386</u>
Total noncurrent liabilities		
	<u>44,456,898</u>	<u>45,199,828</u>
Total liabilities		
Deferred Inflows of Resources		
Related to net pension liability	1,423,602	1,423,602
Related to postemployment benefits liability	2,329,319	2,329,319
Related to leases	436,437	439,674
	<u>4,189,358</u>	<u>4,192,595</u>
Total deferred inflows of resources		
Net Position		
Net investments in capital assets	99,300,356	96,230,600
Restricted for debt service	1,111,283	641,300
Unrestricted	588,924	3,800,746
	<u>101,000,563</u>	<u>100,672,646</u>
Total net position		
	<u>\$ 149,646,819</u>	<u>\$ 150,065,069</u>
Total liabilities, deferred inflows of resources and net position		

Public Utilities Commission

Statements of Revenues, Expenses and Changes in Net Position
Four Months Ended April 30, 2026 and Year Ended December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Operating Revenue		
Charges for services	\$ 13,486,642	\$ 31,334,132
Other	202,575	580,896
Total operating revenues	<u>13,689,217</u>	<u>31,915,028</u>
Operating Expenses		
Operation and maintenance	11,073,624	25,548,799
Depreciation and amortization	2,292,610	6,250,070
Total operating expenses	<u>13,366,234</u>	<u>31,798,869</u>
Operating income (loss)	<u>322,983</u>	<u>116,159</u>
Nonoperating Revenues (Expenses)		
Investment income	180,595	1,767,355
Miscellaneous nonoperating income (expense)	9,714	(317,916)
Equity in net income of joint venture	(37,401)	(81,438)
Interest expense	(147,974)	(219,161)
Total nonoperating revenues (expenses)	<u>4,934</u>	<u>1,148,840</u>
Income before contributions	327,917	1,264,999
Capital Contributions	-	4,030,723
Change in net position	327,917	5,295,722
Net Position, Beginning	<u>100,672,646</u>	<u>95,376,924</u>
Net Position, Ending	<u>\$ 101,000,563</u>	<u>\$ 100,672,646</u>

Public Utilities Commission

Statements of Cash Flows

Four Months Ended April 30, 2026 and Year Ended December 31, 2025

	April 30, 2026	December 31, 2025
Cash Flows From Operating Activities		
Receipts from customers	\$ 13,464,389	\$ 31,884,969
Principal collected from steam conversion loan program	14,189	45,856
Payments to suppliers	(8,092,603)	(21,140,183)
Payments for payroll and benefits	(2,231,810)	(6,840,616)
	<u>3,154,165</u>	<u>3,950,026</u>
Net cash from operating activities		
Cash Flows From Capital and Related Financing Activities		
Payments for additions to property, plant and equipment	(7,590,320)	(34,606,997)
Capital contributions received	169,132	4,432,716
Principal and interest paid on leases	(53,362)	(213,447)
Proceeds from debt issue	595,750	14,122,533
Principal paid	-	(596,939)
Interest paid	(169,508)	(257,409)
	<u>(7,048,308)</u>	<u>(17,119,543)</u>
Net cash from capital and related financing activities		
Cash Flows From Investing Activities		
Investments income received	85,407	1,255,155
Investments matured	95,188	17,617,568
Investments purchased	(157,134)	(5,930,318)
	<u>23,461</u>	<u>12,942,405</u>
Net cash from investing activities		
Net change in cash		
	(3,870,682)	(227,112)
Cash, Beginning	<u>4,752,769</u>	<u>4,979,881</u>
Cash, Ending	<u>\$ 882,087</u>	<u>\$ 4,752,769</u>
Cash is Presented on the Statements of Net Position		
Cash	\$ 391,039	\$ 4,198,490
Restricted assets	1,602,331	1,195,579
	<u>1,993,370</u>	<u>5,394,069</u>
Total cash and restricted assets		
Less noncash equivalents included in restricted assets	(1,111,283)	(641,300)
	<u>\$ 882,087</u>	<u>\$ 4,752,769</u>

Public Utilities Commission

Statements of Cash Flows

Four Months Ended April 30, 2026 and Year Ended December 31, 2025

	<u>April 30, 2026</u>	<u>December 31, 2025</u>
Reconciliation of Operating Income to Net Cash From Operating Activities		
Operating income (loss)	\$ 322,983	\$ 116,159
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Other nonoperating income (loss)	9,714	(317,916)
Depreciation and amortization	2,292,610	6,250,070
Change in operating assets, deferred outflows or resources, liabilities and deferred inflows of resources:		
Accounts receivable	(227,811)	(44,060)
Unbilled revenue	-	119,057
Other receivable	-	196,558
Inventories	(29,915)	(93,174)
Prepaid expenses	(26,307)	(74,621)
Receivable for steam conversion loan program	14,189	45,856
Lease receivable	3,237	82,014
Regulatory assets	15,000	(495,056)
Accounts payable	877,670	868,954
Accrued vacation and sick leave	102,551	(97,674)
Accrued expenses	(114,609)	(1,619)
Due to City of Hibbing	(18,679)	(591,015)
Third-party advances for fuel assistance	(56,500)	5,190
Customer deposits payable	(6,731)	16,302
Accrued post employment benefits	-	(850,864)
Net pension liability	-	(1,102,121)
Deferred inflows of resources	(3,237)	(82,014)
Net cash from operating activities	<u>\$ 3,154,165</u>	<u>\$ 3,950,026</u>
Noncash Capital and Related Financing Activities		
Unrealized gain on investments	<u>\$ 95,188</u>	<u>\$ 512,200</u>
Regulatory capitalized interest - net with interest expense	<u>\$ 37,328</u>	<u>\$ 30,215</u>

OTHER INFORMATION

Public Utilities Commission

Schedules of Departmental Revenues and Expenses

Periods Ended April 30, 2026 and 2025

	Four Months Ended April 30, 2026				
	Electric	Steam	Gas	Water	Total
Operating Revenue					
Charges for services	\$ 6,767,606	\$ 1,324,057	\$ 4,369,827	\$ 1,025,152	\$ 13,486,642
Other operating revenues	89,696	42,071	27,160	43,648	202,575
Others					
Total operating revenues	<u>6,857,302</u>	<u>1,366,128</u>	<u>4,396,987</u>	<u>1,068,800</u>	<u>13,689,217</u>
Operating Expenses					
Operation and maintenance	6,119,314	1,082,920	3,254,000	617,390	11,073,624
Depreciation and amortization	1,417,685	358,743	141,134	375,048	2,292,610
Total operating expenses	<u>7,536,999</u>	<u>1,441,663</u>	<u>3,395,134</u>	<u>992,438</u>	<u>13,366,234</u>
Operating (loss) income	<u>\$ (679,697)</u>	<u>\$ (75,535)</u>	<u>\$ 1,001,853</u>	<u>\$ 76,362</u>	<u>\$ 322,983</u>
	Four Months Ended April 30, 2025				
	Electric	Steam	Gas	Water	Total
Operating Revenue					
Charges for services	\$ 6,274,542	\$ 1,387,470	\$ 5,113,370	\$ 974,836	\$ 13,750,218
Other operating revenues	115,282	33,333	22,913	35,688	207,216
Others					
Total operating revenues	<u>6,389,824</u>	<u>1,420,803</u>	<u>5,136,283</u>	<u>1,010,524</u>	<u>13,957,434</u>
Operating Expenses					
Operation and maintenance	5,394,889	1,023,397	2,615,669	516,928	9,550,883
Depreciation	1,130,487	318,183	118,298	320,746	1,887,714
Total operating expenses	<u>6,525,376</u>	<u>1,341,580</u>	<u>2,733,967</u>	<u>837,674</u>	<u>11,438,597</u>
Operating (loss) income	<u>\$ (135,552)</u>	<u>\$ 79,223</u>	<u>\$ 2,402,316</u>	<u>\$ 172,850</u>	<u>\$ 2,518,837</u>

Public Utilities Commission

Budget to Actual Comparison
Four Months Ended April 30, 2026

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Operating Revenue			
Electric revenue	\$ 6,857,302	\$ 6,429,799	\$ 427,503
Steam revenue	1,366,128	1,415,133	(49,005)
Gas revenue	4,396,987	5,096,175	(699,188)
Water revenue	1,068,800	970,394	98,406
Total operating revenues	<u>13,689,217</u>	<u>13,911,501</u>	<u>(222,284)</u>
Operating Expenses			
Electric:			
Operation and maintenance	6,119,314	5,281,674	837,640
Depreciation	<u>1,417,685</u>	<u>1,504,008</u>	<u>(86,323)</u>
Total electric	<u>7,536,999</u>	<u>6,785,682</u>	<u>751,317</u>
Steam:			
Operation and maintenance	1,082,920	925,129	157,791
Depreciation	<u>358,743</u>	<u>360,000</u>	<u>(1,257)</u>
Total steam	<u>1,441,663</u>	<u>1,285,129</u>	<u>156,534</u>
Gas:			
Operation and maintenance	3,254,000	2,666,253	587,747
Depreciation	<u>141,134</u>	<u>138,228</u>	<u>2,906</u>
Total gas	<u>3,395,134</u>	<u>2,804,481</u>	<u>590,653</u>
Water:			
Operation and maintenance	617,390	506,771	110,619
Depreciation	<u>375,048</u>	<u>366,667</u>	<u>8,381</u>
Total water	<u>992,438</u>	<u>873,438</u>	<u>119,000</u>
Total operating expenses	<u>13,366,234</u>	<u>11,748,730</u>	<u>1,617,504</u>
Operating Income (Loss)			
Electric	(679,697)	(355,883)	(323,814)
Steam	(75,535)	130,004	(205,539)
Gas	1,001,853	2,291,694	(1,289,841)
Water	<u>76,362</u>	<u>96,956</u>	<u>(20,594)</u>
Total operating income (loss)	<u>\$ 322,983</u>	<u>\$ 2,162,771</u>	<u>\$ (1,839,788)</u>



Item 7.B.i

Item 7.B.i – Annual Rate Adjustment Review

May 19th, 2026

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

RE: Item 7.B.i – Annual Rate Adjustment Review

Dear Commissioners;

We submit the following information for the commission’s annual review of utility rates. As requested by the City of Hibbing and agreed to by Commission Resolution, HPU contracted Baker Tilly to perform a rate study in 2025. Following extensive analysis of projected demand and expenses a recommendation to adjust rates over a 5-year timeframe was presented to the commission. 2026 is the second year of the 5-year phased in rate change plan.

On May 27, 2025 the commission approved the 1st phase of the rate adjustments. The 2026 budgeted revenue was based on the ratification of the recommended rate increase effective 5/1/2026. We are recommending adoption of the Tilly Recommendation for year two as presented in the attached rate study.

Utility	Rate Change	Budget impact
Electric	5.40%	\$ 728,581.00
Gas	-4.50%	\$ (217,047.00)
Steam	3.50%	\$ 48,374.00
Water	11.25%	\$ 332,538.00
Total Rate change included in 2026 budget		\$ 892,446.00

Overall Customer Impact					
Small Residential	Consumption	Rate change	Current Bill	proposed 2026	Increase/Decrease
Electric - Residential	638 kWh	5.40%	\$ 107.60	\$ 113.41	\$ 5.81
Gas - Residential Heat	75 CCF	-4.50%	\$ 75.46	\$ 72.07	\$ (3.39)
Steam - Residential	10 Mbs	3.50%	\$ 23.36	\$ 24.18	\$ 0.82
Water - Residential	6,000 Gal	11.25%	\$ 25.95	\$ 28.86	\$ 2.91
Total			\$ 232.37	\$ 238.52	\$ 6.15

Sincerely;



Luke J. Peterson



Item 7.C.i.1

Item 7.C.i.1 – Project Bond Resolutions

May 19th, 2026

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

RE: Item 7.C.i.1 Project Bond Resolutions

Dear Commissioners;

The purpose of this agenda item is to introduce two Bonding Resolutions that will be proposed for action in the upcoming Commission meeting. The Bonding Resolutions acknowledge that it is the Commission’s will to seek Minnesota Public Facilities Authority (PFA) funding for loans from the Drinking Water Revolving Fund (DWRf) for capital improvement projects, whereby authorizing staff to execute the funding application and acquisition process.

Projects for which staff is requesting authorization to pursue PFA DWRf are summarized in the following table.

Project	Construction Schedule	Loan Amount
17 th Street Water Main Replacement	2025	\$3,340,867
23 rd Street Water Main Replacement - Phase 1	2025	\$1,809,354
23 rd Street Water Main Replacement – Phase 2	2026	\$1,677,933
4 th & 4 th LSL Water Main Component	2026	\$1,154,050
Hydrant & Valve Replacement	2026	\$1,224,789

The PFA DWRf loans constitute a critical source of low interest financing to execute critical and essential water system upgrade projects while spreading the financial burden of those projects over a management timeframe. The listed projects replace water system components that have exceeded their service life and advance the utility’s efforts to protect public health and achieve regulatory compliance.

Preliminary drafts of the proposed Bond Resolutions are enclosed for your convenience.

Sincerely;



Paul Skubinna

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. 26-07

RESOLUTION OF APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY DRINKING WATER REVOLVING FUND FOR THE HYDRANT & VALVE REPLACEMENT, 17TH STREET, 23RD STREET PHASE I, 23RD STREET PHASE II, AND 4TH & 4TH WATERMAIN PHASE I IMPROVEMENT PROJECTS

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 from the Drinking Water Revolving Fund for improvements to its municipal drinking water system as described in the loan applications; and

WHEREAS THE Commission estimates the loan amount to be \$9,206, 993 or the as-bid cost of the project.

NOW BE IT RESOLVED that the City of Hibbing concurs that the Commission has the legal authority to apply for the loan, 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.

NOW THEREFORE BE IT FURTHER RESOLVED the Commission hereby expresses its official intent to use proceeds of this loan to reimburse construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority

Whereupon said Resolution No. 26-___ 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 May, 2026.

PUBLIC UTILITY COMMISSION

ATTEST: _____
Jeff Hart, Commission Secretary James Bayliss, Chair



Item 7.C.i.2

Item 7.C.i.2– Approve Resolution 26-08: Authorizing Hibbing Public Utilities to make application to and accept funds from Greater Minnesota Electric Vehicle Infrastructure Community Program

May 19th , 2026

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

RE: Item 7.C.i.2– Approve Resolution 26-08: Authorizing Hibbing Public Utilities to make application to and accept funds from Greater Minnesota Electric Vehicle Infrastructure Community Program

Dear Commissioners;

Attached for your consideration is Resolution 26-08. This resolution will authorize HPU staff to apply to receive funds from this funding program. If awarded, program funds will be used to support the development of an Electric Vehicle Charging Station in Hibbing.

Sincerely;



Luke J. Peterson

RESOLUTION NO. 26-08

STATE OF MINNESOTA
COUNTY OF ST. LOUIS
CITY OF HIBBING
HIBBING PUBLIC UTILITIES COMMISSION

RESOLUTION AUTHORIZING HIBBING PUBLIC UTILITIES TO MAKE APPLICATION TO AND ACCEPT FUNDS FROM GREATER MINNESOTA ELECTRIC VEHICLE INFRASTRUCTURE COMMUNITY PROGRAM

WHEREAS, the “Greater Minnesota Electric Vehicle Infrastructure Community Program” is a funding opportunity offered by the Minnesota Department of Transportation, administering a total of \$1,294,500 to support the development of 42 EV charging stations across the state of Minnesota.

WHEREAS, the Public Utility Commission of the City of Hibbing (a.k.a “HPU” or “the Commission”) has duties and powers set forth in MN Statute Chapter 412 in addition to the duties and powers set forth in its own enabling statutes; and,

WHEREAS, HPU hereby certifies its authority to both apply and accept grant funds from the “Greater Minnesota Electric Vehicle Infrastructure Community Program” fund and any other sub-fund thereof; and,

WHEREAS, HPU is an eligible applicant to the “Greater Minnesota Electric Vehicle Infrastructure Community Program” seeking funds to support the development of an Electric Vehicle Charging Station,

NOW BE IT RESOLVED that the Commission, as the Approving Authority, adopts this Resolution to apply and accept funding for the “Greater Minnesota Electric Vehicle Infrastructure Community Program”.

Upon vote taken, the following voted:

For:

Against:

Whereupon said Resolution No.26-08 was declared duly passed and adopted this 19th day of May, 2026.

James Bayliss
Chairman

Jesse Babich
Commission Secretary



Item 7.C.i.3

Item 7.C.i.3 – Surplus Equipment Resolution

May 19th, 2026

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

RE: Item 7.C.i.3 – Surplus Equipment Resolution

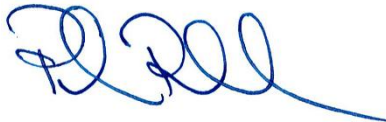
Dear Commissioners;

For your consideration we are requesting to surplus equipment that no longer works and cannot be repaired or Hibbing Public Utilities no longer has a use for. This equipment would be offered on the Minnesota Department of Administration Surplus Services site.

Please see attached resolution.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager

RESOLUTION NO. 26-09

A RESOLUTION DECLARING EQUIPMENT AS SURPLUS AND AUTHORIZING THE SALE OF THE SAME.

WHEREAS, the Hibbing Public Utilities Commission in Hibbing, Minnesota has been advised by staff that the following equipment are no longer needed for current or future utility operations:

- | | |
|------------------------------------------|-----------------------------------------|
| (1) Husqvarna Concrete Saw | (1) Burndy Incline Crimper |
| (3) iPads older than 2022 | (1) Huskie Cable Cutter |
| (2) Partial Rolls of Steel Cable | (5) Air/Diaphragm Trash Pumps |
| (3) Riding Mowers Cub Cadet/Toro/Swisher | (1) Electric Pressure Washer |
| (3) Excavator Buckets | (2) Truck Tool Boxes |
| (2) Honda Generators | (1) 1997 Sullivan Air Compressor |
| (1) Miller Welder Bobcat 225 G | (1) DBH Thawing Machine |
| (4) Greenlee Kellems Grips | (1) Altec AD108 Tugger |
| (1) Greenlee Hydraulic Knockout | (1) 2003 International Bucket Truck |
| (1) Cablematic Cable Stripper | (1) 1993 John Deer Backhoe |
| (1) Coats Tire Machine | (1) 2003 Ford Focus Wagon |
| (3) 26" Concrete Forms & Rebar | (1) 2004 Chevy 1 Ton w/ plow |
| (1) Well Pump | (1) 2007 Dodge w/ Plow |
| (1) Wacker Remote Packer | (1) 2014 GMC Terrain |
| (1) Wacker Jumping Jack | (1) 2011 Ford Truck |
| (1) Wacker Stone Walk Behind | (1) Truck Scale LEA |
| (1) MTM Hotsy | (1) Fueling Station LEA |
| (4) Phillips Heartstart AEDs | (1) House to be moved LEA |
| (1) Power Pusher Trailer Mover | (1) 2004 International Semi-Trailer LEA |
| (1) LenoAche Truck Rack | (3) Titan Walking Floor Trailers LEA |
| (1) 2-Ton Floor Jack | (2) SCBA Assemblies w/ cases |
| (1) Topcon Transit AT-D2 | (1) Safe Combination Unknown |
| (1) Phasing Stick | (1) Vermeer Wood Chipper |
| (1) Blackburn Crimper w/ Die Set | (1) Rotochopper 266 Wood Grinder |
| (1) Burndy Hydraulic Impact w/ Hose | |

NOW THEREFORE, BE IT RESOLVED BY THE PUBLIC UTILITIES COMMISSION OF THE CITY OF HIBBING, AS FOLLOWS:

1. The commission declares the equipment listed above as surplus.
2. The commission authorizes the disposal of said equipment by advertising it for sale on the open market pursuant to Minn. Stat. 471.345.
3. The commission will sell equipment for less than \$10,000 to the highest bidder who is willing to pay for it first.
4. All sales shall be final and the property is to be sold in “as-is” condition.

Passed by the Public Utilities Commission of Hibbing, Minnesota this 19th day of May, 2026.

James Bayliss, Commission Chair

Attested:

Luke Peterson, General Manager



Item 7.C.ii.1

Item 7.C.ii.1 – (OF0004.2) Approve Public Bid 26-05 and Award Construction Contract for Beltline Substation Reconstruction to Lake States Construction, LLC

May 15, 2026

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

RE: Item 7.C.ii.1 – (OF0004.2) Approve Public Bid 26-05 and Award Construction Contract for Beltline Substation Reconstruction to Lake States Construction, LLC

Dear Commissioners,

For your consideration, staff is requesting Commission approval to award the construction contract for the Beltline Substation Reconstruction Project.

The project was publicly advertised through [QuestCDN](#). At bid closing, there were eleven plan holders and one bid submission received from Lake States Construction, LLC in the amount of \$909,228.10.

Staff and the project engineers reviewed the bid proposal and find the submitted amount to be somewhat higher than originally anticipated. However, due to current construction market conditions, the bid remains reasonable and within expected industry pricing trends. The utility has completed similar projects with Lake States Construction, LLC, where the contractor performed quality work and demonstrated satisfactory project performance.

The Beltline Substation and associated equipment are well beyond their expected service life. Continuing operation of aging infrastructure places the utility at increased risk of unfavorable system failures, service reliability concerns, and negative safety impacts affecting both the public and utility crews. Reconstruction of this substation is important to maintain reliable electric service and improve overall system safety and resiliency.

Awarding this construction contract in the amount of \$909,228.10 would bring total committed project costs to approximately \$1.5 million, remaining within the approved \$2 million project budget for 2026.

Staff recommends awarding the construction contract for the Beltline Substation Reconstruction Project to Lake States Construction, LLC in the amount of \$909,228.10.

We kindly request the Commission's consideration and approval.

Sincerely;



Paul Skubinna



Hibbing Public Utilities
1902 6th Ave E
Hibbing, MN 55746
RE: RFP 26-05 Beltline Substation Construction Bid

Dear Mr. Skubinna,

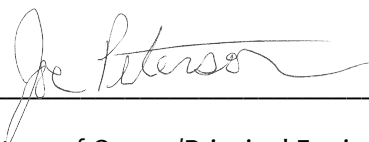
We received one bid in response to the bid request for the Beltline Substation Construction including electrical, civil, structural, and fence labor, equipment, and some materials for the project and is paced to complete the work this fall. The bid amount of \$909,228.10 is greater than we hoped to see, but still very realistic considering the current construction climate.

This substation project is needed due to the critical nature of the substation and its existing state. It has lasted well past anticipated lifetime of ~40 years (60+ years old) and served the HPUC well, but oil test and other analysis of the site show it is on borrowed time. With combustible gasses in some of the equipment insulating oils, components maintained essentially as critical need only, and some of the city's largest and critical loads served by it, it is important to do a graceful transition before a catastrophic failure, safety incident, or significant reliability impact. Waiting past this fall increases the chances of problems considerably.

I recommend proceeding with the award and construction this fall. We will have risk this summer, but a successful project would have the new one in service for winter.

Please let me know if you have any questions or would like to discuss this in further detail.

Thank you.



Signature of Owner/Principal Engineer

05/14/2026

Current Date

Joseph A. Peterson, PE



Item 7.C.ii.2

Item 7.C.ii.2- (OF0010.0) Authorization to Advertise and Solicit
Public Bids for Distribution Vegetation Control

May 19, 2026

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

RE: Item 7.C.ii.2- (OF0010.0) Authorization to Advertise and Solicit Public Bids for
Distribution Vegetation Control

Dear Commissioners;

Vegetation Control is an annual maintenance program essential to maintaining the reliability and safety of our electrical distribution system. Managing vegetation around utility assets helps reduce the risk of service disruptions, minimizes wildfire hazards, and improves safe access for crews performing maintenance and restoration work.

Staff recommends soliciting public bids from qualified vendors for the following services:

- Routine vegetation trimming and removal
- Emergency response services during unplanned weather events resulting in significant tree damage

Staff respectfully requests Commission authorization to advertise and solicit public bids for these services.

Thank you for your consideration.

Sincerely;



Paul Skubinna



Item 7.C.ii.3

Item 7.C.ii.3 –(OF0005) Merjent Permitting and Landowner Engagement

May 19th, 2026

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

RE: Item 7.C.ii.3 – (OF0005) Merjent Permitting and Landowner Engagement

Dear Commissioners;

As discussed at the working session on May 12th, we are at the end of the current scope of work for Merjent and would like to formally request Commission authorization to continue their work through the remainder of the project. The scope of work includes a portion of work for permitting under the local review process in addition to the landowner engagement work through project completion. This amount requested is not to exceed \$449,201. Please note, this amount has been budgeted.

Sincerely;



Luke J. Peterson



CHANGE ORDER NO. 3

Change Order Date: May 5, 2026

Effective Date: April 1, 2026

Client Name: Hibbing Public Utilities

Merjent PM: Britta Bergland

Project Name: Southern Interconnect Project

Client Contact: Luke Peterson

Additional Labor/Expense Budget:

NTE: \$91,750 (Local Route Process)
\$357,451 (Land Services)
\$449,201

This Change Order No 3. is issued pursuant to the previously provided standard *Professional Services Terms and Conditions* prepared by Merjent, Inc., a Minnesota corporation ("Merjent").

Scope of Work:

Merjent will perform work under this Change Order on a time-and-materials basis. Merjent will provide consulting services as outlined in Merjent’s May 5, 2026, proposal titled *Hibbing Public Utilities – April – December 2026 Cost Estimate to Support the Local Route Process and Land Rights for the Southern Interconnect 115 kV Transmission Line Project*. Merjent’s billing rates will be as presented on Merjent’s *2026 Fee Schedule*. This Work Order constitutes the authority to invoice Hibbing Public Utilities for the Work outlined in the April 2026 proposal.

Accepted: Merjent, Inc.

Date: ___5/5/2026___

By:

Britta Bergland
(authorized signature)

Printed name: Britta Bergland

Title: Principal

Accepted: Hibbing Public Utilities

Date: _____

By: _____
(authorized signature)

Printed name: Luke Peterson

Title: General Manager



Item 7.C.ii.4

Item 7.C.ii.4- Gas AMI Contract

May 19th, 2026

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

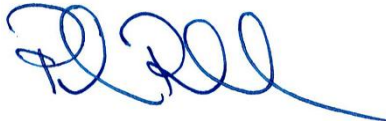
RE: Item 7.C.ii.4 – Gas AMI Contract

Dear Commissioners;

For your consideration Hibbing Public Utilities has been informed that Tromco Electric was unable to obtain a performance bond for the installation of the gas AMI meters. The performance bond was required in the bidding documents. We are recommending at this time the contract award is rescinded and HPU will pursue other options for gas meter upgrades.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager



Item 7.C.ii.5

Item 7.C.ii.5 – Lead Watermain Replacement

May 19th, 2026

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

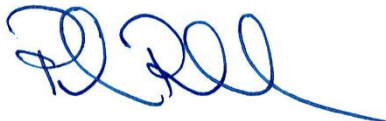
RE: Item 7.C.ii.5 – Lead Watermain Replacement

Dear Commissioners;

For your consideration we are requesting to go out for bids to replace approximately four (4) blocks of watermains that have been identified as having greater than 30% leads service lines attached to them. We have been working with Bolten & Menk in the design phase of the project and are at a junction where bids are ready to be advertised in order for the work to be accomplished this construction season. This project is intended to identify and replace existing and unknown lead service areas in these older sections of Hibbing.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager



Item 7.C.ii.6

Item 7.C.ii.6 – Alliance Proposal for Stack Testing

May 19th, 2026

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

RE: Item 7.C.ii.6 -Alliance Proposal for Stack Testing

Dear Commissioners;

For your consideration we are presenting to you a quote from Alliance Technical Group for stack testing to be conducted in the fall of this year. Tests will be conducted on all four boilers to ensure compliance while burning a variety of fuel blends. The lump sum total for this testing is \$52,500.00. The tests are planned to be conducted over a period of 4 days with the first day being a travel/setup day.

Please see attached proposal.

Thank you for your consideration.

Sincerely;



Luke J. Peterson

May 12, 2026



Paul Plombon
Hibbing Public Utilities Commission
1902 6th Avenue East
Hibbing, MN 55746
paul.plombon@hpuc.com
218-262-7713

**RE: B1-2, 3, 4 Compliance
Alliance Proposal No. 2026-1844-S**

Dear Mr. Plombon,

Alliance Technical Group, LLC (Alliance) is pleased to provide **Hibbing Public Utilities Commission (Hibbing PUC)** with this proposal and the opportunity to demonstrate the value of working with our team. The attached Project Summary reflects our understanding of your requirements, outlines our approach to successfully meet your needs, and details the assumptions used to develop a **lump sum cost** estimate of **\$52,500 (includes ERT)** to conduct this testing. Proposal pricing will remain valid for ninety (90) days from the date of issuance.

Our cost estimate is based on the information provided to date and assumes standard site access and safety requirements. Should additional site-specific health and safety measures - such as quarantines or other protocols - not identified in this proposal be required, Alliance will partner closely with Hibbing PUC to adjust schedules and resources as needed. In those cases, any related costs will be discussed in advance to ensure full transparency and alignment before work proceeds.

The lump sum cost estimate is predicated on Net 30-day payment terms (as outlined in more detail in the enclosed Terms & Conditions) and standard project scheduling (≥ 30 calendar days). Alliance invoices upon completion of field work and offers a 1% discount if payment is received upon receipt of the Draft Report.

We look forward to partnering with you on this important project and are confident in our ability to deliver results that exceed expectations. Please do not hesitate to contact us at 651-247-7873 to discuss this proposal in more detail.

Sincerely,
Alliance Technical Group, LLC

A handwritten signature in blue ink, appearing to read "EJ", is positioned above the typed name of the sender.

Edward "EJ" Juers
Manager, Operations

Enclosure

PROJECT SUMMARY

PROJECT SCOPE OF WORK

The following table details Alliance’s understanding of the testing locations, parameters, applicable test methods and required test runs.

Source	Test Location	Parameter	U.S. EPA Reference Test Method	No. of Test Runs / Test Run Duration	Regulatory Applicability
EQUI 1&2/STRU 28 Boilers 1&2 / Boilers 1&2 common stack**	Outlet	Sample Point Determination	1	3 / 90-120 minutes*	63DDDDD
		Volumetric Flow Rate	2		
		Carbon Dioxide / Oxygen	Alt-153		
		Moisture Content	4		
		Particulate Matter	5		
		Hydrogen Chloride	26A		
		Mercury	30B		
EQUI 3/STRU 7 Boiler No. 3A / Boiler No. 3A	Outlet	Sample Point Determination	1	3 / 90-120 minutes*	63DDDDD
		Volumetric Flow Rate	2		
		Carbon Dioxide / Oxygen	Alt-153		
		Moisture Content	4		
		Particulate Matter	5		
		Hydrogen Chloride	26A		
		Mercury	30B		
EQUI 7/STRU 17 / Wood Fired Boiler with Gas Burner(19.4 MW)	Outlet	Sample Point Determination	1	3 / 90-120 minutes*	63DDDDD, State Permit
		Volumetric Flow Rate	2		
		Carbon Dioxide / Oxygen	Alt-153		
		Moisture Content	4		
		PM/PM10/PM2.5	5 / 202		
		Ammonia	CTM-027	3 / 60 minutes	

*Alliance will collect a minimum of 2 dry standard cubic meters.

**Boiler 1A EQUI 1 will be operated on Coal. Boiler 2A EQUI2 now only operates on Natural Gas.

PROJECT SUMMARY

Method / Laboratory Selections:

Laboratory	Method
AST-MSP (Circle Pines, MN)	EPA 202
AST-MSP (Circle Pines, MN)	EPA 26(26A) - 1 compound
AST-MSP (Circle Pines, MN)	EPA 30B
AST-MSP (Circle Pines, MN)	EPA 5
AST-PDX (Tigard, OR)	CTM-027

PROPOSED PROJECT SCHEDULE

The project schedule will be finalized upon receiving written documentation to proceed from Hibbing PUC. The following table lists Alliance’s proposed schedule that was used to develop the cost estimate. A revised cost estimate may be needed if the proposed schedule is modified.

Day	Scheduled Activity	Estimated Onsite Hours
1	Travel, Equipment Setup, Pre-Test QA/QC	5
2	Perform Compliance testing of Boiler 3, Setup Boiler 1	12
3	Perform Compliance testing of Boiler 1, Setup Boiler 4	12
4	Perform Compliance testing of Boiler 4	10
--	Contingency Day (if needed)	--*

* Alliance has allowed for a contingency day but has not included onsite time in the cost estimate. Please see Additional Charges for applicable labor rates, equipment rates, per diem rates and direct costs that will be billed in addition to the previously stated cost.

PROJECT RESPONSIBILITIES

Hibbing PUC’s responsibilities shall include the following:

- Provide an adequate source of electricity (one (1) circuit, 60-amps at 240-VAC within 50-feet of each mobile laboratory setup location – two (2) circuits, 20-amp circuits at 115-VAC within 50-feet of each sampling location).
- Providing space suitable to park a mobile laboratory within approximately 300 feet of the sample location.
- Provide adequate test ports and access to those ports (ladder, scaffolding or man-lift) and materials for sufficient temporary protection of test personnel and equipment from hazardous and environmental conditions.
- Provide process operating, control system and/or CEMS data in sufficient detail to perform necessary test calculations and as required by the facility permit or federal regulatory standard.

PROJECT SUMMARY

Alliance's responsibilities shall include the following:

- **Sample Shipments and Disposal.** Alliance may ship test samples by freight or common carrier, and in such event responsibility for the samples shall be as set out in the contract for shipment between Alliance and such freight or common carrier (and Alliance shall not be responsible for such test samples while in transit or under the control of such freight or common carrier). Samples generally are consumed or substantially altered during analysis and are disposed of in accordance with each laboratory's standard operating procedures. Samples received and analyzed by Alliance are held in archive for three (3) months after analysis and are then disposed of by Alliance without further or additional notice to Hibbing PUC. Hibbing PUC must make other written arrangements with Alliance if a longer hold time is required.
- **Equipment Contamination.** Alliance will endeavor to clean the Alliance laboratory and field equipment which may become contaminated in the conduct of the Alliance services. Occasionally, such equipment cannot be completely decontaminated because of the type of hazardous materials encountered. If this occurs, it will be necessary to dispose of the equipment in a manner similar to that indicated for hazardous samples, in which case Hibbing PUC agrees to pay to Alliance the fair market value of any such equipment (in addition to costs for consulting services performed).

TEST PLAN/REPORT SUBMITTAL

An electronic draft test plan will be submitted to Hibbing PUC for review within two (2) business days following the receipt of a purchase order or other acknowledgement to proceed. An electronic copy of the final test plan will be provided to Hibbing PUC for submittal to the regulatory agency.

An electronic draft report will be submitted within two (2) weeks following the completion of onsite testing, or if sample analyses are required, within two (2) business days following the receipt of laboratory results. The standard laboratory turn-around time is ten (10) business days from receipt of the samples. An electronic version of the final report will be submitted within two (2) business days following the receipt of draft report comments. If requested, up to two (2) hard copies of the final test report will be submitted. Additional hard copies can be provided at a rate of \$50 per copy. The final test report will include the following:

- *Introduction* – Brief discussion of project scope of work and activities.
- *Results and Discussion* – A summary of test results and process/control system operational data with comparison to regulatory requirements or vendor guarantees along with a description of process conditions and/or testing deviations that may have affected the testing results.
- *Methodology* – A description of the sampling and analytical methodologies.
- *Sample Calculations* – Example calculations for each target parameter.
- *Field Data* – Copies of actual handwritten or electronic field data sheets.
- *Laboratory Data* – Copy of laboratory report(s) and chain(s) of custody.
- *Quality Control Data* – Copies of all instrument calibration data and/or calibration gas certificates.
- *Process Operating/Control System Data* – Process operating, control system and/or CEMS data (as provided by Hibbing PUC) to support the test results.

ADDITIONAL CHARGES

ADDITIONAL CHARGES / POSTPONEMENT SCHEDULE

Additional Charges		
Category	Cost	
Test Personnel Onsite Delay/Standby (including but not limited to inclement weather and process/control system malfunction), not the fault of Alliance personnel	\$200 / hour / person (Complete down day will be billed at a minimum of eight (8) hours)	
Onsite Test Equipment	\$2,500 / day	
Per Diem	\$100 / person	
Lodging	\$275 / day / person	
Unplanned Weekend / Holiday	\$750 / day / person	
Method 18 Bags (Methane/Ethane)	\$500 / initial bag \$250 / additional bag	
Blank Analysis	Cost + 15%	
ERT/CEDRI Reporting	\$500 / source	
Consulting Fee	\$250 / hour	
Mileage (With Mobile Laboratory)	\$1.60 / mile	
Mileage (Without Mobile Laboratory)	\$1.35 / mile	
Credit Card Fee	3% of total project cost	
Rental Equipment Rates *	Per Day (2-Day Minimum)	Per Week
Man Lift (50' to 70')	\$1,500	\$6,000
Man Lift (71' to 100')	\$1,800	\$7,200
Man Lift (over 100')	\$3,300	\$12,000
Generator	\$690	\$2,760

* Cost +20% option available, if requested.

Hibbing PUC may also be invoiced a lump sum fee for postponing or canceling this project. Additional labor (such as mobilization, demobilization or project management time) and/or direct expenses may be invoiced in addition to these lump sum fees. The postponement/cancellation fee schedule is as follows:

Proposal Price	Postponement Charge			
	1 business day	2-5 business days	6-10 business days	11-20 business days
≤ \$49,999	50%	30%	15%	--
≥ \$50,000	50%	30%	15%	10%

Alliance personnel are required to abide by Department of Transportation (DOT) regulations. Alliance personnel are limited, by law, to a maximum of fourteen (14) hours per workday including travel time, and a maximum of seventy (70) hours in an eight (8) consecutive day period. Off duty time must include ten (10) consecutive hours each day. If Alliance personnel reach the allowable work and/or driving hour DOT limits due to causes beyond their control (including but not limited to inclement weather and process/control system malfunction) and an additional day of onsite or travel time is required, charges above the original lump sum cost estimate may be incurred. Alliance's standard employee standby and per diem rates will apply when billing the additional time.

CLIENT PROPOSAL ACCEPTANCE

Alliance encourages clients to issue Purchase Orders for 15% more than the lump sum cost estimate to account for any potential Additional Charges (outlined in detail on the preceding pages).

To move forward with this project and reserve your preferred date(s) for field work, please sign and return the Client Proposal Acceptance below and issue a Purchase Order for the applicable amount to PO@AllianceTG.com.

Client Proposal Acceptance

I have reviewed and accept this Proposal and the Terms & Conditions included herein. By signing the below, I am awarding this business to Alliance Technical Group and am authorizing them to proceed with this project.

Alliance Proposal No. 2026-1844-S
Signature: _____
Name: _____
Title: _____
Date: _____
Purchase Order No. _____

TERMS AND CONDITIONS OF SALE
ALLIANCE TECHNICAL GROUP, LLC

(version 11.01.2024)

Alliance Technical Group, LLC (“ATG”) hereby agrees to sell and furnish to Customer, and Customer agrees to purchase and acquire from ATG certain goods (“Goods”) and/or services (“Services”) as set forth in one or more ATG proposal(s), purchase agreement(s), purchase order(s) or similar instrument(s) by which ATG is providing Goods or Services (“Work”) to Customer (herein collectively “Agreement(s)”). All Agreements are subject to the following terms and conditions (the “Terms”), and such Terms are accepted without modification by Customer in connection with any request by Customer for Work from ATG and are incorporated into all documents pertaining to Work performed by ATG as if fully set forth therein. ATG or Customer may be referred to herein as a “Party” or collectively as “Parties.”

- 1. PAYMENT TERMS:** ATG shall invoice periodically for work done or to be done, as appropriate. Customer agrees to pay the ATG invoice in full within 30 days from the date of ATG’s invoice. If the Work includes delivery of a draft report, ATG will grant Customer a 1% discount on the total invoice amount if payment is received on or before the draft report delivery dates set for in the Agreement. Customer shall inform ATG of any disputed charges within five (5) business days of receiving the invoice. Should an invoice need to be amended, the original invoice transmittal date shall still apply for purposes of determining the payment due date. If payment is not received by ATG from Customer by the due date, Customer agrees to pay interest on the past due amount at a rate of one percent (1%) per month until paid (but not more than the maximum rate of interest allowed by applicable law), and further agrees to pay reasonable costs of collection incurred by ATG, including without limitation, court costs and attorneys’ fees. No deduction shall be made from the ATG invoice on account of liquidated damages or other sums withheld from payments to contractors or others.
- 2. TERMINATION:** Either Party may terminate the Agreement with or without cause upon 30 days’ written notice to the other Party. In the event Customer requests termination prior to completion of the project, Customer agrees to pay ATG for all costs incurred through the date of notice of termination, plus reasonable charges associated with termination of the work. Orders for Goods may be cancelled at no cost prior to ATG’s issuance of a purchase order for such Goods. Cancellations thereafter shall be subject to cancellation and restocking fees.
- 3. TAXES:** Customer shall be responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by Customer hereunder.
- 4. CHANGE ORDERS:** If either Party wishes to change the scope or performance of the Work, it shall submit details of the requested change to the other Party in writing. ATG shall, within a reasonable time after such request, provide a written estimate to Customer of (i) the likely time required to implement the change; (ii) any necessary variations to the fees and other charges for the Work arising from the change; (iii) the likely effect of the change on the Work; and (iv) any other impact the change might have on the performance of this Agreement. Promptly after receipt of the written estimate, the Parties shall negotiate and agree in writing on the terms of such change (a “Change Order”). Neither Party shall be bound by any Change Order unless mutually agreed upon in writing. Notwithstanding the foregoing, ATG may, from time to time change the Services without the consent of Customer provided that such changes do not materially affect the nature or scope of the Services, or the fees or any performance dates set forth in the Agreement. ATG may charge for the time it spends assessing and documenting a change request from Customer on a time and materials basis.
- 5. PERFORMANCE, WARRANTIES:**
 - a) Services. ATG will perform the Services using that degree of care and skill ordinarily exercised under similar conditions by reputable members of the profession practicing in the same or similar locality. ATG shall use reasonable efforts to meet any performance dates specified in the Agreement, and any such dates shall be estimates only. ATG shall not be liable for a breach of the warranty set forth herein unless Customer gives written notice of the defective Services, reasonably described, to ATG within 30 days of the time when Customer discovers or should have discovered that the Services were defective. Subject to the foregoing and for a period of 12 months after performance of the Services, ATG will, in its sole discretion, either repair or reperform such Services, or credit or refund the price of such Services at the pro rata rate. Customer agrees and acknowledges that failure to provide required Customer data may impede delivery of the Services and, therefore, agrees that in such cases where required Customer data is not provided to ATG as required by ATG, Customer releases ATG from any and all claims, including claims for reperformance, credit or refund.
 - b) Goods. The Goods sold by ATG are provided or manufactured by other parties and are warranted by those other parties against defects in materials and workmanship for a period of time depending on the Goods (each, an “OEM Warranty”). All improper use, operation or maintenance of these Goods is excluded from warranty. To the extent allowed by contract, law or otherwise, ATG will pass through to Customer any and all OEM Warranties that are in effect for Goods purchased. All warranty claims for defects in material and/or workmanship on the Goods shall be directed to the manufacturer of such Goods at Customer’s sole cost and expense. ATG may reperform the Services to correct defective Goods, at Customer’s sole cost and expense, including, but not limited to, shipping, travel time, and travel expenses associated with the repair, at ATG’s current rates. ATG shall not be responsible for damage to goods or delays arising from shipment of Goods.
 - c) THE REMEDIES SET FORTH IN THIS SECTION SHALL BE CUSTOMER’S SOLE AND EXCLUSIVE REMEDY AND ATG’S ENTIRE LIABILITY FOR ANY BREACH OF THIS LIMITED WARRANTY. NO OTHER WARRANTY, EXPRESS OR IMPLIED, IS MADE OR INTENDED RELATED TO ATG’S PROFESSIONAL CERTIFICATION OR BY ATG’S ORAL OR WRITTEN REPORTS, INCLUDING BUT NOT LIMITED TO WARRANTIES OF TITLE, MERCHANTABILITY, NON-INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH WARRANTIES ARE EXPRESSLY DISCLAIMED. THIS WARRANTY IS EXCLUSIVE, AND IS IN LIEU OF ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL OR IMPLIED.
- 6. INSURANCE:** ATG maintains insurance coverage as follows:
 - a) Worker’s Compensation insurance – applicable statutory amounts

- b) Commercial General Liability Insurance - \$1,000,000 per occurrence / \$10,000,000 excess
- c) Professional Errors & Omissions - \$1,000,000 per claim / \$10,000,000 excess
- d) Pollution Liability Insurance - \$1,000,000 per claim / \$10,000,000 excess
- e) Automobile Liability Insurance - \$1,000,000 combined single limit

- 7. SITE OPERATIONS:** Customer will arrange for right-of-entry to the property for the purpose of ATG performing the Work. Customer represents that it possesses necessary permits and licenses required for its activities at the site. Customer shall advise ATG in writing of any underground or over-ground obstructions at the site, including utilities, ATG will give special instructions to the ATG field personnel. ATG is not responsible for any damage or losses due to undisclosed or unknown surface or subsurface conditions on Customer premises. Except for ATG's gross negligence or willful misconduct, and to the maximum permitted by law, Customer shall indemnify and hold harmless ATG, and its directors, officers, employees, and agents (collectively "ATG Indemnitees") from and against any and all claims, losses, damages, suits, fees, judgments, costs, and expenses (collectively "Claims") including attorneys' fees incurred in response to such Claims, that the ATG Indemnitees may suffer or incur arising out of or connected with performance of ATG's duties at the Customer site. ATG will take reasonable precautions to minimize damage to the property caused by the ATG operations. Sample locations described in the ATG report or shown on sketches are based on specific information furnished by others or estimates made in the field by the ATG personnel. Such dimensions, depths or elevations should be considered as approximations unless otherwise stated in the ATG proposal or report.
- 8. FIELD REPRESENTATIVE:** The presence of the ATG field personnel, either full-time or part-time, will be for the purpose of providing observation and field testing of specific aspects of the project as authorized by Customer. Should a contractor not retained by ATG be involved in the project, Customer will advise contractor that the ATG Work does not include supervision or direction of the work of the contractor, its employees or agents, unless previously agreed upon in writing. Customer will also inform contractor that the presence of the ATG field representative or observation or testing by ATG will not relieve the contractor of its responsibilities for performing the work in accordance with the plans and specifications. If a contractor (other than a subcontractor to ATG) is involved in the project, Customer agrees that, in accordance with generally accepted construction practices, the contractor will be solely and completely responsible for working conditions on the jobsite, including safety of all persons and property during performance of the work, and compliance with OSHA regulations, and that these requirements will apply continuously and not be limited to normal working hours. It is agreed that ATG will not be responsible for job or site safety on the project and that ATG does not have the duty or right to stop the work of the contractor.
- 9. UNFORESEEN CONDITIONS OR OCCURRENCES:** It is possible that unforeseen conditions or occurrences may be encountered which could substantially alter the Work or the risks involved in completing the Work. If this occurs, ATG will promptly notify and consult with Customer, but will act based on ATG's sole judgment where risk to the ATG personnel is involved. Possible actions could include (i) Complete the original Work in accordance with the procedures originally set out in the ATG proposal, if practicable in ATG's sole judgment; (ii) mutually agree with Customer to modify the Work and the estimate of charges to include study of the unforeseen conditions or occurrences, with such revision to be agreed to in writing prior to ATG continuing the Work; or (iii) terminate the Work effective on the date specified by ATG in writing (in which case Customer agrees to pay ATG for all costs incurred through the date of notice of termination, plus reasonable charges associated with termination of the Work).
- 10. FORCE MAJEURE:** Excepting payment for amounts due and payable, if performance of these Terms, the Work, or the Agreement by either Party is prevented by reason of any event or act which is beyond the reasonable control of the Party affected (including, but not limited to, Acts of God, fire, flood, explosion, war, strike, embargo, epidemic, pandemic, government requirement or natural disaster), such Party shall, upon giving prior written notice to the other Party, be excused from such performance to the extent of such prevention, provided that the Party so affected shall use its best efforts to avoid or remove such causes of nonperformance, and shall continue to perform under this Agreement with the utmost dispatch whenever such causes are removed.
- 11. LIMITATION OF LIABILITY.** IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL ATG'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THE AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID OR PAYABLE TO ATG PURSUANT TO THE AGREEMENT GOVERNING THE WORK.
- 12. CUSTOMER DISCLOSURE:** Upon execution of the Agreement, Customer shall notify ATG in writing of any hazardous substances or any condition, known or that should be known by Customer, existing in, on, or near the site that might present a potential danger to human health, the environment, or equipment. Customer agrees to provide continuing information as it becomes available to the Customer in the future during the course of performance of Work by ATG. By virtue of entering into an Agreement or of providing services to Customer, ATG does not assume control of or responsibility for the site or the person in charge of the site, or undertake responsibility for reporting to any federal, state or local public agencies any conditions at the site that may present a potential danger to public health, safety or the environment. Customer agrees to notify the appropriate federal, state, or local public agencies as required by law, or otherwise to disclose, in a timely manner, any information that may be necessary to prevent any danger to health, safety, or the environment.
- 13. ENVIRONMENTAL INDEMNITY:** In connection with toxic or hazardous substances or constituents, Customer agrees to the maximum extent permitted by law to defend, hold harmless and indemnify the ATG Indemnitees from and against any and all Claims, unless caused by ATG's

gross negligence or intentional misconduct, resulting from (i) Customer's violation of any federal, state or local statute, regulation or ordinance relating to the disposal of toxic or hazardous substances or constituents; (ii) Customer's undertaking of or arrangement for the handling, removal, treatment, storage, transportation or disposal of toxic or hazardous substance or constituents found or identified at the site; (iii) toxic or hazardous substance or constituents introduced at the site by Customer or third persons before or after the completion of services herein; (iv) allegations that ATG is a handler, generator, operator, treater or store, transporter, or disposer under the Resource Conservation and Recovery Act of 1976 as amended or any other similar federal, state or local regulation or law; and (v) Claims related to personal injury or property damage from exposure to or release of toxic or hazardous substances or constituents at or from the site before, during or after the performance of Work.

- 14. DOCUMENTS:** ATG will furnish to Customer the agreed upon number of reports and supporting documents. ATG reserves the right to withhold the delivery of reports and supporting documents until payment has been received on outstanding invoices. These instruments of service are furnished exclusively for Customer's use in connection with the project or Work performed for Customer pursuant to the Agreement and ATG will not share with any third parties without the prior written consent of Customer. All documents generated by ATG pursuant to any Agreement or otherwise, including without limitation all intellectual property rights associated with such documents, shall remain the sole property of Customer. If Customer desires to provide any ATG report to a third party that is not used for regulatory approvals and ATG agrees in writing to provision of the ATG report to such third party, Customer shall obtain written acceptance from the third party to be bound by these terms and conditions prior to making the ATG report available to such third party. Customer agrees that all documents furnished to Customer or Customer's agents or designers, if not paid for, will be returned upon demand and will not be used by Customer for any purpose whatsoever. Customer further agrees that documents produced by ATG pursuant to any Agreement or otherwise will not be used at any location or for any project not expressly provided for in the related Agreement without ATG's prior written approval. Customer shall furnish documents or information reasonably within Customer's control and deemed necessary by ATG for proper performance of the ATG Work. ATG may rely upon Customer-provided documents in performing the Work required under any Agreement, however, ATG assumes no responsibility or liability for the accuracy of Customer-provided documents. Customer-provided documents will remain the property of the Customer. Any unauthorized use or distribution of ATG reports shall be at Customer's sole risk and without liability to ATG, and Customer shall indemnify and hold ATG Indemnitees harmless from any Claims related to or resulting from such use or distribution.
- 15. GOVERNING LAW; DISPUTE RESOLUTION:** All questions concerning the validity, interpretation and performance of these Terms or the Agreement will be governed by and decided in accordance with the laws of the State of Alabama, without regard to its conflict of law principles. The Parties agree to attempt to resolve any dispute without resort to litigation. Such dispute shall first be submitted to nonbinding mediation to be conducted in Morgan County, Alabama unless the Parties mutually agree otherwise. In the event the Parties are unable to reach a settlement of any dispute arising out of the Work provided to Customer by ATG, then such disputes shall be settled by binding arbitration in Morgan County, Alabama by an arbitrator to be mutually agreed upon by the Parties and shall proceed in accordance with the rules of the Construction Industry Arbitration Rules of the American Arbitration Association then pertaining. If the Parties cannot agree on a single arbitrator, then the arbitrator(s) shall be selected in accordance with the above referenced rules. If the claimant fails to prevail, then the claimant shall pay all costs of the Party defending the claim, including reasonable attorneys' fees. Notwithstanding the foregoing, this paragraph shall not apply to any action instituted for the collection of any amount invoiced to Customer for products sold, services rendered or similar matters for the collection of money due by Customer to ATG.
- 16. INTELLECTUAL PROPERTY:** All intellectual property rights, including copyrights, patents, patent disclosures and inventions (whether patentable or not), trademarks, service marks, trade secrets, know-how and other confidential information, trade dress, trade names, logos, corporate names, and domain names, together with all of the goodwill associated therewith, derivative works and all other rights (collectively, "Intellectual Property Rights") in and to all documents, work product, and other materials that are delivered to Customer under this Agreement or prepared by or on behalf of ATG in the course of performing the Work, except for any Confidential Information of Customer or Customer materials, shall be owned by ATG. ATG hereby grants Customer a license to use all Intellectual Property Rights free of additional charge and on a non-exclusive, worldwide, non-transferable, non-sublicensable, fully paid-up, royalty-free, and perpetual basis to the extent necessary to enable Customer to make reasonable use of the Work.
- 17. CONFIDENTIALITY:** During performance of the Work (the "Authorized Purpose") one Party may acquire the other Party's Confidential Information. "Confidential Information" means the proprietary or confidential information of each Party, relating in any way to the business and affairs of each Party, or proprietary or confidential information of a third party to which a Party has access that one Party (the "Receiving Party") may acquire from the other Party (the "Disclosing Party") as a result of discussions of Work performed pursuant to any Agreement. Confidential Information includes any information marked as confidential, but also includes any information which the Parties in good faith and good conscience ought to treat as confidential. Each Party acknowledges that all Confidential Information is very valuable to each respective Party and shall maintain all Confidential Information in strict confidence. Each Party further agrees that such Confidential Information shall not be used or disclosed, except as follows: (i) each Party agrees to use Confidential Information only for the Authorized Purpose and agrees not to use any Confidential Information for the benefit of anyone other than the other Party to the Agreement; (ii) each Party agrees to limit access to Confidential Information to its officers, directors, employees and agents ("Personnel") who have a need to know the Confidential Information for the Authorized Purpose and shall instruct such Personnel to not disclose Confidential Information except as allowed under these Terms or the Agreement; and (iii) each Party agrees not to copy, reprint, duplicate or recreate the Confidential Information without the prior express written consent of the other Party. Unless otherwise required by contract or law, upon either termination of the applicable Agreement or of these Terms as set forth herein or upon written request by the Disclosing Party, the Receiving Party shall cease use and return or destroy all of the Disclosing Party's Confidential Information in the Receiving Party's possession or control.
- 18. SEVERABILITY:** If a court of competent jurisdiction declares any term, condition or provision of these Terms or the Agreement invalid or unenforceable, the remainder of the Terms and the Agreement shall not be affected and shall remain in full force and effect.

- 19. SURVIVAL:** All obligations arising prior to the termination of this Agreement and all provisions of these Terms and the Agreement allocating responsibility or liability between Customer and ATG (or with respect to warranty or indemnification) shall survive the completion of the Work and the termination of these Terms and the Agreement.
- 20. INTEGRATION:** These Terms and the Agreement, along with any attached documents and those incorporated herein constitute the entire Agreement between the Parties and cannot be changed except by a written instrument signed by both Parties. These Terms and the Agreement prevail over any of Customer's general terms and conditions regardless of whether or when Customer has submitted its purchase agreement(s), purchase order(s) or similar instrument(s). Performance of Work to Customer does not constitute acceptance of any of Customer's terms and conditions and does not serve to modify or amend these Terms or the Agreement.



Item 8.A.i

Item 8.A.i – Minnesota Power Annual Power Plan

May 19th, 2026

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

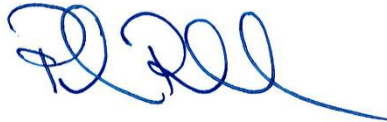
RE: Item 8.A.i – Minnesota Power Annual Power Plan

Dear Commissioners;

For your consideration we are presenting to you Hibbing's annual power plan for the MISO planning year of 2026-2027. This plan has been developed with input from power plant personnel and taking into considerations financial impacts with a predicted colder summer 2026. With upcoming Minnesota Power contract negotiations these communications are important to show HPU's willingness to be an active member of an interdependent grid.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager



Annual Power Plan

HPU-MP Boswell PPA and Market Energy Services Agreement

MISO PY 26-27 (June 1, 2026 – May 31, 2027)

Content:

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

I. HPU Load Expectations

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

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

II. HPU Generation Accreditation – PY 26-27

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

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

III. HPU Operating and Maintenance Plans for its Generation

Operation: following principles of reliability, affordability, and flexibility

June 2026 - May 2027:

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



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

Maintenance:

- HPU plans seasonal outages in early spring 2027 which will include some boilers and feedwater systems
- HPU is anticipating a 5-Year major inspection of Unit 5 in Spring of 2027

Testing

- HPU Generation environmental compliance testing -will likely be initiated in September 2026.
- GVTC data must be completed and received by MP prior to August 31 of each year; HPU will target this deadline and is planning to conduct this test in conjunction with its annual RATA testing in February of 2027.

IV. HPU Reporting items and deadlines

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

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

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

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

October 15 - HPU submittal Q3 GADS data to MP.



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

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

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

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

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

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

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

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

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

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

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

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

V. MP Substation Upgrade plans

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

VI. Boswell Power Purchase Pricing and Coal Adjustments

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



Item 8.B

Item 8.B – Succession of Leadership Policy

May 19th, 2026

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

RE: Item 8.B – Succession of Leadership Policy

Dear Commissioners,

The purpose of this policy is to establish a structured and sustainable approach to leadership continuity, talent development, and organizational stability. The draft outlines the planning process and development of potential successors for key positions within the organization.

This policy has been prepared to support:

- Continuity of operations and leadership;
- Retention and development of institutional knowledge;
- Workforce sustainability and risk management; and
- Alignment with the organization's strategic objectives and governance requirements.

At the time of this submission this policy remains in draft stage. Your input will be valuable in ensuring the policy effectively addresses the organization's current and future leadership needs.

Thank you for your consideration.

Sincerely;



Kendra Powers
Sr Director Human Resources and Organizational Development



& Hibbing City Council Joint Session

MAY 19TH, 2026

HPU & Hibbing City Council Joint Session

May 19th, 2026 6:00 PM

Chair J. Bayliss	—	Commissioner J. Sandstede	—
Commissioner J. Hart	—	Commissioner J. Babich	—
Commissioner J. Stokes	—	Legal Counsel A. Borland	—
General Manager L. Peterson	—	Auditors Abdo, LLP	—
HR Director K. Powers	—	Energy & Pricing P. Plombon	—
Plant Manager D. Edwards	—	Executive Assistant M. Schoeben	—
Engineering Manager P. Skubinna	—	Local 94 President G. Pogachnik	—

I. DISCUSSIONS TO INCLUDE

- Southern Interconnect Project
- Steam District Steering Committee
- HPU Capital Plan
- Lead Service Line
- Water Meter
- Strategic Planning

II. ADJOURNMENT