



Commission Meeting

SEPTEMBER 8, 2026

Commission Meeting Agenda

September 8, 2026

Commissioner J. Baylis	Commissioner J. Sandstede
Commissioner J. Hart	Commissioner J. Stokes
Commissioner J. Babich	Legal Counsel A. Borland
Executive Assistant M. Schoeben	Senior Director of HR & OD K. Powers
Power Plant Manager D. Edwards	Energy & Operations Manager P. Plombon
Engineering Manager P. Skubinna	Electrical Distribution Manager S. Adams
Customer Service Supervisor J. Hietala	Grant Writer & Engagement Specialist E. Dixon

Action Items

1. Approval of Coal Transportation Cost
2. Vehicle Rental & Leases
3. Request Approval to Hire Mr. Swart in Financial Controller Position
4. Request for 4M Account Transfer

Discussion Items

1. Southview Transformer Replacement
2. Mahoning Manor Transformer + Inventory Replacement
3. Beltline Substation Change Orders
4. Iron Range Engineering & Consulting Service Q4 Construction Phase Service for Beltline Sub. Reconstruction Project
5. In-Kind Utility Connection Fee Waiver Policy
6. Meter Reader Transition
7. General Service Work Bids
8. Dashboard Presentation & Discussion
9. Vac Truck Discussion
10. General Manager Discussion

Closed Session

1. Pursuant to MN ST Sect. 13D.03 subdivision 3c the Commission will be going into closed session for consideration of the purchase of real property located at parcel code 141-0040-00060.



Action Item 1

Action Item 1 – Coal Transportation Cost

September 8, 2026

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

RE: Action Item 1 – Coal Transportation Cost

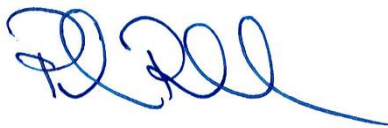
Dear Commissioners,

For your consideration, HPU is requesting to enlist Lakehead Trucking LLC to transport coal from DTE/MERC in Superior, Wi. I was informed, through a contact at Minnesota Power, that DTE was looking to offload their inventory of coal at no charge. We were quoted, from Lakehead, a cost of \$25.25 per ton to transport coal from Superior to Hibbing. HPU is looking to source approximately 2000 tons, which would equate to a cost of \$50,500.00. This amount of coal should support operations for two or more years, barring any unforeseen operational emergencies.

Please see attached MERC agreement.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager



VIA E-MAIL

August 24, 2026

Pual Plombon
Energy and Operations Manager
Hibbing Public Utilities
1902 E 6th Avenue,
Hibbing, MN 55746

RE: Letter Agreement – Midwest Energy Terminal Unused Coal Reclamation

Dear Paul Plombon:

As DTE Electric Company (“DTE”) and Hibbing Public Utilities (“Buyer”) have discussed, DTE agrees to give to Buyer the unused coal materials which consists of up to approximately 2000 tons of Northern Powder River Basin coal (collectively the “Material”) located at Superior Midwest Energy Terminal in Superior Wisconsin as further provided herein, pursuant to the terms of this letter agreement, including all attachments hereto (collectively the “Agreement”). Accordingly, Buyer acknowledges and agrees as follows:

1. The Materials are provided “as is, where is” and “with all faults,” and without recourse against DTE. DTE makes no guaranty, warranty, or representation, expressed or implied, including, but not limited to, any implied warranty of merchantability and implied warranty of fitness, as to quantity, kind, character, quality, weight, size or description of any of the Materials.
2. Title to the Materials shall pass to Buyer upon loading of the Materials into the trailer, vessel, or truck. Notwithstanding that DTE may perform loading of the Materials, risk of loss, damage, or release of the Materials shall transfer to Buyer upon commencement of loading into Buyer’s or Buyer’s designated transportation equipment. Buyer shall bear all risks associated with the Materials from that point forward, including during loading operations.

3. Buyer shall defend, indemnify, and hold harmless DTE Electric Company, its parent, subsidiaries, and affiliates, and each of their respective officers, directors, employees, and agents (collectively, the “DTE Indemnitees”) from and against any and all claims, demands, actions, damages, losses, liabilities, costs, and expenses (including reasonable attorneys’ fees), arising out of or related to: (i) the loading, transportation, unloading, handling, storage, use, processing, sale, or disposal of the Materials; (ii) any act or omission of Buyer, its contractors, subcontractors, or their respective employees or agents; and (iii) any actual or alleged environmental condition, release, or violation of applicable law associated with the Materials occurring on or after the commencement of loading. This indemnity shall apply regardless of whether such claims are caused in part by the negligence of any DTE Indemnatee, to the fullest extent permitted by applicable law, but shall not apply to the extent caused by the gross negligence or willful misconduct of DTE. Buyer’s obligations under this Section shall include the duty to defend the DTE Indemnitees and shall survive completion of performance, termination, or expiration of this Agreement.
4. Buyer shall be solely responsible for compliance with all applicable federal, state, and local laws and regulations relating to the handling, transportation, storage, use, and disposal of the Materials from and after the commencement of loading. Buyer assumes all responsibility for any environmental impacts, releases, or conditions associated with the Materials occurring after such time.
5. Buyer shall coordinate all removal activities with the terminal operator and DTE and shall perform such activities in a safe and orderly manner in compliance with all applicable safety requirements. Buyer shall be responsible for all costs and logistics associated with transportation of the Materials.
6. DTE shall have the right to suspend or terminate removal activities in the event Buyer fails to comply with applicable safety requirements or the terms of this Agreement, including failure to maintain required insurance.
7. Buyer shall complete removal of the Materials by October 15th, 2026. Any Materials not removed within such timeframe may, at DTE’s option, remain subject to this Agreement or be disposed of by DTE without further obligation.
8. Buyer shall provide insurance as required in the attached Exhibit A.
9. This Agreement shall be governed by the laws of the State of Michigan without application of its choice of law rules. Any disputes under this Agreement shall be heard exclusively in the state or federal courts located in Michigan. The parties’ consent to the jurisdiction of such courts.
10. This Agreement Shall not constitute or create a joint venture, partnership, or any other similar arrangement between the parties. Each party is an independent company and neither of them is the agent of, nor has the authority to bind, the other party for any purpose.
11. This Agreement represents the entire understanding between the parties regarding this transaction and any and all other representations shall be null and void. No modification, alteration, amendment or construction of this Agreement shall be binding upon the Parties unless in writing signed by both parties.

If you concur that this Agreement sets forth our agreement, please so indicate by signing in the space provided below and return a copy to my attention for execution by DTE.

Sincerely,

In consent and acknowledgement:

Erik J. Hansor
Manager, Procurement
DTE Electric Company
Ofc: 313-235-7759
erik.hansor@dteenergy.com

Paul Plombon
Energy & Operations Manager
Hibbing Public Utilities
Ofc: 218-262-7713
paul.plombon@hpuc.com

Exhibit A
INSURANCE

Upon execution of this Agreement, Buyer shall provide to DTE Electric Company CERTIFICATE(S) OF INSURANCE evidencing that insurance has been provided to meet, at minimum, the requirements as set forth in this Appendix. It is expressly understood that the obtaining or maintenance of insurance as is herein required, shall in no way limit or release Buyer's liability under the indemnification provisions of the Agreement for which this insurance is provided.

Type of Insurance	Minimum Limits and Coverage
1. Workers' Compensation:	Statutory for the state where the work will be performed.
2. Employers' Liability: (The limits required may be satisfied by a combination of primary and/or excess coverage):	\$ 1,000,000 each person
3. Business Automobile Policy Applies to Owned, Non-Owned and Hired: (The limits required may be satisfied by a combination of primary and/or excess coverage): Combined Single Limit Bodily Injury and Property Damage	\$5,000,000 each occurrence
4. Commercial General Liability (CGL), including Products Liability (The limits required may be satisfied by a combination of primary and/or excess coverage): Combined Single Limit Bodily Injury and Property Damage Coverage shall include loading and unloading operations	\$5,000,000 each occurrence

5. Buyer's GL and Business Auto coverage shall:

(i) Include DTE Electric Company as additional insured. Such additional insured status shall be provided by an endorsement at least as broad as the Insurance Services Office (ISO) endorsement CG 2010 or its equivalent.

(ii) Include a cross liability clause.

(iii) Include blanket contractual coverage

6. All coverages shall:

(i) Be primary to and not seek contribution from any insurance or self-insurance carried by or arranged for DTE Energy Company, its subsidiaries or affiliates

(ii) Provide that the BUYER'S insurer shall have no rights of recovery, by subrogation or otherwise, against DTE Electric Company and all subsidiaries.

7. Buyer shall be responsible for ensuring that its subcontractors secure and maintain insurance coverages (including Business Automobile, General Liability and Workers' Compensation insurances) which are reasonable and commensurate with the work being performed.

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Action Item 2

Action Item 2 – Vehicle Rental & Leases

September 8, 2026

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

RE: Action Item 2 – Vehicle Rental & Leases

Dear Commissioners,

For your consideration, HPU is looking for approval to extend the rental of one vehicle on a monthly basis at a rate of \$825 per month from Equipment Rental Company, this would be an ongoing monthly rental until our admin fleet is fully filled. Staff are also recommending the monthly lease of two 2027 Chevy Equinox SUVs from NCL at a rate of \$913.00 per month for a term of 3 years with the option to own at the end of the lease. Staff feel, at this point, leasing/renting is the most cost-effective way to backfill our immediate fleet needs.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager

2027 Chevy Equinox AWD

Vendor/Finance Source	Term	Options	Cost	Annual	Total	Down Pmt
North Country GM	Purchase	Purchase	\$29,443.00	\$29,443.00	\$29,443.00	
NCL	3 year	Lease to own	\$933.75/ mo.	\$11,204.96	\$33,614.88	\$500.00
NCL	3 year	Lease	\$838.83/ mo.	\$10,066.00	\$30,198.00	\$500.00
National Bank of Commerce	3 year 7.25%	Loan	\$913.00/ mo	\$10,956.00	\$32,868.00	
National Bank of Commerce	5 year 7.25%	Loan	\$586.00/ mo.	\$7,032.00	\$35,160.00	



Action Item 3

Action Item 3 – Request approval to hire Mr. Swart in Financial Controller position

September 8, 2026

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

RE: Action Item 3- Request approval to hire Mr. Swart in Financial Controller position

Dear Commissioners,

I am writing to request approval to proceed with the hiring of Mr. Swart for the Financial Controller position.

The employment details for the selected candidate have been provided in a separate email for your review and consideration. If Commission approval is received and all other conditional pre-employment terms are met, I anticipate Mr. Swart's start date to be September 21, 2026.

Thank you for your consideration,

A handwritten signature in blue ink that reads 'Kendra Powers'.

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



Action Item 4

Action Item 4 – Approve Transfer from 4M Account

September 8, 2026

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

RE: Action Item 4 – Approve Transfer from 4M Account

Dear Commissioners,

We are requesting a transfer of \$1.80M (please see page 2 for a breakout of vendor costs) from the General 4M investment account to cover all unpaid capital expenses entered into Caselle as of September 1st.

A recent discussion with the Associate Relationship Manager – Investment Solutions and Vice President – Investment Solutions at PTMA Financial Solutions, clarified that withdrawals from the LTD portion of the General 4M investment account (98.84% of the usable balance of the General 4M investment account is stored in this portion as of August 31st) can only be processed on the 3rd Wednesday of the month (September 16th) with a request for notification of intent to withdraw by the 1st Wednesday of the same month (September 2nd). An exception to process the request on time has been approved assuming we provide notification of intent to withdraw on the 2nd Wednesday of this month (September 9th).

This request is brought before you today because the current allocation of funds in the General 4M investment account prohibits withdrawals until the next available window of October 21st, pending proper notification of intent to withdraw by October 7th, excluding the exception window listed in paragraph 2.

For any potential future withdrawals, there are two options available: The first option is to leave the funds in the LTD portion of the General 4M investment account and continue to provide notification of intent to withdraw on the 1st Wednesday of that month, to be processed on the 3rd Wednesday of that month, requiring requests for transfers needing to be reviewed at the previous month's Action Session meeting. The second option is to move the funds out of the LTD portion of the General 4M investment account into the 4M portion of the General 4M investment account which does not have any limitations on the timing of withdrawals which could prevent future cash flow concerns.

Thank you for your consideration.

Sincerely,



Oren Kero
Accounting Coordinator

Unpaid Capital Expenses as of September 1, 2026	
Barr Engineering Co.	1,903.50
Bolton & Menk, Inc.	104,635.25
Border States Electric	30,341.23
Bougalis Inc.	12,162.01
Core & Main	140,046.35
Electric Power Engineers LLC	94,594.00
Fastenal	1,470.14
Geislinger & Sons, Inc.	25,110.47
Graybar Electric Company	5,127.39
Hecimovich Mechanical Contracting Inc.	257,977.19
City of Hibbing	715,805.76
Hunt Electric	76,047.50
Iron Range Engineering and Consulting	31,409.12
Jivery Construction	36,177.66
Lake States Construction LLC	204,557.80
MacQueen Equipment, LLC	14,500.00
Merjent Inc.	24,906.70
Novaspect Inc.	7,095.26
Portable John	118.93
Resco	14,974.72
Rice Lake Contracting Corp.	3,992.11
Stack Brothers Mechanical	26,208.50
State of Minnesota	482.59
Van Meter Inc.	1,698.00
Warning Lites of Minnesota	1,400.00
Wesco Receivables Corp.	15,500.57
Yes Energy, LLC	12,805.14
	1,861,047.89



Discussion Item 1

Discussion Item 1 – Southview 11 + 12 Transformer Replacement

September 8, 2026

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

RE: Discussion Item 1 – Southview 11 + 12 Transformer Replacement

Dear Commissioners,

For your consideration, I'd like to recommend the replacement of a pad mount transformer currently in service on Southview Drive, which provides electrical service to two Section 8 housing units.

The transformer has an active oil leak causing a reduced fluid level. Continued operation with a low fluid level increases the potential for transformer failure, overheating, and an unplanned loss of service to the residences it serves. The exterior of the transformer is also significantly rusted, indicating deterioration of the equipment enclosure also contributing to concerns regarding its remaining service life.

The transformer was manufactured in 1976, making it approximately 50 years old. Due to its age, there is also concern that the oil may contain PCBs, as PCB-containing transformer oils were commonly used in equipment manufactured before the PCB Act of 1979. The Act banned use in the US. Replacement would allow HPU to remove the ageing and potentially PCB-contaminated equipment from service and properly handle and dispose of the transformer in accordance with applicable requirements.

Quotes were requested from three vendors and Grand Rapids Utilities for a replacement transformer. We received two responsive quotes and two no-quotes. The lowest qualified quote was from T&R Electric in the amount of \$12,993.00 with an 8–10-week lead time.

Replacing the transformer proactively will reduce the risk of an unexpected equipment failure and service interruption to the two housing units, while also addressing the leaking, deteriorated, and potentially PCB-contaminated equipment.

Sincerely,



Samantha Adams | HPU Electrical Manager



"The Transformer People"

When Every Minute Counts

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

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Quote Summary

#	Item	Type	Qty	Category	Ph	KVA	Primary	Secondary	Price	Total
1	0	RC	1	PAD MOUNT	3	300	4160Y/2400 X 13800Y/7970	208Y/120	\$12,993.00 USD	\$12,993.00 USD
2	0	RC	2	PAD MOUNT	3	500	4160Y/2400 X 13800Y/7970	208Y/120	\$15,510.00 USD	\$31,020.00 USD
Grand Total										\$44,013.00 USD

Additional Notes

1. All quotes are subject to the "Standard Terms and Conditions of Sale".
2. This quote is valid for 15 days.
3. Estimated manufacturing lead-time is a best estimate at time of quotation and may vary.
4. Upon completion of order, immediate shipment is available plus freight on a common carrier. Unless otherwise specified, freight on quotes is prepaid and allowed in the contiguous US on our next available truck going to your area.
5. Electrical Test reports available upon request.
6. Prices subject to change. Due to the current volatility of the transformer components market (including copper), prices are subject to change in the event a rapid or extreme fluctuation in price occurs between the time of order placement and sourcing of materials. A rapid or extreme fluctuation occurs when a component part increases by more than 5% from the time the order is placed, and the time materials are ordered. T&R Electric agrees to use its best efforts to obtain advantageous pricing from materials suppliers. In the event there is a price increase through no fault of T&R Electric, we will notify the customer as soon as practicable.
7. Note: In order for a Purchase Order to be entered into the work queue and receive a designated time slot for production, these conditions must be accepted, and a note of acknowledgement must be present on said purchase order.
8. All terms NET 30 unless prior negotiated. In an event of credit card payment, there will be an additional charge of 4% on the entire order for processing fees.
9. Fuel Surcharge will be added to order at time of shipment, based on FSC Rates.

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

Sincerely,
Bill Hawkins
Sales Representative



"The Transformer People"

When Every Minute Counts

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

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Item #1 - Three Phase 300 KVA Pad Mount

Product Type: Reconditioned

Transformer Type: Pad Mount

Specifications:

KVA:	300	Phase:	3
High Voltage:	4160Y/2400 X 13800Y/7970	Low Voltage:	208Y/120
Taps:	W/O TAPS		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- LBOR 4 Position Switch
- Secondary Bushings, Standard Spade Connectors
- Bayonet Fusing
- Oil Level Gauge
- Pressure/Vacuum Gauge
- Temperature Gauge
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Valve with Sampler
- Bell Green Paint
- Undercoating

Notes:

Reconditioned Units
Lead times are Estimated, Not Guaranteed
Current lead times are 8-10 weeks for delivery
Fuel surcharge applies on all deliveries
Delivery on our next truck in your area.

Quantity:

1

Price:

\$12,993.00 USD Each

Warranty:

36 Month Guarantee

Manufacturing

8 - 10 weeks (ARO)

Time:

Delivery:

Fob: Destination

After Release to Production

Electrical Tests:

1. Transformer Turns Ratio Test
2. Polarity and Phase Relation Test
3. DC HYPOT TEST

Performed at Two Times Rated Line Voltage Plus 1000 Volts

- a. HV to LV
- b. HV to Ground
- c. LV to Ground

4. Core Loss and Excitation Test
5. Load and No Load Testing
6. Induced Potential Test at 400 Hertz for 7200 Cycles



"The Transformer People"

When Every Minute Counts

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

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Item #2 - Three Phase 500 KVA Pad Mount

Product Type: Reconditioned

Transformer Type: Pad Mount

Specifications:

KVA:	500	Phase:	3
High Voltage:	4160Y/2400 X 13800Y/7970	Low Voltage:	208Y/120
Taps:	W/O TAPS		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors
- Bayonet Fusing
- LBOR 4 Position Switch
- Oil Level Gauge
- Pressure/Vacuum Gauge
- Temperature Gauge
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Valve with Sampler
- Bell Green Paint
- Undercoating

Notes:

Reconditioned Units
Lead times are Estimated, Not Guaranteed
Current lead times are 8-10 weeks for delivery
Fuel surcharge applies on all deliveries
Delivery on our next truck in your area.

Quantity:

2

Warranty:

36 Month Guarantee

Price:

\$15,510.00 USD Each

Manufacturing
Time:

8 - 10 weeks (ARO)

Delivery:

Fob: Destination

After Release to Production

Electrical Tests:

- | | |
|-------------------------------------|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
- Performed at Two Times Rated Line Voltage Plus 1000 Volts
- a. HV to LV
 - b. HV to Ground
 - c. LV to Ground



**36 MONTHS
100%
Guarantee**

GUARANTEE

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

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

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

This guarantee is expressly in lieu of other guarantees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) T&R will not be responsible for delays in shipment caused by delays in the receipt of Customer-supplied material. Such delays will be subject to possible price adjustments due to Customer-induced delays and disruptions.
 - (ii) Customer shall supply T&R all applicable technical data and drawings, in sufficient detail as determined by T&R, at time of order entry, so as to ensure the Product design can be made to accommodate form, fit, function and interface with Customer-supplied material.
 - (iii) Failure by Customer to supply the correct material per the detailed technical data supplied at the time of order may result in delays in shipment and price adjustments.
- T&R will not be responsible for Customer-supplied material that is inferior, damaged or defective. In such an event, delays in shipment may result and shall be subject to price adjustments in favor of T&R.

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

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

- (ii) The transformer is designed for operation at the rated kVA, at 3300 feet altitude, without exceeding temperature limits, provided the average temperature of the ambient air does not exceed the limits as listed below. The dielectric strength of the bushings and arrestors will be suitable to allow satisfactory operation at 3300 feet.
 - (iii) The temperature of the ambient air may not exceed 40 degrees C at any one time and the average temperature of the ambient air, for any 24 hour period, may not exceed 30 degrees C.
 - (iv) The input voltage when applied to any rated tap, at rated frequency, may not result in an output voltage greater than 110% at no load, and 105% at rated output load. The output load power factor must be 80% or better.
 - (v) When unusual or special service conditions occur or exist, such as damaging or explosive vapors, abnormal vibrations, shocks, transportation or storage conditions, poor wave form, unbalanced voltage, or planned regular short circuits, or service conditions other than those described in (i), (ii), (iii) or (iv) above, it is the responsibility of Customer to bring these conditions to the attention of T&R at the time a quotation is requested by Customer.
- Failure by Customer to expressly provide advance notice to T&R of any unusual or special service conditions which do not meet the above shall render the Product warranty void.

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

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

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

- If engineering is complete, 25% of the Product price
- If purchasing is complete, 50% of the Product price
- If materials have been received by T&R, 75% of the Product price
- Within six weeks of acknowledged date of shipment, 100% of the Product price

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

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

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

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

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

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

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

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

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

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

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

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

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



Sunbelt Solomon remanufactured (REMAN) transformers are BABA Certified
Consult with your sales rep to confirm if this applies to the unit(s) within your quote

Samantha Adams
Hibbing Public Utilities
samantha.adams@hpuc.com

Angie Taylor
Business Development Manager
angie.taylor@sunbeltsolomon.com | (651) 769-7471

PRODUCT	QTY	EACH
Three Phase Pad Mount 300 KVA - Rewind KVA: 300 @ 65°C 60Hz Impedance: Standard HV: 4160Y/2400 x 13800Y/7970 (95 KV BIL) Loop Feed LV: 208Y/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN (6) 200 A Dead Front Wells & 15 kV Inserts HV Bushings (4) 4-Hole Spade LV Bushings Tap Changer Bayonet Fusing CL Fusing Pressure Vacuum Gauge Assembly 4-Position T-Blade LBOR Drain Valve + Sampler Non-PCB Mineral Oil	1	\$25,045

PRODUCT	QTY	EACH
Three Phase Pad Mount 500 KVA - Rewind KVA: 500 @ 65°C 60Hz Impedance: Standard HV: 4160Y/2400 x 13800Y/7970 (95 KV BIL) Feed LV: 208Y/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN (6) 200 A Dead Front Wells & 15 kV Inserts HV Bushings (4) 6-Hole Spade LV Bushings Tap Changer Bayonet Fusing CL Fusing Pressure Vacuum Gauge Assembly 4-Position T-Blade LBOR Drain Valve + Sampler Non-PCB Mineral Oil	1	\$29,780

PRODUCT	QTY	EACH
Three Phase Pad Mount 300 KVA - Recondition KVA: 300 @ 65°C 60Hz Impedance: Standard HV: 4160GrdY/2400x13800GrdY/7970 (95 KV BIL) Loop Feed LV: 208Y/120 (30 KV BIL) Primary Taps: No Taps 200 A Dead Front Wells & 15 kV Inserts HV Bushings 4-Hole Spade LV Bushings Three Phase 4-Position T-Blade LBOR Bayonet Fusing Pressure Vacuum Gauge Assembly Drain Valve + Sampler Non-PCB Mineral Oil	1	\$10,500

PRODUCT	QTY	EACH
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1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128



info@sunbeltsolomon.com
sunbeltsolomon.com



Three Phase Pad Mount 500 KVA - Recondition

1

\$15,500

KVA: 500 @ 65°C | 60Hz | Impedance: Standard
HV: 4160GrdY/2400x13200GrdY/7620 (95 KV BIL) | Radial Feed | LV: 208Y/120 (30 KV BIL)
Primary Taps: 2-2.5% FCAN & BN

200 A Dead Front Wells & 15 kV Inserts HV Bushings
4-Hole Spade LV Bushings
Bayonet Fusing
Liquid Level Gauge
Pressure Vacuum Gauge Assembly
Drain Valve + Sampler
Non-PCB Mineral Oil

All REMAN Units are Completely Reconditioned to Nameplate Specifications

Ask your sales rep about volume discounts

Destination: Hibbing, NM | **FOB:** Origin | **Shipping & Handling:** Prepaid & Allowed
Shipment: 6-7 Weeks ARO | **Warranty:** 3 Years | **Terms:** Net 30 with approved credit.

Offer to sell valid for 30 days. Price is subject to re-evaluation after 15 days. Units subject to availability.

Please note any changes to the specifications on this quotation form and reference the quotation number on your Purchase Order. Sunbelt Solomon ("Supplier") will use your Purchase Order to proceed with manufacturing when terms and conditions are finalized. Please note that changes made after the manufacturing process begins may result in additional charges and potential delays in production. Production of units that are contingent on the approval/receipt of drawings will begin the manufacturing process after the final sign off on the specified drawings by the customer. Please contact your sales representative for the estimated drawing lead time associated with this quote.

All sales, rental and services are subject to Supplier's Terms and Conditions for Sales and Rentals of Equipment and/or Services ("Terms and Conditions") unless otherwise mutually agreed in writing by officer of Supplier as evidenced by such officer's signature. Acceptance of a Buyer purchase order by Supplier does not constitute acceptance of Buyer terms and conditions. As orders are time sensitive and it is cost prohibitive to review and negotiate terms and conditions between parties, Supplier Terms and Conditions apply to quotes/orders: 1) with a value before tax of \$25,000 or less, 2) emergency services or services completed before issuance of a purchase order, and 3) rush orders for sales and rental that are to ship within three (3) days regardless of submission of terms and conditions by Buyer. If the Quotation is for Company to perform evaluation services on Customer-owned equipment (e.g. for Company to determine how/if the piece of equipment failed and/or whether it can be repaired), then the provisions of terms and conditions will apply which include (among other provisions) risk of loss remaining with Customer and Company only being liable for damage to this equipment to the extent of its gross negligence or willful misconduct. In no event does Supplier accept consequential damages or agree to Prime/Owner contract terms and conditions.

Price does not include tax. If applicable, tax will be added to the invoice. If order is tax exempt, please provide a copy of your exemption certificate. Unit(s) quoted are for normal service conditions as defined by ANSI/IEEE Standards. Notify Supplier at time of quotation should the unit(s) be subject to harmonics, motor starting, shovel duty, or other special service conditions.

Schedules

All Delivery dates are estimates and under no circumstances does Company guarantee date of delivery. Company shall not be responsible or liable for any damage or loss which occurs during transportation and/or shipment of the Equipment. Company is not liable or responsible for any costs of Customer caused by any delays in transportation or delivery.

Company reserves the right to manufacture and ship any items in advance of the acknowledged shipping schedule, unless expressly forbidden by the Customer at the time of the order entry.

Cancellation or Revision of Order



1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128



info@sunbeltsolomon.com
sunbeltsolomon.com



Any Purchase Order may be cancelled or revised by Customer only upon written approval by an authorized representative of the Company, and at the Company's sole discretion. Should Company approve cancellation or revision of a Purchase Order, Customer shall pay the cancellation or revision charges specified in said approval. Cancellation or revision charges will include expenses previously incurred, commitments made pursuant to or in reliance upon such Purchase Order, whether or not such commitments are legally binding on Company, and any other factors considered relevant by Company. In the event that Company does not approve cancellation or revision, Customer shall remain liable to Company for the full price of the Equipment, Rental and/or Services ordered.

Cancellation charges are calculated for each unit cancelled per its individual status.

Standard Cancellation Charges:

Cancellation Charges:	% of PO Price
Upon Purchase Order acceptance	25
After materials are ordered	50
After production begins for Equipment	75
Once production is complete for Equipment	100

Company reserves the right to re-quote both price and lead time for any request to revise an order. If it is determined that a revision will incur an additional revision charge, charges are calculated for each unit revised per its individual status.

Standard Revision Charges:

Revision Charges:	% of Selling Price
Before Engineering Review / Scheduling	0
Before Production Begins	35
After Production Begins	100





Discussion Item 2

Discussion Item 2 – New Haven/Mahoning Manor Transformer Procurement

September 8, 2026

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

RE: Discussion Item 2 – New Haven/Mahoning Manor Transformer Procurement

Staff received an update from the City of Hibbing and HEDA that Phase Two of the New Haven Project has been approved. As part of this phase, Mahoning Manor, a housing development being pursued by the City of Hibbing/Hibbing Economic Development Authority (HEDA), will require new electrical service from HPU.

Quotes were requested from T&R Electric, Sunbelt Solomon, and Resco.

Between phase 1 and 2 of New Haven, Cobb Cook Place and Mahoning Manor will use our inventory stocked transformers of this service voltage and size. Staff is requesting consideration regarding the purchase a transformer to replenish warehouse inventory as stock is now reserved.

HPU maintains transformers in warehouse inventory for emergency outage replacements and new-service installations. Replacing the transformer being utilized for the New Haven project will help maintain a recommended inventory level and ensure HPU has equipment available for replacement during equipment failure events.

Staff plans to bring an authorization request to the next action session for the purchase of a transformer from the lowest qualified vendor.

Sincerely,

A handwritten signature in blue ink that reads "Samantha Adams".

Samantha Adams | HPU Electrical Manager



"The Transformer People"

When Every Minute Counts

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

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Quote Summary

#	Item	Type	Qty	Category	Ph	KVA	Primary	Secondary	Price	Total
1	0	RC	1	PAD MOUNT	3	300	4160Y/2400 X 13800Y/7970	208Y/120	\$12,993.00 USD	\$12,993.00 USD
2	0	RC	2	PAD MOUNT	3	500	4160Y/2400 X 13800Y/7970	208Y/120	\$15,510.00 USD	\$31,020.00 USD
Grand Total										\$44,013.00 USD

Additional Notes

1. All quotes are subject to the "Standard Terms and Conditions of Sale".
2. This quote is valid for 15 days.
3. Estimated manufacturing lead-time is a best estimate at time of quotation and may vary.
4. Upon completion of order, immediate shipment is available plus freight on a common carrier. Unless otherwise specified, freight on quotes is prepaid and allowed in the contiguous US on our next available truck going to your area.
5. Electrical Test reports available upon request.
6. Prices subject to change. Due to the current volatility of the transformer components market (including copper), prices are subject to change in the event a rapid or extreme fluctuation in price occurs between the time of order placement and sourcing of materials. A rapid or extreme fluctuation occurs when a component part increases by more than 5% from the time the order is placed, and the time materials are ordered. T&R Electric agrees to use its best efforts to obtain advantageous pricing from materials suppliers. In the event there is a price increase through no fault of T&R Electric, we will notify the customer as soon as practicable.
7. Note: In order for a Purchase Order to be entered into the work queue and receive a designated time slot for production, these conditions must be accepted, and a note of acknowledgement must be present on said purchase order.
8. All terms NET 30 unless prior negotiated. In an event of credit card payment, there will be an additional charge of 4% on the entire order for processing fees.
9. Fuel Surcharge will be added to order at time of shipment, based on FSC Rates.

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

Sincerely,
Bill Hawkins
Sales Representative



"The Transformer People"

When Every Minute Counts

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

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Item #1 - Three Phase 300 KVA Pad Mount

Product Type: Reconditioned

Transformer Type: Pad Mount

Specifications:

KVA:	300	Phase:	3
High Voltage:	4160Y/2400 X 13800Y/7970	Low Voltage:	208Y/120
Taps:	W/O TAPS		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- LBOR 4 Position Switch
- Secondary Bushings, Standard Spade Connectors
- Bayonet Fusing
- Oil Level Gauge
- Pressure/Vacuum Gauge
- Temperature Gauge
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Valve with Sampler
- Bell Green Paint
- Undercoating

Notes:

Reconditioned Units
Lead times are Estimated, Not Guaranteed
Current lead times are 8-10 weeks for delivery
Fuel surcharge applies on all deliveries
Delivery on our next truck in your area.

Quantity: 1

Warranty: 36 Month Guarantee

Delivery: Fob: Destination

Price: \$12,993.00 USD Each

Manufacturing Time: 8 - 10 weeks (ARO)

After Release to Production

Electrical Tests:

1. Transformer Turns Ratio Test
2. Polarity and Phase Relation Test
3. DC HYPOT TEST
Performed at Two Times Rated Line Voltage Plus 1000 Volts
 - a. HV to LV
 - b. HV to Ground
 - c. LV to Ground
4. Core Loss and Excitation Test
5. Load and No Load Testing
6. Induced Potential Test at 400 Hertz for 7200 Cycles



"The Transformer People"

When Every Minute Counts

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(Outside U.S.) 605-534-3555
FAX 605-534-3861
Website <http://t-r.com>

Quote Rev. 142144-1

Contact: Samantha Adams

Phone: 218-966-1437

Date: 08/06/2026

Company: Hibbing Public Utilities
Comm

Fax: 218-262-7702

Email: samantha.adams@hpuc.com

Item #2 - Three Phase 500 KVA Pad Mount

Product Type: Reconditioned

Transformer Type: Pad Mount

Specifications:

KVA:	500	Phase:	3
High Voltage:	4160Y/2400 X 13800Y/7970	Low Voltage:	208Y/120
Taps:	W/O TAPS		

Accessories:

- Primary Bushings, Dead Front, Loop Feed
- Secondary Bushings, Standard Spade Connectors
- Bayonet Fusing
- LBOR 4 Position Switch
- Oil Level Gauge
- Pressure/Vacuum Gauge
- Temperature Gauge
- Pressure Relief Device
- Pentahead Entry Assembly
- Mineral Oil (standard)
- Non-PCB Label
- Drain Valve with Sampler
- Bell Green Paint
- Undercoating

Notes:

Reconditioned Units
Lead times are Estimated, Not Guaranteed
Current lead times are 8-10 weeks for delivery
Fuel surcharge applies on all deliveries
Delivery on our next truck in your area.

Quantity:

2

Price:

\$15,510.00 USD Each

Warranty:

36 Month Guarantee

Manufacturing
Time:

8 - 10 weeks (ARO)

Delivery:

Fob: Destination

After Release to Production

Electrical Tests:

- | | |
|---|--|
| 1. Transformer Turns Ratio Test | 4. Core Loss and Excitation Test |
| 2. Polarity and Phase Relation Test | 5. Load and No Load Testing |
| 3. DC HYPOT TEST | 6. Induced Potential Test at 400 Hertz for 7200 Cycles |
| Performed at Two Times Rated Line Voltage Plus 1000 Volts | |
| a. HV to LV | |
| b. HV to Ground | |
| c. LV to Ground | |



**36 MONTHS
100%
Guarantee**

GUARANTEE

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

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

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

This guarantee is expressly in lieu of other guarantees.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) T&R will not be responsible for delays in shipment caused by delays in the receipt of Customer-supplied material. Such delays will be subject to possible price adjustments due to Customer-induced delays and disruptions.
 - (ii) Customer shall supply T&R all applicable technical data and drawings, in sufficient detail as determined by T&R, at time of order entry, so as to ensure the Product design can be made to accommodate form, fit, function and interface with Customer-supplied material.
 - (iii) Failure by Customer to supply the correct material per the detailed technical data supplied at the time of order may result in delays in shipment and price adjustments.
- T&R will not be responsible for Customer-supplied material that is inferior, damaged or defective. In such an event, delays in shipment may result and shall be subject to price adjustments in favor of T&R.

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

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

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

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

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

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

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

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

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

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

- If engineering is complete, 25% of the Product price
- If purchasing is complete, 50% of the Product price
- If materials have been received by T&R, 75% of the Product price
- Within six weeks of acknowledged date of shipment, 100% of the Product price

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

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

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

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

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

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

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

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

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

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

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

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

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



Sunbelt Solomon remanufactured (REMAN) transformers are BABA Certified
Consult with your sales rep to confirm if this applies to the unit(s) within your quote

Samantha Adams
Hibbing Public Utilities
samantha.adams@hpuc.com

Angie Taylor
Business Development Manager
angie.taylor@sunbeltsolomon.com | (651) 769-7471

PRODUCT	QTY	EACH
Three Phase Pad Mount 300 KVA - Rewind KVA: 300 @ 65°C 60Hz Impedance: Standard HV: 4160Y/2400 x 13800Y/7970 (95 KV BIL) Loop Feed LV: 208Y/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN (6) 200 A Dead Front Wells & 15 kV Inserts HV Bushings (4) 4-Hole Spade LV Bushings Tap Changer Bayonet Fusing CL Fusing Pressure Vacuum Gauge Assembly 4-Position T-Blade LBOR Drain Valve + Sampler Non-PCB Mineral Oil	1	\$25,045

PRODUCT	QTY	EACH
Three Phase Pad Mount 500 KVA - Rewind KVA: 500 @ 65°C 60Hz Impedance: Standard HV: 4160Y/2400 x 13800Y/7970 (95 KV BIL) Feed LV: 208Y/120 (30 KV BIL) Primary Taps: 2-2.5% FCAN & BN (6) 200 A Dead Front Wells & 15 kV Inserts HV Bushings (4) 6-Hole Spade LV Bushings Tap Changer Bayonet Fusing CL Fusing Pressure Vacuum Gauge Assembly 4-Position T-Blade LBOR Drain Valve + Sampler Non-PCB Mineral Oil	1	\$29,780

PRODUCT	QTY	EACH
Three Phase Pad Mount 300 KVA - Recondition KVA: 300 @ 65°C 60Hz Impedance: Standard HV: 4160GrdY/2400x13800GrdY/7970 (95 KV BIL) Loop Feed LV: 208Y/120 (30 KV BIL) Primary Taps: No Taps 200 A Dead Front Wells & 15 kV Inserts HV Bushings 4-Hole Spade LV Bushings Three Phase 4-Position T-Blade LBOR Bayonet Fusing Pressure Vacuum Gauge Assembly Drain Valve + Sampler Non-PCB Mineral Oil	1	\$10,500

PRODUCT	QTY	EACH
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1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128



info@sunbeltsolomon.com
sunbeltsolomon.com



Three Phase Pad Mount 500 KVA - Recondition

1

\$15,500

KVA: 500 @ 65°C | 60Hz | Impedance: Standard
HV: 4160GrdY/2400x13200GrdY/7620 (95 KV BIL) | Radial Feed | LV: 208Y/120 (30 KV BIL)
Primary Taps: 2-2.5% FCAN & BN

200 A Dead Front Wells & 15 kV Inserts HV Bushings
4-Hole Spade LV Bushings
Bayonet Fusing
Liquid Level Gauge
Pressure Vacuum Gauge Assembly
Drain Valve + Sampler
Non-PCB Mineral Oil

All REMAN Units are Completely Reconditioned to Nameplate Specifications

Ask your sales rep about volume discounts

Destination: Hibbing, NM | **FOB:** Origin | **Shipping & Handling:** Prepaid & Allowed
Shipment: 6-7 Weeks ARO | **Warranty:** 3 Years | **Terms:** Net 30 with approved credit.

Offer to sell valid for 30 days. Price is subject to re-evaluation after 15 days. Units subject to availability.

Please note any changes to the specifications on this quotation form and reference the quotation number on your Purchase Order. Sunbelt Solomon ("Supplier") will use your Purchase Order to proceed with manufacturing when terms and conditions are finalized. Please note that changes made after the manufacturing process begins may result in additional charges and potential delays in production. Production of units that are contingent on the approval/receipt of drawings will begin the manufacturing process after the final sign off on the specified drawings by the customer. Please contact your sales representative for the estimated drawing lead time associated with this quote.

All sales, rental and services are subject to Supplier's Terms and Conditions for Sales and Rentals of Equipment and/or Services ("Terms and Conditions") unless otherwise mutually agreed in writing by officer of Supplier as evidenced by such officer's signature. Acceptance of a Buyer purchase order by Supplier does not constitute acceptance of Buyer terms and conditions. As orders are time sensitive and it is cost prohibitive to review and negotiate terms and conditions between parties, Supplier Terms and Conditions apply to quotes/orders: 1) with a value before tax of \$25,000 or less, 2) emergency services or services completed before issuance of a purchase order, and 3) rush orders for sales and rental that are to ship within three (3) days regardless of submission of terms and conditions by Buyer. If the Quotation is for Company to perform evaluation services on Customer-owned equipment (e.g. for Company to determine how/if the piece of equipment failed and/or whether it can be repaired), then the provisions of terms and conditions will apply which include (among other provisions) risk of loss remaining with Customer and Company only being liable for damage to this equipment to the extent of its gross negligence or willful misconduct. In no event does Supplier accept consequential damages or agree to Prime/Owner contract terms and conditions.

Price does not include tax. If applicable, tax will be added to the invoice. If order is tax exempt, please provide a copy of your exemption certificate. Unit(s) quoted are for normal service conditions as defined by ANSI/IEEE Standards. Notify Supplier at time of quotation should the unit(s) be subject to harmonics, motor starting, shovel duty, or other special service conditions.

Schedules

All Delivery dates are estimates and under no circumstances does Company guarantee date of delivery. Company shall not be responsible or liable for any damage or loss which occurs during transportation and/or shipment of the Equipment. Company is not liable or responsible for any costs of Customer caused by any delays in transportation or delivery.

Company reserves the right to manufacture and ship any items in advance of the acknowledged shipping schedule, unless expressly forbidden by the Customer at the time of the order entry.

Cancellation or Revision of Order



1922 S. MLK Jr. Drive
Temple, TX 76504



+01 800.433.3128



info@sunbeltsolomon.com
sunbeltsolomon.com



Any Purchase Order may be cancelled or revised by Customer only upon written approval by an authorized representative of the Company, and at the Company's sole discretion. Should Company approve cancellation or revision of a Purchase Order, Customer shall pay the cancellation or revision charges specified in said approval. Cancellation or revision charges will include expenses previously incurred, commitments made pursuant to or in reliance upon such Purchase Order, whether or not such commitments are legally binding on Company, and any other factors considered relevant by Company. In the event that Company does not approve cancellation or revision, Customer shall remain liable to Company for the full price of the Equipment, Rental and/or Services ordered.

Cancellation charges are calculated for each unit cancelled per its individual status.

Standard Cancellation Charges:

Cancellation Charges:	% of PO Price
Upon Purchase Order acceptance	25
After materials are ordered	50
After production begins for Equipment	75
Once production is complete for Equipment	100

Company reserves the right to re-quote both price and lead time for any request to revise an order. If it is determined that a revision will incur an additional revision charge, charges are calculated for each unit revised per its individual status.

Standard Revision Charges:

Revision Charges:	% of Selling Price
Before Engineering Review / Scheduling	0
Before Production Begins	35
After Production Begins	100





Discussion Item 3

Discussion Item 3 – Beltline Substation Reconstruction Lake States Construction Change Orders

September 8, 2026

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

RE: Discussion Item 3 – Beltline Substation Reconstruction Lake States Construction Change Orders

Dear Commissioners,

Staff would like to provide the Commission with an update regarding progress and change orders associated with the Beltline Substation Reconstruction Project.

Overall, the project has been progressing very well with Lake States Construction (LSC). Despite some weather-related delays and an unplanned contractor mobilization, the project remains on track for completion, anticipated by or in early November.

Staff will be requesting authorization for the following change orders at the next Action Session.

Change Order No. 01 is related to an unplanned contractor mobilization.

LSC was required to demobilize from the project due to a procurement issue involving material needed to perform the planned electrical line construction. HPU received an order confirmation and anticipated lead time for the material; however, the material was not received within the expected timeframe. Without the material, LSC was unable to continue the line construction as scheduled.

HPU x LSC's contract includes an established cost of \$8,000.00 for unplanned mobilizations. Staff will be requesting authorization for the contractual mobilization fee of \$8,000.00.

Change Order No. 02 is a design change with no financial impact on the project.

The original design had a feeder riser pole within the substation footprint, in the fence. When construction began and site conditions were evaluated in the field, staff and the project team determined that it would be more practical to relocate the riser outside of the substation fence at the frontage road where the feeder exits the substation.

The change provides a more practical configuration for the feeder exit while avoiding placing the riser within the substation footprint. There is no requested increase to the contract after this change.

Change Order No. 03 involves a redesign of the civil work associated with the area immediately above the prefabricated block retaining wall.

After the wall was constructed, the project team reviewed the sloping and grading conditions. Based on the actual site conditions, additional fill, rock, and culvert were determined to be necessary to properly complete the grading and drainage work in this area.

Staff will be requesting authorization to make this change to the project. The change order increase is estimated to be \$7,671.25.

The Beltline Substation Reconstruction Project continues to progress well overall. LSC has performed well on the project, and staff is pleased with the progress and coordination to date. While the project experienced some weather delays and the previously described material-related mobilization, the project remains on schedule for completion by or in early November.

The original 2026 estimated cost for the Beltline Substation Reconstruction was \$2,000,000.00. Current project costs and commitments are approaching \$1.8 million. Based on the current status of the project, staff expect the project to be completed within budget.

Staff is bringing these change orders forward as a discussion item at this time to keep the Commission informed and provide an opportunity for questions or discussion before the formal requests for authorization are presented during the September Action Session.

Thank you for your consideration.

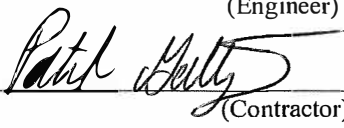
Respectfully,

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

Samantha Adams | HPU Electrical Manager

ORDER NO.: 26-05-001

To accommodate a change of construction sequence and timing for the electrical portion of the work, HPUC is compensating Lake States Construction, LLC for a quantity of one (1) electrical mobilization/demobilization charge of \$8k. This changes the sequencing of work within the allotted construction window, but does not extend or delay completion of the work by October 31, 2026.

CONTRACT CHANGE ORDER	ORDERNO.: 26-05-002	
	DATE: 08/05/2026	
	STATE: Minnesota	
	COUNTY: St. Louis	
Commission Approved Date:		
CONTRACT FOR: Beltline Substation Reconstruction		
OWNER: HPUC		
TO:		
You are hereby requested to comply with the following changes from the contract plans and specifications		
Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE In Contract Price	INCREASE In Contract Price
Add the Following Change Order Items:		
(SEE ATTACHED SHEETS)	\$0	\$0
TOTALS	\$0	\$0
NET CHANGE IN CONTRACT PRICE	\$0	\$0
JUSTIFICATION:		
Additional work items as requested by:		
The amount of the Contract will be Increased By the Sum of:		\$0
(\$\$ spelt out) zero dollars – NO COST CHANGE		
The Contract Total Including this and previous Change Orders Will Be:		\$917,228.10 \$
Nine hundred seven-teen thousand, two hundred twenty eight and 10/100 dollars – NO COST CHANGE (\$\$ spelt out)		
The Contract Period Provided for Completion Will Not Be Changed.		
This document will become a supplement to the contract and all provisions will apply hereto.		
Requested	Sam Adams, HPUC (Owner)	8/5/2026 Date
Recommended	Joe Peterson, IREACS (Engineer)	8/5/2026 Date
Accepted	 (Contractor)	8/10/26 Date

ORDER NO.: 26-05-002 – NO COST CHANGE

To allow more room in the open area of the substation, the riser for FDR 2 will be moved to the south frontage road pole and FDR 60 to the north frontage road pole. This removes the need for construction of 1 riser pole in the substation, but adds conduit, cable, and some modifications to other poles. The net change of this change of configuration is viewed to create a net zero need for labor and materials and no cost change nor schedule change needed.

CONTRACT CHANGE ORDER	ORDERNO.: 26-05-003	
	DATE: 09/01/2026	
	STATE: Minnesota	
	COUNTY: St. Louis	
		Commission Approved Date:
CONTRACT FOR: Beltline Substation Reconstruction		
OWNER: HPUC		
TO: Lake States Construction		
You are hereby requested to comply with the following changes from the contract plans and specifications		
Description of Changes (Supplemental Plans and Specifications Attached) Add the Following Change Order Items: (SEE ATTACHED SHEETS) TOTALS NET CHANGE IN CONTRACT PRICE	DECREASE In Contract Price	INCREASE In Contract Price
		\$0
		\$0
JUSTIFICATION: Additional work items as requested by: rework drainage on west side of project property parcel due to final grade and risk to parking lot runoff		
The amount of the Contract will be Increased By the Sum of: (\$\$ spelt out) seven thousand six hundred seventy one and 25/100 dollars		7,671.25\$
The Contract Total Including this and previous Change Orders Will Be: Nine hundred twenty four thousand, eight hundred ninety nine and 35/100 dollars (\$\$ spelt out)		\$924,899.35 \$
The Contract Period Provided for Completion Will Not Be Changed.		
This document will become a supplement to the contract and all provisions will apply hereto.		
Requested	Sam Adams, HPUC (Owner)	Date
Recommended	Joe Peterson, IREACS (Engineer)	9/1/2026 Date
Accepted	(Contractor)	Date

While working on the civil work on the west side of the property parcel (adjacent to a large parking lot), concerns were discussed regarding the slop and ability of the site to accommodate a potentially large runoff, snow melt, etc. gracefully. It was determined installation of an improved drainage system would reduce risk to the site at a reasonable marginal cost. This is detailed in the attached estimated quantities and drawing and includes removal of dirt to form a ditch, rip rap, a culvert under the driveway into the gated fence, and aprons. Pricing is based on project unit pricing and an estimate for the aprons (otherwise not in the project).



Discussion Item 4

Discussion Item 4 – Iron Range Engineering and Consulting Services Construction Phase Contract

September 8, 2026

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

RE: Discussion Item 4 – Iron Range Engineering and Consulting Services Construction Phase Contract

Dear Commissioners,

Staff would like to provide the Commission with an update on the progress of the Beltline Substation Reconstruction Project and notify the Commission of an upcoming action item related to the project's construction phase engineering services.

The Beltline Substation Reconstruction Project civil work is 62% complete, electrical work is 35%.

As construction progresses, HPU will continue to utilize Iron Range Engineering and Consulting Services, PLLC, with Joe Peterson serving as the project's Engineer of Record. Construction-phase engineering services will include engineering support and coordination throughout construction, review of contractor submittals and project documentation, construction observation and related engineering services, and assistance with commissioning the reconstructed substation.

The estimated cost for the construction-phase engineering contract is \$95,000.00. This estimate also includes third-party testing services by Revolt that would be supervised under the proposed construction-phase engineering service contract. Revolt will perform testing of the substation equipment prior to the equipment being placed into service. This will also verify that the equipment was properly manufactured.

Upcoming Commission Action

Staff will be bringing the construction-phase engineering contract with Iron Range Engineering and Consulting Services, PLLC before the Commission for authorization during the September Action Session.

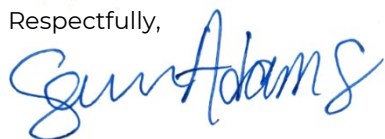
The contract request to be presented:

- Iron Range Engineering and Consulting Services, PLLC – Construction Phase Engineering
- Engineer of Record: Joe Peterson
- Cost: estimate is \$95,000, request will be “not to exceed \$100,000.00”
- Includes: Third-party equipment testing by Revolt and civil engineering by Bolton and Menk, if applicable

Staff is providing this information at this time, so the Commission is aware of the upcoming request and the anticipated cost associated with the engineering and testing services necessary to complete the Beltline Substation Reconstruction Project.

Thank you for your consideration.

Respectfully,



Samantha Adams | HPU Electrical Manager



Discussion Item 5

Discussion Item 5 – In-Kind Utility Connection Fee Waiver Policy

September 8, 2026

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

RE: Discussion Item 5 – In-Kind Utility Connection Fee Waiver Policy

Dear Commissioners,

For your consideration, we are presenting a proposed policy establishing an In-Kind Utility Connection Fee Waiver Program for Qualified Nonprofit Affordable Housing Organizations.

The purpose is to establish a consistent process for HPU to provide in-kind assistance to qualifying nonprofit affordable housing projects through the waiver of standard utility connection fees.

Key provisions include:

- Applicants must be a qualified 501(c)(3) nonprofit organization developing affordable housing.
- Waiver may include standard HPU connection fees for water, heat (steam/gas), and electric.
- Existing utility infrastructure must be available to serve the property.
- Waiver does not include utility extensions, new infrastructure, transformers, capital improvements, or extraordinary construction costs.
- Projects must meet all applicable HPU utility standards, inspections, and requirements.
- Waived fees will be recognized as an in-kind contribution by HPU.
- Policy will be applied consistently to all organizations meeting the eligibility requirements.

The policy supports affordable housing while recognizing the long-term benefit of adding new utility customers, taxable property, and housing within the community.

Please see the attached policy for review and consideration.
Thank you for your consideration.

Sincerely,



Jill Hietala
Customer Service Supervisor

	Hibbing Public Utilities Energy and Operations Department Standard Operating Procedure	SOP #
		Revision # New
		Effective Date:08/31/2026
		Authored By: JH
		Approved By: Kendra Powers
Title: In Kind Contributions		

POLICY ESTABLISHING AN IN-KIND UTILITY CONNECTION FEE WAIVER PROGRAM FOR QUALIFIED NONPROFIT AFFORDABLE HOUSING ORGANIZATIONS

Purpose

The purpose of this policy is to establish a consistent, transparent, and fiscally responsible process for providing in-kind utility connection fee assistance to qualified nonprofit organizations that develop affordable housing within the City.

The Hibbing Public Utility Commission recognizes that affordable housing projects developed by qualified charitable organizations create a measurable public benefit by expanding the local tax base, increasing long-term utility revenues, supporting workforce housing, encouraging neighborhood revitalization, and promoting economic development.

This policy is intended to ensure that any waiver of utility connection fees serves a legitimate public purpose and complies with all applicable laws governing the expenditure of public resources.

Policy Statement

The Hibbing Public Utility Commission may provide an in-kind contribution by waiving standard utility connection fees for eligible affordable housing projects developed by qualified nonprofit organizations recognized under Section 501(c)(3) of the Internal Revenue Code.

Examples include, but are not limited to, Habitat for Humanity and other charitable organizations whose primary mission is the construction or rehabilitation of affordable owner-occupied housing.

This policy shall be applied consistently and uniformly to all organizations meeting the eligibility requirements.

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Public Purpose

“Any in-kind contribution awarded under this policy must serve a genuine public purpose, is applied in a non-discriminatory manner without creating an undue burden on other ratepayers.”

The Hibbing Public Utility Commission finds that waiving standard utility connection fees for qualifying nonprofit affordable housing projects serves a valid public purpose because these projects:

- Increase the City's taxable property valuation.
- Generate long-term property tax revenue.
- Create new utility customers and long-term utility rate revenue.
- Encourage workforce and affordable housing opportunities.
- Promote neighborhood revitalization.
- Support economic development and community growth.
- Leverage significant charitable donations and volunteer labor that reduce the overall public cost of housing development.
- Improve community stability through increased homeownership opportunities.

The Hibbing Public Utility Commission further finds that these public benefits substantially outweigh the one-time value of the waived utility connection fees.

Eligibility

Organizations seeking an in-kind utility connection fee waiver shall:

1. Be recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.
2. Construct or substantially rehabilitate affordable housing intended for low- or moderate-income households.
3. Own or have legal authority to develop the property requesting utility service.
4. Meet all Hibbing Public Utility Commission ordinances, utility standards, construction requirements, inspections, and permitting requirements.
5. Provide documentation of nonprofit status upon request.

Eligible Utility Fee Waivers

The Hibbing Public Utility Commission may waive standard connection fees for municipally provided utilities, including:

- Water
- Heat (Steam/Gas)
- Electric

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The waiver applies only to the Hibbing Public Utility Commissions established connection fees and does not include construction costs or extraordinary expenses.

Infrastructure Limitation

This policy applies only to properties where adequate municipal utility infrastructure already exists and is immediately available to serve the property.

The in-kind utility connection fee waiver is limited to standard service connections from existing utility mains or facilities.

This policy shall **not** authorize:

- Extension of water, steam, gas, electric, or other utility mains.
- Construction of new infrastructure.
- Installation of transformers or similar capital improvements.
- Oversizing infrastructure for future development.
- Any extraordinary construction costs beyond a standard utility connection.

If utility infrastructure improvements or extensions are required before service can be provided, those costs shall remain the responsibility of the property owner or nonprofit organization.

Nothing in this policy obligates the Hibbing Public Utility Commission to construct or finance new utility infrastructure.

Fiscal Responsibility

The utility connection fee waiver shall be considered an in-kind contribution by the Hibbing Public Utilities Commission and remains within the Commission's statutory \$20,000 jurisdictional limit, be subject to available resources, and specific approval by the Hibbing Public Utility Commission.

Nothing in this policy creates an entitlement to future waivers.

The Hibbing Public Utility Commission reserves the right to suspend or amend this policy if financial conditions or public interests require.

Equal Application

This policy shall be administered consistently for all organizations meeting the established eligibility requirements.

No organization shall receive preferential treatment outside the provisions of this policy unless separately approved by the Hibbing Public Utility Commission through public action.



Discussion Item 6

Discussion Item 6 – Meter Reader Transition – AMI Implementation

September 8, 2026

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

RE: Discussion Item 6 – Meter Reader Transition – AMI Implementation

Dear Commissioners,

As Advanced Metering Infrastructure (AMI) continues to be deployed throughout Hibbing Public Utilities, the need for traditional manual meter reading will be substantially reduced. This creates an opportunity to proactively determine how the existing Meter Reader positions can best transition to support HPU's future operational and staffing needs.

Areas for consideration include:

- Transitioning employees into Meter Technician positions to support AMI, metering, customer service, and related field operations.
- Transitioning employees into other operational areas, based on staffing needs, employee qualifications, and anticipated attrition.
- Providing appropriate training and progression opportunities for employees transitioning into new classifications.
- Determining the appropriate timeline and process, including development or revision of job descriptions and discussions with the union.

The goal is to retain experienced employees where practical, provide employees with a clear transition path, and align staffing with HPU's long-term operational needs as AMI changes the work currently performed by Meter Readers.

We are seeking Commission input before developing final recommendations and proceeding with the appropriate union discussions.

Thank you for your consideration.

Sincerely,



Jill Hietala
Customer Service Supervisor

Hibbing Public Utilities

Position Description

Title: **Lead Meter Technician / Utility Worker**
Classification: Class 14
Department: Meter Shop
Evaluation Points Total: 173
Supervisor: Customer Service Supervisor
Supervisory Responsibility: Meter Technician A, B, and C employees and other assigned personnel

Work Environment

Work is performed in the Meter Shop, utility facilities, customer premises, and outdoor field locations. Work may involve exposure to electric, water, gas, and steam systems; heavy equipment; moving machinery; noise; hazardous materials; confined spaces; vehicle traffic; animals; and varying weather and environmental conditions. Entry into customer homes and properties may be required. Required personal protective equipment (PPE), including FR clothing and footwear, must be worn as applicable.

Overview

The Lead Meter Technician / Utility Worker serves as the working lead for Meter Shop operations involving electric, water, gas, and steam/heat systems. The position coordinates and assigns daily work, provides technical direction and training to Meter Technician staff, promotes safe work practices, and assists with planning, purchasing, inventory, and metering projects.

The position performs the duties of Meter Technician A and serves as a Utility Worker, working alongside and assisting Meter Shop and other Hibbing Public Utilities personnel with operations, maintenance, construction, projects, and emergencies based on operational needs.

Duties

Leadership & Metering Operations

- Receives assignments from the supervisor and plans, schedules, assigns, coordinates, and inspects Meter Shop work.
- Leads Meter Technician A, B, and C employees and other assigned personnel and provides technical direction and assistance as needed.

- Coordinates and provides training and on-the-job development for Meter Technician A, B, and C employees, new Meter Readers, and other assigned personnel.
- Performs and oversees the duties and working procedures of the Meter Technician A classification.
- Oversees electric, water, gas, and steam/heat metering installation, testing, calibration, maintenance, troubleshooting, repair, and obtains meter reads to ensure compliance with Utility procedures and applicable requirements.
- Oversees electric metering installations involving single-phase and polyphase meters, current and potential transformers, associated wiring, meter circuits, testing, and sealing.
- Coordinates residential and commercial meter installations with customers, contractors, and Utility departments.
- Investigates AMI alarms, metering and customer service concerns, determines appropriate action, and maintains required reports and records.
- Interprets specifications, maps, and drawings; documents field changes and coordinates necessary information with appropriate Utility personnel.
- Conducts required crew safety briefings and promotes compliance with established safety procedures.

Administrative & Operational Responsibilities

- Assists with development and implementation of Meter Shop programs, procedures, budgets, projects, and operational priorities.
- Participates in project planning, specification development and review, equipment and contractor selection, and inspection of contractor work as assigned.
- Obtains vendor quotes and requisitions and purchases parts, supplies, materials, and equipment in accordance with HPU purchasing policies.
- Uses Utility work-order, accounting, purchasing, and customer information systems to maintain records, process work, and enter purchase requisitions.
- Reviews time reports for all meter technicians and submits to supervisor.
- Maintains appropriate inventory levels of electric, water, gas, and steam/heat meters, parts, materials, and related equipment.
- Maintains work areas, tools, equipment, and materials in a clean, safe, and orderly condition.

General Utility Operations

- Serves as a Utility Worker and may assist electric, water, gas, steam, facilities, Meter Shop, and other Utility operations as assigned.
- Performs utility locating, including identifying, marking, and documentation of underground utility facilities as assigned, and in accordance with established procedures and applicable requirements.
- Coordinates and works with employees from other Utility departments on maintenance, construction, projects, outages, emergencies, and other operational needs.

Equipment, Tools & Shop Responsibilities

- Operates meter testing and calibration equipment, authorized Utility vehicles, forklifts, hand and power tools, air compressors, portable steamers, pumps, generators, pipe wrenches, sand blasting equipment, torches, and other equipment associated with assigned duties.
- Uses confined-space monitors, ventilation equipment, computers, electronic work-order and accounting systems, and required PPE.
- Ensures Meter Shop equipment, tools, materials, and inventory are properly maintained and available for assigned work.

Qualifications

Required

- High school diploma or equivalent.
- Meter Technician A certification/training or equivalent demonstrated education, training, experience, and competency as determined by Hibbing Public Utilities.
- Five years of related work experience, including at least one year of Meter Shop or comparable utility metering experience.
- Utility Locating Training – must maintain demonstrated proficiency in locating and marking underground utility facilities.
- Minimum one year of demonstrated leadership experience.
- Demonstrated knowledge of electric, water, gas, and steam/heat metering systems, including single-phase and polyphase electric metering and current and potential transformer systems.

- Ability to plan and assign work, provide technical direction, train employees, and monitor work for quality and safety.
- Ability to interpret specifications, maps, drawings, and technical information applicable to Utility metering operations.
- Demonstrated customer service, communication, organizational, and problem-solving skills.
- Valid Class D Driver's License.
- Ability to obtain and maintain Utility-required training, certifications, CPR/First Aid, and other qualifications applicable to assigned duties.

Preferred

- Five years of utility, industrial, electrical, mechanical, or related field experience.
- Previous leadership experience within utility metering or operations.
- Experience with Utility work-order, purchasing, inventory, and customer information systems.

Physical Requirements

Regular standing, walking, bending, kneeling, climbing, reaching, and use of hands and arms. Must be able to safely lift, carry, push, and pull meters, tools, materials, and equipment associated with assigned duties; work from ladders and in confined or restricted spaces; work in varying indoor and outdoor environments; and wear required PPE.

Safety

Responsible for compliance with applicable OSHA, Utility, and regulatory safety requirements and for promoting safe work practices among assigned employees. Ensures required PPE, tools, vehicles, and equipment are used appropriately.

Other Duties

This job description is not intended to contain a comprehensive listing of all duties or responsibilities. Other related duties may be assigned based on Utility operational needs and within the employee's qualifications.

Work Hours

Generally, Monday through Friday, 7:00 a.m. to 3:30 p.m., subject to applicable Utility policies, collective bargaining agreements, standby requirements, emergency response requirements, and operational needs.

DRAFT

Hibbing Public Utilities

Position Description

Title: **Meter Technician A / Utility Worker**
Classification: Class 11
Department: Meter Shop
Evaluation Points Total: 173
Supervisor: Customer Service Supervisor
Supervisory Responsibility: None; provides technical guidance and assists with on-the-job training of meter technician b and C employees as assigned.

Work Environment

Work is performed in the Meter Shop, utility facilities, customer premises, and outdoor field locations. Work may involve exposure to electric, water, gas, and steam systems; heavy equipment; moving machinery; noise; hazardous materials; confined spaces; vehicle traffic; animals; and varying weather and environmental conditions. Entry into customer homes and properties may be required. Required personal protective equipment (PPE), including FR clothing and footwear, must be worn as applicable.

Overview

The Meter Technician A / Utility Worker is an advanced-level position responsible for collecting meter reads, independently installing, testing, calibrating, troubleshooting, maintaining, repairing, removing, and replacing electric, water, gas, and steam/heat metering equipment and associated components. Provides technical guidance and assists with on-the-job training of Meter Technician B and C employees as assigned.

The position also serves as a Utility Worker and may be assigned throughout Hibbing Public Utilities to assist with operations, maintenance, construction, projects, emergencies, and general labor based on operational needs.

Duties

Metering & Field Operations

- Receives assignments and processes work orders.
- Installs, removes, tests, calibrates, troubleshoots, maintains, repairs, and collects meter reads from residential and commercial electric, water, gas, and steam/heat meters and associated equipment.

- Performs single-phase and polyphase electric metering work, including installation and wiring of current and potential transformers; verifies wiring, meter circuits, voltages, seals, and proper operation.
- Repairs and tests steam/heat meter components, including registers, drums, bearings, and related equipment.
- Investigates customer metering and service concerns, checks meter installations and operation, and takes appropriate action in accordance with Utility procedures.
- Performs authorized service turn-ons, shutoffs, disconnects, reconnections, meter changes, water standpipe operations, meter reading, AMI alarm investigations and resolution, and related field activities.
- Reads and seals meters and meter cabinets and maintains accurate meter, testing, calibration, service, and electronic work-order records.
- Provides technical assistance and on-the-job guidance to less experienced Meter Technician employees and other Utility personnel as assigned.

General Utility Operations

- Serves as a Utility Worker and may assist electric, water, gas, steam, facilities, Meter Shop, and other Utility operations as assigned.
- Assists with maintenance, construction, projects, outages, emergencies, and general labor activities based on operational needs and applicable qualifications.
- Performs utility locating, including identifying, marking, and documentation of underground utility facilities as assigned, and in accordance with established procedures and applicable requirements.

Equipment, Tools & Shop Responsibilities

- Operates meter testing and calibration equipment, authorized Utility vehicles, forklifts, hand and power tools, air compressors, portable steamers, pumps, generators, pipe wrenches, sand blasting equipment, torches, and other equipment associated with assigned duties.
- Uses confined-space monitors, ventilation equipment, computers, electronic work-order systems, and required PPE.
- Maintains work areas, tools, equipment, meters, parts, materials, and inventory in a clean, safe, and orderly condition.

Qualifications

Required

- High school diploma or equivalent.
- Successful completion of Meter Technician C and B progression requirements, or equivalent demonstrated education, training, experience, and competency as determined by Hibbing Public Utilities.
- Utility Locating Training – must maintain demonstrated proficiency in locating and marking underground utility facilities.
- Demonstrated knowledge and competency in electric, water, gas, and steam/heat metering systems, including single-phase and polyphase electric metering and current and potential transformer systems.
- Knowledge of electrical theory, mathematics, metering principles, testing and calibration procedures, and applicable safety requirements.
- Ability to independently read, install, test, calibrate, troubleshoot, maintain, and repair utility metering equipment.
- Valid Class D Driver's License.
- Ability to communicate professionally, follow written and verbal instructions, accurately document work, and work independently or as part of a crew.
- Ability to obtain and maintain Utility-required training, certifications, and qualifications.

Preferred

- Utility metering, electrical, mechanical, plumbing, construction, maintenance, skilled-trade, or related experience.
- Experience with computerized metering and electronic work-order systems.

Physical Requirements

Regular standing, walking, bending, kneeling, climbing, reaching, and use of hands and arms. Must be able to safely lift, carry, push, and pull meters, tools, materials, and equipment associated with assigned duties; work in confined or restricted spaces and varying indoor and outdoor environments; and wear required PPE.

Safety

Responsible for compliance with applicable OSHA, Utility, and regulatory safety requirements and for the proper use of required PPE, tools, vehicles, and equipment.

Other Duties

This job description is not intended to contain a comprehensive listing of all duties or responsibilities. Other related duties may be assigned based on Utility operational needs and within the employee's qualifications.

Work Hours

Generally, Monday through Friday, 7:00 a.m. to 3:30 p.m., subject to applicable Utility policies, collective bargaining agreements, emergency response requirements, and operational needs.

Hibbing Public Utilities

Position Description

Title: **Meter Technician B & C / Utility Worker**
Classification: Class 10
Department: Meter Shop
Evaluation Points Total: 120
Supervisor: Customer Service Supervisor
Supervisory Responsibility: None

Work Environment

Work is performed in the Meter Shop, utility facilities, customer premises, and outdoor field locations. Work may involve exposure to electric, water, gas, and steam systems; heavy equipment; moving machinery; noise; hazardous materials; confined spaces; vehicle traffic; animals; and varying weather and environmental conditions. Entry into customer homes and properties may be required. Required personal protective equipment (PPE), including FR clothing and footwear, must be worn as applicable.

Overview

The Meter Technician B & C / Utility Worker is a progressive position responsible for utility metering and general Utility operations. Employees collect meter reads, inspect, test, maintain, repair, install, remove, and replace electric, water, gas, and steam/heat metering equipment within their level of training and qualification.

The position also serves as a Utility Worker and may be assigned throughout Hibbing Public Utilities to assist with operations, maintenance, construction, projects, emergencies, and general labor based on operational needs.

Duties

Metering & Field Operations

- Receives assignments and direction from the supervisor, Lead Meter Technician, or other qualified Utility personnel.
- Removes, dismantles, cleans, inspects, adjusts, assembles, tests, repairs, installs, collects and records meter reads, and replaces utility meters and associated equipment within the employee's level of training and qualification.
- Performs work involving water and single-phase electric meters and assists qualified personnel with gas, steam/heat, polyphase electric, and other metering systems.

- Performs or assists with meter testing and calibration in accordance with Utility procedures, manufacturer requirements, and employee qualifications.
- Repairs and replaces meter components and cleans, prepares, and paints meters and related equipment as required.
- Assists with utility service turn-ons, shutoffs, meter changes, water standpipes, meter reading, AMI alarm investigations and resolution, and other service-related field activities as authorized.
- Records meter and service information and maintains accurate electronic work orders and Utility records.

General Utility Operations

- Serves as a Utility Worker and may assist electric, water, gas, steam, facilities, Meter Shop, and other Utility operations as assigned.
- Assists with maintenance, construction, projects, outages, emergencies, and general labor activities throughout Hibbing Public Utilities.
- Assists with and performs utility locating, including identifying, marking, and documentation of underground utility facilities as assigned, and in accordance with established procedures and applicable requirements.
- Performs assignments within the employee's training, demonstrated competencies, qualifications, and applicable safety requirements.

Equipment, Tools & Shop Responsibilities

- Operates meter testing and calibration equipment within the employees' training and qualifications.
- Safely operates authorized Utility vehicles, forklifts, hand and power tools, air compressors, portable steamers, pumps, generators, pipe wrenches, sand blasting equipment, and other equipment associated with assigned duties.
- Uses confined-space monitors, ventilation equipment, computers, electronic work-order systems, and required PPE.
- Maintains work areas, tools, equipment, meters, parts, and materials in a clean, safe, and orderly condition.
- Assists with parts and material inventory and reports items in short supply.

Training and Classification Progression

Meter Technician C – Entry/Training Level

- Participates in structured on-the-job training and cross-training in electric, water, gas, and steam metering and general Utility operations.
- Performs duties under appropriate direction while developing the knowledge, skills, and demonstrated competencies required for the position.
- Successfully completes required safety training, operational training, and competency requirements established by Hibbing Public Utilities.
- Successfully completes required training and demonstrates competency in locating, identifying, marking, and documenting underground utility facilities in accordance with HPU procedures and applicable requirements.

Meter Technician B – Intermediate Level

- Performs routine Meter Technician and Utility Worker duties with greater independence based upon demonstrated knowledge, training, and competency.
- Assists with more complex metering and Utility assignments under appropriate direction.
- Continues required technical, safety, and operational training in preparation for potential advancement within the Meter Technician series.
- Demonstrates proficiency in utility locating procedures, including identification, marking, and documentation of underground utility facilities.

Progression from Meter Technician C to Meter Technician B is subject to successful completion of HPU-established training and competency requirements, satisfactory job performance, and applicable collective bargaining agreement provisions.

Qualifications

Required

- High school diploma or equivalent.
- Valid Class D Driver's License.
- Basic mechanical aptitude and ability to learn and safely operate tools, equipment, vehicles, and Utility systems associated with the position.
- Ability to understand and follow written and verbal instructions and accurately document work performed.

- Ability to communicate professionally with coworkers and customers and work independently or as part of a crew.
- Ability to obtain and maintain Utility-required training and qualifications applicable to assigned duties.

Preferred

- Previous utility, electrical, mechanical, plumbing, construction, maintenance, skilled-trade, or related experience.
- Experience using mechanical, electrical, plumbing, hand, or power tools.
- Basic computer and electronic work-order experience.

Physical Requirements

Regular standing, walking, bending, kneeling, climbing, reaching, and use of hands and arms. Must be able to safely lift, carry, push, and pull meters, tools, materials, and equipment associated with assigned duties; work in confined or restricted spaces and varying indoor and outdoor environments; and wear required PPE.

Safety

Responsible for compliance with applicable OSHA, Utility, and regulatory safety requirements. Employees must properly use required PPE, tools, vehicles, and equipment and report unsafe conditions, damaged equipment, incidents, and injuries.

Other Duties

This job description is not intended to contain a comprehensive listing of all duties or responsibilities required of the position. Other related duties may be assigned based on Utility operational needs and within the employee's training and qualifications.

Work Hours

Generally, Monday through Friday, 7:00 a.m. to 3:30 p.m., subject to applicable Utility policies, collective bargaining agreements, emergency response requirements, and operational needs.



Discussion Item 7

Discussion Item 7 – General Service Work Bids

September 8, 2026

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

RE: Discussion Item 7- General Service Work Bids

Dear Commissioners,

Staff would like to discuss going out for **General Service Work**. Bids will be obtained using RFQ (quotes) or utilizing the State Purchase site to establish qualified contractors and obtaining the lowest, reasonable pricing for routine or as-needed utility work.

Rather than bidding individual smaller projects or service needs as they arise, HPU would solicit competitive quotes for general service work for a defined contract period and scope of work.

Quotes will be used in the fiscal years of 2026 and 2027 for the following services:

- Pipefitter Services
- Millwright Services
- Boilermaker Services
- Directional Boring Services
- Vacuum Services
- Gravel Services
- Water Treatment Services
- Abatement Services
- Water Testing Services
- Restoration Services
- Water Dig Services

Following Commission discussion, staff would like to move forward with obtaining quotes and contracting with the lowest, reasonable vendors.

Thank you for your consideration.

Sincerely,



JMI Hietala

Customer Service Supervisor



Discussion Item 9

Discussion Item 9 – Vac Truck Discussion

September 8, 2026

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

RE: Discussion Item 9 – Vac Truck Discussion

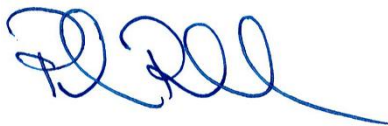
Dear Commissioners,

For your consideration, HPU is looking at the future of our vac truck and its role it has played at the utility. To date our vac truck crew has potholed 186 holes, finding 75 additional lead utility lines. If these 186 holes had been contracted out it would have been a cost of over \$223,000. The vac truck has also been used by all utility departments for projects including setting line poles, locating underground utilities, evacuating water from steam vaults, and cleanup/maintenance projects at the power plant. Our current lease has the utility committed to \$14,500 per month with the end of our payout for the rent to purchase option capping out in month six. Staff have reached out to NBC for what a financing option would look like. The rate would be 7.25%, and monthly payment options would be as follows:

- 5-Year: \$9,604.16
- 6-Year: \$8,281.81
- 7-Year: \$7,342.32

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager



Closed Session

Closed Session - Pursuant to MN ST Sect. 13D.03subdivision 3c

September 8, 2026

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

RE: Closed Session – Pursuant to MN ST Sect. 13D.03subdivision 3c

Dear Commissioners,

Pursuant to MN ST Sect. 13D.03 subdivision 3c the Commission will be going into closed session for consideration of the purchase of real property located at parcel code 141-0040-00060. Staff are recommending entering closed session in alignment with state statute.

Sincerely,



Paul Skubinna
Engineering Manager