Commission Meeting

OCTOBER 13, 2026

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

Commission Meeting Agenda

October 13, 2026

Commissioner J. Bayliss	__	Commissioner J. Sandstede	__
Commissioner J. Hart	__	Commissioner J. Babich	__
Commissioner J. Stokes	__	Legal Counsel A. Borland	__
General Manager L. Folstad	__	Senior Director HR & OD K. Powers	__
Energy & Operations Manager P. Plombon	__	Power Plant Manager D. Edwards	__
Engineering Manager P. Skubinna	__	Financial Controller B. Swart	__
Electric Distribution Manager S. Adams	__	Executive Assistant M. Schoeben	__
CEO MMUA, K. Kos	__	Director of OD & HR, MMUA S. Dau	__

Action Items

1. Approval of Gas Meter Radio Purchase
2. Approval of Invoice for Well 2B Repair
3. Approval of Bid for New Haven Phase 2 Water Main

Discussion Items

1. Beltline Substation Change Order for Lake States to Demolish Old Subs
2. General Service Work Update
3. Strategic Plan Presented by MMUA



Action Item 1

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

Action Item 1 – Gas Meter Radio Purchase

October 13, 2026

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

RE: Action Item 1 - Gas Meter Radio Purchase

Dear Commissioners,

For your consideration, staff is requesting to purchase a variety of gas meter radios for our AMI project from Groebner & Associates, our sole source vendor for gas AMI. We are requesting (144) 500 GM Smart Point Radios, (10) 300 GM Smart Point Radios, and (8) 600 GM Smart Point Radios. The 300GM and 600GM radios are in stock, but the 500GM radios have an 18–20-week lead time. These radios are for our commercial gas meters.

Thank you for your consideration.

Sincerely,

Paul Plombon
Energy & Operations Manager

Quote

GROEBNER
21801 INDUSTRIAL BLVD
ROGERS, MN 55374-9575
800-638-8322
www.groebner.com

Entered Date	Taken By	Sales In	Customer #	Order #
9/23/26	STD	106	242	149631-00
PO #		**Sales Out**	**Expiration Date**	**Page #**
		34	10/23/26	1 of 1

Bill To	Ship To
Hibbing Public Utilities 1902 6TH AVE E HIBBING, MN 55746-2154	Hibbing Public Utilities 1716 5TH AVE E HIBBING, MN 55746

Instructions

Ship Point	Via	Freight Terms	Terms	Ordered By
GROEBNER - MN Division	BEST WAY	Freight Added to Invoice	Net 30 Days	Steve Jesperson

Notes

Line	Product and Description	Order Qty	BO Qty	Qty UM	Unit Price	Price UM	Amount(Net)
1	5399255532100M SMART POINT 300GM 2- WAY NA2G AMERICAN * IN STOCK AT THE MN WAREHOUSE *	10.00	0.0	EA	123.20	EA	1,232.00
2	5399355550000M SMART POINT 500GM SENSUS NA2G VCR INDEX * NOT CURRENTLY IN STOCK WITH GROEBNER, 18-20 WEEK ESTIMATED LEAD TIME FROM THE MANUFACTURER *	144.00	0.0	EA	287.99	EA	41,470.56
3	5399355560000M SMART POINT 600GM NA2G AMERICAN/ELSTER * IN STOCK AT THE MN WAREHOUSE * . * PLUS FREIGHT *	8.00	0.0	EA	287.99	EA	2,303.92

3	**Lines Total**	**Total Order Quantity**	**162.00**	**Subtotal**	**45,006.48**
				Taxes	**0.00**
				Total	**45,006.48**

certified WBENC WOMEN'S BUSINESS ENTERPRISE

Terms and Conditions governing this document can be found at:
www.groebner.com/terms-of-use

HIBBING PUBLIC UTILITIES

Action Item 2

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

Action Item 2 – Well 2B Repair

October 13, 2026

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

RE: Action Item 2 - Well 2B Repair

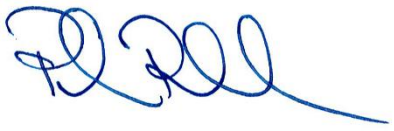
Dear Commissioners,

For your consideration, HPU has received an invoice from Traut Companies for the emergency repair of Well 2B.

Well, 2B had an earth fault in the motor which was believed to have been caused by a lightning strike. The invoice from Traut amounts to $18,210.00 which includes the installation of a new motor. Approximately $12,625.00 is expected to be reimbursed by an MDH grant. Staff is recommending paying the Traut invoice in full.

Thank you for your consideration.

Sincerely,



Paul Plombon
Energy & Operations Manager

INVOICE

Invoice Number: 392270
Invoice Date: September 25, 2026
Job #: I-23059
Job Manager: Joe Traut
Phone: 320-406-2656
Email: joet@trautcompanies.com
Due Date: October 25, 2026

Please Remit Payment To:
Traut Companies
32640 County Road 133
St Joseph MN 56374

Contact:
HIBBING PUBLIC UTILITIES
1902 SIXTH AVE
EAST HIBBING MN 55746
Phone: 2182627700

Bill To:
HIBBING PUBLIC UTILITIES
1902 SIXTH AVE
EAST HIBBING MN 55746
Phone: 2182627700

Work Site:
HIBBING PUBLIC UTILITIES
1902 SIXTH AVE
EAST HIBBING MN 55746
Phone: 2182627700

Service	Unit	Qty	Rate	Total
Mobilization/Demobilization Pump Crew	LS	1	$4,500.00	$4,500.00
Field labor to pull pump	HR	6	$425.00	$2,550.00
Video Logging	EA	1	$2,200.00	$2,200.00
Field labor to reinstall pump	HR	6	$425.00	$2,550.00
Per Diem and Road Expense	Day	1	$475.00	$475.00
Misc Fittings and Supplies	LS	1	$350.00	$350.00
6" - 50hp SME Sub motor460v/3ph/3600rpm	EA	1	$5,585.00	$5,585.00
			Total:	$18,210.00

Thank you for your business,
Joe Traut



HIBBING PUBLIC UTILITIES

Action Item 3

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

Action Item 3 – Construction: (OF0008.2) New Haven Drive Water & Street Lighting Extension – Phase 2

October 13, 2026

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

RE: Action Item 3 – New Haven Drive Housing Development Water Extension and Street Lighting -Phase 2

Dear Commissioners;

Staff requests the Commission to consider bids to construct the New Haven Drive water main extension and loop, and street lighting phase 2.

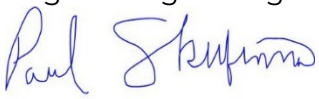
This is the second segment of a strategic system connection between the 18-inch water main under 1st Ave South and the 10-inch water main along 9th Avenue South near the movie theater. The New Haven Drive extension and loop will provide the backbone for future development in the area; as well as enhance water system capacity, and resilience.

This phase includes installation of 426 feet of 12-inch water main, associated fittings valves and hydrant that will replace existing 6-inch water main along New Haven Drive from 6th Ave W to 5th Ave W completing and connecting the 5th/6th Ave W neighborhood loop. This second phase will also provide capacity to serve the new Mahoney Manor affordable housing development scheduled for construction Spring of 2027. The bid also includes three street lighting units and the associated conduit and cabling.

Three bids were received. The lowest responsive bid was from Bougalis Inc. in the amount $348,625.45. That water and street lighting portion of the bid is $151,237.00. This project was bid in conjunction with the City's New Haven Drive – Phase 2 road construction project. HPU will enter into a Cooperative Project Agreement with the City as has been the practice for joint projects. This cost incurred for this project will be funded with funds received from IRRRB.

Staff recommend the Commission approve the bid for water and street lighting components of the project in the amount of $151,237.00 and authorize staff to enter into a Cooperative Project Agreement with City of Hibbing for said amount.

Paul Skubinna
Engineering Manager



BOLTON & MENK
Real People. Real Solutions.

301 E Howard Street
Suite 26
Hibbing, MN 55746

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

VIA EMAIL

October 13, 2026

Hibbing Public Utilities Commission
Paul Skubinna, Engineering Manager
1902 East Sixth Avenue
Hibbing, MN 55746
paul.skubinna@hpuc.com

Re: **New Haven Drive – Phase 2**
HPU OF0008.1
BMI Project No.: 26X.145218.000

Dear Mr. Skubinna,

Bids were received and opened by the City of Hibbing on Tuesday, October 6, 2026, for the above-referenced project. Three (3) bids were received; the result of which is tabulated below:

CONTRACTOR/BIDDER	BASE BID
Bougalis Inc.	$499,862.45
KGM Contractors Inc.	$592,201.05
George Bougalis & Sons Co.	$796,186.63

The low bid for the project was submitted by Bougalis Inc., from Hibbing, Minnesota with a Base Bid amount of **$499,862.45**. This Base Bid amount includes **$151,237.00** for the extension of new watermain, water services, and installation of new street lighting as part of the New Haven Drive – Phase 2 project being led by the City of Hibbing. A detailed **Abstract of Bids** provided by the City of Hibbing is attached for your reference.

Based on past performance on similar projects in previous years, it is our opinion that Bougalis Inc. is qualified to perform the work required under this contract. It is recommended to support the City of Hibbing award of a contract to Bougalis, Inc.

Sincerely,

Bolton & Menk, Inc.

Andrew J. Brotzler, P.E.
Senior Project Manager

Enclosure

Bolton & Menk is an equal opportunity employer.

NEW HAVEN DRIVE - PHASE 2

ITEM NO.	ITEM DESCRIPTION	UNIT	ENGINEERS ESTIMATE			BOUGALIS INC.			GEORGE BOUGALIS & SONS CO.			KGM CONTRACTORS INC.		
			TOTAL ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	TOTAL ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	TOTAL ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST	TOTAL ESTIMATED QUANTITY	UNIT PRICE	TOTAL COST
2021.501	MOBILIZATION	LUMP SUM	2	$ -	$ -	2	$ 11,250.00	$ 22,500.00	2	$ 38,000.00	$ 76,000.00	2	$ 23,500.00	$ 47,000.00
2101.501	CLEARING & GRUBBING	LUMP SUM	1		$ -	1	$ 3,040.00	$ 3,040.00	1	$ 12,500.00	$ 12,500.00	1	$ 7,000.00	$ 7,000.00
2104.502	SALVAGE CASTING	EACH	1	$ -	$ -	1	$ 300.00	$ 300.00	1	$ 600.00	$ 600.00	1	$ 410.00	$ 410.00
2104.502	REMOVE PIPE APRON	EACH	1			1	$ 300.00	$ 300.00	1	$ 1,342.05	$ 1,342.05	1	$ 410.00	$ 410.00
2104.503	REMOVE WATER MAIN	LIN FT	299	$ -	$ -	299	$ 8.00	$ 2,392.00	299	$ 40.00	$ 11,960.00	299	$ 16.00	$ 4,784.00
2106.507	EXCAVATION - COMMON	CU YD	979	$ -	$ -	979	$ 8.00	$ 7,832.00	979	$ 26.00	$ 25,454.00	979	$ 11.50	$ 11,258.50
2106.507	EXCAVATION - MUCK	CU YD	55	$ -	$ -	55	$ 20.00	$ 1,100.00	55	$ 40.00	$ 2,200.00	55	$ 30.00	$ 1,650.00
2106.507	GRANULAR EMBANKMENT (CV)	CU YD	1,813	$ -	$ -	1,813	$ 23.00	$ 41,699.00	1,813	$ 32.00	$ 58,016.00	1,813	$ 29.75	$ 53,936.75
2106.507	SELECT GRANULAR EMBANKMENT MOD 7% (CV)	CU YD	800	$ -	$ -	800	$ 27.00	$ 21,600.00	800	$ 32.00	$ 25,600.00	800	$ 28.60	$ 22,880.00
2106.507	COMMON EMBANKMENT (CV)	CU YD	504	$ -	$ -	504	$ 6.00	$ 3,024.00	504	$ 26.00	$ 13,104.00	504	$ 10.00	$ 5,040.00
2106.601	DEWATERING	LUMP SUM	1	$ -	$ -	1	$ 5,000.00	$ 5,000.00	1	$ 12,000.00	$ 12,000.00	1	$ 3,500.00	$ 3,500.00
2108.504	GEOTEXTILE FABRIC TYPE 9	SQ YD	1,643	$ -	$ -	1,643	$ 5.00	$ 8,215.00	1,643	$ 5.00	$ 8,215.00	1,643	$ 5.35	$ 8,790.05
2211.507	AGGREGATE BASE (CV) CLASS 5	CU YD	397	$ -	$ -	397	$ 40.00	$ 15,880.00	397	$ 48.00	$ 19,056.00	397	$ 44.00	$ 17,468.00
2357.506	BITUMINOUS MATERIAL FOR TACK COAT	GALLON	97	$ -	$ -	97	$ 5.00	$ 485.00	97	$ 5.75	$ 557.75	97	$ 5.40	$ 523.80
2360.509	TYPE SP 9.5 WEARING COURSE MIXTURE (3,C)	TON	198	$ -	$ -	198	$ 104.00	$ 20,592.00	198	$ 120.00	$ 23,760.00	198	$ 133.00	$ 26,334.00
2360.509	TYPE SP 12.5 NON-WEARING COURSE MIXTURE (3,C)	TON	198	$ -	$ -	198	$ 104.00	$ 20,592.00	198	$ 120.00	$ 23,760.00	198	$ 133.00	$ 26,334.00
2451.507	FINE FILTER AGGREGATE MOD (CV)	CU YD	113	$ -	$ -	113	$ 58.00	$ 6,554.00	113	$ 90.00	$ 10,170.00	113	$ 53.00	$ 5,989.00
2451.507	COARSE FILTER AGGREGATE MOD (CV)	CU YD	113	$ -	$ -	113	$ 56.00	$ 6,328.00	113	$ 93.00	$ 10,509.00	113	$ 53.00	$ 5,989.00
2501.502	18" RC PIPE APRON	EACH	4	$ -	$ -	4	$ 1,750.00	$ 7,000.00	4	$ 3,350.00	$ 13,400.00	4	$ 1,500.00	$ 6,000.00
2502.502	4" PRECAST CONCRETE HEADWALL	EACH	1	$ -	$ -	1	$ 1,950.00	$ 1,950.00	1	$ 1,200.00	$ 1,200.00	1	$ 725.00	$ 725.00
2502.503	4" PERF TP PIPE DRAIN	LIN FT	874	$ -	$ -	874	$ 13.00	$ 11,362.00	874	$ 30.00	$ 26,220.00	874	$ 13.50	$ 11,799.00
2502.503	4" PERF TP PIPE DRAIN (MOD)	LIN FT	391	$ -	$ -	391	$ 8.00	$ 3,128.00	391	$ 35.00	$ 13,685.00	391	$ 13.50	$ 5,278.50
2503.503	18" RC PIPE SEWER CLASS III	LIN FT	204	$ -	$ -	204	$ 105.00	$ 21,420.00	204	$ 152.88	$ 31,187.52	204	$ 135.00	$ 27,540.00
2503.602	4" CLEAN-OUT ASSEMBLY	EACH	2	$ -	$ -	2	$ 750.00	$ 1,500.00	2	$ 670.69	$ 1,341.38	2	$ 615.00	$ 1,230.00
2504.602	CONNECT TO EXISTING WATER MAIN	EACH	2	$ -	$ -	2	$ 3,200.00	$ 6,400.00	2	$ 5,052.05	$ 10,104.10	2	$ 4,400.00	$ 8,800.00
2504.602	6" GATE VALVE & BOX	EACH	2	$ -	$ -	2	$ 3,500.00	$ 7,000.00	2	$ 4,548.97	$ 9,097.94	2	$ 4,000.00	$ 8,000.00
2504.602	12" GATE VALVE & BOX	EACH	1	$ -	$ -	1	$ 7,500.00	$ 7,500.00	1	$ 11,826.07	$ 11,826.07	1	$ 11,725.00	$ 11,725.00
2504.602	HYDRANT 10 FT BURY	EACH	1	$ -	$ -	1	$ 9,750.00	$ 9,750.00	1	$ 14,521.13	$ 14,521.13	1	$ 11,500.00	$ 11,500.00
2504.603	6" PVC WATERMAIN	LIN FT	29	$ -	$ -	29	$ 135.00	$ 3,915.00	29	$ 105.86	$ 3,069.94	29	$ 165.00	$ 4,785.00
2504.603	12" PVC WATERMAIN	LIN FT	426	$ -	$ -	426	$ 145.00	$ 61,770.00	426	$ 152.00	$ 64,752.00	426	$ 185.00	$ 78,810.00
2504.608	WATERMAIN FITTINGS	POUNDS	295	$ -	$ -	295	$ 23.00	$ 6,785.00	295	$ 24.00	$ 7,080.00	295	$ 30.00	$ 8,850.00
2506.502	CASTING ASSEMBLY	EACH	4	$ -	$ -	4	$ 1,350.00	$ 5,400.00	4	$ 1,900.00	$ 7,600.00	4	$ 1,600.00	$ 6,400.00
2506.502	INSTALL CASTING	EACH	1	$ -	$ -	1	$ 350.00	$ 350.00	1	$ 611.82	$ 611.82	1	$ 555.00	$ 555.00
2506.503	CONSTRUCT DRAINAGE STRUCTURE DESIGN 48-4020	LIN FT	20.90	$ -	$ -	20.90	$ 800.00	$ 16,720.00	20.90	$ 1,770.00	$ 36,993.00	20.90	$ 870.00	$ 18,183.00
2506.503	RECONSTRUCT DRAINAGE STRUCTURE	LIN FT	5	$ -	$ -	5	$ 950.00	$ 4,750.00	5	$ 2,022.80	$ 10,114.00	5	$ 1,100.00	$ 5,500.00
2506.602	CONNECT INTO EXISTING STORM SEWER	EACH	1	$ -	$ -	1	$ 1,500.00	$ 1,500.00	1	$ 5,552.41	$ 5,552.41	1	$ 1,500.00	$ 1,500.00
2521.518	4" CONCRETE WALK	SQ FT	1,892	$ -	$ -	1,892	$ 11.05	$ 20,906.60	1,892	$ 11.66	$ 22,060.72	1,892	$ 8.95	$ 16,933.40
2521.518	6" CONCRETE WALK	SQ FT	258	$ -	$ -	258	$ 14.25	$ 3,676.50	258	$ 18.63	$ 4,806.54	258	$ 12.00	$ 3,096.00
2521.602	DRILL & GROUT REINF BAR (EPOXY COATED)	EACH	12	$ -	$ -	12	$ 11.05	$ 132.60	12	$ 18.40	$ 220.80	12	$ 75.00	$ 900.00
2531.503	CONCRETE CURB & GUTTER DESIGN S524	LIN FT	62	$ -	$ -	62	$ 47.35	$ 2,935.70	62	$ 41.86	$ 2,595.32	62	$ 50.00	$ 3,100.00
2531.503	CONCRETE CURB & GUTTER DESIGN B624	LIN FT	888	$ -	$ -	888	$ 40.25	$ 35,742.00	888	$ 35.56	$ 31,577.28	888	$ 24.80	$ 22,022.40
2531.504	7" CONCRETE DRIVEWAY PAVEMENT	SQ YD	35	$ -	$ -	35	$ 118.90	$ 4,161.50	35	$ 163.30	$ 5,715.50	35	$ 120.00	$ 4,200.00
2531.618	TRUNCATED DOMES	SQ FT	27	$ -	$ -	27	$ 63.25	$ 1,707.75	27	$ 75.00	$ 2,025.00	27	$ 65.00	$ 1,755.00
2545.502	LIGHTING UNIT TYPE SPECIAL	EACH	3	$ -	$ -	3	$ 6,875.00	$ 20,625.00	3	$ 7,512.57	$ 22,537.71	3	$ 6,930.00	$ 20,790.00
2545.502	LIGHT FOUNDATION DESIGN E MODIFIED	EACH	3	$ -	$ -	3	$ 1,600.00	$ 4,800.00	3	$ 1,749.15	$ 5,247.45	3	$ 1,615.00	$ 4,845.00
2545.503	2" NON-METALLIC CONDUIT	LIN FT	450	$ -	$ -	450	$ 3.95	$ 1,777.50	450	$ 4.29	$ 1,930.50	450	$ 4.00	$ 1,800.00
2550.503	POWER CABLE 3 CONDUCTOR NO.4	LIN FT	450	$ -	$ -	450	$ 5.05	$ 2,272.50	450	$ 5.53	$ 2,488.50	450	$ 5.10	$ 2,295.00
2563.601	TRAFFIC CONTROL	LUMP SUM	1	$ -	$ -	1	$ 1,500.00	$ 1,500.00	1	$ 7,475.00	$ 7,475.00	1	$ 2,100.00	$ 2,100.00
2564.518	SIGN	SQ FT	22.75	$ -	$ -	22.75	$ 95.00	$ 2,161.25	22.75	$ 750.00	$ 17,062.50	22.75	$ 89.00	$ 2,024.75
2573.501	STABILIZED CONSTRUCTION EXIT	LUMP SUM	1	$ -	$ -	1	$ 2,500.00	$ 2,500.00	1	$ 2,500.00	$ 2,500.00	1	$ 1,300.00	$ 1,300.00
2573.501	EROSION CONTROL SUPERVISOR	LUMP SUM	1	$ -	$ -	1	$ 1,750.00	$ 1,750.00	1	$ 5,950.56	$ 5,950.56	1	$ 1,100.00	$ 1,100.00
2573.501	CULVERT END CONTROLS	EACH	2	$ -	$ -	2	$ 225.00	$ 450.00	2	$ 950.00	$ 1,900.00	2	$ 175.00	$ 350.00
2573.502	STORM DRAIN INLET PROTECTION	EACH	6	$ -	$ -	6	$ 200.00	$ 1,200.00	6	$ 450.00	$ 2,700.00	6	$ 175.00	$ 1,050.00
2573.503	SILT FENCE, TYPE HI	LIN FT	1,376	$ -	$ -	1,376	$ 5.00	$ 6,880.00	1,376	$ 6.33	$ 8,710.08	1,376	$ 4.25	$ 5,848.00
2574.507	FILTER TOPSOIL BORROW	CU YD	113	$ -	$ -	113	$ 45.00	$ 5,085.00	113	$ 89.00	$ 10,057.00	113	$ 64.00	$ 7,232.00
2574.505	SUBSOILING	ACRE	0.38	$ -	$ -	0.38	$ 1,750.00	$ 665.00	0.38	$ 3,300.00	$ 1,254.00	0.38	$ 500.00	$ 190.00
2574.505	SOIL BED PREPARATION	ACRE	0.38	$ -	$ -	0.38	$ 500.00	$ 190.00	0.38	$ 1,600.00	$ 608.00	0.38	$ 1,200.00	$ 456.00
2574.507	COMMON TOPSOIL BORROW	CU YD	202	$ -	$ -	202	$ 15.00	$ 3,030.00	202	$ 45.00	$ 9,090.00	202	$ 15.00	$ 3,030.00
2574.508	FERTILIZER TYPE 3	POUND	75	$ -	$ -	75	$ 1.25	$ 93.75	75	$ 4.60	$ 345.00	75	$ 5.00	$ 375.00
2575.504	ROLLED EROSION PREVENTION CATEGORY 20	SQ YD	2,567	$ -	$ -	2,567	$ 2.00	$ 5,134.00	2,567	$ 4.03	$ 10,345.01	2,567	$ 2.30	$ 5,904.10
2575.505	SEEDING	ACRE	0.53	$ -	$ -	0.53	$ 500.00	$ 265.00	0.53	$ 920.00	$ 487.60	0.53	$ 500.00	$ 265.00
2575.523	RAPID STABILIZATION METHOD 3	MGAL	3.18	$ -	$ -	3.18	$ 10.00	$ 31.80	3.18	$ 1,380.00	$ 4,388.40	3.18	$ 10.00	$ 31.80
2575.608	SEED NORTHERN BOULEVARD	POUND	106	$ -	$ -	106	$ 10.00	$ 1,060.00	106	$ 9.20	$ 975.20	106	$ 35.00	$ 3,710.00
2575.608	WET SEED DITCH	POUND	28	$ -	$ -	28	$ 40.00	$ 1,120.00	28	$ 40.25	$ 1,127.00	28	$ 110.00	$ 3,080.00
2582.503	4" SOLID LINE MULTI-COMPONENT GROUND IN (WR)	LIN FT	594	$ -	$ -	594	$ 2.00	$ 1,188.00	594	$ 7.00	$ 4,158.00	594	$ 5.00	$ 2,970.00
2582.503	4" DOUBLE SOLID LINE MULTI-COMPONENT GROUND IN (WR)	LIN FT	297	$ -	$ -	297	$ 4.00	$ 1,188.00	297	$ 9.05	$ 2,687.85	297	$ 10.00	$ 2,970.00
				TOTAL	$ -		TOTAL	$ 499,862.45		TOTAL	$ 796,186.63		TOTAL	$ 592,201.05

HPU Portion	$ 151,237.00
City Portion	$ 348,625.45

HIBBING PUBLIC UTILITIES

Discussion Item 1

HPU HIBBING PUBLIC UTILITIES
1902 E 6TH AVE
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Discussion Item 1 – Beltline Substation Reconstruction Lake States Construction Change Order to Demolish Retired Substations

October 13th, 2026

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

RE: Discussion Item 1 – Beltline Substation Reconstruction Lake States Construction Change Order to Demolish Retired Substations

Dear Commissioners,

Staff would like to inform the Commission that we anticipate bringing a change order request to the October 27th, 2026, Action Session related to our Beltline Substation Reconstruction Project.

As part of the project, the existing Beltline Substations will need to be decommissioned and demolished once the new substation is placed into service. Staff are working through an RFI with Lake States Construction to obtain pricing to potentially incorporate this work into their existing construction contract.

Based on the information available at this time, staff expect the additional work to be less than $100,000.00. The final amount will be presented to the Commission once the contractor's estimate is received and reviewed.

There is a salvage value associated with the existing substation equipment and materials which will contribute towards the project's costs. Staff anticipate that the scrap value recovered from the decommissioned equipment will substantially offset the cost of the demolition work. The final net cost to HPU will therefore depend on both the contractor's demolition price and the proceeds received from salvaging the recoverable metals and materials.

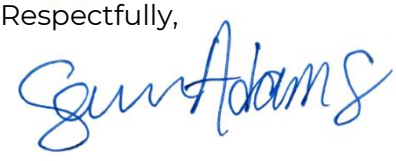
Staff will provide the Commission with supporting documentation and a proposed change order and at the upcoming Action Session and request authorization to proceed at that time.

LSC continues to perform well on the project, and staff is pleased with the progress and coordination to date. We are ahead of schedule and under budget.

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

Thank you for your consideration.

Respectfully,



Samantha Adams | HPU Electrical Manager

HPU HIBBING PUBLIC UTILITIES

Discussion Item 2

HIBBING PUBLIC UTILITIES
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Discussion Item 2 – General Service Work Update

October 13, 2026

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

RE: Discussion Item 2 - General Service Work Update

Dear Commissioners,

Staff would like to provide an update on General Service Work.

Contract Extensions were offered; fiscal years of 2027, for the following services and vendors have agreed to the extension:

- Pipefitter Services
- Millwright Services 24-06 Pipefitter; 24-08 Millwright Service Hecimovich
- Boilermaker Services - 24-09 Stack Brothers
- Restoration Services – 25-05 Dig Prep & Restoral Services: Bougalis
- Water Dig Services – 24-20 Truck/Backhoe Services: Bougalis

The following we will use State Bid as they provide the lowest cost value:

- Gravel Services
- Water Testing Services

Following Commission discussion, staff would like direction of the commission wishes in moving forward.

Thank you for your consideration.

Sincerely,

Jill Hietala

Jill Hietala
Customer Service Supervisor

HIBBING PUBLIC UTILITIES

Discussion Item 3

MMUA | Hometown services. Hometown strengths. Hometown solutions.

October 7, 2026

Hibbing Public Utilities Commission
1902 6th Ave E.
Hibbing, MN 55746

Dear Commissioners:

Thank you for the opportunity to work with the Hibbing Public Utilities (HPU) Commission and staff on the attached draft Strategic Plan for 2026–2031. I appreciate the thought and commitment you have brought to this process and your willingness to consider both the utility's immediate needs and its longer-term role in the community.

The draft opens with the Commission's message to the community and HPU's vision, mission, and values as we discussed in our July planning meeting. It then summarizes the planning process, assumptions, and assessment of strengths, weaknesses, opportunities, and threats. The strategic intent and five pillars organize the objectives, followed by a commitment to ongoing planning, reporting, and accountability.

This document is a draft for your consideration. I urge you to focus on the "big concepts" and whether the plan reflects your intentions in that regard. The document is both for your own future guidance and it will be a means of communicating your intentions to the larger Hibbing community. Whether you approve it as presented or provide feedback so that I can revise it for approval at a future meeting, you can be proud of the work you have done and the intentions you have set to paper.

The strategic plan document is one of the deliverables in our 2026 consulting agreement. We look forward to working with HPU on the remaining deliverable—an annual operating plan with specific deliverables, timelines, and a customized report card template—and providing the related coaching. We would welcome scheduling that work at the earliest date that is convenient for both parties, with the fiscal period determined upon approval of the strategic plan.

Thank you again for your trust in Minnesota Municipal Utilities Association (MMUA). We look forward to helping you put this plan into practice for the people and businesses of Hibbing.

Sincerely,

Karleen Kos

Karleen Kos
Chief Executive Officer

Enclosure: Draft HPU Strategic Plan 2026–2031

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Phone 763-551-1230
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HPU HIBBING PUBLIC UTILITIES

We're the power behind a stronger Hibbing.



STRATEGIC PLAN

2026-2031

Draft

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A MESSAGE FROM

THE COMMISSION

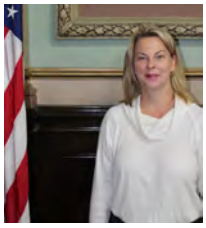
For those of us who call Hibbing home, utility service is personal. It supports our homes, businesses, schools, and the everyday routines we depend on. As your commissioners and neighbors, we take seriously our responsibility to strengthen and care for our community-owned asset. This strategic plan sets a direction for HPU that honors that responsibility while preparing for the changes ahead.

Our commitment is unwavering: dependable service today, responsible investment for tomorrow, and a utility that helps Hibbing thrive.

Hibbing's history gives us much to be proud of, but pride alone will not meet the challenges facing our utility. Aging infrastructure needs reinvestment. Financial performance must improve. Experienced employees are approaching retirement, and energy choices are changing. We also know that many customers have limited room in their household or business budgets for higher utility bills. Our decisions must account for all of these realities.



James Bayliss
Commissioner



Julie Sandstede
Commissioner



Jeff Stokes
Commissioner



Jeff Hart
Commissioner



Jesse Babich
Commissioner

This plan reflects what we heard from customers, employees, business owners, and other stakeholders, along with the Commission's and staff's assessment of HPU's needs. Its five pillars bring our work into focus: reliable and sustainable services, financial strength and affordability, people and organizational excellence, community trust and engagement, and community prosperity and future readiness.

The plan is also a commitment to follow through. Each year, we will translate its objectives into operating priorities supported by a budget. We will review progress, explain decisions, and adjust our approach as conditions change. We intend for you to be able to see what we are working toward and how we are doing.

Our vision is simple: "We're the power behind a stronger Hibbing." Achieving it will require sound judgment, sustained effort, and your continued involvement. Thank you for sharing your perspectives and helping us shape this plan. We look forward to carrying it out together.

The Hibbing Public Utilities Commission





















“I take inspiration from everyone and everything . . . people dedicated to their dream, hard workers, dreamers, believers, achievers.”

- Bob Dylan

BACKGROUND

WHO WE ARE

Hibbing Public Utilities (HPU) is Hibbing's publicly owned and operated utility, providing electricity, natural gas, water, and steam service. Its roots reach back to the incorporation of the Hibbing Light and Water Company in 1894. HPU owns and operates a cogeneration power plant for the citizens of Hibbing, which provides both steam and electricity for distribution to its service area. The Utility also furnishes water and natural gas services to the City of Hibbing proper, Kitzville, and Kelly Lake. HPU's main priority is to provide steady, reliable, utility service at competitive rates to the people and businesses of Hibbing.

A five-member Commission appointed by the Hibbing City Council governs HPU. Commissioners serve three-year terms, oversee projects and programs, and review and approve the utility's budget. HPU's operating budget is nearly $34 million annually.

Our Vision

We're the power behind a stronger Hibbing

Our Mission

We strengthen the Hibbing community by delivering services people can depend on today while building a safe, reliable, and affordable utility system for tomorrow.



Our Values

Safety

We never compromise on safety.

Reliability

Dependable service is our promise.

Stewardship

We invest wisely in community-owned assets.

Integrity

We do what is right, even when it is difficult.

Innovation

We improve through learning, planning, and sound engineering.

Service

We exist to serve our community.

PREPARING FOR THE CHALLENGE

PLANNING PROCESSES

Hibbing Public Utilities (HPU) provides electricity, natural gas, water, and steam services that support daily life and economic activity in our community. Planning for the future of these services requires a shared understanding of community needs and a disciplined approach to setting priorities, investing resources, and preparing the organization for the work ahead.

Our journey to a comprehensive planning process

Our planning process began with an organizational assessment in early 2025. The resulting report, ***Strengthening HPU through Organizational Development***, was presented to the Hibbing Public Utilities Commission in May 2025. It highlighted the Commission's duty to engage in strategic planning and the value of that work in developing alignment among stakeholders.

The purpose of this plan

A comprehensive planning process gives the Commission, leadership, and employees a common framework for decisions and connects the utility's work to the community it serves. Through this plan, we seek to:

- Listen to customers and other stakeholders and use their experiences and expectations to inform our direction;
- Translate our vision, mission, and values into clear priorities for the next five years;
- Guide practical, measurable, and financially feasible annual work plans; and
- Provide a basis for reviewing progress and adjusting our plans as needs and circumstances change.

How the plan was developed

In the fall of 2025, HPU contracted with the Minnesota Municipal Utilities Association (MMUA) to assist with strategic planning beginning in early 2026. At a January 2026 meeting, the Commission adopted the process and timeline for developing the plan.

In the spring of 2026, a stakeholder survey invited participation from anyone in Hibbing, as well as vendors and other interested parties wherever they were located. In addition to questions asked of all participants, business owners, employees, and commissioners answered questions specific to their perspectives. More than 500 of HPU's approximately 8,300 customers responded to the survey, providing a substantial base of customer input alongside feedback from other stakeholders. These responses offered valuable insight into experiences, concerns, and priorities across the community.

In July 2026, the Commission and leadership staff met to review the data and develop key priorities for the next five years. This document brings together the organizational assessment, stakeholder feedback, and the Commission's and leadership team's planning work. It sets a shared direction for strengthening HPU and the community we serve through 2031.

THE CONDITIONS SHAPING OUR PLAN

PLANNING ASSUMPTIONS

These assumptions describe the conditions HPU expects during 2026-2031. They guide our priorities and will be reviewed each year as conditions change.

1 Community strength anchors our work.

Hibbing has a proud history of adapting and rebuilding. HPU has served the community since 1895. We will remain a steady presence by communicating openly, planning responsibly, and making commitments we can keep.

2 Regional uncertainty calls for leadership.

Mining remains important, but Hibbing has many assets. Our plan will not depend on one industry or employer. We will welcome investment and work with businesses to serve growth.

3 Customer growth will be limited.

For planning purposes, we expect an aging population and little or no customer growth. A steady or smaller customer base will share system costs, making careful spending essential.

4 Affordability will shape every decision.

Many households have fixed or limited incomes. We will consider customer bills in major decisions, seek outside funding, and keep rate changes predictable and clearly explained.

5 Infrastructure will require reinvestment.

Aging systems need sustained investment. We will prioritize safety, reliability, and compliance; compare project costs with the costs of delay or inaction; and weigh customer benefits and total cost of service. Materials, construction, and skilled labor costs are expected to rise at least as fast as inflation.

6 Safe drinking water will remain essential.

We will identify and replace lead service lines, including customer-owned portions, aiming to finish well ahead of Minnesota's 2033 goal. The Hib-WATER program (2023-2033) will modernize treatment, storage, and distribution.



CONTINUED

PLANNING ASSUMPTIONS

Our approach balances dependable service today with the people, resources, and partnerships needed for tomorrow.

7 Our energy future will change.

Minnesota's carbon-free electricity standard, fuel markets, and the age of our generating plant will shape electricity and steam service. We will evaluate options carefully and involve customers, especially steam customers, in decisions.

8 Northern weather will test our systems.

Deep frost, severe cold, and storms will stress infrastructure and the people maintaining it. We will build resilience into our systems, planning, and emergency response.

9 Workforce renewal will require a lasting safety commitment.

Retirements will put skills and institutional knowledge at risk. We will invest in training, apprenticeships, and knowledge transfer, while strengthening safety practices for employees working on older systems in demanding conditions.

10 Financial conditions will remain challenging.

Personnel and benefit costs are expected to rise somewhat faster than inflation. We will weigh borrowing costs, funding availability, and prudent reserves as we implement the plan and maintain the skilled workforce HPU needs.

11 Outside funding will matter, but remain uncertain.

Grants and low-interest loans can make major projects affordable. We will keep projects ready to compete for funding without depending on any single award.

12 Partnerships will strengthen our capacity.

We will work with the City of Hibbing, St. Louis County, state agencies, neighboring utilities, MMUA, schools, and local employers to share resources and serve the community well.



Our workforce is changing.

Our commitment to safety endures.

SWOT / INTERNAL CAPABILITIES

OUR STRATEGIC LANDSCAPE

This assessment identifies the capabilities we can build on and the conditions we must address.

STRENGTHS

- Community ownership and local control that keep utility priorities tied to Hibbing's needs
- Skilled, dedicated commissioners and employees with local roots and a personal commitment to serving Hibbing
- Deep knowledge of HPU's history, systems, and operating conditions
- Strong customer service orientation that emphasizes dependable service, responsive assistance, and relationships with customers
- Owned generating facilities supporting local electricity and steam planning
- MISO participation and access to regional electricity markets

WEAKNESSES

- Operating deficits and steam/cogeneration economics that limit reinvestment
- Aging infrastructure that increases maintenance demands and capital investment needs
- Organizational structures that limit effectiveness and the ability to make and implement major strategic decisions
- Limited data analytics that constrain planning, performance monitoring, and informed decisions
- Gaps in trust, public image, communication, and transparency that weaken support for needed changes
- An aging workforce and upcoming retirements that put knowledge and workplace continuity at risk.



Modernizing infrastructure.

Strengthening reliable service.

OUR STRATEGIC LANDSCAPE

These external conditions will shape HPU's choices as we pursue opportunity and manage risk.

OPPORTUNITIES

- Industrial growth and large-load development that could broaden the customer base and support local economic renewal
- New energy options that could improve the long-term reliability, affordability, and sustainability of electricity and steam service
- Solar and emerging technologies that could diversify resources and improve how HPU serves customers
- Grants and external funding that could accelerate priority projects while limiting costs borne by customers
- Infrastructure modernization that could reduce service disruptions, improve efficiency, and prepare HPU for future needs

THREATS

- Population aging and decline that could limit demand growth and leave fewer customers sharing system costs
- Mining-sector uncertainty and an unclear path for broader economic growth that could affect utility demand and investment
- Rising costs and financing challenges that could strain utility finances and increase pressure on customer affordability
- Cybersecurity risks that could disrupt operations, compromise information, and require sustained investment in protection
- Regulatory pressures that could increase compliance costs and constrain service, investment, and energy choices



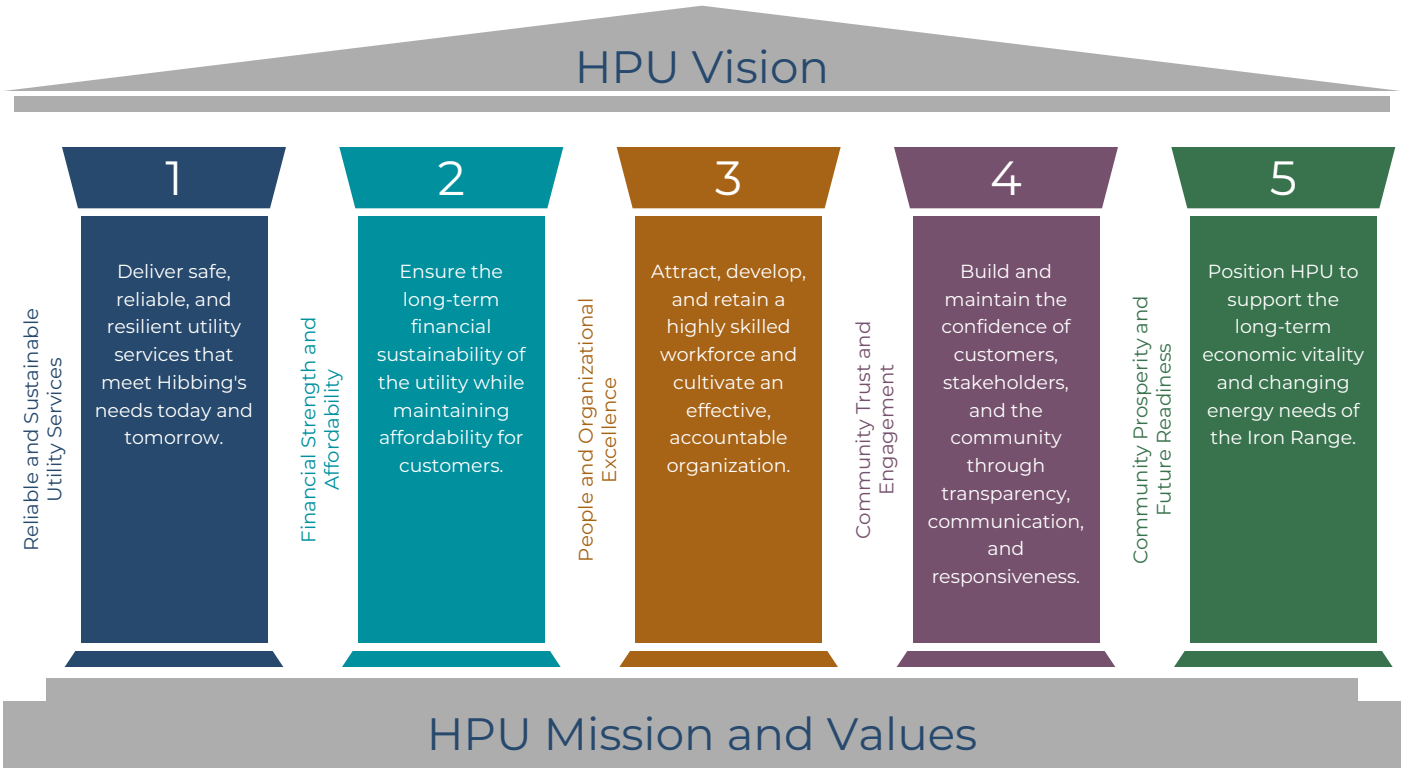
OUR STRATEGIC INTENT

HPU WILL BE A CATALYST OF OPPORTUNITY ROOTED IN HOMETOWN SERVICE

This strategic plan is designed to ensure HPU is behaving in a proactive manner with respect to its present operations and its anticipated future needs. In short, we aspire to strengthen the system as needs evolve and the profile of our service area changes due to shifting demographic patterns in our region, the actions of state and local government, local business decisions, and individual preferences.

Whatever may happen outside of our control, HPU aims to be a catalyst of opportunity on the Iron Range, providing a trusted public utility system that sustains thriving families and a resilient local economy by reliably delivering affordable and sustainable services 24/7/365.

The plan we have developed will move us toward this vision. It is organized around five "pillars" of activity and intended results areas. These, we believe, are essentially timeless and represent the major components of any sound utility operation. They can be depicted as shown in the diagram below.



STRATEGIC PILLARS

Following are HPU's objectives for the next five years. They are aspirational and will be attained through the process of breaking the objectives down into specific, measurable, achievable, relevant, and timely (SMART) goals. These will be documented annually in the utility's operating plan and supported by the approved budget.

1 Reliable and sustainable utility services

HPU recognizes that dependable utility services are essential to daily life and business in Hibbing. Providing safe, reliable, and sustainable electricity, steam, water, and natural gas requires responsible infrastructure investment, emergency preparedness, regulatory compliance, and careful planning for changing energy needs. HPU's Strategic Plan sets the following objectives for the next five years to meet our community's needs today and tomorrow.

1. Conduct a utility-wide infrastructure assessment using national benchmarks and local data to evaluate reliability and remaining useful life.
2. Develop and implement a utility-specific master infrastructure and capital improvement plan.
3. Develop and implement a comprehensive planned maintenance program for each utility service.
4. Review operations, identify and implement efficiencies and process improvements, and standardize procedures accordingly.

2 Financial strength and affordability

HPU manages community-owned assets on behalf of present and future customers. We must strengthen financial performance, provide for reinvestment, and maintain prudent reserves while recognizing the pressure utility bills place on households and businesses. HPU's Strategic Plan sets the following objectives for the next five years to build lasting financial strength and sustain affordable service.

1. Conduct an independent financial assessment of each utility service and update the rate study based on the findings.
2. Adopt a budgeting philosophy and overall strategy to support affordability and infrastructure goals.
   - **(a)** Develop a financial plan for infrastructure maintenance, replacement, and utility solvency.
   - **(b)** Move each utility service toward financial self-support, using separate budgets, financial tracking, and data analytics to assess progress. Provide decision makers with a quarterly financial dashboard.
3. Inform the community in a timely and transparent manner when operational or fiscal issues may affect services or rates.

CONTINUED

STRATEGIC PILLARS

3 People and organizational excellence

HPU's employees and leaders make dependable service possible. As our workforce changes, we will preserve institutional knowledge, develop skills, strengthen safety practices, and ensure our organizational structure supports effective decisions and accountable performance. HPU's Strategic Plan sets the following objectives for the next five years to attract, develop, and retain a capable workforce and strengthen organizational effectiveness.

1. Demonstrate appreciation for employees by providing clear career paths and opportunities for advancement.
2. Engage staff in implementing this plan and draw on their expertise to achieve its objectives.
3. Engage in strategic partnerships with state agencies, regional foundations and boards, trade associations, and others to support workforce recruitment, training, retention, and succession planning.
4. Strengthen HPU's safety culture through ongoing training, employee participation, and consistent practices that support safe work and continuous improvement.

4 Community trust and engagement

Community ownership depends on a relationship of trust between HPU and the people we serve. We will communicate clearly, explain decisions and their effects on customers, listen to concerns, and provide meaningful opportunities for engagement. HPU's Strategic Plan sets the following objectives for the next five years to strengthen transparency, responsiveness, and confidence in our hometown utility.

1. Revise billing statements to separate utility charges from those attributable to services provided by other entities.
2. Communicate frequently with the community and utility customers through channels such as letters, social media, town hall meetings and forums, press releases, surveys, videos, and podcasts to strengthen service, transparency, and engagement.
3. Publish and maintain a service dashboard on the utility website, and proactively communicate changes or issues that may affect customers and stakeholders.

CONTINUED

STRATEGIC PILLARS

5 Community prosperity and future readiness

HPU aims to be a catalyst of opportunity rooted in hometown service. Dependable, affordable utilities can help Hibbing retain businesses, welcome investment, and adapt to changing economic and energy needs. HPU's Strategic Plan sets the following objectives for the next five years to prepare for growth and innovation while protecting the interests of existing customers and supporting a resilient local economy.

1. Engage with local and regional groups to align utility planning with the region's needs.
2. Strengthen HPU's relationships with the City of Hibbing and the Hibbing Economic Development Authority (HEDA) to improve alignment and coordination.
3. Explore potential public-private partnerships and assess their feasibility and alignment with HPU's strategic intent.



OPERATIONAL PLANNING, REPORTING AND **ACCOUNTABILITY**

PLANNING

Each year in quarter three, the HPU Commission and General Manager (GM) will review the organization's SWOT, strategic and operational progress. Over the next month, the strategic plan will be updated. Implications and priorities for operations will then be discussed with the HPU Commission.

Following updated and reaffirmed strategic direction from the Commission, the GM and staff will create an annual operating plan. This plan will include SMART goals based on the operating priorities and strategic intent of the HPU Commission.

The annual budget will be developed to support the successful realization of the operating plan. Each year HPU's Finance Committee will review the budget and provide feedback. The final draft of the operating plan and supporting budget will be referred to the Commission for action at its December meeting.

REPORTING

Quarterly staff reports to the HPU Commission will align with and reference the approved operating plan. Items requiring action by the Commission will be placed on the agenda.

The GM will report to the Commission on progress toward achieving each approved goal/deliverable in a report card prepared in advance of Commission meetings in the months following the end of each quarter (April, July, October, and January).

Timelines and/or other details regarding achievement of the SMART goal(s) will be adjusted as needed when conditions require doing so.

SMART goals will not be fully discarded unless they are being replaced with another tactic that will achieve the strategic objective they support. Commission action is required to alter or eliminate a strategic objective.

STAFF ACCOUNTABILITY

Each year, employees work toward individual performance goals that support HPU's objectives and aid in their own professional development.

Beginning in 2028, annual employee goals will align with the SMART goals in HPU's operating plan, and we will foster an organizational culture that is consistent with HPU's vision, mission, and values as described in the Strategic Plan.

Supervisors and employees share responsibility for providing constructive, ongoing feedback to one another to promote continuous improvement in a manner determined by the GM. Our intent is to ensure that each HPU team member feels fully connected to the organization's strategic path, knows how they uniquely contribute to achieving our goals, and are supported by the entirety of HPU in carrying out their roles.

HPU HIBBING PUBLIC UTILITIES

We're the power behind a stronger Hibbing.



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