

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, JULY 7, 2008 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Consent Agenda
  - A. Minutes of the June 16, 2008, Regular Meeting (#1-13)
  - B. Communications (#83-84)
  - C. Receipts
  - D. Bills and Payroll
- III. Public Forum
  - A. Jim Currie – Mineview Funding (#14)
  - B. Mesabi Bituminous – Jerry Nemanich (#15-22)
- IV. Committee and Staff Reports
  - A. Mayor’s Report
    - 1. Recognize Newlyweds (#23)
    - 2. Labor Management Committee (#24)
  - B. City Administrator’s Report
    - 1. Culture and Tourism Grant (#25)
    - 2. Unity Drive RR Crossing (#26)
    - 3. LEA Brush Taking Information (#27)
  - C. Director of Public Works Report
    - 1. Minnesota Power Electric Service Agreement (#28-46)
    - 2. Street and Highway Lighting Rates (#47-48)
  - D. Sheriff’s Department Report
    - 1. Off Road Vehicle Usage (#49)
  - E. City Engineer’s Report
    - 1. Pay Request Number 1 – Locomotive Fencing (#50-52)
    - 2. Agate Street Storm Sewer Feasibility Study (#53)
    - 3. WWTP Cost Report (#54-59)
  - F. Planning and Zoning Commission
    - 1. Variance – Grahek (#60-61)
  - G. Public Health and Safety Committee
    - 1. Fire Department Brush Rig (#62)
    - 2. Sheriff Department Squad Car (#63)
    - 3. Smoking Ordinance (#64-67)
  - H. Liaison Reports
- V. Unfinished Business
- VI. New Business
  - A. Resolution Number 31-08 Grant Application (#68-69)
  - B. Library Roof (#70-73)
  - C. St. Louis County Water Management Plan (#74-76)
  - D. Community Center Fee Request (#77)
  - E. Gas Line Extension Contract (#78)
  - F. Downtown Park Toilet (#79)
  - G. Mesabi Trail Signage (#80)
  - H. Communications (#83-84)
- VII. Open Discussion on City Business
  - A. Downtown Historic District (#81)
- VIII. Announcements
- IX. Closed Meeting (#82) # Denotes page number in packet
- X. Adjourn \* Inserted in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
JUNE 16, 2008

Mayor Skalko called the City Council meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Rod Flannigan, City Engineer; Sam Aluni, City Attorney; Gary Giroux, City Auditor; and Jill Yarick, Deputy.

It was moved by Skalko and seconded by Prebeg that the consent agenda be approved as follows:

1. Add the following items to the agenda:  
VI. J. Canadian National Railroad Request  
  
Table the following item:  
VI. C. Resolution Number 29-08, Awarding Bids
2. Approve the minutes of the June 2, 2008, City Council meeting as submitted.
3. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
4. To acknowledge the receipts for the period June 1-15, 2008, totaling \$122,999.37, (a list is attached and made a part of these minutes).

The motion carried.

It was moved by Prebeg and seconded by Zupancich to approve the following:

5. To authorize the payments of the bills and payroll for the period June 1-15, 2008, totaling \$885,716.97, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

During the public forum, Gary Fields, representing the Iron Range Community FiberNet made a presentation to the City Council.

At 7:06 p.m., Councilor Roskoski left the meeting.

At 7:08 p.m., Councilor Roskoski returned to the meeting.

The Mayor reported on the following items:

- Mesabi Daily News Article. He thanked Chuck Ramsay from the Mesabi Daily News for the article that he wrote regarding the Mountain Iron Fire Department and how he mentioned the City was looking for more volunteer fire fighters and emergency medical technicians to work in Mountain Iron.
- Planning and Zoning Commission Correspondence. He thanked the Zoning Administrator for preparing and sending the second mass mailing of the building permit requirements to the residents of Mountain Iron. He thanked the Planning and Zoning Commission members and the City Councilors who supported the change.
- Mesabi Daily News Onion. He said that there was an “Onion” in the newspaper that was listing incorrect information with regard to the building permit requirements. He said that the City did not change the requirements for building permits, the City is only following the State guidelines.
- Lake Country Power. The Mayor informed the Council that a ground breaking ceremony was scheduled for Tuesday, June 24<sup>th</sup> at 2:30 p.m. at the building site.
- Wind Energy Dedication. The Mayor advised the Council that he, Barb Fivecoate, and Craig Wainio attended the dedication for the Taconite Ridge Wind Energy Project last June 11<sup>th</sup>.
- Eagle Scout. The Mayor advised the Council that Jonathan Wilkin-Phaneuf had been awarded an Eagle Scout designation.

The City Administrator updated the Council on the following:

- Park Ridge Development. The Planning and Zoning Commission will be reviewing the preliminary plat at the June 23<sup>rd</sup> meeting.
- Mountain Manor Improvement. The plans for Mountain Manor would be submitted shortly. Authorization for the bids should be on the next meeting agenda.

It was moved by Roskoski and seconded by Zupancich to have a “Portable John” located, as in previous years, in the Downtown Park in the Mountain Iron-Buhl School yard. The **motion failed** on the following roll call vote: Zupancich, no; Stanaway, no, Roskoski, yes; Prebeg, no; and Skalko, yes.

Councilor Stanaway questioned why the AmericInn garbage cans were still located on the sidewalk. The City Administrator said that the Foreman had looked into the location of the canisters and the Director of Public Works said that he would follow up on the situation.

During the Sheriff’s Department report, the Mayor publicly thanked Deputy Yarick for the recent arrests that she had made.

The City Auditor reviewed the 2007 City audit with City Council.

It was moved by Roskoski and seconded by Skalko to accept the 2007 City of Mountain Iron audit, as presented, and to have City Staff do their best to implement the stated business practices as suggested by the City Auditor. The motion carried.

The City Attorney updated the Council on the following:

- **Library Roofing Claim.** He advised the Council of the status of the performance bond claim with regard to the roofing. He said that City Staff put together the necessary documents requested for the claim. He said that the City was still holding a retainage on the Project, but there still was about a \$4,000 difference in the expenses.

It was moved by Zupancich and seconded by Roskoski to authorize payment request number one for the City of Mountain Iron 2008 Bituminous Overlay Project to Ulland Brothers in the amount of \$82,706.90. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to authorize payment request number two for the City of Mountain Iron 2007 Bituminous Overlay Project to Ulland Brothers in the amount of \$179,079.99. The motion carried on the following roll call vote: Roskoski, no; Prebeg, yes; Zupancich, yes; Stanaway, yes; and Skalko, yes.

It was moved by Stanaway and seconded by Zupancich to authorize payment request number six for the City of Mountain Iron Unity Addition Phase II Residential Development Project in the amount of \$116,806.76. The motion carried unanimously on a roll call vote.

During the Liaison Reports the following reports were made:

- **Thank you.** Councilor Roskoski publicly thanked Cub Scout Den 126 for cleaning up the Downtown Park and Locomotive Park areas.
- **Personal Committee.** Councilor Prebeg said he had the performance appraisals to distribute to City Staff and the Council Members at the end of the meeting.

It was moved by Skalko and seconded by Prebeg to adopt Ordinance Number 02-08, providing for the salaries of the Mayor and Council Members of the City of Mountain Iron, (a copy is attached and made a part of these minutes). The motion carried on the following roll call vote: Zupancich, yes; Stanaway, yes; Roskoski, no; Prebeg, yes; and Skalko, yes.

It was moved by Zupancich and seconded by Stanaway to adopt Resolution Number 27-08, authorizing the City Administrator to make application to the Iron Range Resources Public Works Infrastructure Grant Program for the Mountain Iron Energy Park, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Zupancich and seconded by Skalko to adopt Resolution Number 28-08, authorizing the City Administrator to make application to the Iron Range Resources Public Works Infrastructure Grant Program for Morgan Park Estates, (a copy is attached and made a part of these minutes). The motion carried with Roskoski voting no.

It was moved by Stanaway and seconded by Zupancich to adopt Resolution Number 30-08, accepting the quote on the improvement of Unity Drive, (a copy is attached and made a part of these minutes). The motion carried on the following roll call vote: Stanaway, yes;

Roskoski, abstain; Prebeg, yes; Zupancich, yes; and Skalko, yes.

It was moved by Skalko and seconded by Stanaway to award the quotes on the library front entry door to Industrial Door Company in the amount of \$8,590.00. The motion carried.

It was moved by Stanaway and seconded by Skalko that the liquor license applications for the period August 1, 2008 through December 31, 2008, be approved and issued to the following individual and business establishment pursuant to the approval, where necessary, of the Liquor Control Commission and pursuant to the payment of all outstanding license fees and utility charges:

Keny J. Adams  
May December Endeavors Inc.  
DBA: Country Kitchen  
5470 Mountain Iron Drive  
Virginia (Mountain Iron), MN 55792

Off-Sale Non-Intoxicating Liquor  
On-Sale Non-Intoxicating Liquor

The motion carried.

It was moved by Roskoski and seconded by Zupancich to approve the hiring of the part-time summer employees at the stated rates of pay, (a list is attached and made a part of these minutes). After some discussion, Roskoski amended the motion to include updates of the list periodically. Zupancich seconded the amendment. The amended motion carried.

It was moved by Roskoski and seconded Zupancich to direct City Staff to work with the Laurentian Energy Authority to find out what can be put in place so large amounts of biomass materials that are available in the City are transported to the facility and burnt. The motion carried.

It was moved by Roskoski and seconded by Skalko to direct City Staff to research whether the City would qualify for a grant and, if appropriate, prepare an application for a grant to the Culture and Tourism Grant Program for the maximum amount of \$10,000 for a canopy over Locomotive 806. The motion carried.

It was moved by Skalko and seconded by Roskoski to direct City Staff to contact Canadian National Railroad and request that they upgrade the surface crossing on Unity Drive in conjunction with the street improvement project. The motion carried.

During the open discussion, Councilor Prebeg asked if the City Administrator had obtain information on the Unity Second Addition lot sale sign. The City Administrator inquired as to the size of the sign.

The Mayor reminded the Council of the Committee-of-the-Whole meeting scheduled for Monday, June 30, 2008 in Kinney.

The Mayor announced that the filings for the Mayor and two Councilor positions would be open from July 1-15, 2008.

At 8:43 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:

*Jill M. Anderson*

Jill M. Anderson, CMC/MMCA  
Municipal Services Secretary

[www.mtniron.com](http://www.mtniron.com)

#### COMMUNICATIONS

1. Culture and Tourism Grants, guidelines.
2. Department of Employment and Economic Development, forwarding their response to the grant application submitted by the City of Mountain Iron for the Contamination Cleanup/Investigation Grant Program.

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	101,071.86
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	170.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	128.74
CAMPGROUND RECEIPTS	FEES	2,255.00
PERMITS	BUILDING	10,658.03
MISCELLANEOUS	BASEBALL/SOFTBALL FEES	630.00
MISCELLANEOUS	ASSESSMENT SEARCHES	30.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	400.00
BUILDING RENTALS	COMMUNITY CENTER	375.00
CD INTEREST	CD INTEREST 101	688.63
CD INTEREST	CD INTEREST 301	1,000.51
METER DEPOSITS	ELECTRIC	2,050.00
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	33.33
MISCELLANEOUS	LIBRARY-COPIES, FINES, MISC.	2,668.58
MISCELLANEOUS	REIMBURSEMENTS	194.46
CD INTEREST	CD INTEREST 378	212.33
CD INTEREST	CD INTEREST 602	50.95
CD INTEREST	CD INTEREST 603	63.69
CD INTEREST	CD INTEREST 604	21.28
PERMITS	VENDOR	200.00
BUILDING RENTALS	SENIOR CENTER	40.00
BUILDING RENTALS	NICHOLS HALL	25.00
LICENSES	LIQUOR	30.00
Summary Totals:		<u>122,999.37</u>

Check Issue Date(s): 06/07/2008 - 06/20/2008

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
06/08	06/13/2008	136530	130011	MOUNTAIN IRON POSTMASTER	602-20200	332.25
06/08	06/20/2008	136531	10058	A T & T MOBILITY	101-20200	536.44
06/08	06/20/2008	136532	10008	AIRGAS NORTH CENTRAL	101-20200	158.00
06/08	06/20/2008	136533	10055	ALTEC INDUSTRIES INC	604-20200	77,370.13
06/08	06/20/2008	136534	8054	AMBER HAUPT	604-20200	310.76
06/08	06/20/2008	136535	130017	AMERICAN BANK	101-20200	1,627.21
06/08	06/20/2008	136536	10021	ARROWHEAD LIBRARY SYSTEM	101-20200	977.23
06/08	06/20/2008	136537	20009	BARBER GRAPHICS	101-20200	2,179.70
06/08	06/20/2008	136538	8058	BILL HEISEL	604-20200	93.59
06/08	06/20/2008	136539	8055	CARRIE E ANDRESEN	604-20200	185.04
06/08	06/20/2008	136540	8057	CATHY AVERY	604-20200	281.02
06/08	06/20/2008	136541	8049	CHARLENE PASCHKE	101-20200	100.00
06/08	06/20/2008	136542	8052	CHRIS SWEDZINSKI	101-20200	200.00
06/08	06/20/2008	136543	220003	CITY OF VIRGINIA	101-20200	341.54
06/08	06/20/2008	136544	30053	CONSOLIDATED TRADING COMPANY	604-20200	1,200.82
06/08	06/20/2008	136545	30073	CONTINENTAL RESEARCH CORP	101-20200	328.41
06/08	06/20/2008	136546	30072	CW TECHNOLOGY	301-20200	1,924.00
06/08	06/20/2008	136547	40005	DM&IR - CN - ACCOUNTS PAYABLE	602-20200	113.05
06/08	06/20/2008	136548	40030	DULUTH CLINIC	101-20200	40.00
06/08	06/20/2008	136549	500012	ERA LABORATORIES INC	601-20200	525.50
06/08	06/20/2008	136550	80026	FASTENAL COMPANY	101-20200	313.75
06/08	06/20/2008	136551	80029	FERGUSON ENTERPRISES INC	101-20200	1,422.61
06/08	06/20/2008	136552	60003	FIVE SEASONS SPORTS CENTER	301-20200	15,072.65
06/08	06/20/2008	136553	60038	FLEET SERVICES	101-20200	9,384.55
06/08	06/20/2008	136554	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
06/08	06/20/2008	136555	80001	HILLYARD/HUTCHINSON	101-20200	1,221.93
06/08	06/20/2008	136556	80010	HOMETOWN ELECTRIC	101-20200	343.66
06/08	06/20/2008	136557	80030	HULTGREN, CRAIG	101-20200	29.04
06/08	06/20/2008	136558	90009	IRON OAKES FENCING	602-20200	2,741.00
06/08	06/20/2008	136559	8043	JIM ROMSAAS	101-20200	50.00
06/08	06/20/2008	136560	8041	JOE PREBEG	101-20200	200.00
06/08	06/20/2008	136561	8047	JOYCE PLUSKWK	101-20200	100.00
06/08	06/20/2008	136562	8042	JULIE PHANEUF-HILL	101-20200	100.00
06/08	06/20/2008	136563	8059	KEVIN BROWN	604-20200	139.13
06/08	06/20/2008	136564	8044	KRISTINE MAROLT	101-20200	100.00
06/08	06/20/2008	136565	8083	KURT WUOLLET	101-20200	102.84
06/08	06/20/2008	136566	120006	L & M SUPPLY	101-20200	997.82
06/08	06/20/2008	136567	120016	LANYK ELECTRIC	301-20200	14,445.57
06/08	06/20/2008	136568	120035	LENCI ENTERPRISES INC	101-20200	1,210.00
06/08	06/20/2008	136569	8040	LORI JUDNICK	101-20200	100.00
06/08	06/20/2008	136570	8046	MABLE AROLA	101-20200	50.00
06/08	06/20/2008	136571	8058	MARION MEGELT	604-20200	288.70
06/08	06/20/2008	136572	8060	MARLEEN VANANDA	101-20200	186.62
06/08	06/20/2008	136573	8062	MARNIE DEKUM	101-20200	40.00
06/08	06/20/2008	136574	130045	MCFOA TREASURER	101-20200	35.00
06/08	06/20/2008	136575	130004	MESABI DAILY NEWS	101-20200	1,370.63
06/08	06/20/2008	136576	40016	MICHAEL DOWNS	604-20200	37.27
06/08	06/20/2008	136577	130133	MIDWEST PLAYSCAPES INC	101-20200	2,370.80
06/08	06/20/2008	136578	130040	MIDWEST SPORTSWEAR	101-20200	288.98
06/08	06/20/2008	136579	130044	MINNESOTA DEPT OF HEALTH	601-20200	1,497.00
06/08	06/20/2008	136580	130009	MINNESOTA POWER	604-20200	56,778.93
06/08	06/20/2008	136581	130079	MN ASSOCIATION OF SMALL CITIES	101-20200	1,479.35
06/08	06/20/2008	136582	120007	MOTION INDUSTRIES INC	101-20200	21.08
06/08	06/20/2008	136583	130015	MOUNTAIN IRON PUBLIC UTILITIES	101-20200	11,982.86
06/08	06/20/2008	136584	130128	MTI DISTRIBUTING	101-20200	1,298.03
06/08	06/20/2008	136585	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	41,161.70
06/08	06/20/2008	136586	140043	NORTHERN 2-WAY SERVICE LLC	101-20200	120.00

M = Manual Check, V = Void Check



Check Issue Date(s): 06/07/2008 - 06/20/2008

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
06/08	06/20/2008	136587	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	224.90
06/08	06/20/2008	136588	140056	NORTHLAND TRUST SERVICES INC	376-20200	84,743.00
06/08	06/20/2008	136589	150014	ONE CALL CONCEPTS INC	604-20200	108.75
06/08	06/20/2008	136590	160034	PARADE FLOAT	101-20200	50.00
06/08	06/20/2008	136591	160035	PARADE FLOAT	101-20200	25.00
06/08	06/20/2008	136592	160033	PARADE FLOATS	101-20200	75.00
06/08	06/20/2008	136593	160002	PETTY CASH FUND	101-20200	28.54
06/08	06/20/2008	136594	160058	PIONEER	101-20200	480.00
06/08	06/20/2008	136595	160038	PITNEY BOWES	603-20200	293.60
06/08	06/20/2008	136596	160042	POLK CITY DIRECTORIES	101-20200	325.00
06/08	06/20/2008	136597	160019	POPULAR SUBSCRIPTION SERVICE	101-20200	1,538.60
06/08	06/20/2008	136598	160032	PORTABLE JOHN	101-20200	816.15
06/08	06/20/2008	136599	170005	QUALITY FLOW SYSTEMS INC	101-20200	3,845.66
06/08	06/20/2008	136600	170007	QUILL CORPORATION	101-20200	111.28
06/08	06/20/2008	136601	170001	QWEST	101-20200	571.94
06/08	06/20/2008	136602	8045	RACHELLE RUBOW	101-20200	100.00
06/08	06/20/2008	136603	6053	RANDY MAKI	601-20200	48.38
06/08	06/20/2008	136604	180045	RESERVE ACCOUNT	602-20200	500.00
06/08	06/20/2008	136605	6004	RHONDA RASK	101-20200	50.00
06/08	06/20/2008	136606	190045	SERVICE SOLUTIONS	101-20200	335.58
06/08	06/20/2008	136607	6061	SHIRLEY TEKAUTZ	101-20200	102.84
06/08	06/20/2008	136608	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	35,833.00
06/08	06/20/2008	136609	1244	ST LOUIS COUNTY SOCIAL SRV	604-20200	74.74
06/08	06/20/2008	136610	6051	STEVE CHRISTOFFERSEN	101-20200	100.00
06/08	06/20/2008	136611	200026	TERRA FERMA DEVELOPMENT	101-20200	306.72
06/08	06/20/2008	136612	200042	TERRY KNUT/DJ SERVICES	101-20200	300.00
06/08	06/20/2008	136613	200020	THE TRENTI LAW FIRM	101-20200	3,758.89
06/08	06/20/2008	136614	6048	TOM OR STEPHANIE NIKOLANCI	101-20200	100.00
06/08	06/20/2008	136615	6050	TRACY KENYON	101-20200	100.00
06/08	06/20/2008	136616	210010	ULLAND BROTHERS INC	104-20200	261,786.89
06/08	06/20/2008	136617	210001	UNITED ELECTRIC COMPANY	101-20200	1,069.17
06/08	06/20/2008	136618	210006	UTILITY SYSTEMS OF AMERICA INC	301-20200	116,806.76
06/08	06/20/2008	136619	220009	VERNS GREENHOUSE	101-20200	1,190.75
06/08	06/20/2008	136620	220020	VISA OR AMERICAN BANK CC PMT	603-20200	6,351.80
06/08	06/20/2008	136621	230001	WALKER GIROUX AND HAHNE LTD	604-20200	25,800.00
06/08	06/20/2008	136622	230026	WISCONSIN ENERGY CONSERVATION	604-20200	200.20

Totals:

804,255.13

Payroll-PP Ending 6/13/08	63,055.09
Sales-Electronic Trans. 6/20/08	10,340.87
Electronic Trans. 6/26/08	8,065.88
<b>TOTAL EXPENDITURES</b>	<b><u>\$885,716.97</u></b>



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7523 • WWW.MTIRON.COM  
8590 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## ORDINANCE NUMBER 02-08

### PROVIDING FOR THE SALARIES OF THE MAYOR AND COUNCILMEMBERS OF THE CITY OF MOUNTAIN IRON

THE CITY COUNCIL OF MOUNTAIN IRON ORDAINS:

**SECTION 1. MAYOR.** The salary of the Mayor of the City of Mountain Iron shall be the sum of \$4,800.00 per year.

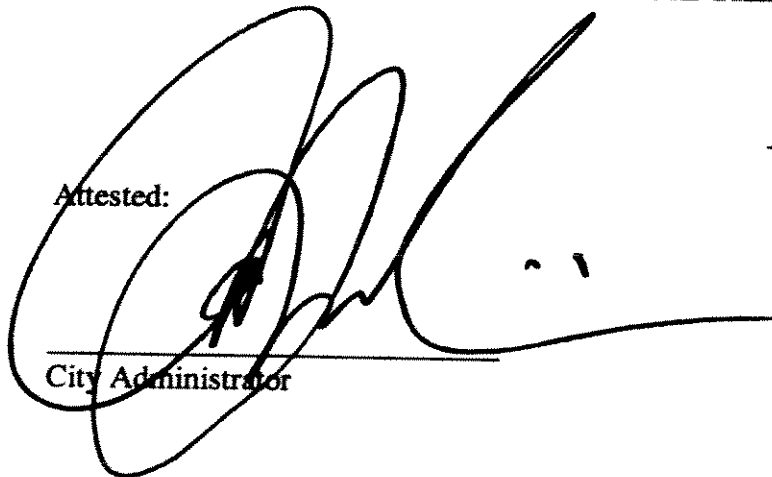
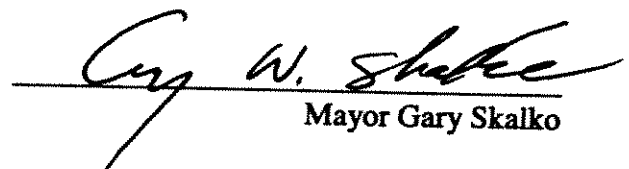
**SECTION 2. COUNCILMEMBERS.** The salary of each Councilmember of the City of Mountain Iron shall be the sum of \$3,900.00 per year.

**SECTION 3. REPEAL OF INCONSISTENT ORDINANCE.** All Ordinances inconsistent herewith are hereby repealed and replaced with the provisions of this Ordinance.

**SECTION 4. EFFECTIVE DATE.** The salaries established hereby are to be effective on January 2, 2009.

DULY ADOPTED BY THE CITY COUNCIL THIS 16<sup>th</sup> DAY OF JUNE, 2008.

Attested:

  
\_\_\_\_\_  
City Administrator  
\_\_\_\_\_  
Mayor Gary Skalko



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7523 • www.mtiron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8268

CITY OF MOUNTAIN IRON, MINNESOTA

RESOLUTION NUMBER 27-08

STATE OF MINNESOTA        )  
COUNTY OF SAINT LOUIS    )  
CITY OF MOUNTAIN IRON     )

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO MAKE APPLICATION TO THE IRON RANGE RESOURCES PUBLIC WORKS (09) INFRASTRUCTURE GRANT PROGRAM FOR THE MOUNTAIN IRON ENERGY PARK**

**WHEREAS** the City Council approves of the above application because it supports community and economic development.

**NOW THEREFORE BE IT RESOLVED** that the City Council of Mountain Iron, Minnesota does hereby adopt this resolution.

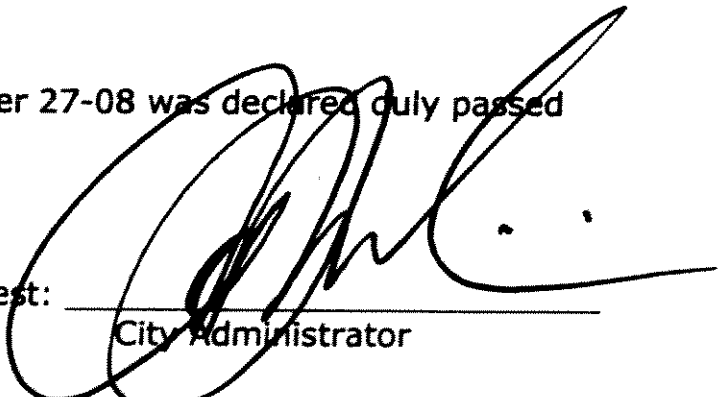
Upon vote taken thereon, the following voted:

For:

Against:

Whereupon said Resolution Number 27-08 was declared duly passed and adopted this 16<sup>th</sup> day of June 2008.

  
\_\_\_\_\_  
Mayor

Attest:   
\_\_\_\_\_  
City Administrator



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7578 • FAX: 218-748-7573 • WWW.MTIRON.COM

8588 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

CITY OF MOUNTAIN IRON, MINNESOTA

RESOLUTION NUMBER 28-08

STATE OF MINNESOTA        )  
COUNTY OF SAINT LOUIS    )  
CITY OF MOUNTAIN IRON     )

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO MAKE APPLICATION TO THE IRON RANGE RESOURCES PUBLIC WORKS (09) INFRASTRUCTURE GRANT PROGRAM FOR MORGAN PARK ESTATES**

**WHEREAS** the City Council approves of the above application because it supports community and economic development.

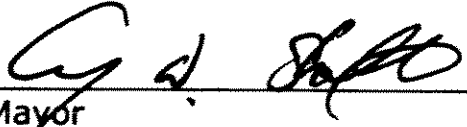
**NOW THEREFORE BE IT RESOLVED** that the City Council of Mountain Iron, Minnesota does hereby adopt this resolution.

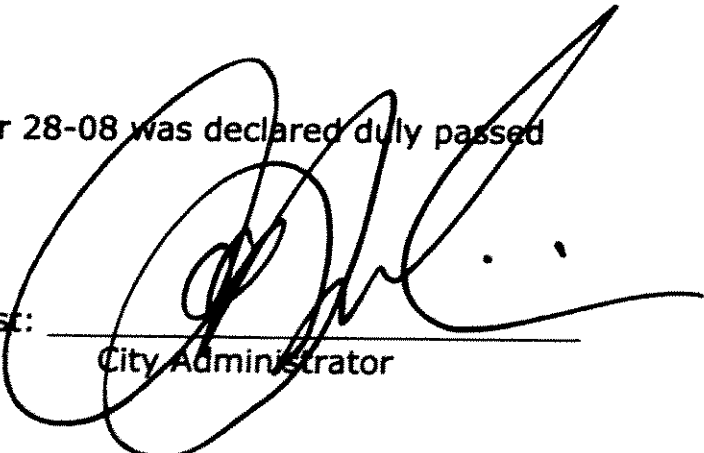
Upon vote taken thereon, the following voted:

For:

Against:

Whereupon said Resolution Number 28-08 was declared duly passed and adopted this 16<sup>th</sup> day of June 2008.

  
\_\_\_\_\_  
Mayor

Attest:   
\_\_\_\_\_  
City Administrator



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-746-2578 FAX: 218-746-2573 • WWW.MOUNTAINIRON.MN.GOV  
8505 INTERSTATE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 30-08

### ACCEPTING QUOTE

**WHEREAS**, pursuant to an advertisement for bids for the improvement of Unity Drive between the Northwest corner of Section 14 to approximately 250 feet east of the Northwest corner of Section 14, T58M, R18W by construction, quotes were received, opened and tabulated according to law, and the following quotes were received complying with the advertisement:

Mesabi Bituminous	\$4,875.00
USA	\$6,391.00
Bougalis Construction	\$7,299.00
C&C Winger	\$9,695.00

**AND WHEREAS**, it appears that Mesabi Bituminous of Gilbert, Minnesota is the lowest responsible quote.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA:**

1. The Mayor and City Administrator are hereby authorized and directed to enter into the attached contract with Mesabi Bituminous of Gilbert, Minnesota in the name of the City of Mountain Iron for the improvement of Unity Drive between the Northwest corner of Section 14 to approximately 250 feet east of the Northwest corner of Section 14, T58M, R18W by construction, according to the plans and specifications therefore approved by the City Council and on file in the Office of the City Administrator.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their quotes, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

**DULY ADOPTED BY THE CITY COUNCIL THIS 16<sup>th</sup> DAY OF JUNE, 2008.**

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Mayor Gary Skalko

2008 Public Works/Public Utilities Seasonal Workers

5017	John Bekkala	\$8.25/Hr.
5018	Rebecca Cerkvenik	\$8.00/Hr.
5015	Donald Kleinschmidt III	\$8.00/Hr. (done 5/23/08)
5019	Kyle Lawrence	\$8.00/Hr.
5020	Casey Mattila	\$8.00/Hr.
5021	Andy Nikolanci	\$8.00/Hr.
5022	David Niska	\$8.00/Hr.
5023	Jonathan Niska	\$8.25/Hr.
5024	Eric Rosier	\$8.25/Hr.
5016	Chelsea Trucano	\$8.25/Hr.

2008 Recreation Dept. Workers

5007	Anna Jordan	\$8.00/Hr.	Assistant T-Ball Coach
5025	Chelsea Rubow	\$8.00/Hr.	Assistant T-Ball Coach
5026	Brittany Rask	\$8.25/Hr.	Assistant Ponies Coach
5027	Daniel Miller	\$8.00/Hr.	Assistant Majors Coach
5028	Chris Bisping	\$8.00/Hr.	Lifeguard
5029	Lane Lundstrom	\$8.25/Hr.	Lifeguard
5030	Zachary Lundstrom	\$8.00/Hr.	Lifeguard
5040	Keaton Romsaas	\$8.25/Hr.	Lifeguard (substitute)
5031	Michael Thompson	\$8.25/Hr.	Lifeguard (quit 6/17/08)
5039	Samuel Tuthill	\$8.25/Hr.	Lifeguard
5032	Samantha-Jo Lakosky	\$1000/Season	Adult T-Ball Coach
5033	Joseph Bissonette	\$1000/Season	Adult T-Ball Coach
4015	Terry Niska	\$1000/Season	Adult Ponies Coach
5034	Brian Wilson	\$500/Season	Adult Minors Coach
5035	Michael Erickson	\$500/Season	Adult Minors Coach
5036	Jason Gellerstedt	\$1000/Season	Adult Majors Coach
5037	Jim Bialczak	\$35/Game	Umpire
4015	Terry Niska	\$25/Game	Umpire
5010	Garrett Niska	\$25/Game	Umpire
5041	Stephen Golobich	\$25/Game	Umpire

2008 Library Worker

5038	Jill Papin	\$8.00/Hr.	Library Aide
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*Virginia, Eveleth, Mt. Iron, Gilbert and surrounding business communities*

**403 First Street North  
Virginia, MN 55792  
(218) 741-2717 (218) 749-4913 Fax**

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May 22, 2008

Mr. Gary Skalko  
Mayor  
City of Mt. Iron  
8586 Enterprise Drive South  
Mt. Iron, MN 55768

Dear Mayor Skalko:

The Board of Directors of the Laurentian Chamber of Commerce has requested that I inquire about a financial contribution toward the operation of Mineview in the Sky Visitor's Center. We have not requested any assistance from the City for several years.

As you may know, Mineview promotes the entire Quad cities area to over 12,000 visitors from across the United States and other countries during the summer months of May through September. These visitors have a direct financial impact within our communities. We have always supported our Mineview employees with cost of living increases, and have also invested in new billboards, directional signs and promotional materials to bring more visibility to the Center and our communities.

We are respectfully asking the city councils of all four Quad cities to consider contributing in part to \$5,000.00 in operating expenses for the 2008 season at Mineview. This will assist us in continued promotional efforts at Mineview to generate further awareness of our region and all it has to offer for those visitors during our summer season.

Please feel free to call me if you have any questions. Thank you for your consideration.

Sincerely,

Jim Currie  
President



CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING  
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261  
Mt. Iron, MN 55768-0261  
tel: 218-735-8914 • fax: 218-735-8923  
email: info@bm-eng.com

June 20, 2008

Mr. Craig Wainio, City Administrator  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

Re: Unity Addition Phase II -- Residential Development  
Project No. MI07-1

Dear Mr. Wainio

Attached, please find a request from the paving subcontractor for a bituminous price increase for the above referenced project. Please note this request is for the material price increase in bituminous oil and is not for any fuel escalation.

The original contract has no provisions for any materials price adjustments, however, the paving subcontractor provided the enclosed draft specification related to a bituminous price adjustment. The price adjustment is based upon a calculation using the Base Price (BP) for the month the bids were opened, and an Adjusted Price (AP) for the month the bituminous is placed on the project. The prices used for the calculation come from a four city average price for PG-58 asphalt binder as published by the Engineering News Record (ENR).

For this particular project, it was bid in the month of July 2007, and the ENR four city average price was \$342.50 per ton. The current approximate price for bituminous is \$600.00 per ton. Based upon the project estimated quantities, estimated mixture design percentages, below is the approximate price adjustment for the project:

$$PA = [(AP-BP)-(BP*.10)] * (AO*PMB) \quad \{\text{Refer to attached for nomenclature}\}$$

$$PA = [(600-342.5)-(342.5*.10)] * (0.058*3935) = \$50,952$$

$$PA = \$50,952 / 3935 \text{ Tons} = \$13 \text{ per Ton increase}$$

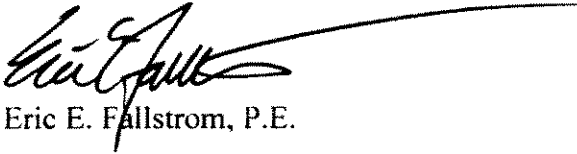


The curb & gutter has been installed and the roadway fine grading has been completed onsite. At this stage the project is ready for bituminous paving. After you have had a chance to review this information, I would suggest sitting down early next week to discuss with Mesabi Bituminous.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,

**Benchmark Engineering, Inc.**

A handwritten signature in black ink, appearing to read "Eric E. Fallstrom", with a long horizontal line extending to the right from the end of the signature.

Eric E. Fallstrom, P.E.

Enclosures

Pc: Mr. Don Kleinschmidt, City of Mountain Iron  
Mr. Jerry Nemanich, Mesabi Bituminous, Inc.

# FAX



**From the desk of Jim Pucel**

**Utility Systems of America, Inc.  
P.O. Box 706  
1280 Industrial Park Drive  
Eveleth, MN 55734-0706**

**Phone: 218-744-4342  
Mobile: 218-750-6641  
Fax: 218-744-5491**

**E-Mail Address [usainc@mchsi.com](mailto:usainc@mchsi.com)**

**TO: Benchmark  
Attn: Eric**

**Pages 6 Including Cover Sheet**

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**DATE: 6/17/08**

**Re: Bituminous Price Increases**

**MESABI BITUMINOUS, INC.**  
**P. O. BOX 728**  
**GILBERT, MN 55741**  
**PHONE 218-741-8291, FAX 218-741-0763**

**FACSIMILE COVER PAGE**

**DATE: June 16, 2008**

**COMPANY: Utility Systems of America, Inc.**

**FAX NO. (218) 744-<sup>5491</sup>~~8291~~**

**ATTN: Dan Lamma**

**FROM: Mesabi Bituminous, Inc**

**NO. OF PAGES TO FOLLOW: 4**

**MESABI BITUMINOUS, INC.  
P. O. BOX 728  
GILBERT, MN 55741  
PHONE 218-741-8291, FAX 218-749-0765**

*June 16, 2008*

*USA*

*Attn: Dan Luppia  
P.O. Box 706  
Eveleth, MN 55734*

*Re: Unity Addition & City of Hibbing*

*Dan,*

*As you are aware, asphalt prices have escalated to almost 100% of what they were when this project was bid. MNDOT has a formula to allow for the huge swings in the asphalt industry.*

*As published in the Engineering News report, they take the average price for 5-28 oil in four major Cities the month it is placed, minus the Benchmark cost for the month it was bid (BP). If they differ by 10% more or 10% less, the price is adjusted.*

*We are asking that your project engineer review this request. We are currently paying \$615.00 at Murphy Oil. I have enclosed the information I have, however I do not have the 2008 Engineering Price Index. Please let me know if I can be of further assistance in providing any additional information.*

*Sincerely,*

*Jerry Melanick*  
**Jerry Melanick**

*These provisions are to only be used on multi-year contracts, with Milestones proving that will take place more than 6 months beyond the loading date. Projects should have greater than 5000 tons of Milestones.*

**S-1 PRICE ADJUSTMENT FOR ASPHALT UNDER MATERIALS**

*This provision will only apply to asphalt binder materials used in the production of the plant mixed bituminous items. No other asphalt materials are covered by this Special Provision.*

**S-1.1** Price adjustments will not be made for any work performed during the first 180 days after the bid opening.

**S-1.2** Price adjustments will not be made for work that was delayed due to available delays as described in Mn/DOT 1006.

**S-1.3** Mn/DOT will use a 4 City average price for PG-58 from the Engineering News-Record for the cities of Detroit, St. Louis, Kansas City, and Minneapolis, as a basis of any price adjustment. The Benchmark Price (BP) will be the published Price for the month bids are opened. The Adjusted Price (AP) will be the published price for the month that the Milestones is placed on the Project.

**S-1.4** Price adjustments will be made when, and only when, the Benchmark Price and Adjusted Price differ by 10.00 % or more. (AP/BP > 1.10, or AP/BP < 0.90)

**S-1.5** Price Adjustment will be computed as follows:

- (1) The Engineer will document the quantity of Milestones placed each month.
- (2) The Engineer will determine the total quantity, in tons, of new asphalt binder (Q) used in that month from the following formula:

$$AO = TO - RAP * 0.04$$

$$Q = AO * PMS$$

Where:

- AO = Percentage of new asphalt binder (AM) Qty.
- TO = Percentage of Total Oil as shown on the Test Summary Sheet
- RAP = Percentage of Recycled Asphalt Pavement (RAP)
- Recycled Asphalt Pavement is considered to have an asphalt binder content of 6%.
- Q = Quantity (in tons) of new asphalt binder
- PMS = Quantity of Plant Mixed Bituminous in tons. (Square yard quantities will be converted to tons by multiplying the quantity in square yards by .8243\*Thickness).

- (3) The Engineer will determine the Asphalt Binder Price Adjustment (PA) from the following formula:

If the price goes up (paymore)

$$PA = (AP - BP) - (BP * 0.10) * Q$$

If the Price goes down (credit)

$$PA = (BP - AP) - (BP * 0.10) * Q$$

Where:

UCI-04-2007 09:47  
OCT-04-2007 09:19

WSB & ASSOCIATES  
DOT ESTIMATING

7635411700 P.01/02  
661 366 4877 P.01/02

- Q - Quantity (in tons) of asphalt binder
- BP - Benchmark Price (published cost the month of listing) (\$ per ton of asphalt binder)
- AP - Adjusted Price (published cost the month the plant started bituminous is placed on the project) (\$ per ton of asphalt binder)
- PA - Price adjustment

5-1.6 Adjustments will be made on the partial estimate following the placement of bituminous. No markups will be applied to these price adjustments. Any Contractor receiving an adjustment under this Special Provision shall distribute the proper proportional part of such adjustment to subcontractors who perform applicable work.

UL-04-2007 09:15  
OCT-04-2007 09:15

W&H ASSOCIATES  
TOT ESTIMATING

7635411700  
651 366 4677

P.02/02  
P.02/02

# PG 58 AC Price Index from ENR

Date	28 City Avg. Price Index	"M" Minneapolis Price Index	"D" Detroit Price Index	"K" Kansas City Price Index	"S" St. Louis Price Index	4 City Average M,D,K,S Price Index
Jan-04	166.79	140.00	138.00	185.00	150.00	162.50
Feb-04	166.72	150.00	140.00	185.00	180.00	166.25
Mar-04	168.76	150.00	140.00	185.00	180.00	163.75
Apr-04	167.43	150.00	140.00	185.00	180.00	163.75
May-04	171.98	160.00	150.00	185.00	180.00	168.75
Jun-04	173.46	160.00	150.00	190.00	180.00	170.00
Jul-04	182.13	170.00	160.00	190.00	180.00	175.00
Aug-04	182.98	170.00	160.00	190.00	180.00	175.00
Sep-04	186.86	180.00	160.00	190.00	180.00	175.00
Oct-04	186.43	180.00	175.00	195.00	180.00	177.50
Nov-04	186.71	180.00	175.00	195.00	180.00	182.50
Dec-04	187.72	180.00	175.00	195.00	180.00	182.50
Jan-05	187.91	180.00	175.00	195.00	180.00	182.50
Feb-05	188.68	180.00	175.00	195.00	180.00	182.50
Mar-05	187.58	180.00	175.00	195.00	195.00	186.25
Apr-05	188.86	180.00	175.00	195.00	195.00	183.75
May-05	189.01	180.00	175.00	195.00	195.00	183.75
Jun-05	190.34	180.00	175.00	195.00	195.00	183.75
Jul-05	190.48	180.00	175.00	195.00	195.00	183.75
Aug-05	193.82	180.00	185.00	195.00	195.00	181.25
Sep-05	187.27	175.00	185.00	195.00	195.00	185.00
Oct-05	207.43	175.00	185.00	220.00	220.00	200.00
Nov-05	208.12	175.00	185.00	220.00	220.00	200.00
Dec-05	208.03	175.00	185.00	220.00	220.00	200.00
Jan-06	208.35	175.00	185.00	220.00	220.00	200.00
Feb-06	218.95	175.00	205.00	265.00	280.00	238.75
Mar-06	221.90	175.00	245.00	285.00	280.00	241.25
Apr-06	233.88	245.00	285.00	295.00	280.00	271.25
May-06	244.89	260.00	285.00	295.00	290.00	282.50
Jun-06	269.81	300.00	300.00	295.00	300.00	333.75
Jul-06	275.42	300.00	300.00	300.00	300.00	347.50
Aug-06	277.00	300.00	300.00	300.00	300.00	347.50
Sep-06	282.42	300.00	300.00	375.00	300.00	353.75
Oct-06	282.11	300.00	300.00	375.00	300.00	353.75
Nov-06	284.87	320.00	300.00	375.00	300.00	363.75
Dec-06	284.88	305.00	300.00	375.00	305.00	360.00
Jan-07	281.78	305.00	300.00	380.00	305.00	370.00
Feb-07	275.44	285.00	300.00	380.00	305.00	365.25
Mar-07	281.85	305.00	300.00	350.00	305.00	345.00
Apr-07	283.99	305.00	300.00	380.00	305.00	365.00
May-07	283.39	305.00	300.00	380.00	305.00	365.00
Jun-07	281.73	320.00	300.00	380.00	300.00	361.25
Jul-07	281.24	300.00	375.00	380.00	345.00	360.00
Aug-07	282.17	320.00	375.00	380.00	355.00	362.00
Sep-07						345.00

**COUNCIL LETTER 070708-IVA1**

**MAYOR**

**RECOGNIZE NEWLYWEDS**

**DATE:** July 2, 2008  
**FROM:** Mayor Skalko  
Craig J. Wainio  
City Administrator

---

Mayor Skalko requested this item be placed on the agenda with this background information:

As you are well aware, our facility is used extensively for wedding receptions by people throughout the area. I have had a few requests to recognize these couples using the facility. A simple "recognition" form drawn-up by our staff wishing them "the very best" and a long and happy marriage. I think this would be a good touch and send out a positive, personal message by the City. It could be personalized and dated for each couple and signed by the Mayor and City Administrator.



**COUNCIL LETTER 070708-IVA2**

**MAYOR**

**LABOR MANAGEMENT MEETING**

**DATE:** July 2, 2008

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

---

Mayor Skalko requested this item be placed on the agenda with this background information:

Set our 2<sup>nd</sup> meeting of the year: How about Tuesday, July 15<sup>th</sup> or Thursday, July 17<sup>th</sup> at 2:00 p.m.??

**Craig J. Wainio**

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**From:** Mary Somnis [Mary.Somnis@state.mn.us]  
**Sent:** Tuesday, June 17, 2008 9:07 AM  
**To:** Craig J. Wainio  
**Subject:** RE: Culture and Tourism Grant

Hi Craig,

Soon after our budget for FY 09 is approved, we hope to send the announcement that the Culture & Tourism grant program is open for applications. We will be "tweaking" the program slightly, but for the most part the criteria and guidelines will be the same as last year. Go to our Web site at [www.IronRangeResources.org](http://www.IronRangeResources.org), click on "Grow Your Community" and follow the grants path to the Culture & Tourism guidelines. There you will find information about the kinds of projects that we are looking to support. I believe the canopy over the historic train could qualify. However, the application will need to come from a non-profit organization rather than the City of Mountain Iron. Is there a historical society or something like that involved in the project?

We should have the program open for applications later this summer or early fall, with funds being awarded for projects to be completed in calendar year 2009.

Thank you for your inquiry. I'll add your email address to our list so you will receive the announcement when the program is open.

Mary Somnis  
Iron Range Resources Tourism Marketing Coordinator  
[Mary.Somnis@state.mn.us](mailto:Mary.Somnis@state.mn.us)  
PO Box 441 Eveleth MN 55734  
218.744.7340

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**From:** Craig J. Wainio [mailto:cwainio@ci.mountain-iron.mn.us]  
**Sent:** Tuesday, June 17, 2008 8:44 AM  
**To:** Mary Somnis  
**Subject:** Culture and Tourism Grant

Mary:

A couple questions came up at our City Council meeting last night concerning the Culture and Tourism Grants. First, when do you expect the next funding cycle to be? Secondly, would a project to put a canopy over our historic locomotive qualify for funding?

Thanks

Craig J. Wainio  
City Administrator

**COUNCIL LETTER 070708-IVB2**

**CITY ADMINISTRATOR**

**UNITY DRIVE RR CROSSING**

**DATE:** July 2, 2008  
**FROM:** Craig J. Wainio  
City Administrator

---

As requested by the City Council, Staff has contacted the Canadian National Railroad concerning the at-grade crossing located on Unity Drive. The CN indicated that it is their intention to upgrade that crossing this year. CN ordered the supplies for this and many other crossings in the area in February of 2008 and are still waiting for their delivery. Once the supplies are received the will begin with the worst crossings first. The gentleman I spoke with did not know where the Unity Drive crossing would be in that schedule but did indicate that it will be upgraded.

**Craig J. Wainio**

---

**From:** Terry Leoni [TerryL@VPUC.COM]  
**Sent:** Friday, June 20, 2008 9:26 AM  
**To:** Craig J. Wainio  
**Subject:** RE: LEA

Craig,

Yes, with a couple of caveats.

- The material is not cross contaminated with other debris, such as painted wood, treated wood, sheetrock, insulation, plastic, metals, concrete, etc. Our MPCA permit for materials to be consumed is very restrictive.
- There is a centralized (City site) area where households could bring the material and then the City could either bring the material to the LEA wood yard for processing or LEA could possibly bring a grinder to the City site and grind it there. The assumption is there is a quantity of material economical enough to come and deal with.

If the real question is could the LEA wood yard site be a site where households can bring their brush then, unfortunately the answer is no. The reason being space availability, safety, and security. I hope this answers your question. If there is something more, please do not hesitate to contact me.

Terry

---

**From:** Craig J. Wainio [mailto:cwainio@ci.mountain-iron.mn.us]  
**Sent:** Friday, June 20, 2008 9:12 AM  
**To:** Terry Leoni  
**Subject:** LEA

Terry:

The City Council asked me to inquire if LEA is capable of taking household brush for processing.

Thanks

Craig

**COUNCIL LETTER 070708-IVC1**  
**UTILITY ADVISORY BOARD**  
**MINNESOTA POWER CONTRACT**

**DATE:** July 2, 2008  
**FROM:** Utility Advisory Board  
Don Kleinschmidt  
Director of Public Works  
Craig J. Wainio  
City Administrator

---

The Utility Advisory Board is recommending adoption of this attached Minnesota Power Wholesale Electric Contract.

**Federal Energy  
Regulatory Commission  
Washington, D.C.**

**Electric Rate Schedule  
Filing Party: ALLETE, Inc.**

**Other Party: City of Mountain Iron, Minnesota**

## **Table of Contents**

- 1. Electric Service Agreement**
- 2. Minnesota Power Regulations for Wholesale Electric Service**

**RESTATED ELECTRIC SERVICE AGREEMENT  
BETWEEN MINNESOTA POWER  
AND  
CITY OF MOUNTAIN IRON**

**RESALE SERVICE - FULL REQUIREMENTS**

Minnesota Power ("MP") and the CITY OF MOUNTAIN IRON, Minnesota, ("Customer") hereby enter into an Electric Service Agreement (the "Agreement"), which provides that MP will supply electric power and associated energy sufficient for Customer to meet its electric system requirements for resale to its retail customers in its service territory.

In consideration of the commitments herein and for other good and valuable considerations, MP and Customer, agree as follows:

**DEFINITIONS**

**Adequate Reserve Capacity** is demonstrated when the total system capability is equal to or greater than the total system firm capacity obligation, where:

- i. Total system capability equals net generating capability plus participation purchases minus participation sales,
- ii. Total system firm capacity obligation equals monthly adjusted net system demand plus reserve capacity obligation,
- iii. Monthly adjusted net system demand equals monthly net system demand minus firm purchases plus firm sales,
- iv. Reserve capacity obligation equals 15 percent of annual adjusted net system demand,
- v. Annual adjusted net system demand equals the highest monthly net system demand in the last 12 months minus firm purchases plus firm sales,
- vi. Participation purchases and sales are those made among members of the Mid-Continent Area Power Pool or its successor organization.

**Annual System Demand** of a Party shall mean the highest System Demand of such Party occurring during the 12-month period ending with the current month.

**Coincident Peak Demand** shall be Customer's hourly demand at the time of MP's maximum system peak demand (kW) measured during the month.



**Company's Basic Capacity Costs per KW** will be Company's estimated annual Revenue Requirements associated with Company-owned power production facilities and with Company firm power purchases divided by the aggregate coincidental kilowatts of all customer loads serviced by such generating capacity and purchased capacity, adjusted for estimated transmission losses and load coincidence factor.

**Company's Basic Energy Costs per KWh** will be Company's estimated annual Revenue Requirements for fuel and associated operation and maintenance expenses at Company-owned power production facilities, and for energy associated with firm power purchases and economy purchases divided by the aggregate associated kilowatt-hours, adjusted for estimated transmission losses.

**Economic Power** is power or energy purchased over a period of twelve months or less where the total cost of the purchase is less than the MP's total avoided variable cost.

**End-Use Load Obligation** shall mean an obligation imposed by law, regulation, or contract to serve the load of persons or other entities that purchase or produce electric energy for their own consumption and not for resale.

**Excess Reactive Demand** shall be the amount by which the maximum 15-minute integrated reactive demand (KVAR) measured during the current month exceeds 50% of the maximum 15-minute integrated demand (kW) measured during the current month.

**Generation Capacity Demand** shall be Customer's maximum 15-minute integrated demand (kW) measured during the month.

**High-Efficiency Energy** means electricity generated by a distributed generation facility of no more than ten megawatts of interconnected capacity that is certified by the Commissioner of the Minnesota Department of Commerce under Minnesota Statute section 216B.169, subdivision 3 as a high-efficiency, low-emissions facility.

**MAPP** shall mean the Mid-Continent Area Power Pool or its successor organization.

**MAPP GRSP Member** shall mean a MAPP member participating in the MAPP Generation Reserve Sharing Pool (GRSP) or its successor organization.

**MISO** shall mean the Midwest Independent Transmission System Operator or its successor organization.

**Net Generating Capability** of a MAPP GRSP or its successor organization member for any month shall mean that amount of kilowatts, less station use, that all the generating facilities of such GRSP member could normally supply simultaneously to its system and the interconnected systems of the GRSP members at the time of such GRSP member's maximum System Demand for such month under standards and requirements established from time to time by the MAPP Pool Administrative Committee or its successor as designated through MISO Module E. The capability of accredited generating units out of

service for maintenance or repair shall be included in the Net Generating Capability of a GRSP member under standards and requirements established by the MAPP Pool Administrative Committee or its successor as designated through MISO Module E.

**Party** shall mean a party to this Agreement; that is, either Customer or MP.

**Power Supply Formula Rate** shall mean the embedded-cost-based rate designed to recover Minnesota Power's cost of providing full requirements electric service to Customer.

**Renewable Energy** means electricity generated through use of any of the following resources: (1) wind, (2) solar, (3) geothermal, (4) hydro, (5) trees or other vegetation, or (6) landfill gas; or has the meaning as may be amended from time to time in Minnesota Statute section 216B.2422, subdivision 1, paragraph (c) or other laws amendatory thereof.

**Service Regulations** shall mean MP's Regulations for Wholesale Electric Service (attached to this Agreement as Attachment A) that govern MP's electric service to Customer.

**Service Year** shall mean a twelve-month period beginning on January 1 and ending on December 31.

**System Demand** of a Party shall mean that number of kilowatts which is equal to the kilowatt-hours in any clock hour, attributable to energy required by such Party during such hour to fulfill its End-Use Load Obligation, including system losses, and also including any associated losses occurring on other systems supplied by such Party, but excluding generating station uses, excluding transmission losses supplied by another system, and excluding energy purchased for Interruptible Load, under such standards and requirements as may be established from time to time by the MAPP Pool Administrative Committee or its successor as designated through MISO Module E.

**Total Avoided Variable Cost** is all identified and documented variable costs that would have been incurred by MP had a particular purchase not been made. Such costs include, but are not limited to, those associated with fuel, start-up, shut-down or any purchases that would have been made in lieu of the purchase made.

**Total Cost of the Purchase** is all charges incurred in buying economic power and having such power delivered to MP's system. The total cost includes, but is not limited to, capacity or reservation charges, energy charges, adders and any transmission or wheeling charges associated with the purchase.

## **TERM OF AGREEMENT**

The term of the Agreement extends from July 1, 2008 through December 31, 2013 and will continue thereafter with either MP or Customer having the right to terminate the agreement upon three years written notice to the other party; provided however, such termination notice may not be delivered prior to December 31, 2010.

## **ELECTRIC SERVICE AND RATES**

### **Customer Charge**

The Customer Charge shall be \$1,175 per month per Point of Delivery. The Customer Charge shall be subject to change only by Minnesota Power's application to the Federal Energy Regulatory Commission for a change in rates under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

### **Generation Capacity Charge**

The Generation Capacity Charge shall initially be \$10.24 per kW per month for all kW of Generation Capacity Demand for March 1, 2008 through December 31, 2008. Thereafter, the Generation Capacity Charge for each Service Year shall be as calculated pursuant to the Power Supply Formula Rate.

### **Energy Charge/ Base Energy Charge**

#### **Energy Charge (March through December 2008)**

The Energy Charge shall be 2.480¢ per kWh for March 1, 2008 through December 31, 2008.

#### **Base Energy Charge (January 2009 and thereafter)**

Beginning January 1, 2009, the Energy Charge will be replaced by a Base Energy Charge that shall be comprised of two components, the Fuel and Purchased Power Base and the Non-fuel Energy Charge. The Base Energy Charge for each Contract Year shall be as calculated pursuant to the Power Supply Formula Rate.

### **Fuel Adjustment/ Monthly Energy Adjustment**

#### **Fuel Adjustment (March through December 2008)**

For March 1, 2008 through December 31, 2008, the monthly Fuel Adjustment shall be calculated as follows:

There shall be added to or deducted from the monthly bill, as computed above, an amount per kilowatt-hour determined as the amount by which the Fuel, Purchased Economic Power Costs and the Cost of Steam from Other Sources divided by the Kilowatt-hour Sales is greater than or less than 2.134 cents per kilowatt-hour. The Fuel, Purchased Economic Power Costs and the Cost of Steam from Other Sources shall be the sum of the following during the preceding month: (a) the fossil, renewable and nuclear fuel consumed in Company's generating stations, and the Company's share of fossil, renewable and nuclear fuel consumed in jointly owned or leased generating stations, (b) the net energy cost of

energy purchases, exclusive of capacity or demand charges (irrespective of the designation assigned to such transaction) when such energy is purchased on an economic dispatch basis, this encompasses energy being purchased to substitute for Company's own higher-cost energy, (c) the total cost of the purchase of economic power, as defined below, if the reserve capacity of the Company is adequate independent of all other purchases where non-fuel charges are included in either the base period or current period fuel and purchased economic power cost, (d) the actual identifiable fossil, renewable and nuclear fuel costs associated with energy purchased for reasons other than identified in (b) and (c) above, (e) the cost of steam from other sources, (f) expenses incurred by the Company on a MWh basis over the duration of any state-approved contract to satisfy renewable requirements set forth by state statute, and less (g) the cost of fossil, renewable and nuclear fuel and the cost of steam from other sources recovered through inter-system sales including the fuel and steam costs related to economy energy sales and other energy sold on an economic dispatch basis, and less (h) the net amount of fossil, renewable and nuclear fuel and steam costs recovered through the Energy Portion of the Company's Large Power Surcharge. The Kilowatt-hour Sales shall be the Company's total Kilowatt-hour Sales of Electricity, excluding inter-system sales referred to in (g) above; all for the preceding month adjusted for losses by multiplying by 1.014.

*Regarding part (c) above, to assume that adequate reserve capacity exists at the time of an Economic Power purchase, MP's Net Generating Capability, adjusted for participation transactions, must exceed the monthly net system demand, adjusted for firm transactions, plus 15 percent of the highest net system demand at the last twelve months, similarly adjusted for firm transactions.*

*The spinning reserve is a utility's proportionate part of the largest unit on line in the MAPP pool. The system operator knows whether hourly energy purchases constitute spinning reserve because such purchases are identified as such.*

*MP's system operators do not instantaneously know whether or not purchases are being made to meet MP's capacity reserve obligation to the MAPP pool. Rather, this determination is made monthly by MP's energy coordination accountants after the fact on the basis of actual hourly system loads recorded on magnetic tape meters located at designated metering tie points. If it is found that MP did not have sufficient capacity to cover its load plus 15 percent reserve obligation, it would pay the pool for the amount of its capacity deficiency. Purchases made to meet the MP's spinning reserve obligation, and purchases determined to have been necessary to meet MP's reserve obligation to the MAPP pool, are not included in calculations under MP's fuel cost adjustment clause.*

**Monthly Energy Adjustment (January 2009 and thereafter)**

Beginning on January 1, 2009, the Fuel and Purchased Power Base for each Contract Year shall be as calculated pursuant to the Power Supply Formula Rate of this Agreement. The Monthly Energy Adjustment shall be calculated monthly as the difference between Minnesota Power's actual monthly fuel and purchased power cost and the Fuel and Purchased Power Base, as defined in this Agreement.

**Excess Reactive Demand Charge**

\$0.15 per KVAR per month of Excess Reactive Demand

**Transmission Service and Ancillary Fees**

In accordance with applicable filed and approved MISO tariffs, MP will be responsible, on Customer's behalf, for designating resources and securing transmission network service for energy delivery to Customer. Customer will be responsible for any and all charges associated with such transmission services. Under MISO Network Service, the initial monthly transmission demand charge rate for the energy provided hereunder will be the MP zonal tariff rate for Network Integration Transmission Service plus the MISO Scheduling, System Control and Dispatch Service fee plus the MISO Cost Recovery Adder (MISO Administration) fee, plus any charges not published to date, as such rates and fees may be revised periodically due to changes in MISO, or its successor organization's, tariffs and fees (the "Transmission Service Rate"). Customer's monthly Coincident Peak Demands with MP are currently used in the application of these rates.

In addition, any applicable ancillary services will be provided in accordance with any applicable tariff ("Ancillary Services Fees"). As of the date of this Agreement, the currently applicable Ancillary Services Fees are specified in FERC-approved Settlement Agreement for MP's Point-to-Point Transmission Service Tariff in Docket No. ER96-1580-000, which will be superseded by MISO's anticipated ancillary services tariff upon the effective date of that tariff. The Ancillary Service Fees include the following: Reactive Supply and Voltage Control from Generation Sources Service (Schedule 5), Regulation and Frequency Response Service (Schedule 2), Operating Reserve – Spinning Reserve Service (Schedule 3A) and Operating Reserve – Supplemental Reserve Service (Schedule 3B). Customer's monthly Coincident Peak Demands with Company are currently used in the application of these rates.

MP will bill Customer the actual monthly cost for the MISO Transmission Service Rate and Ancillary Services Fees no later than one month after MP receives the MISO Transmission Service invoice for each month. Upon termination of this Agreement any remaining unbilled accounts will be settled in full within one month. Customer reserves the right to audit relevant MISO invoices upon which such charges to Customer are based.

**Service Voltage Adjustment**

Where all electric service is delivered and metered at (or compensated to) the Service Voltage indicated below, the amount computed at the above rate, before other adjustments, will be adjusted as follows:

**Service Voltage Adjustment**

- |                   |  |
|-------------------|--|
| Less than 115 kV  | Increase the amount computed above in the Generation Capacity Charge by \$1.55 per kW of Generation Capacity Demand.   |
| Less than 13.8 kV | Increase the amount computed above in Customer Charge, Generation Capacity Charge, Energy Charge/Base Energy Charge, Reactive Demand Charge and Transmission and Ancillary Fees, including the Service Voltage Adjustment for Less than 115 kV, by 1%. |

The Service Voltage Adjustment shall be subject to change only by Minnesota Power's application

to the Federal Energy Regulatory Commission for a change in rates under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

#### **Annual True-up Adjustment**

For Service Year 2009 and each Service Year thereafter, prior to May 31 of the year following each Service Year, the total difference in monthly billing amounts between the estimated and actual Generation Capacity Charge and Non-fuel Energy Charge component of the Base Energy Charge for the Service Year will be accumulated into a total dollar "true-up" amount (positive or negative) for the year. Minnesota Power will bill or credit this amount to Customer in equal monthly installments during the subsequent six months (June through November of the year following the Service Year), including interest calculated in accordance with a methodology based on Section 35.19a of the Commission's regulations, 18 CFR 35.19a. Upon termination of the agreement any remaining true-up amount will be settled in full between Minnesota Power and Customer.

#### **Customer Audit Rights**

In approximately May of 2009 and each year thereafter, Minnesota Power shall arrange a pre-meeting with the municipal customer's designated Audit Committee members, as needed, prior to meeting with all Customers subject to the Power Supply Formula Rates and provide to those Customers its Power Supply Formula Rate true-up for the prior Service Year. The purpose of the meetings will be to (i) review the formula calculations and the resulting actual rates for the prior Service Year and (ii) review the formula calculations and resulting estimated rates, subject to true-up, that apply for the current Service Year.

At the true-up meeting, Minnesota Power will:

- (i) provide sufficient information to enable Customers to verify the calculation of formula results from FERC Form No. 1 or other applicable accounting inputs and to compare that calculation to that of prior years;
- (ii) identify any respects in which the formula rate's application to the prior Service Year materially differed from its application in the preceding year (e.g., due to changes in accounting procedures, the purchase or sale of major assets, or other such significant changes), and describe how such altered application has affected the formula output; and
- (iii) identify the major reason(s) for the differences, if any, between (a) the actual rate and the estimated rate for the Service Year and (b) the actual rate and the preceding year's actual rate.

Customer shall have the right to audit the actual Service Year data to verify the formula inputs, calculations, and resulting rates, and to verify that all formula inputs have been adjusted as appropriate so that the formula output reflects the fully allocated average embedded cost. Minnesota Power will provide such information as the Customer may reasonably request in order to understand the actual rate calculations and true-up calculations. The Customer shall be entitled to request Minnesota Power to adjust the true-up rates in the event that there is an error in the data or application of the formula rate used by Minnesota Power in performing the true-up calculations.

Any audit with respect to billings for a Service Year shall be completed by October 31 of the calendar year following the Service Year.

If the Customer does not object to the true-up calculations in writing by December 31 of the calendar

year following the Service Year, Minnesota Power's costs and rates for the Service Year shall be deemed final, shall not be subject to further dispute or challenge by the Customer, and shall not be subject to refund or collection.

If the Customer and Minnesota Power fail to resolve the Customer's objection within 60 days of such objection, the Customer may file a complaint with FERC pursuant to Federal Power Act ("FPA") Sections 205 or 206. In any such filing, the Customer shall specify the portion(s) of the revenue collection subject to dispute. In any such proceeding, Minnesota Power shall bear the burden of proving that it has reasonably applied the terms of the Formula Rate; that the resultant rate is just, reasonable, and not unduly discriminatory; and that it followed the applicable procedures herein. If the Customer disputes the true-up rates, the Customer shall continue to pay its total bill on a monthly basis. If a refund is determined to be due to the Customer, it shall be paid to the Customer with interest calculated based upon the process set forth in Section 35.19a of the Commission's regulations, 18 CFR 35.19a.

The following example illustrates the timeline contemplated by the preceding provisions.

- Service Year: January 1, 2009 through December 31, 2009
- Basis for estimated rates, prior to true-up:
  - Formula applied to projected calendar year 2009 data
- Basis for actual billing:
  - Formula applied to calendar 2009 FERC Form 1 data
- Filing of FERC Form 1 that will be used as basis for actual billing: April 2010
- True-up provided by Minnesota Power, subject to audit: On or before May 31, 2010
- End of Customer audit period: October 31, 2010
- Deadline for Customer objections to rate calculations: December 31, 2010

#### **Changes to the Formula**

No changes may be made to the formula without a FPA Section 205 or 206 filing with the FERC. If the formula must be changed to conform with changes in the format of FERC Form 1, the format of the Uniform System of Accounts, or other reasons of a similar nature that do not materially impact the results, Minnesota Power shall, absent extraordinary circumstances, provide Customers with 30 days notice of Minnesota Power's intent to file to change such references or data sources in the formula and a full explanation of the changes. If such notice is given and no Customer presents a good faith, written objection in response within 30 days, the Customers will be deemed to have consented to the filing and the effective date necessary, including a retroactive effective date, to implement the formula as originally intended.

## **RENEWABLE AND HIGH EFFICIENCY ENERGY RATE OPTION**

Customer may voluntarily request to purchase from MP optional Renewable and/or High-Efficiency Energy for the purpose of meeting its requirement under Minnesota Statute section 216B.169 to offer its customers one or more options that allow a customer to determine that a certain amount of the electricity generated or purchased on behalf of the customer is renewable energy or energy generated by high-efficiency, low-emissions, distributed generation.

Under the Renewable and High-Efficiency Energy Rate Option, MP shall make available to Customer Renewable and/or High Efficiency Energy in increments of 100 kWh blocks monthly on an as-needed basis to supply the actual energy subscriptions sold to Customer's retail customers. MP shall also provide to Customer administrative services associated with the provision of Renewable and/or High-Efficiency Energy. Customer shall notify MP each month of the number of blocks of energy to be purchased for that month.

The standard rates above shall apply. In addition, Customer shall have the option at its sole discretion to purchase a portion of its electric service requirements as Renewable and/or High-Efficiency Energy and pay the following additional charges if Customer elects the Renewable and High-Efficiency Energy Rate Option in accordance with the following:

### **Renewable/High-Efficiency Service Charge (Annual)**

\$500 per year billed in January of each calendar year

### **Renewable/High-Efficiency Energy Charge (Monthly)**

\$2.50 per 100 kWh block for all kWh of Renewable/High-Efficiency Energy

## **ADDITIONAL GENERATION**

Unless MP and Customer otherwise agree in a written amendment, Customer may not, during the term of this Agreement, construct, operate or utilize its own generating or cogenerating capacity and may not purchase electric power and energy from any other person or party.

Notwithstanding the forgoing provisions, Customer may, individually or collectively with other MP wholesale customers, propose to construct, operate, or utilize its own generating or cogenerating capacity in lieu of MP adding new generating capacity or purchasing capacity from any other person or party to meet its power and energy commitments to Customer and other wholesale customers. This generating capacity may consist of any new construction or acquisition without regard to fuel type (coal, gas, bio-mass, wind, etc.). Accordingly, Customer hereby grants MP the exclusive right of first refusal to (1) acquire or construct and operate on behalf of Customer any additional generating capacity that Customer proposes to construct, operate or utilize during the term of this Agreement, and (2) purchase the energy, capacity and applicable renewable attributes from such additional generating capacity that is surplus to Customer requirements.

## **LOAD GROWTH**



If Customer total native electrical load served by MP increases by more than 5,000 kW in any year, MP reserves the right to adjust its Electric Service and Rate (from those set forth above) to incorporate the additional incremental cost of obtaining power supply to serve such an increase. For additional power requirements in excess of 5,000 kW in any twelve month period MP must be notified. The additional power requirements in excess of 5,000 kW in any twelve month period will be subject to a Surcharge for a period of five years from the date a binding Commitment Agreement to take the power is signed by the Customer. The Surcharge will be assessed to cover the additional cost of obtaining such power supply. The Surcharge will not be less than zero. MP will advise the customer of approximate Company's Basic Capacity and Energy Cost 30 days prior to the beginning of each year.

As an alternative to MP providing the electric capacity and energy needed to meet Customer's load growth as described above, Customer may propose to construct, operate, or utilize its own generating or cogenerating capacity as described in the paragraph titled "Additional Generation".

### **ADJUSTMENTS**

There shall be added to the monthly bill the applicable proportionate part of any taxes and assessments imposed by any governmental authority in excess of those in effect March 1, 2008, which are assessed on the basis of meters or customers, or the price of or revenues from electric energy or service sold, or the volume of energy generated, transmitted or purchased for sale or sold.

### **SERVICE CONDITIONS**

**Type of Service.** Customer will take service from MP at three phase, 60 hertz, at one standard transmission voltage of 23,000 volts. Customer will take all of its electric service requirements from MP for redistribution and resale. Delivery is where Company's wires connect to Customer's wires on Customer's dead end structure near Customer's substation East of Mineral Avenue and North of the Burlington Northern Railway tracks in the SW ¼ of the NW¼ of Section 10, T58N, R18W, St. Louis County.

**Point(s) of Delivery and Metering.** By mutual agreement of MP and Customer, service may be taken at additional points of delivery; however, a separate Customer Charge shall be billed for each point of delivery. The measurements obtained at each point of delivery will be combined for billing purposes so as to produce the same quantities as measurements obtained by a single-metering installation. Combining the metering in this manner will provide Customer the benefit of any diversity which exists between the points of delivery and produce the equivalent maximum 15-minute demands (kW and KVAR) as would have been produced through metering the entire load at one metering point.

**Equipment Ownership.** Customer shall own, operate and maintain all facilities necessary to reach MP's available transmission line of adequate capacity to handle Customer's electric service requirements. Such facilities include any transformers, regulators, protective devices and other equipment needed to deliver electricity at Customer's utilization or distribution voltage. MP will own and maintain the metering equipment and any high-voltage disconnect switches which MP deems necessary.

**Demand Waiver after System Outage.** For billing purposes, MP will waive Customer Generation Capacity Demands and Coincident Peak Demands for one hour after any complete Customer system outage. If such hour is coincident with the MP system peak, Customer's load during the first hour thereafter will be considered the Coincident Peak Demand for billing purposes.

### **REGULATION AND JURISDICTION**

Electric service shall be available from MP at the rates and under the terms and conditions set forth in this Agreement. Customer agrees to support any and all regulatory filings made by MP with the FERC to implement this Agreement.

The agreement and all the rates and charges herein are subject to approval, amendment and change by any and all State or Federal regulatory bodies having jurisdiction thereof. Both MP and Customer reserve the right to seek amendments, changes, increases or decreases in the rates and charges set forth herein, in accordance with law, from any State or Federal regulatory body having jurisdiction thereof.

Nothing contained herein shall be construed as affecting in any way the right of the party furnishing service under this Agreement to unilaterally make application to the Federal Energy Regulatory Commission for a change in rates, charges, classification, or service, or any rule, regulation or contract relating thereto under Section 205 of the Federal Power Act and pursuant to the Commission's Rules and Regulations promulgated thereunder.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed by the duly authorized signatories the \_\_\_\_\_ day of \_\_\_\_\_, 2008.

**CITY OF MOUNTAIN IRON**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**MINNESOTA POWER**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**ATTACHMENT A  
MINNESOTA POWER  
REGULATIONS FOR WHOLESALE ELECTRIC SERVICE**

Attached to and made part of agreement with

Dated \_\_\_\_\_

**PURPOSE AND CONTENTS**

These Service Regulations govern the supplying and taking of electric service. The regulations are designed to provide each Customer the greatest practicable latitude in the use of service consistent with reliable, economical and safe service to all Customers.

These Service Regulations and Rate Schedule are on file in the Company's various offices, and copies are obtainable by any Customer upon request made in person, by telephone or by mail, at any office of the Company.

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## SECTION I—DEFINITIONS

The following expressions when used in these Service Regulations, in Rate Schedules and in Service Agreements, shall, unless otherwise indicated, have the meanings given below:

1. **Customer:** A municipality or other wholesale customer having Company's electric service at any specified location.
2. **Company:** Minnesota Power.
3. **Electric Service:** The supplying of electric power and energy, or its availability, irrespective of whether any electric power and energy is actually used. Supplying of service by Company consists of the maintaining by it, at the point of delivery, of approximately the agreed voltage and frequency by means of facilities adequate for carrying Customer's contracted load.
4. **Customer's installation:** In general, all wiring and apparatus of any kind or nature on Customer's side of the point of delivery (except Company's meter installation), useful in connection with Customer's ability to take electric service.
5. **Point of Attachment:** Point of delivery defined by Contract or the point at which Company's conductors connect to Customer's service conductors or dead end insulators.
6. **Service Conductors:** The wires provided by the Customer extending from Customer's main line switch or center at which circuits originate, to the Point of Attachment.
7. **Month:** An interval of approximately thirty days between successive meter reading dates.
8. **Service Agreement:** The agreement or contract between Company and Customer pursuant to which service is supplied and taken.
9. **Notice:** Unless otherwise specified, a written notification delivered personally or mailed by one party to the other, the period of notice being computed from the date of such personal delivery or mailing.
10. **Meter:** The meter or meters, together with auxiliary devices, if any, constituting the complete installation needed to measure the power and energy supplied to any Customer's point of delivery.
11. **Customer Extension:** Any branch from, or continuation of, an existing line to the point of delivery to Customer, including increases in capacity of any of Company's existing facilities, or the changing of any line to meet the Customer's requirements, and including all transformers, service connection to Point of Attachment and meters.

## SECTION II—SERVICE AGREEMENTS

12. **Company's Right to Cancel Service Agreement or to Suspend Service:** Company, in addition to all other legal remedies, may terminate the Service Agreement, or suspend delivery of service, for any default or breach of the Service Agreement by the Customer, but no such termination or suspension will be made by Company without five (5) days written notice to Customer, stating in what particular the Service Agreement has been violated, except in cases of unlawful or unauthorized use of service by Customer, or dangerous leakage or short circuit on Customer's side of the point of delivery, or in case of utilization by Customer of service in such manner as to cause danger to persons or property. Failure of Company at any time to either suspend delivery of service or to terminate the Service Agreement, or to resort to any other legal remedy, or its adoption of either one or the other of such alternatives, shall not affect Company's right to resort to any of such remedies for the same or any future default or breach by Customer.

13. **Successors and Assigns:** Service Agreements inure to the benefit of and are binding upon the respective heirs, legal representatives, successors and assigns of the parties thereto; but no assignment by Customer shall be binding upon Company until accepted in writing by the latter.

## SECTION III—SUPPLYING AND TAKING OF SERVICE

14. **Continuity of Service:** Company will endeavor to provide continuous service but does not guarantee a constant supply of electric energy and shall not be liable to Customer for damages occasioned by interruption from any cause other than gross negligence of Company. The Company shall not be liable for any loss of profits or special or consequential damages resulting from the use of service or any interruption or disturbance of service.

In the event of power shortage any curtailment among Customers shall be made as nearly as practical pro rata without liability on the part of Company to any Customer affected.

15. **Suspension of Service for Repairs and Changes:** When necessary to make repairs to or changes in its lines or system, Company may, without incurring any liability therefor, suspend service for such periods as may be necessary, and in such manner as to minimize inconvenience to Customer.

16. **Customer's Responsibility:** Customer assumes all responsibility on Customer's side of the point of delivery for the service supplied or taken, as well as for the electrical installation and apparatus used in connection therewith, and shall save Company harmless from and against all claims for injury or damage to persons or property occasioned by or in any way resulting from such service or the use thereof on Customer's side of the point of delivery.

17. **Right-of-Way:** Customer shall, without compensation, make or procure satisfactory conveyance to Company of right-of-way for Company's lines necessary and incidental to the furnishing of service to Customer and for continuing or extending

said lines over, under, across or through the property owned or controlled by Customer in a manner deemed appropriate by the Company.

18. **Access to Premises:** The duly authorized agents of Company shall have access at all reasonable hours to the premises of Customer for the purpose of inspecting wiring and apparatus, inspecting, maintaining and repairing lines over, under, across or through said premises, removing, replacing, or reconstructing Company's property, reading of meter and all other purposes incident to the supplying of service.

19. **Location of Point of Attachment:** Customer's Point of Attachment is to be located at a point readily accessible to Company's distribution mains. Customer shall install and maintain a Point of Attachment for Company's conductors. Said Point of Attachment shall be of sufficient mechanical strength to support the wind and ice loaded weight of the conductors and shall be located as determined by the Company.

#### SECTION IV—CUSTOMER'S INSTALLATION

20. **Inspection by Company:** Company retains the right, but does not assume the duty, to inspect Customer's installation at any time and will refuse to commence or to continue service whenever it does not consider such installation to be in good operating condition, but Company does not in any event assume any responsibility whatever in connection with such matters.

21. **Changes in Installations:** As Company's service conductors, transformers, meters, and other facilities used in supplying service to Customer have a definite limited capacity, Customer shall give notice to Company, and obtain Company's consent, before making any material changes or increases in Customer's installation. Company as promptly as possible after receipt of such notice will give its approval to the proposed change or increase, or will advise Customer upon what conditions service can be supplied for such change or increase. Failure to secure Company's approval shall make Customer liable for any damage to Company's facilities.

#### SECTION V—COMPANY'S INSTALLATION

22. **Installation and Maintenance:** Except as otherwise provided in these Service Regulations, in Service Agreements or Rate Schedules, Company will install and maintain its lines and equipment on its side of the point of delivery, but shall not be required to install or maintain any lines or equipment, except meters, on Customer's side of the point of delivery. Only Company's agents are authorized to connect Company's service drop to Customer's service entrance conductors and to connect Company's meters.

(a) **Electrical Permit:** The Company is prohibited from connecting its service conductors to Customer's conductors until permitted by the governmental authority having jurisdiction.

(b) **Standard Connection:** The ordinary method of connection between Company's distributing mains and Customer's service conductors will be by overhead wires. If Customer desires to have connection made in any other manner, special arrangements will be made between Customer and Company by which the connection will be made and maintained at Customer's expense.

(c) **Suitable Space:** The Customer shall provide at no cost to Company a suitable room or space for Company's transformers and equipment specifically used in providing service to Customer when such room or space is deemed necessary by Company.

23. **Protection by Customer:** Customer shall protect Company's wiring and apparatus on Customer's premises and shall permit no one except Company's agents or persons authorized by law to inspect or handle same. In the event of any loss or damage to such property of Company or other person caused by or arising out of carelessness, neglect or misuse by Customer or other unauthorized persons, the cost of making good such loss or repairing such damage shall be paid by Customer.

Company shall not be responsible to Customer or any other party because of any damage resulting from such installations which are not readily subject to inspection from the ground and the exterior of the premises, or from the meter location, unless Customer shall have notified Company of a condition which, in the reasonable opinion of the Customer, requires attention and the Company shall have had a reasonable time within which to inspect and, if necessary, repair the same.

24. **Customer Extensions:** The Company, at its own expense, makes extensions where the revenue therefrom is sufficient, in Company's opinion, to justify the necessary expenditure.

Where the Company cannot be assured that the term of service will be of sufficient duration, where unusual expenditures are necessary to supply service because of location, size or character of installation, or where area requirements of regulatory bodies may control, Customer shall make arrangements satisfactory to Company dependent upon the particular conditions of each situation.

25. **Relocation of Facilities:** Company will, at its discretion, alter, relocate or remove Company's facilities as may be requested in writing by Customer. Customer shall pay Company for all costs associated with such alteration, relocation or removal including any new facilities required to provide service after the alteration, relocation or removal.

Customers requesting the alteration, relocation, or removal shall pay the estimated cost for the change, less salvage, of the facilities required to effect such change prior to Company committing funds for the work. Where the actual cost is different from the estimated cost upon which the advance payment was based, as determined upon completion of the requested alteration, relocation or removal, Company will refund any excess payment made by Customer or render a bill for any additional amount due.

#### SECTION VI—METERING

26. **Installation:** Company shall furnish and install the necessary meter or meters, and Customer shall provide and maintain a location, free of expense and satisfactory to Company, all in accordance with Company's Metering Standards.

27. **Evidence of Consumption:** Unless proven to be inaccurate, the registration of Company's meter shall be accepted and

received at all times and places as prima facie evidence of the amount of power and energy taken by Customer.

28. **Tests:** Company tests its meters and maintains their accuracy of registration in accordance with good practice. On request of Customer, Company will make a special test which will be done at the expense of the Company. If the Customer requests another test before the expiration of a twelve-month period, the Customer shall bear the cost of the test if the meter is found to be in error by less than 2%, fast or slow. The average registration accuracy of a meter is taken as the mean of full load (100% of rated load) accuracy, and light load (5-10% of rated load) accuracy. At Company's discretion, tests may be made under average load conditions.

### SECTION VII—PARALLEL GENERATION

29. **Design:** The Seller's electric generating equipment shall be designed (1) to operate in synchronization with Company's system and (2) to automatically disconnect the facility from Company's system in the event Company's system becomes de-energized. All synchronizing and protective devices to accomplish this mode of operation shall be provided and maintained by Customer.

30. **Disconnection:** The Seller shall provide and maintain a manual, lockable disconnect switch providing a visible open and capable of isolating the Customer's generator from the Company's electrical system. This disconnect switch shall be readily accessible to Company personnel at all times, shall include a provision for padlocking it in the open position, and shall meet all other reasonable requirements established by Company.

31. **Customer Responsibility:** The Seller shall pay for the cost of rebuilding and/or modifying Company facilities to provide adequate capacity for the parallel generation system and adequate protection for the Company's electrical system.

### SECTION VIII—BILLING

32. **Billing Periods:** Bills ordinarily are rendered regularly at monthly intervals, but may be rendered more or less frequently at Company's option. Non-receipt of bills by Customer does not release or diminish the obligation of Customer with respect to payment thereof.

33. **Adjustment for Inaccurate Meter Registration:** In the event that any routine or special test of a Company meter discloses its average accuracy of registration to be in error by more than 2%, fast or slow, Company will refund the overcharge for a fast meter or charge for electricity consumed, but not included in the bills previously rendered for a slow meter. The refund or charge for both fast and slow meters will be based on corrected meter readings for a period equal to one-half the time elapsed since the last previous test but not to exceed six (6) months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge will be computed to that date, but in no event for a period longer than one (1) year.

34. **Delinquent Bills:** Bills become delinquent if not paid on or before the past due date as shown on bill and service may be discontinued upon five (5) days written notice to Customer after becoming delinquent.

35. **Unlawful Use of Service:** In any case of tampering with meter installation or interfering with the proper functioning thereof or any other unlawful use or diversion of service by any person, or evidence of any such tampering, interfering, unlawful use or service diversion, Customer is liable to immediate discontinuance of service, without notice, and to prosecution under applicable laws, and Company shall be entitled to collect from Customer at the appropriate rate for all power and energy not recorded on the meter by reason of such tampering, interfering, or other unlawful use or service diversion (the amount of which may be estimated by Company from the best available data), and also for all expenses incurred by the Company on account of such unauthorized act or acts.

36. **Charge for Restoring Service:** If service to Customer is discontinued by Company for valid cause, then before service is restored, Customer shall pay Company all permitted costs of discontinuing and restoring service. There will be no charge for reconnection when service has been discontinued in the event of a condition determined to be hazardous to Customer, to other Customers of Company, to Company's equipment, or to the public.

If Customer requests that service be discontinued and subsequently requests restoration of same service within twelve (12) months of discontinuance, the charge for restoring service will be the sum of minimum bills during the elapsed period but not less than all costs of discontinuing and restoring service.

37. **Selection of Schedule:** If, for any cause a Service Agreement is entered into in which is specified a Rate Schedule not applicable to the class of service taken, on discovery of the error all bills rendered during the preceding twelve (12) months will be recalculated in accordance with the properly applicable Rate Schedule and Company will refund to Customer any amount due, or will bill Customer for any amount owed, as the case may be.

38. **Proration of Bills:** Bills for energy used during a billing period that is longer or shorter than the normal billing period by more than five (5) days shall be prorated on a daily basis, but no billing will be made for three (3) or less days when no energy is used. However, in no event will the total length of service between initial and final service be taken as less than one (1) month. No bill will be prorated for change in operating level within the billing period.

### SECTION IX—MISCELLANEOUS REGULATIONS

39. **Conflicts:** In case of conflict between any provision of these Service Regulations, Customer's Service Agreement or a Rate Schedule, the provision of the Service Agreement takes precedence, followed by the provision of the Rate Schedule.

48. **Regulations and Jurisdiction:** Electric service shall be available from Company at the rates and under the terms and conditions set forth in the currently applicable Rate Schedule or other superseding Rate Schedules in effect from time to time. All the rates and regulations referred to herein are subject to amendment and change by Company. Any such amendments or changes are subject to approval by the Federal Energy Regulatory Commission or succeeding authority.

**COUNCIL LETTER 070708-IVC2**  
**UTILITY ADVISORY BOARD**  
**STREET LIGHTING RATE STRUCTURE**

**DATE:** July 2, 2008  
**FROM:** Utility Advisory Board  
Don Kleinschmidt  
Director of Public Works  
Craig J. Wainio  
City Administrator

---

The Utility Advisory is recommending adoption of the attached electric rate structure for the Street and Highway Lighting Service.

These rates have not increased in over twenty years.



CITY OF MOUNTAIN IRON ELECTRIC UTILITIES  
ELECTRIC RATE STRUCTURE FOR  
STREET & HIGHWAY LIGHTING SERVICE

APPLICATION:

Street, highway or security lighting requirements.

RATE:

Rate per lamp, per month.

LAMP TYPE AND SIZE:

Mercury Vapor Lamps, closed to new installations

7,000 Lumens	175 watts	\$12.00
10,000 Lumens	250 watts	\$14.50
20,000 Lumens	400 watts	\$16.50
55,000 Lumens	1000 watts	\$31.00

Sodium Vapor Lamps

8,500 Lumens	100 watts	\$ 9.00
14,000 Lumens	150 watts	\$11.00
23,000 Lumens	250 watts	\$15.00
45,000 Lumens	400 watts	\$19.00

Metal Halide Lamps

17,000 Lumens	250 watts	\$14.00
28,800 Lumens	400 watts	\$17.50
88,000 Lumens	1,000 watts	\$28.00

Pole Charge

Each pole used for solely lighting service will be billed a one time fee for the cost of the pole depending on the type of pole construction. This price will vary depending on market conditions.

June 2008

**COUNCIL LETTER 070708-IVD1**

**ED ROSKOSKI**

**OFF-ROAD VEHICLE USAGE**

**DATE:** July 2, 2008

**FROM:** Ed Roskoski  
City Councilor

Craig J. Wainio  
City Administrator

---

Councilor Roskoski requested this item be placed on the agenda with this background information:

There is some confusion in town of where the following may legally operate: Dirt bikes, 3 wheel ATV's, conventional 4 wheel ATV's, and 4 wheel side by side ATV's. Mr. Backman will have a handout available to the Council as to the basic operational rules of these vehicles.



CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING  
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261  
Mt. Iron, MN 55768-0261  
tel: 218-735-8914 • fax: 218-735-8923  
email: info@bm-eng.com

June 27, 2008

Mr. Craig Wainio, City Administrator  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

Re: Payment Request No. 1  
Locomotive Park Fence Construction  
Project No. MI07-18

Dear Mr. Wainio,

Enclosed please find Pay Request No. 1 for the City of Mountain Iron Locomotive Park Fence Construction project in the amount of **\$25,184.50**. Please submit for approval at your next scheduled City Council meeting. This amount includes retained withholding of 5% on work completed to date.

Please refer to the enclosed pay request breakdown for a summary of items completed.

If you have questions or need any additional information please do not hesitate to contact me.

Sincerely,  
**Benchmark Engineering, Inc.**



Eric E. Fallstrom, P.E.

EEF:lak  
Enclosure

Cc: Mr. Jerry Nemanich, Mesabi Bituminous, Inc.

**RECOMMENDATION OF PAYMENT**

No. 1

Owners Project No: \_\_\_\_\_

Engineer's Project No: MI07-18

Project: Locomotive Park Fence Construction

CONTRACTOR: Mesabi Bituminous, Inc.

For Period Ending: June 26, 2008

**To: City of Mountain Iron, MN**

Owner

Attached hereto is the CONTRACTOR's Application for Payment for Work accomplished under the Contract through the date indicated above. The application meets the requirements of the Contract Documents for the payment or work completed as of the date of this Application.

In accordance with the Contract the undersigned recommends payment to the CONTRACTOR of the amount due as shown below.

BENCHMARK ENGINEERING, INC.

Dated June 27, 2008

By  \_\_\_\_\_

**STATEMENT OF WORK**

Original Contract Price	\$27,570.00	Work & Materials to Date	\$26,510.00
Net Change Orders	\$0.00	Amount Retained (5%)	\$1,325.50
Current Contract Price	\$27,570.00	Subtotal	<u>\$25,184.50</u>
		Previous Payments	\$0.00
		<b>Amount Due This Payment</b>	<b><u><u>\$25,184.50</u></u></b>



June 27, 2008

PAY REQUEST NO. 1  
 LOCOMOTIVE PARK FENCE CONSTRUCTION  
 PROJECT NO.: M107-18  
 CITY OF MOUNTAIN IRON, MINNESOTA

ITEM	UNITS	PROJECT QUANTITIES	UNIT COST	QUANTITY TO DATE	TOTAL AMOUNT
REMOVE EXISTING FENCE	LUMP SUM	1.0	\$2,500.00	1.0	\$2,500.00
CLEAR & GRUB AND DEBRIS REMOVAL	LUMP SUM	1.0	\$3,650.00	1.0	\$3,650.00
6' VINYL COATED CHAIN LINK FENCE	LIN. FT.	700.0	\$22.00	670.0	\$14,740.00
TOPSOIL BORROW	CU. YD.	90.0	\$18.00	90.0	\$1,620.00
SODDING LAWN TYPE	SQ. YD.	1,100.0	\$4.00	1000.0	\$4,000.00

COMPLETED TO DATE; \$26,510.00  
 LESS RETAINAGE (5%): -\$1,325.50  
 SUBTOTAL PAY REQUEST NO. 1: \$25,184.50  
 LESS PREVIOUS PAYMENTS: \$0.00  
 TOTAL - PAY REQUEST NO. 1: \$25,184.50

  
 BENCHMARK ENGINEERING, INC.



# BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING  
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261  
Mt. Iron, MN 55768-0261  
tel: 218-735-8914 • fax: 218-735-8923  
email: info@bm-eng.com

June 30, 2008

Mr. Craig Wainio, City Administrator  
City of Mountain Iron  
8586 South Enterprise Drive  
Mountain Iron, MN 55768

Re: Agate Street Storm Sewer Feasibility Study  
City of Mountain Iron  
MI08-4

Dear Mr. Wainio

As requested by the City Council, Benchmark Engineering, Inc. has completed a feasibility study for the Agate Street Storm Sewer Interceptor. Enclosed please find eight (8) copies of the feasibility study.

If you have any questions or need additional information, please do not hesitate to contact me.

Sincerely,  
**Benchmark Engineering, Inc.**

  
Eric E. Fallstrom, P.E.

Enclosures

# **Wastewater Treatment Final Clarifier**

**Mountain Iron, Minnesota**

**Cost Report  
Project No. MI08-11**

**June 24, 2008**

Prepared by:



Reviewed by:

---

Joseph Palo, P.E.  
Project Engineer

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**EXISTING CONDITIONS**

**OPTION 1 – CLARIFIER REPAIR**

**OPTION 2 – CLARIFIER REPLACEMENT**

**RECOMMENDATIONS**

**ATTACHMENTS**

**- ENGINEERING ESTIMATE -**



## **BACKGROUND**

On April 9, 2008, the Don Kleinschmidt, Director of Public Works, requested that Benchmark Engineering address the engineering needs to repair two (2) aged and malfunctioning wastewater treatment final clarifiers located at the Mt. Iron wastewater treatment facility (WWTF).

The purpose of this report is to evaluate the options and the cost to repair and/or replace final clarifier mechanisms.

## **EXISTING CONDITIONS**

A site visit was conducted to review the existing conditions and the as-built drawings of the treatment mechanism. Built in 1974, the final clarifiers are over 30 years old and in need of major repair. Based on a site visit and discussion with WWTF staff, it was determined that the existing final clarifier concrete structures are in good repair and will not need to be replaced, unless it is later discovered that the bottom of the concrete structure has significant deterioration.

The final clarifiers continue to operate and meet discharge standards, but are not functioning as designed and in time will eventually fail to meet discharge standards. The first clarifier mechanism has a broken surface skimmer, a plugged scum sump, a bent mechanism shaft and corroded electrical boxes and wires. The second clarifier mechanism also has a broken surface skimmer, a plugged scum sump and corroded electrical boxes and wires. Both roof structures are intact, but leak and are in need of repair or replacement. Roof section seals are deteriorated, missing or hanging from the roof structure.

## **OPTION 1 - REPAIR**

Based on the age of the existing system, repairing the mechanism shaft, replacing the surface skimmer, cleaning and repairing the scum sump and replacing the electrical system would not be cost effective. No warrantee for the repaired or replaced parts would be given from any manufacture unless a complete system is replaced. Finding parts to match and/or replace the existing mechanism would also be difficult to match and retrofit to the existing mechanism. Costs to repair the system have not been obtained due to the lack of warrantee or guarantees given for specific parts.

## **OPTION 2 - REPLACEMENT**

Based on the age of the existing system, replacing the entire clarifier mechanism, including the mechanical, electrical and roof system is the most cost effective alternative. This alternative also provides a complete warrantee on the clarifier system that will

provide years of service. Engineering, installation and purchase costs are outlined on the attached spreadsheet.

### **RECOMMENDATIONS**

It is the recommendation of Benchmark Engineering, Inc. to replace the entire final clarifier treatment system with an equivalent mechanism that will provide the City of Mt. Iron with years of uninterrupted service. Trying to repair and piece the system back together without providing any part warranties is not recommended and will eventually cost the city more over time.

**APPENDIX A: ENGINEERING ESTIMATE**



**CITY OF MOUNTAIN IRON**

**WASTEWATER TREATMENT FINAL CLARIFIER**

Mountain Iron, MN  
 Project No. : MI08-11

ITEM	UNITS	QUANTITY	UNIT COST	TOTAL AMOUNT
FINAL CLARIFIER MECHANICAL SYSTEM	SYSTEM	2.0	\$92,500.00	\$185,000.00
ROOF SYSTEM REPLACEMENT	ROOF	2.0	\$30,000.00	\$60,000.00
DEMOLITION / INSTALLATION / CONSTRUCTION		1.0	\$80,000.00	\$80,000.00

**SUBTOTAL: \$325,000.00**  
**CONTINGENCY (15%): \$ 48,750.00**  
**CONSTRUCTION TOTAL: \$ 373,750.00**

1. Cost does not include design or construction engineering.

**BENCHMARK ENGINEERING, INC.**

---

CITY OF MOUNTAIN IRON  
VARIANCE APPLICATION \*

Name of Applicant R. Michael Grahak Signature of Applicant R. Michael Grahak Date 5/28/08

5418 Garden Drive So, Mountain Iron

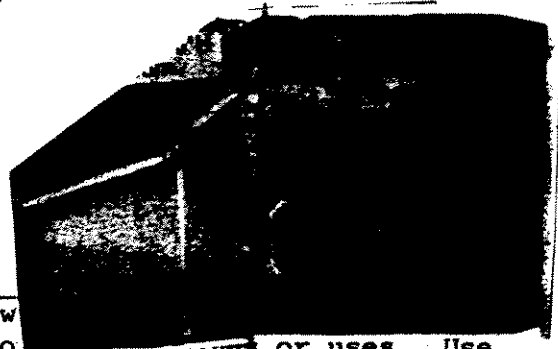
Legal Description: Sec/Lot N 40 Ft Twp/Block Lot 25 Rge/Subd 558 Pt. of Lot 26 Parcel Code # 75-0055-01295

Area for which Variance Requested: Detached Garage 30'x30' w/ Attic Storage : Total Height = 21 Feet

Statements addressing condition of "undue hardship" for which variance is requested.

*Requesting Height Variance for Garage (Room in Attic for storage) due to no basement storage in my 24'x36' split entry home.*

*(Total Height = 21 Feet)*



\* Applicant is required to submit a vicinity map, draw and adjoining property including all existing or proposed buildings or uses. Use reverse side of this form.

pg. 150.00 5-29-08 rec. 1.030568 OFFICE USE ONLY

ITEM	ACTION	DATE	INITIAL
Zoning Administrator Review	<i>Sent to JDK</i>	<i>5-30-08</i>	<i>Qma</i>
Public Hearing Set	<i>Set hearing 6/2/08 1:00</i>	<i>6-3-08</i>	<i>Qma</i>
Hearing Notice Published	<i>Mezabi Daily News</i>	<i>6-11-08</i>	<i>Qma</i>
Board of Adjustment and Appeals Recommendation			
Council Action			
Filed with County Recorder			

Conditions Attached \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

VICINITY MAP TO SCALE - SHOW DIMENSIONS OF LOT AND ALL EXISTING AND PROPOSED STRUCTURES, DISTANCES FROM FRONT, SIDE AND REAR LOT LINE SETBACKS TO ALL EXISTING AND PROPOSED STRUCTURES. SHOW ALLEY AND STREET NAMES ABUTTING LOT.

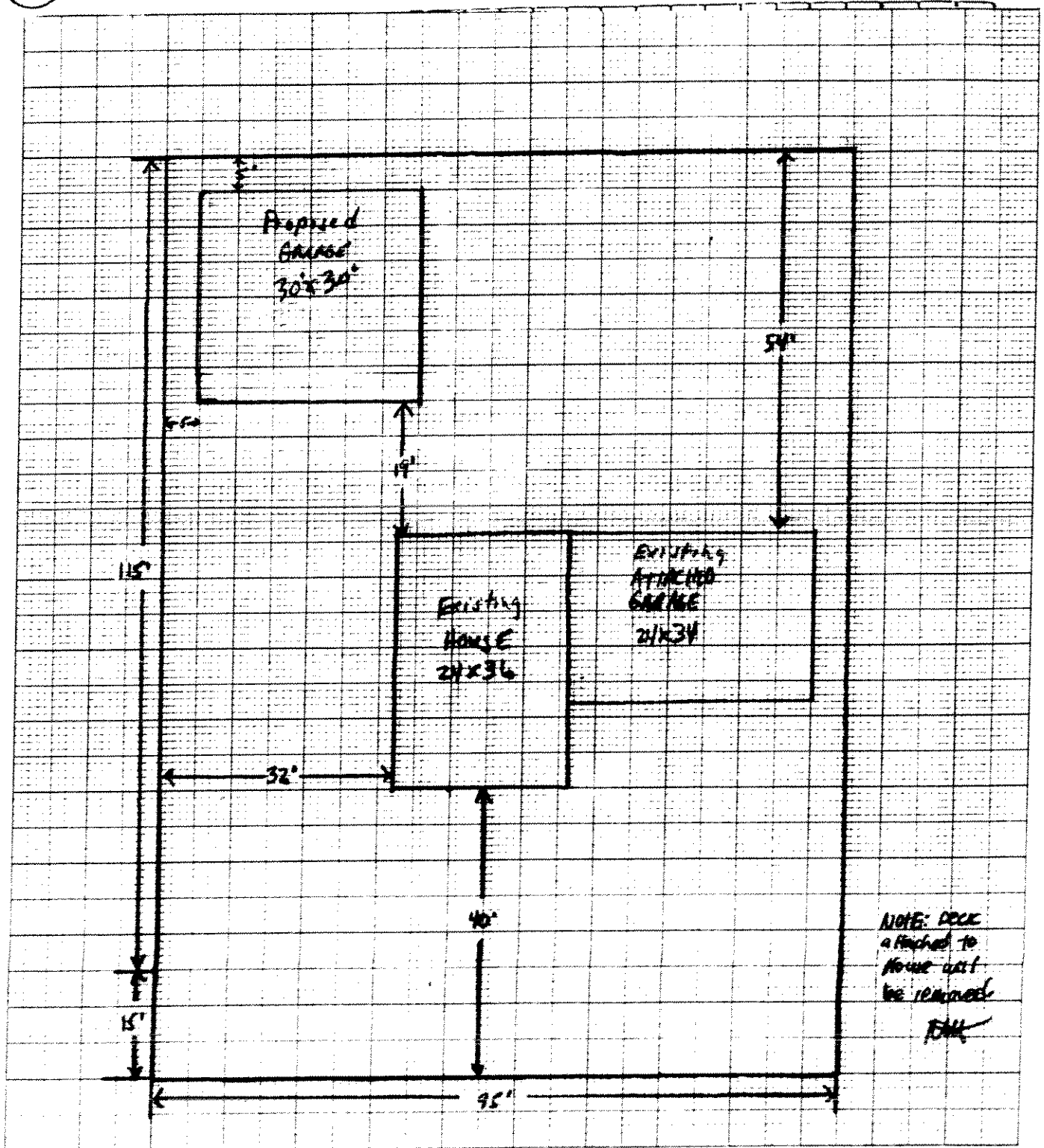
I/We certify that the proposed construction will conform to the dimensions and uses shown and that no changes will be made without first obtaining approval.

Signature A. Michael Smith

Date 5/28/08



INDICATE NORTH IN CIRCLE



46 1320

K&E 10 X 10 TO 1/2 INCH KEUFEL & ESSER CO MADE IN U.S.A.

**COUNCIL LETTER 070708-IVG1**  
**PUBLIC SAFETY & HEALTH COMMISSION**  
**FIRE DEPARTMENT BRUSH RIG**

**DATE:** July 2, 2008  
**FROM:** Public Safety & Health Commission  
Craig J. Wainio  
City Administrator

---

Approval to allow the Fire Department to seek specifications and quotes for a new 4-wheel drive brush rig. These quotes and specs will be used as an estimate of the cost prior to going through the bid process. Vendor(s) have indicated a 10-15% price increase in 2009.

**COUNCIL LETTER 070708-IVG2**

**PUBLIC SAFETY & HEALTH COMMISSION**

**SHERIFF'S DEPARTMENT SQUAD CAR**

**DATE:** July 2, 2008

**FROM:** Public Safety & Health Commission

Craig J. Wainio  
City Administrator

---

Authorize the Mtn. Iron Sheriff's office to search for a replacement squad car. Deputy Backman will check the State Bid list and see if a local dealer would honor the State Bid pricing. This would be for a squad "car" not an SUV. Budgeted item for 2008?



**COUNCIL LETTER 070708-IVG3**  
**PUBLIC SAFETY & HEALTH COMMISSION**  
**SMOKING ORDINANCE**

**DATE:** July 2, 2008  
**FROM:** Public Safety & Health Commission  
Craig J. Wainio  
City Administrator

---

The Board recommends the adoption of a City-wide Smoking Ordinance. Ordinance comparable to the City Code used by the City of Golden Valley. See attached Code Sect. 10, City of Golden Valley.

## Section 10.67: Smoke Free Environment

### Subdivision 1. Findings and Purpose

The inhalation of secondhand tobacco smoke has been documented as hazardous to human health by the American Medical Association, the U.S. Surgeon General, the National Institute on Occupational Safety and Health, the National Cancer Institute, the U.S. Environmental Protection Agency, the National Academy of Sciences, the National Toxicology Program, and the World Health Organization. Therefore, the purpose of this Section is to:

- A. Protect the public health, safety, and welfare of citizens by increasing the ability of all citizens to breathe safe and uncontaminated air;
- B. Affirm that the necessity to breathe safe and uncontaminated air takes priority over the desire to smoke; and
- C. Protect vulnerable populations including employees, children, the elderly, and those with chronic health conditions.

### Subdivision 2. Definitions

For the purposes of this Section, the following terms are defined as follows:

- A. **Food Establishment:** Any establishment, however designated, engaged in the preparation or serving of food for consumption either on or off the premises; or anywhere consumption of food occurs on the premises.
- B. **Liquor Establishment:** An establishment that has an On Sale 3.2 percent malt liquor license issued pursuant to Minnesota Statutes Section 340A.403, as amended from time to time, or an On Sale intoxicating liquor license issued pursuant to Minnesota Statutes Section 340A.404, as amended from time to time.
- C. **Other Person in Charge:** The agent of the Proprietor authorized to perform administrative direction to and general supervision of the activities within a public place or place of work at any given time.
- D. **Place of Work:** Any location at which two or more individuals perform any type of a service for consideration of payment under any type of employment relationship, including but not limited to an employment relationship with or for a private corporation, partnership, individual, or government agency. This term includes any location where two or more individuals gratuitously perform service for which individuals are ordinarily paid. Examples of a place of work include, but are not limited to an office, a public conveyance, a factory, a warehouse, or a similar place of work.

- \* **E. Proprietor:** The party, regardless of whether the party is owner or lessee of the place of work or public place, who ultimately controls, governs, or directs the activities within the place or work or public place. The term does not mean the owner of the property unless the owner ultimately controls, governs, or directs the activities within the public place. The term "Proprietor" may apply to a corporation as well as an individual.
- F. Public Place:** Any enclosed, indoor area used by the general public or serving as a place of work, including, but not limited to, restaurants, retail stores, offices and other commercial establishments, public conveyances, educational facilities other than public schools, hospitals, nursing homes, auditoriums, arenas, meeting rooms, and common areas of rental apartment buildings.
- G. Smoking:** The inhaling, exhaling, or combustion of any pipe, cigarette, cigar, tobacco product, weed, plant, or any other similar article. Smoking includes possessing or carrying a lighted pipe, cigarette, cigar, or any other lighted smoking equipment.

### **Subdivision 3. Smoking Restrictions**

- A. Smoking is prohibited in the following locations:**
1. Public places and places of work, including both indoor and outdoor dining areas of liquor and food establishments;
  2. Within twenty-five (25) feet of entrances, exits, open windows, and ventilation intakes of public places and places of work;
  3. Within twenty-five (25) feet of any outdoor dining area at any liquor or food establishment; and
  4. Public parks and recreation facilities.
- B. Exceptions. The prohibitions of this Section shall not apply to the following:**
1. Private residences;
  2. Privately rented sleeping rooms in hotels and motels;
  3. Locations where smoking is expressly authorized by State or Federal law or rule;
  4. Motor vehicles; and
  5. The use of tobacco as part of a recognized religious ritual, activity, or ceremony.



**Subdivision 4. Responsibilities of Proprietors**

The proprietor or other person in charge of a public place, place of work, liquor establishment, or food establishment shall:

- A. Post "No Smoking" signs that comply with the Minnesota Clean Indoor Air Act Rules, Minnesota Rules, part 4620.0500 as amended from time to time;
- B. Ensure that ashtrays, lighters, and matchbooks are not provided in areas where smoking is prohibited;
- C. Ask any person who smokes in an area where smoking is prohibited to refrain from smoking and, if the person does not refrain from smoking after being asked to do so, take the appropriate action to remove the person from the premises. Appropriate action shall include calling the Golden Valley Police Department for assistance.
- D. Failure to comply with this Subdivision shall constitute grounds for revocation of any food, liquor, or other business license held by the establishment.

**Subdivision 5. Retaliation Prohibited**

No person or employer shall discharge, refuse to hire, or in any manner retaliate against, any employee, applicant for employment, or customer because the employee, applicant or customer exercises any right to a smoke-free environment afforded by this ordinance or other law.

**Subdivision 6. Private Prohibitions**

Nothing in this Section prevents the proprietor or other person in charge of any place, including, without limitation, any residence, motor vehicle, or outdoor space, from prohibiting smoking in any such place.

**Subdivision 7. Employees' Rights Preserved**

An employee who consents to work in a setting where an employer allows smoking does not waive or otherwise surrender any legal rights the employee may have against the employer or any other party.

**Subdivision 8. Other Laws**

This Section is intended to complement the Minnesota Clean Indoor Air Act, Minnesota Statutes, Sections 144.411 to 144.417, as amended from time to time. Nothing in this ordinance authorizes smoking in any location where smoking is prohibited or restricted by other laws.

**Subdivision 9. Severability**

If any portion of this Section is held invalid, the remaining provisions shall be considered severable and shall be given effect to the maximum extent possible.

**COUNCIL LETTER 070708-IVA**

**ADMINISTRATION**

**RESOLUTION NUMBER 31-08**

**DATE:** June 11, 2008

**FROM:** Craig J. Wainio  
City Administrator

---

Resolution Number 31-08 Authorizes the submission of a grant application to Iron Range Resources for \$20,000 on behalf of Marion Giru for the demolition of the former Wayne Motors building. Mrs. Giru will be responsible for any additional funding required for the demolition. Staff recommends the approval of Resolution Number 31-08 Authorizing the City Administrator to make Application to the Iron Range Resources Commercial Community Development Program for demotion of Wayne Motors.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

CITY OF MOUNTAIN IRON, MINNESOTA

RESOLUTION NUMBER 31-08

STATE OF MINNESOTA        )  
COUNTY OF SAINT LOUIS    )  
CITY OF MOUNTAIN IRON     )

**RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO MAKE APPLICATION TO THE IRON RANGE RESOURCES COMMERCIAL COMMUNITY REDEVELOPMENT GRANT PROGRAM FOR THE DEMOLITION OF THE FORMER WAYNE MOTORS BUILDING**

**WHEREAS** the City Council approves of the above application because it supports community and economic development.

**NOW THEREFORE BE IT RESOLVED** that the City Council of Mountain Iron, Minnesota does hereby adopt this resolution.

Upon vote taken thereon, the following voted:

For:

Against:

Whereupon said Resolution Number 31-08 was declared duly passed and adopted this 7<sup>th</sup> day of July 2008.

\_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_

City Administrator

**COUNCIL LETTER 070708-VIB**

**LIBRARY ROOF**

**SETTLEMENT AND REPAIR**

**DATE:** July 2, 2008

**FROM:** Craig J. Wainio  
City Administrator

---

Based upon the recommendation of the City Attorney, it is recommended that the City Council approve the settlement concerning the Library roof as presented in the enclosed correspondence.

Secondly, in order to get the roof repaired in a timely manner, it is recommended that the City Council award the quote from Nelson Roofing Inc for the repair of the roof.

P.O. Box 2119  
Cincinnati, OH 45201  
952.476.5285 ph  
888.290.3706 fax

Thomas R. Pettygrove, CPCU, AFSB  
Senior Bond Claim Specialist



SENT VIA FIRST CLASS U.S.MAIL

June 18, 2008

Sam A. Aluni, Esquire  
THE TRENTI LAW FIRM  
P.O. Box 958  
Virginia, MN. 55792

RECEIVED

JUN 18 2008

TRENTI LAW FIRM

Re: Surety: Great American Insurance Company  
Our File No.: 941 503125 011  
Bond No.: 5369156  
Principal: Siding & Sheetmetal Specialties, Inc. DBA: Com Con  
Obligee/Your Client: City Of Mt. Iron, MN.  
Project: Mt. Iron Library Re-Roofing  
Your File No.: 55,337-11

Dear Mr. Aluni:

I am writing to you in follow-up to my earlier correspondence addressed to your office in connection with the above referenced matter. Please be advised that Great American has completed its review of the City of Mt. Iron's claim against the Performance Bond ("Bond") that Great American issued on behalf of Siding & Sheetmetal Specialties DBA: Com Con ("Com Con") for the captioned Mt. Iron Library Re-Roofing project ("Project").

Based upon my review of the documents submitted to my office by Mt. Iron, a warranty was issued on the Project roof in question by Vande Hey Raleigh Manufacturing, Inc. ("VHRMI") on or about December 1, 2004. VHRMI's warranty copy submitted by Mt. Iron also contained a stated "Installation Completion Date (of) September 15, 2004" by Com Con. Therefore, Great American disputes that VHRMI can issue a subsequent inspection report over three years later on November 9, 2007 claiming that there is "required repair work" on this roofing Project.

In any event, the submitted documents also show that Mt. Iron has been holding \$10,783.05 in contract funds on this Project since August 12, 2004. Applying 6% Minnesota Statutory Interest from August 12, 2004 to present would increase the available Project contract funds to at least a total of \$13,484.92. Mt. Iron has obtained only one price to complete the VHRMI "required repair work" from Nelson Roofing, Inc. in a non-competitive bid situation totaling \$14,950.00.

Therefore and as a compromise to resolve this disputed matter at this time, Great American is willing to allow Mt. Iron to apply the contract funds it is presently holding to directly complete the "required repair work" in exchange for a complete release of Great American's Performance and Payment Bond (collectively, the "Bonds") obligations on this Project and Mt. Iron's return of the said Bonds to Great American.

Please allow my letter of this date to formally acknowledge and confirm Great American's preceding settlement proposal; and that in exchange for the settlement, all claims, whether known

(con't)

7



# NELSON ROOFING, INC.

We Top Them All!

Hibbing Office 3804 East 13th Avenue · Hibbing, MN 55746  
218-262-3545 · Fax 218-263-8964

March 18, 2008

D.S.G.W. Architects  
417 2<sup>nd</sup> Street South  
PO Box 1065  
Virginia, MN 55792

ATTN: Eric Wedge

Subject: Mountain Iron Library  
NRI Quote: 08-2904

**R E C E I V E D**  
MAR 19 2008

DAMBERG SCOTT GERZINA  
WAGNER ARCHITECTS - VIRGINIA

Dear Mr. Wedge,

We at Nelson Roofing Inc. are pleased to submit this quotation based on our interpretation of your requirements. We propose to furnish all supervision, labor, materials, tools, equipment and services to repair Mountain Iron Library roof as per Vande Hey Raleigh's recommendations and specifications. (Letter to D.S.G.W from Vande Hey Raleigh dated November 9, 2007.)

**TOTAL LUMP SUM PRICE.....\$14,950.00**

Prices quoted are firm for 30 days

**TERMS: Net 30 Days**

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March 18, 2008  
Mr. Wedge  
Mountain Iron Library  
Page 2

We appreciate the privilege of submitting this proposal and hope for your favorable consideration. If you have any questions or comments, please contact me at (218) 262-3545.

Should this proposal be acceptable, please sign below. We are unable to schedule work until this authorization is received. Thank You.

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

Sincerely,

  
NELSON ROOFING, INC.

Paul Rasmusson  
Estimator



# Saint Louis County

Planning and Development Department • 307 First Street South • Virginia, MN 55792  
Phone: (218) 749-7103 • Fax: (218) 749-0620  
Toll Free 1-800-450-9777, ext. 7103

**Barbara Hayden**  
Director

June 26, 2008

Mayor Gary Skalko  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

Dear Mayor Skalko:

In 1985, the state of Minnesota adopted the Comprehensive Local Management Act. The Act encourages counties to develop and implement local water management plans. The plans are voluntary, but funding for various state and federal grants are contingent upon an updated plan being adopted.

The current St. Louis County Water Management Plan was adopted in July 2001. The St. Louis County Board adopted a resolution on March 11, 2008, requiring the update and revision of the St. Louis County Local Water Management Plan.

The purpose of the water management plan is to protect water resources based on local priorities. It is important to us to receive your input on items which should be considered in the plan.

We are in the process of forming a task force to assist in the development of the water management plan. This task force will be comprised of representatives of local governments throughout the county.

Please complete the attached form identifying priority concerns and an elected or appointed official your community would like to serve on the task force. Please return the form to me by August 11, 2008. Contact me at 218-749-0633 or e-mail at [lindhorstm@co.st-louis.mn.us](mailto:lindhorstm@co.st-louis.mn.us) if you have any questions.

Sincerely,

Mark Lindhorst  
Planner

Enclosure

cc: City Clerk/Town Clerk

# St. Louis County Local Water Management Plan

City/Township: \_\_\_\_\_

## Task Force Representative:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**Water Management Priority Concerns.** Refers to issues, resources, subwatersheds, or demographic areas that are identified as a priority in the Water Management Plan. Examples are as follows:

**Issues:** Development, drainage, flooding, groundwater contamination, impervious surface, land use, recreation, stormwater, water supply, septic systems.

**Resources:** Aquifer, critical habitats, lakes, rivers, wetlands.

**Demographic Area:** An area defined by the density or distribution of people or land uses.

Please identify any priority concerns you have at this time. There will be opportunities for input throughout the planning process.

### Priority Concern No 1:

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- A. *Why is it important the plan focus on this concern?*
- B. *What actions are needed?*
- C. *What resources may be available to accomplish the concern?  
(include contact names, funding sources, partnerships, volunteers.)*

Priority Concern No 2:

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- A. *Why is it important the plan focus on this concern?*
  
- B. *What actions are needed?*
  
- C. *What resources may be available to accomplish the concern?  
(include contact names, funding sources, partnerships, volunteers.)*

Priority Concern No 3:

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- A. *Why is it important the plan focus on this concern?*
  
- B. *What actions are needed?*
  
- C. *What resources may be available to accomplish the concern?  
(include contact names, funding sources, partnerships, volunteers.)*

***Please attach any water and related land use resource plans or ordinances that you would like to have considered in the plan.***

Please return form to:  
Mark Lindhorst  
St. Louis County Planning and Development  
Northland Office Center, East Wing  
307 S. First Street  
Virginia, MN 55792

Mr Mayor and Council Members,

The MIB Quarterback club has reserved the Sr Center on Wed August 13 and Thurs August 14 to kick off Merritt Days with a Spaghetti Fundraiser. We would like for you to consider waiving the rental fee as all proceeds will go to purchase equipment for the school weight room, which is available to all MIB Students.

Thank You in advance for use of the SR Center and your attention to the above request.

MIB Quarterback Club

A handwritten signature in black ink, appearing to read "Kevin Guilla". The signature is written in a cursive style with a large, prominent initial "K".

**Gas Line Extension Contract**

THIS AGREEMENT, made and entered into by and between Minnesota Energy Resources Inc. (MERC), hereinafter called "Company", and

City of Mountain Iron c/o City Administrator, Craig Wainio  
of Mountain Iron MN, 55768  
 (Town) (State) (Zip Code)

hereinafter called "Applicant".

WITNESSETH:

That in consideration of the provision for payment and other terms and conditions set out below, the parties agree as follows:

- 1. That Company will extend its gas distribution system facilities to the Applicant's premises described as:  
Install approximately 4000 feet of 2" gas main, to service 35 lots in the Unity Second Addition, Mountain Iron, Minnesota. Minnesota Energy will install 75 feet of service line, the riser, regulator, and meter at no charge for each home. The below price is for 2008 construction season only with no frost charges.

The said new facilities are hereinafter referred to as "Extension".

- 2. Applicant, at the time Applicant signs this Contract, will contribute to Company the total estimated cost of such Extension, which is \$ 16261.00
- 3. Applicant understands and agrees that Applicant will receive gas service under a separate application or contract with Company and that such service will be rendered subject to Company's available gas supply and its applicable tariff terms and conditions as such available supply may vary and as such terms and conditions may be revised from time to time.
- 4. This agreement is subject to the valid and applicable rules, regulations, decisions and orders of state and federal agencies with jurisdiction and to modifications of the Company's tariff terms and conditions or promulgated pursuant thereto.

Dated at Minnesota Energy Resources Corp, this 21st day of May, 2008.

Applicant \_\_\_\_\_ MERC,

By: Russell C. Liupakka

\_\_\_\_\_ Cash Report Date

\_\_\_\_\_ Cash Report Number

\_\_\_\_\_ Work Order and Material Transfer Number

**COUNCIL LETTER 070708-VIF**

**ED ROSKOSKI**

**DOWNTOWN PARK TOILET**

**DATE:** July 2, 2008

**FROM:** Ed Roskoski  
City Councilor

Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

I really feel the City Council should reconsider having a porta-potty placed at the Downtown school yard park.



**COUNCIL LETTER 070708-VIG**

**ED ROSKOSKI**

**MESABI TRAIL SIGNAGE**

**DATE:** July 2, 2008

**FROM:** Ed Roskoski  
City Councilor

Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

I came up with 17 more informational/historic signs to complete the signage project of the Mesabi Trail through our community. The Regional Rail Authority Advisory Group approved only 3 of the 17 requested. What does the Council wish to do?

**COUNCIL LETTER 070708-VIIA**

**ED ROSKOSKI**

**DOWNTOWN HISTORIC DISTRICT**

**DATE:** July 2, 2008

**FROM:** Ed Roskoski  
City Councilor

Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

What will this area look like when everything is completed? What will be the draw(s)?

**COUNCIL LETTER 070708-IX**

**CITY COUNCIL**

**CLOSED MEETING**

**DATE:** July 2, 2008

**FROM:** City Council

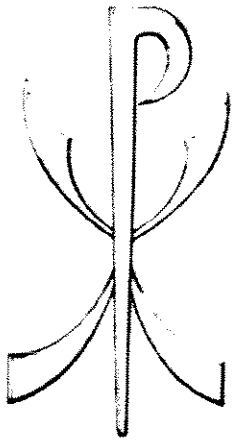
Craig J. Wainio  
City Administrator

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The City Council may enter into a Closed Meeting to review performance evaluations.

COMMUNICATIONS  
JULY 7, 2008

1. Messiah Lutheran Church, an invitation to the Day of Remembering the fire that destroyed Messiah's building on July 14, 1998.



# MESSIAH LUTHERAN CHURCH

8590 Enterprise Drive South  
Mountain Iron, Minnesota 55768  
218-741-7057  
Fax: 218-741-7059

Pastor KRISTIN M. FOSTER  
218-735-8785

June 19, 2008

Dear Mayor Skalko and the City Council + Staff:  
On behalf of Messiah Lutheran Church,  
we would like to invite you to be honored  
guests at a day of remembering the  
fire which destroyed Messiah's building  
on July 14, 1998 and sharing our thanks  
with the community for your support.  
If you plan to come, let us know.  
We need R.S.V.P.'s on the bunch  
by July 7. Hope to see you there!

Sincerely,  
Pastor Kristin Foster