



**HAPPY
HALLOWEEN**

**MOUNTAIN IRON
CITY COUNCIL
MEETING**

**MONDAY, OCTOBER 18, 2021
6:30 P.M.**

**MOUNTAIN IRON COMMUNITY CENTER
MOUNTAIN IRON ROOM**

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, OCTOBER 18, 2021 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Pledge of Allegiance
- III. Consent Agenda
 - A. Minutes of the October 4, 2021, Committee of the Whole meeting (#1)
 - B. Minutes of the October 4, 2021, Regular Meeting (#2-6)
 - C. Receipts
 - D. Bills and Payroll
 - E. Communications
- IV. Public Forum
- V. Committee and Staff Reports
 - A. Mayor's Report
 - B. City Administrator's Report
 - C. Director of Public Works' Report
 - 1. Water Treatment Plant Furnace (#7)
 - D. Library Director/Special Events Coordinator's Report (#8)
 - E. Sheriff's Department Report
 - F. City Engineer's Report
 - 1. Change Order Number 1 – Well Number 3 (#9-11)
 - G. City Attorney's Report
 - H. Personnel Committee
 - 1. Equipment Operator Position Appointment (#12)
 - 2. Authorization to Advertise for Laborers (#13)
 - I. Liaison Reports
- VI. Unfinished Business
- VII. New Business
 - A. Electrical Service Territory Agreement (#14-26)
- VIII. Communications
- IX. Announcements
 - A. Public Hearing – Monday November 1st at 6:00PM
- X. Adjourn

MINUTES
MOUNTAIN IRON CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING
October 4, 2021

Mayor Anderson called the City Council Committee of the Whole meeting to order at 5:33p.m. with the following members present: Councilor Joe Prebeg Jr., Ed Roskoski, Julie Buria and Mayor Anderson.. Also present were: Craig Wainio, City Administrator; Alan Johnson, City Engineer; Vic Lund, St. Louis County Representative and Scott Poska, Alliant Representative. Absent members: Councilor Steve Skogman.

Intersection Control Evaluation Presentation for the intersection of US 169 and CSAH 109 (Nichols Avenue)/CSAH 103 (Mud Lake) was made by Mr. Scott Poska and Mr. Vic Lind.

At 6:25p.m., Anderson adjourned the meeting, with Councilor Skogman absent.

Submitted by:

Craig J. Wainio
City Administrator

www.mtniron.com

MINUTES
MOUNTAIN IRON CITY COUNCIL
October 4, 2021

Mayor Anderson called the City Council meeting to order at 6:30p.m. with the following members present: Councilor Ed Roskoski, Julie Buria, Joe Prebeg Jr. and Mayor Peggy Anderson. Also present were: Craig Wainio, City Administrator; Anna Amundson, Library Director/Special Events Coordinator; Amanda Inmon, Municipal Services Secretary; Al Johnson, City Engineer; and Kevin Friebe, Sheriff's Department. Absent members: Councilor Steve Skogman.

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

1. Approve the minutes of the September 20, 2021, regular meeting as submitted.
2. That the communications be accepted and placed on file and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period September 16-30, totaling \$600,883.36 (a list is attached and made a part of these minutes),
4. To authorize the payments of the bills and payroll for the period September 16-30, totaling \$306,131.23 (a list is attached and made a part of these minutes).

Councilor Roskoski stated that the motion, "It was moved by Prebeg and seconded by Buria to approve the preliminary 2022 Budget as presented," was not on the agenda for a motion, would ask that it be known. The motion carried with Councilor Skogman absent.

Public Forum:

- No one spoke during the forum

The Mayor reported on the following:

- No formal report

City Administrator:

- No formal report

Library Director/Special Events Coordinator:

- Sunday, October 31st "Trucks & Treats" Halloween event
 - 4 outside stops – Library, South Grove Rec Complex, Nichols Town Hall & YMCA
 - From 3:00pm – 6:00pm
 - Candy bags, hot chocolate, fun & games at all locations
 - Fire Department personnel at locations
 - FREE hats & mittens at all locations *while supplies last*
- City of Mountain Iron 2nd annual "Holiday Lighting Contest"
 - House registration call Anna @ (218) 750-4911
 - December 17th & December 18th for judging
 - Winners announced @ December 20th Council meeting

Sheriff's Department:

- SGT Grant Toma will be replacing SGT Friebe effective November 8, 2021 at the Mountain Iron Sherriff location, due to staff modifications

City Engineer:

- No formal report

It was moved by Prebeg and seconded by Buria to approve Pay Request No. 4 – for the Well Project– Well Number 3, in the amount of \$30,495.00, to Peterson Well Drilling, Inc., Mountain Iron, MN. This amount includes a 5% retainage. The motion carried on roll call vote with Councilor Skogman absent (4:0).

It was moved by Buria and seconded by Prebeg to approve Pay Request No. 8 – for the Water Filter Replacement Project – Water Treatment Plant, in the amount of \$38,748.36, to Magney Construction, Inc. Chanhassen, MN. This amount includes a 5% retainage. The motion carried on roll call vote with Councilor Skogman absent (4:0).

Fire Department Report:

- Fire Prevention week started at the Mountain Iron-Buhl School this week
- Fire Department provided roughly 40 shoes during the Community Steps Program

It was moved by Roskoski and seconded by to accept and add the Fire Department report as presented to the minutes. The motion failed due to lack of support.

It was moved by Prebeg and seconded by Buria to approve the recommendation by the Public Health and Safety Board and appoint the following individuals to the Fire Hall Committee:

Peggy Anderson	Joe Prebeg
Margaret Soyring	Jared Ecklund
Craig Wainio	Tim Satrang
Mark Madden	

The motion carried with Councilor Skogman absent.

It was moved by Prebeg and seconded by Roskoski to approve the recommendation by the Personnel Committee, which has reviewed the performance of Interim Fire Chief Mark Madden and based upon that review, recommends that the City Council remove the “Interim” label. The motion carried with Councilor Skogman absent.

It was moved by Prebeg and seconded by Buria to approve the recommendation by the Personnel Committee, with the current Equipment Operator position becoming vacant at the end of the week, recommends that the City Council authorize the internal posting for the position of Equipment Operator, as specified in the Collective Bargaining Agreement. Applications will be accepted until 4:00pm, October 15, 2021 at City Hall. The motion carried (3:1) with Councilor Roskoski objecting and Councilor Skogman absent.

It was moved by Roskoski and seconded by to amend the motion to include basic carpentry, concrete work, building painting, simplistic welding, and simplistic welding repair to the list of descriptions for the hiring of Equipment Operator. The applicant should have proof or documentation for added list of descriptions. The amended motion failed due to lack of support.

It was moved by Prebeg and seconded by Buria to approve the recommendation of Staff, having City Council declare 5623 Oriole Avenue in violation of Chapter 96 Nuisance of the City of Mountain Iron and pursuant to Section 96.23. It is recommended that a Hearing be scheduled for 6:00pm on Monday, November 1, 2021. The motion carried with (3:1) Councilor Roskoski objecting and Councilor Skogman absent.

It was moved by Roskoski and seconded by to donate \$150.00, \$75.00 for the yearbook page, and another \$75.00 for them to do with as they see fit to complete their project, to the Mountain Iron-Buhl Yearbook, monies to come from the Charitable Gambling Fund. The motion failed due to lack of support.

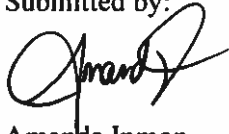
It was moved by Buria and seconded by Prebeg to donate \$75.00, to the Mountain Iron-Buhl Yearbook, monies to come from the Charitable Gambling Fund. The motion carried on roll call vote with Councilor Skogman absent.

Announcements:

- No announcements

At 7:08p.m., it was moved by Buria and seconded by Prebeg that the meeting be adjourned. The motion carried with Councilor Skogman absent.

Submitted by:



Amanda Inmon
Municipal Services Secretary
www.mtniron.com

Communications:

1. Mountain Iron Fire Department “Community Steps Informational Meeting,” via Zoom on Thursday, November 4th @ 6:30pm
 - RSVP by November 1st to MIFD@ci.mountain-iron.mn.us or call (218)929-1625

Distribution Summary

Category	Distribution	GL Account	Amount
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	101-20607	800.00
BUILDING RENTALS	COMMUNITY CENTER	101-36-6200-089	250.00
FINES	ADMINISTRATIVE OFFENSE	101-35-5100-002	50.00
INTERGOVERNMENTAL REVENUE	TACONITE MUNICIPAL AID	101-33-3401-008	341,753.00
METER DEPOSITS	ELECTRIC	604-22000	700.00
MISCELLANEOUS	ASSESSMENT SEARCHES	101-36-6200-070	20.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	101-21709	1,367.88
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	230-31-1010-000	40.80
MISCELLANEOUS	FAX CHARGES	101-36-6200-061	1.06
MISCELLANEOUS	FIRE DEPT-MISC INCOME	101-36-6200-087	1,439.71
MISCELLANEOUS	REFUSE-SALE OF SCRAP METAL	603-34-4400-011	33.35
MISCELLANEOUS	REIMBURSEMENTS	101-37-7100-022	1.06
PERMITS	BUILDING	101-32-2100-000	54,423.94
PERMITS	CONDITIONAL USE	101-32-2100-000	150.00
UTILITY	UTILITY	001-11105	199,852.56
Grand Totals:			<u>600,883.36</u>

Report Criteria:

Report type: Summary

Check Type = {<>} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
10/21	10/06/2021	156665	10070	A-1 RENTAL SERVICES INC	101-20200	1,793.57
10/21	10/06/2021	156666	30055	BTAC ACQUISITION CORP.	101-20200	1,348.22
10/21	10/06/2021	156667	30020	COAST TO COAST SOLUTIONS	101-20200	244.00
10/21	10/06/2021	156668	30072	COMPUTER WORLD	101-20200	2,417.00
10/21	10/06/2021	156669	40060	DELTA DENTAL OF MINNESOTA	101-20200	1,932.55
10/21	10/06/2021	156670	50041	EMERGENCY AUTOMOTIVE TECH INC	301-20200	4,690.40
10/21	10/06/2021	156671	60029	FERGUSON ENTERPRISES INC	601-20200	542.97
10/21	10/06/2021	156672	70016	GOPHER STATE ONE CALL INC	604-20200	39.15
10/21	10/06/2021	156673	70004	GRANDE ACE HARDWARE	101-20200	148.15
10/21	10/06/2021	156674	30071	JOSEPH PUGLEASA	101-20200	57.54
10/21	10/06/2021	156675	130032	MAGNEY CONSTRUCTION, INC.	601-20200	38,748.36
10/21	10/06/2021	156676	130006	MESABI HUMANE SOCIETY	101-20200	1,791.67
10/21	10/06/2021	156677	130004	MESABI TRIBUNE	101-20200	38.25
10/21	10/06/2021	156678	130138	MIB YEARBOOK	230-20200	75.00
10/21	10/06/2021	156679	130194	MID-STATE TRUCK SERVICE INC.	101-20200	14.70
10/21	10/06/2021	156680	130008	MINNESOTA MUNICIPAL UTILITIES	602-20200	620.00
10/21	10/06/2021	156681	130009	MINNESOTA POWER (ALLETE INC)	101-20200	1,784.30
10/21	10/06/2021	156682	130168	MINNESOTA WASTEWATER OPERATORS ASSOC	602-20200	80.00
10/21	10/06/2021	156683	140005	NORTHERN FITNESS GROUP	101-20200	208.08
10/21	10/06/2021	156684	9039	NORTHLAND FIRE & SAFETY, INC	101-20200	114.90
10/21	10/06/2021	156685	160066	PACE ANALYTICAL SERVICES, LLC	602-20200	432.50
10/21	10/06/2021	156686	130017	PARK STATE BANK	101-20200	405.89
10/21	10/06/2021	156687	16000	PETERSON WELL DRILLING, INC.	601-20200	30,495.00
10/21	10/06/2021	156688	160057	PHIL'S GARAGE DOOR SERVICE	602-20200	5,445.50
10/21	10/06/2021	156689	170007	QUILL CORPORATION	101-20200	174.83
10/21	10/06/2021	156690	190079	SCHINDLER ELEVATOR CORPORATION	101-20200	8,573.00
10/21	10/06/2021	156691	190045	SERVICE SOLUTIONS	101-20200	23.00
10/21	10/06/2021	156692	190094	SERVICEMASTER CLEANING SERVICE	301-20200	2,617.08
10/21	10/06/2021	156693	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	42,500.00
10/21	10/06/2021	156694	190059	ST LOUIS COUNTY AUDITOR	603-20200	30,538.75
10/21	10/06/2021	156695	190033	STAR TRIBUNE	101-20200	134.45
10/21	10/06/2021	156696	200028	TRI CITIES BIOSOLIDS DISPOSAL	602-20200	7,809.37
10/21	10/06/2021	156697	80053	TYREL HEBL	602-20200	18.12
10/21	10/06/2021	156698	220025	VERIZON WIRELESS	602-20200	18.08
10/21	10/06/2021	156699	240001	XEROX CORPORATION	101-20200	92.97

Grand Totals:

185,967.35

PP-Ending 09/17

120,163.88

TOTAL EXPENDITURES**\$306,131.23**

North Country Heating, Cooling &
 Refrigeration Inc
 118 N 15th Ave
 Virginia, MN 55792

Estimate

Date	Estimate #
10/4/2021	100631

Name / Address
City of Mt. Iron 8586 Enterprise Dr South Mt. Iron, Mn. 55768

Description	Qty	Cost	Project
			Total
Waste Water Treatment Plant 8866 Slate St. Mt. Iron, MN 55768		4,600.00	4,600.00
Amana AMES961205DN furnace Horizontal Hanging			
Installation of Ductwork		2,600.00	2,600.00
Installation of Gas Piping		1,900.00	1,900.00
Manlift rental		500.00	500.00
50% down, remainder due upon completion		Total	\$9,600.00

Mountain Iron Public Library

Monthly Report

September 2021

Circulation

Items checked out: 1,474 Items checked in: 1,564

Total Circulation of materials in September: 3,038

Attendance:

Adults: 315 Youth: 81 Patrons in September: 396

Special Events/Programs held: 2 (90 participants)

Reference Desk visits (email, phone, and messenger): 214 Computer Use Sessions: 38

UWNEMN Meet Up & Chow Down: 24 meals

Total Library usage: 486 persons

Events and Activities at the library in September:

September 7th: City Council Meeting (Anna)

September 8th: Iron Range Tykes Library Visit (Anna)

September 9th: ALS Meeting (Anna)

September 14th: Friends of the Library Meeting (Anna – 12 attendees)

September 23rd: ALS training (Ben)

September 28th: ALS Meeting (Anna)

September 30th: FOL Book Sale (Anna – 78 attendees)



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

October 13, 2021

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

Re: Proposed Well #3
City of Mountain Iron
Project No.: MI15-08
Bid Package #2

Dear Mr. Wainio;

Enclosed please find **Change Order No. 1** for the Proposed Well #3 project. This Change Order increases the contract amount by **\$29,965.00**. This change order also extends the substantial completion date to December 30, 2021 for Bid Package #3.

If approved please sign the change order and return to my office.

Also, see the letter enclosed from TNT Construction Group summarizing the cost changes.

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

Sincerely,
Benchmark Engineering, Inc.


Alan J. Johnson, P.E.

Project Engineer
Enclosure

Pc: Clay Witkofsky, TNT Construction Group

CHANGE ORDER

Order No. 1

Date: 10/13/21

NAME OF PROJECT/PROJECT NO: Proposed Well 3/MI15-08

OWNER: City of Mountain Iron

CONTRACTOR: TNT Construction Group
40 County Road 63, Grand Rapids, Minnesota 55744

ENGINEER: Benchmark Engineering, Inc.

Reason for Change Order:

This Change Order is to compensate the contractor for additional material and labor costs due to the increases on the materials for this project. Enclosed please find a list of the items. This also changes the substantial completion date to December 30, 2021. The substantial completion includes all items expect electrical.

The following changes are hereby made to the CONTRACT DOCUMENTS:

The contract amount is increased by \$29,965.00.

Change to CONTRACT PRICE:

Original CONTRACT PRICE	\$ <u>139,000.00</u>
Current CONTRACT PRICE adjusted by previous CHANGE ORDERS	\$ <u>0.00</u>
The CONTRACT PRICE due to this CHANGE ORDER will be <u>increased</u> by:	\$ <u>29,965.00</u>
The new CONTRACT PRICE including this CHANGE ORDER will be:	\$ <u>168,965.00</u>

Recommended by:



Engineer (Authorized Signature)

10-13-21

Date:

Approved by:

Owner (Authorized Signature)

Date:

Accepted by:

Contractor (Authorized Signature)

Date:



TNT Construction Group

40 County Road 63, Grand Rapids, Minnesota 55744 Phone: 218-326-1881 Fax: 218-326-9296

Proposal/Change order

- Today's Date 10-13-21
- Proposal submitted to: City of Mt. Iron
- Project name: Mt. Iron Pumphouse
- Project Location: Mt Iron MN
- Description of work: Material and Labor increases from bid date
- Date of drawings: N/A
- Addendums

Proposal Includes,

Building material increases	1,128.00
Mechanical and Plumbing	2,500.00
Misc. metals supply	850.00
Labor Increase 317 @ 2.02	640.00
Signs and fire protection	410.00
Door and hardware	645.00
Electrical	21,068.00
Overhead and Profit @ 10%	2,724.00

We propose hereby to furnish equipment, material, and labor for the sum of:
Twenty Nine Thousand Nine Hundred Sixty Five Dollars 00/100 (Bid Total:\$ 29,965.00)

Signed and prepared by: 
Project Manager/Estimator, Clay Witkofsky
clay@tnt-cg.com
218-398-2141 Mobile. 218-326-1881 Office. 218-326-9296 Fax.
Hammerlund Inc. UNION CONTRACTOR

COUNCIL LETTER 101821-VH1

PERSONNEL COMMITTEE

APPOINTMENT

DATE: October 14, 2021

FROM: Personnel Committee

Craig J. Wainio
City Administrator

The Personnel Committee is recommending that the City Council promote Mr. David Mazzeo to the position of Equipment Operator as outlined in the collective bargaining agreement.

COUNCIL LETTER 101821-VH2

PERSONNEL COMMITTEE

POSITION ADVERTISEMENT

DATE: October 14, 2021

FROM: Personnel Committee

Craig J. Wainio
City Administrator

The Personnel Committee is recommending that the City Council authorize the posting and advertisement for the two laborer position that are currently open.

COUNCIL LETTER 101821-VIIA

ELECTRIC

SERVICE TERRITORY

DATE: October 14, 2021

FROM: Craig J. Wainio
City Administrator

During the construction of Woodland Estates, the EDA unknowingly infringed upon Lake County Power's service territory. In order to rectify the situation, negotiations between the City and LCP were undertaken. The result of these negotiations is the enclosed Electric Service Territory Agreement, which in basic terms, moved Woodland Estates into the City of Mountain Iron service territory in exchange for a short term sharing of revenue. The amount of the payment is attached to how many kilowatts are used within Woodland Estates. It is recommended that the City Council approve the agreement as presented.

ELECTRIC SERVICE TERRITORY AGREEMENT

This agreement ("Agreement"), made and entered into effective as of the ___ day of _____, 2021 (the "Effective Date"), by and between the City of Mountain Iron, a municipal utility duly organized and existing under the laws of the State of Minnesota (the "City") and Lake Country Power, a rural electric cooperative duly organized and existing under the laws of the State of Minnesota (the "Cooperative"), individually or collectively referred to as a "Party" or "Parties."

WHEREAS, the laws of the State of Minnesota, namely Minnesota Statutes §§ 216B.37-216B.47, provide the terms and conditions under which the City may extend retail electric service throughout the corporate limits of the city, as well as authorize and permit electric utilities to define and revise their electric service territories by their written consent and agreement;

WHEREAS, the City seeks to adjust the assigned electric service territory boundaries for an area of approximately 30 acres owned and developed by the City as a residential development located within the city limits and known as Woodland Estates, which is described in greater detail in the maps attached hereto as Exhibit A ("Affected Area") and legal description attached here as Exhibit B; and

WHEREAS, the Parties have negotiated a mutual settlement and wish to avoid litigation regarding compensation for such electric service territory transfer.

NOW, THEREFORE in consideration of the premises and of the mutual covenants contained herein, the Parties agree as follows:

Article I: Transfer of Electric Service Territory Rights

1.1 The Parties acknowledge and agree that the City has been providing electric service to the Affected Area since the beginning of construction in approximately June of 2016. The City retains the exclusive right and obligation to provide permanent electric service to the Affected Area as of the Effective Date of the Agreement (the "Transfer Date").

Article II: Settlement Payments

2.1 Compensation. As settlement payment and in consideration of the covenants, releases, and representations made by the Cooperative herein, the City agrees to make the following payments to the Cooperative, subject to Sections 2.2 and 2.3.

a. For the period 2016 through the Effective Date, the City shall pay the Cooperative an amount equal to the result of multiplying three cents (\$0.03) times each kilowatt hour of electric energy sold by the City to each customer to whom the City provides retail electric service in the Affected Area. This payment structure recognizes the unusual and extended nature of the Parties' negotiations, including the impact of the COVID-19 pandemic.

b. For the period August 10, 2021 through August 10, 2026, the City shall pay the Cooperative an amount equal to the result of multiplying 1.5 cents (\$0.015) times each kilowatt hour of electric energy sold by the City to each customer to whom the City provides retail electric service in the Affected Area.

c. For the period August 11, 2026 through August 11, 2031, the City shall pay the Cooperative an amount equal to the result of multiplying 1.1 cents (\$0.011) times each

kilowatt hour of electric energy sold by the City to each customer to whom the City provides retail electric service in the Affected Area, provided that the City's payments shall not exceed a total of two hundred fifty thousand (250,000) kilowatt hours of usage per customer in the Affected Area. The usage determination shall commence when the City installs any meter for each customer.

2.2 City Utility Facilities. The loss-of-revenue payments under Section 2.1 shall not apply to facilities owned by the City for providing utility services, including, but not limited to, lift stations and streetlights.

2.3 Payment Process. The calculation of any amount due under Section 2.1 shall be made for the period concluding on December 31st of each year under consideration. Payment of the annual amount so determined under Section 2.1(b) and 2.1(c) will be made by the City by February 15th of the following year; payment for the amount determined under Section 2.1(a) will be made by November 1, 2021, unless the Parties mutually agree otherwise. The City's sales shall be calculated on the basis of its meter readings, as made in the ordinary course of its utility business. With its payment, the City shall provide a written report to the Cooperative, certified as true and correct by the City Administrator of the City, summarizing for the Affected Area the kilowatt hours sold by the City and the basis for the calculation of the compensation due the Cooperative.

The City shall also provide the Cooperative with copies of such additional supporting data as the Cooperative may reasonably request, at the Cooperative's expense, including metering data that reflects kilowatt hours sold, but, pursuant to Minn. Stat. § 13.685, may not contain any data that could identify any customer (e.g., by name,

address, phone, or social security number). Any dispute concerning amounts due under this Article 2 shall be governed by Article 7 of this Agreement.

2.4 No Other Payments. The Parties acknowledge and agree that except as provided in Section 2.1, no other payments (including, but not limited to, payment for purchasing facilities of the Cooperative, integration expenses, or other appropriate factors) shall be due for the transfer of the Affected Area under the terms of this Agreement.

Article 3: Filings

3.1 Promptly after the execution of this Agreement, the Cooperative consents and authorizes, and the City agrees, that City shall file the Parties' joint request, under Minn. Stat. § 216B.39, subd. 3, legally describing and depicting the Affected Area, that the Minnesota Public Utilities Commission ("MPUC") modify the service territory boundary and recognize the service territory transfer. Notice and a copy thereof shall be provided by the City to the Cooperative not less than ten (10) days before filing with the MPUC. If the service territory boundary modification procedure described in this Section materially changes in the law, the Parties will follow the process provided by law.

3.2 If the MPUC or the Department of Commerce raises any question or challenges any provision of the boundary adjustment, this Agreement, or the due performance thereof, the Parties shall each, at their own expense, exercise any and all lawful efforts reasonable and necessary to respond to said questions and to assure the transfer of service territory. If for any reason the MPUC refuses to recognize any service territory transfer described in Article 1, the Cooperative shall return any payments made by the City pursuant to Article 2, upon demand by the City.

Article 4: Representations and Warranties

4.1 The City and the Cooperative hereby mutually represent and warrant, each to the other, as follows:

(a) Each is duly organized and existing in good standing under the laws of the State of Minnesota and each has all requisite power and authority to own, lease, and operate its electric facilities;

(b) Each has the power and authority to execute, deliver, and carry out the terms and provisions of this Agreement and has taken all the necessary corporate action to authorize the execution, delivery, and performance of this Agreement; and

(c) This Agreement constitutes a valid and binding obligation of each Party enforceable in accordance with its terms.

Article 5: Mutual Waiver and Release of Claims

5.1 The Parties do hereby each unconditionally release and waive any and all claims, known or unknown, which they may now have or have in the future arising from any action or omission of the Parties or any fact or circumstance first occurring prior to the date hereof, whether or not continuing in nature, which relate to or arise from the right of either Party to provide electric service to any particular third party, area, facility, or site by reason of the electric service territory laws of the State of Minnesota, now or hereafter in effect, or any prior agreement of the parties, oral or written. Provided, however, the foregoing provisions of this Article 5 do not waive or release any claim that either Party may have for any breach of any covenants or any misrepresentations contained in this Agreement.

5.2 Each Party will be responsible for its own acts or omissions and the results thereof to the extent authorized by law and shall not be responsible for the acts or omissions of any others and the results thereof. Nothing in this Agreement limits or waives the rights or limits provided to the City in Minnesota Statutes Chapter 466, and it is intended in this Agreement that unless explicitly provided otherwise, the City shall have the maximum benefits and rights accorded to it under Chapter 466 and applicable law.

Article 6: Term and Scope of Agreement

6.1 This Agreement (including exhibits hereto) constitutes the entire Agreement and, with respect to the specific subject matter hereof, supersedes all prior agreements and understandings, oral and written, between the Parties hereto.

6.2 The Parties acknowledge that this Agreement is the result of arms length negotiations between the Parties, each taking into consideration the costs and risks of litigation otherwise required to resolve the matters addressed in this Agreement. This Agreement does not reflect the position of either the Party as to the appropriate application of the law determining electric service territory rights or compensation in such matters. For any electric service territory matters between the Parties not governed by this Agreement, the Agreement shall not act as precedent in the determination of compensation, if any be due.

Article 7: Alternative Dispute Resolution

7.1 In the event that a dispute arises between the Parties as to the interpretation or performance of this Agreement, then upon written request of either Party, representatives with settlement authority for each Party shall meet in person and confer in good faith to resolve the dispute. If the Parties are unable to resolve the dispute, they

shall make every effort to settle the dispute through mediation or other alternative dispute resolution methods. If the Parties are unable to resolve the dispute through these methods, either Party may commence an action in the District Court for the county in which the service territory is located. The Transfer Date is not affected by any dispute or action to determine compensation.

Article 8: General Terms and Conditions

8.1 Any notice permitted or required by this Agreement shall be made in writing by letter, electronic mail, personal service, facsimile, or other documentary form and shall be deemed given upon actual receipt by the Party to which such notice is given.

8.2 This Agreement will inure to the benefit of the Parties hereto and shall be binding on them and their respective legal representatives, successors, and assigns. Provided, however, neither Party hereto may assign any of its rights herein to any person without the prior written consent of the other Party.

8.3 Each of the Parties acknowledges that the adjustment of electric service territory boundaries provided for herein is unique in that neither Party will have an adequate remedy at law if the other Party fails to perform any of its obligations hereunder. In such event, either Party shall have the right, in addition to any other rights it may have, to petition for and obtain specific performance of this Agreement in the Minnesota District Court for the county in which the service territory is located.

8.4 This Agreement may be amended only in writing.

8.5 Headings are for convenience and are not a part of this Agreement.

8.6 This Agreement may be executed in counterpart copies by the Parties and each counterpart, when taken together with the other, shall be deemed one and the same executed Agreement.

8.7 By executing this Agreement, the Parties acknowledge that they: (a) enter into this Agreement knowingly, voluntarily and freely; (b) have had an opportunity to consult an attorney before signing this Agreement; and (c) have not relied upon any representation or statement not set forth herein.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the date first above written.

LAKE COUNTRY POWER

By _____

Its _____

CITY OF MOUNTAIN IRON

By _____

Its _____

EXHIBIT A: MAP OF AFFECTED AREA

EXHIBIT B: LEGAL DESCRIPTION OF AFFECTED AREA

The South Half of the South Half of the Northeast Quarter of the Southwest Quarter of Section 13, Township 58 North, Range 18 West of the Fourth Principle Meridian, City of Mountain Iron, St. Louis County, Minnesota. Except Minerals.

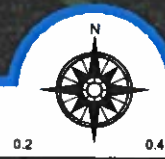
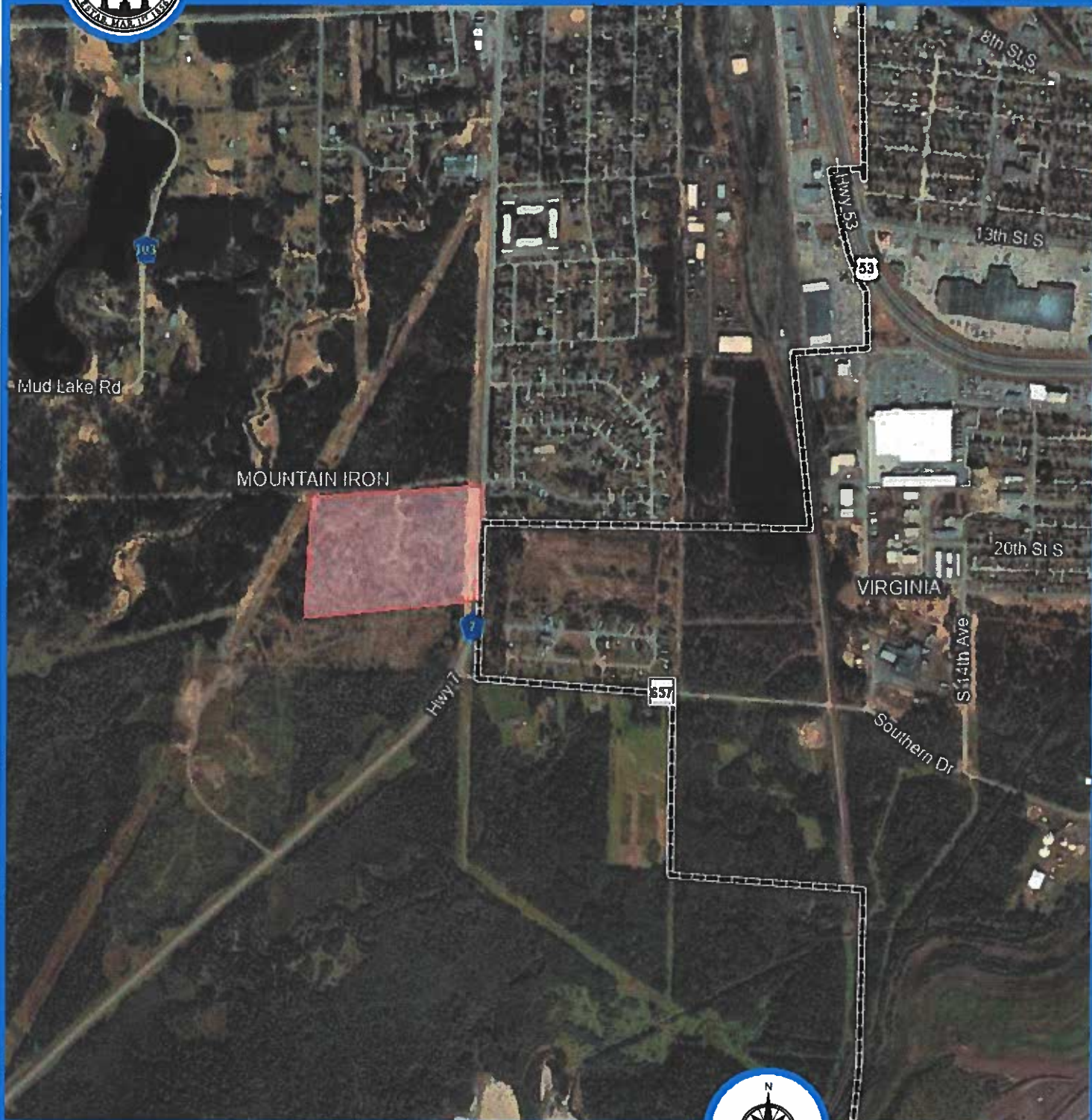
And

The North Half of the Southeast Quarter of the Southwest Quarter of Section 13, Township 58 North, Range 18 West of the Fourth Principle Meridian, City of Mountain Iron, St. Louis County, Minnesota, Except Minerals.

EXHIBIT A

County Land Explorer

St. Louis County, Minnesota



Title...

default author

Map created using County Land Explorer
www.stlouiscountymn.gov/explorer

St. Louis County **County Land Explorer** www.stlouiscountymn.gov/explorer Minnesota

Disclaimer

This is a compilation of records as they appear in the Saint Louis County Office affecting the area shown. This drawing is to be used only for reference purposes and the County is not responsible for any inaccuracies herein

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