



NASHWAUK PUBLIC UTILITIES

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To: Itasca County Regional Rail Authority

From: Bryan Adams PE Nashwauk Public Utilities Commission

Subject: Project Status Report Public Infrastructure to Support Essar Steel Minnesota

This project update provides information regarding the Nashwauk Public Utilities Commission's progress in their development of the following infrastructure elements:

- High Voltage Transmission System Upgrades
- Electric Distribution Substations
- Electric Power Supply

System High Voltage Transmission Upgrades

Minnesota Power continues the engineering, material procurement and delivery, easements and R/W clearing for this portion of the project.

Electric Distribution Substations

National Conductor from Brainerd MN is contracted to erect the substations for both NPUC and Minnesota Power. All of the necessary materials for the NPUC and Minnesota Power is on site or will soon be. The necessary materials that National Conductor is furnishing are currently being delivered. Construction is scheduled to be completion in December 2012.

All five Waukesha transformers are setting on the concrete foundation completely trimmed out and filled with oil. The necessary on site testing of these transformers has been completed by Waukesha. Waukesha will return when these transformers are energized in December 2012 completion.

Donovan Construction has started the erection of the overhead portion of the secondary bus extension along Co Rd 58. See the attached pictures. We are experiencing some difficulties in fitting up the hardware that was specified but are being resolved.

National Conductor, who is constructing the underground portion of the secondary bus extension, is continuing this construction. See the attached pictures. The installation of the duct system is completed. Cable is now being pulled in to the ducts.

Water/ Sewer

The water/sewer utility extension from Nashwauk to the crusher/concentrator location has been completed. ESML has completed and construction of the road from the crusher/concentrator area to the equipment maintenance shop, but continues to struggle with an acceptable location for the remaining sewer line to from lift station 3 to lift station 4. ESML also desires the NPUC to install the water main in this portion of the project. ESML is currently designing their underground utility lines (gas, fire water, wash water etc.) in this area that complicate the situation. We continue to work on this issue.