



Commission Meeting

AUGUST 13TH, 2024

Commission Meeting Agenda

August 13th, 2024

Chair J. Hart	—	Commissioner J. Bayliss	—
Commissioner J. Stokes	—	Commissioner J. Babich	—
Commissioner J. Sandstede	—	Legal Counsel A. Borland	—
General Manager L. Peterson	—	Auditors Abdo, LLP	—
Utility Operations S. Dickinson	—	Energy & Pricing P. Plombon	—
Customer Ser. & Finance J. Zallar	—	Admin & Comm E. Dixon	—
Electrical Operations S. Adams	—	Local 94 President Rich Kampsula	—

1. Management Updates: July 2024

- a. Samantha Adams – Electrical Operations Director
- b. Jill Zallar – Finance & Customer Service Supervisor
- c. Stefanie Dickinson– Safety & Facilities
- d. Paul Plombon – HREC & Heat

2. City of Hibbing Requests

3. Other Discussion/Items/Questions



Item 1 – HPU Management Updates

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August 13th, 2024

Jeff Hart, Chairman
Hibbing Public Utilities Commission
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 1 – Management Updates

Dear Commissioners;

Please find attached for your reviewal the HPU Managerial Updates for the month of July 2024. Members of the management team will be present at the August 13th, 2024 Commission Working Session to provide updates and answer questions from Commissioners.

Sincerely;



Luke J. Peterson

July Monthly Highlights

Electrical Distribution: Construction season is still in full swing. The crew built and energized multiple new services this month.

July and August tend to be storm season. We had a storm that resulted in a major outage on July 31st. This disrupted regular operations through to the weekend and cleanup wrapped around into our next week. The 7/31/24 storm locked out multiple feeders. At one point, it was reported that we had ~3,000 ratepayers without power. Our crew response was incredible. They had ~1500 services back on within a 30-60 minutes and another ~1300 back on within another 30-60 minutes. They worked overnight to wrap up getting the feeders back on to restore a majority of services reported out. The next day our crew focused on single services. Many services required an electrician to fix broken or bent masts before our crew could reconnect. Zielie's put in 24(not continuous) hours to support our crew during the outage. The majority of the damage from the storm was due to high winds and vegetation.

Our crew spent some time earlier this month also working on emergent repairs due to rotten pole tops that broke insulators into free air. The distribution throughout this feeder is in poor condition. More to come very soon on that as I'm working up estimates to propose a project to convert the voltage and upgrade infrastructure.

An underground excavation contractor is working on boring so our crew can work to repair underground streetlights. In the meantime, our crew was able to work maintenance and repairs on the lights that are fed by overhead distribution.

Substation Projects: The sealed bid opening for was 7/26/24 at 10AM for dirt, excavation, and foundation work at both substation project sites that are kicking off this fall. RFQs/RFPs were solicited and returned for a line work contractor and an electrical contractor to also work on the project sites.

You'll find them on the agenda for our regular meeting.

Electrical GIS: Staff has made significant progress this past month collecting pole locations. The finer details such as sizing wire and entering equipment is still in progress. We have been able to use the pole data from collection already as part of a joint use project. Leveraging this technology helped expedite a layer of this project.

I've also reached out to Bolton and Menk to further develop our app. that was used in a pilot with the line crew to report and track maintenance. Once the app., that also has a web-based dashboard for progress, is further customized, the plan is to roll out to all of our crews and the Service Desk.

Looking ahead: Construction and storm season is keeping us very busy in Line Ops. When able, I'm taking time to review and analyze more to continue modernizing our maintenance program at HPU. Our policy manual is dated 2004.

The line crew will be at Big Truck Day on September 12th from 5:00-7:00 at the Memorial Building. Bring your family and friends to enjoy a bucket ride!



Photo attached: HPU line crew that worked the 7/31/24 storm



Photo attached: temp. fix on rotten pole top before crew made permanent repairs



Photo attached: a Hibbing resident shared on social media during 7/31 storm. No injuries to the public or our crews were reported.

July Monthly Highlights

Customer Service

Staff has worked really hard through the summer with all of our rate payers explaining rates, answering information questions, answering lead and copper questions, and keeping them up to date on outages and project statuses.

Storm questions have slowed down now as resources have been announced and published as available through FEMA and United Way.

Staff is working on preparing for upcoming changes with AMI, technology, and improving processes. Original policies aren't changing but some resources are. Example: using other qualified staff besides foreman or crew to assess, report on damage before service order. Also shifting to digital reporting/assigning/tracking.

These changes will increase efficiencies in staffing, reduce expenses, and allow crew to concentrate on scheduled work. Customer Service staff will be wearing HPU brand logo wear during the work day and personalizing how we pick up calls by using our first names to provide positive customer interaction in how we deliver customer service.

Disconnections are still higher than we'd like to see coming into cold weather rule, with July cycle 4, at 70; August cycle 1, at 53.

Cycle 1, August 2024			
Total Billed	Past Due	Settled No Cut	Cut for Non Pay
8537	52	40	12

Utility Billing

Utility billing staff is working with our postage vendor to update outdated equipment (expires end of year) and working with our software company on the utility bill update.

Cold weather rule season begins October 15, 2024.

Meter readers

Staff is still working through the Lead and Copper inventory with the below two-page insert being sent to each rate payer's home in their utility bill. This has been well received with return response of about 30 a day. Additional inventory PDF was sent to Bolten and Menk as staff collected water service line information as staff updates water meters putting us even closer to our collection goal.

The image shows a two-page informational insert. The top page is titled "WATER SERVICE LINE INVENTORY" and includes the HPU logo. It explains the purpose of the inventory and provides instructions for residents. The bottom page is titled "Types of Water Pipes" and features a diagram showing four types of pipes: LEAD, GALVANIZED, PLASTIC, and COPPER. It also includes a "WE NEED YOUR HELP!" section with a QR code and a "RESIDENT INFORMATION" form with fields for name, phone, and address. A "PIPE INFORMATION" section asks for details about the pipe material and includes a QR code for a survey.

Warehouse

Inventory received has increased with construction season. Staff has identified that the warehouse address is often missed as delivery location. A possible resolution is adding a default "ship to" address through our software.

Finance

Staff is moving steadily forward with the new bank coming online and making all the changes in the accounting software, checks are ordered, and monitoring and testing is going smoothly.

Looking Forward

Finance staff will be working with Baker Tilly on the rate study this fall. Staff will also be working on our Cold Weather Rule notifications to our rate payers.

MONTHLY UTILITY RESOURCES UPDATE IT PROJECTS WORKFLOW

Work continues in HPU's GIS system to improve data and build new system data for all utility distribution systems. Recently added items are Pole inventory for a Joint Use attacher and gas and water tap location detail from cards that are stored in the office that now can be accessed from the field on a mobile device. With the detail, engineering technicians are able to visit the location in the field and capture the coordinates to be able to locate in the field year round in all conditions.

FLEET

Staff has been collaborating on the surplus auction that will be facilitated by the Minnesota Department of Administration. Currently we wait on a duplicate title for one of the pieces of equipment then will be able to schedule the auction, ideally in August. The auction will be hosted on the State's website, however all items will remain onsite at HPU facilities for viewing by prospective bidders.

FACILITY PROJECT UPDATES

Work on facilities recently mostly includes finalizing scope of work and bidder lists for projects approved by the Commission at the last meeting. I hope to have some recommendations as soon as the next Commission meeting at the end of the month for consideration. Enclosed are mock ups of logo and color options for the transportation garage.

HUMAN RESOURCES UPDATES

Next steps in the collaboration between HPU management and Local 94 for job description reviews and evaluations include reviewing proposals from

consultant to do a class and comp study for all jobs. The data received from the study will be helpful in future discussion regarding organizational matters and prepare HPU and the Local for our next bargaining session in 2025. The Superintendent of Electrical Maintenance and Instrumentation posting is still active and will be until filled. I plan to provide an update on number of applicants at the work session.

SAFETY UPDATES

There were no injuries and one incident in the month of July.



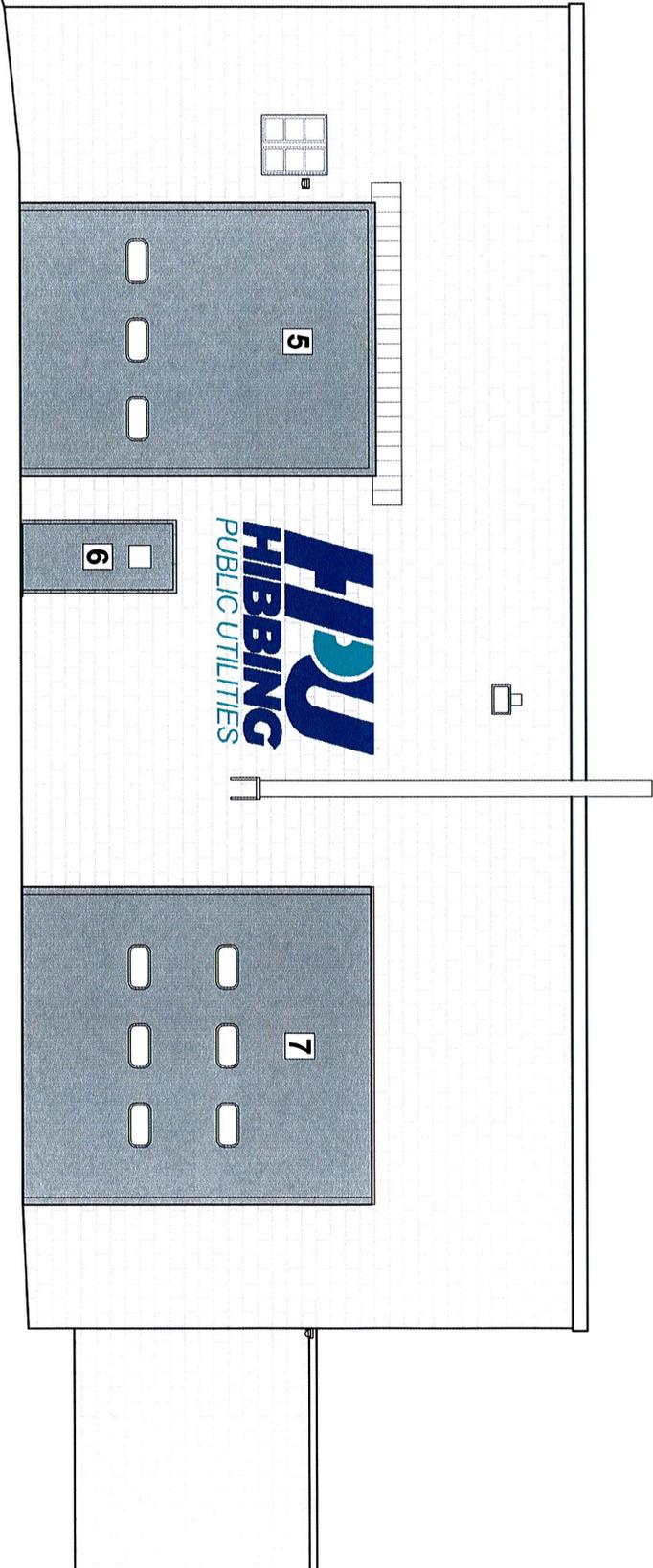
MMUA's safety training topic for August is Mobile Phone Hazards and Distractions in the work place.

LOOKING AHEAD...

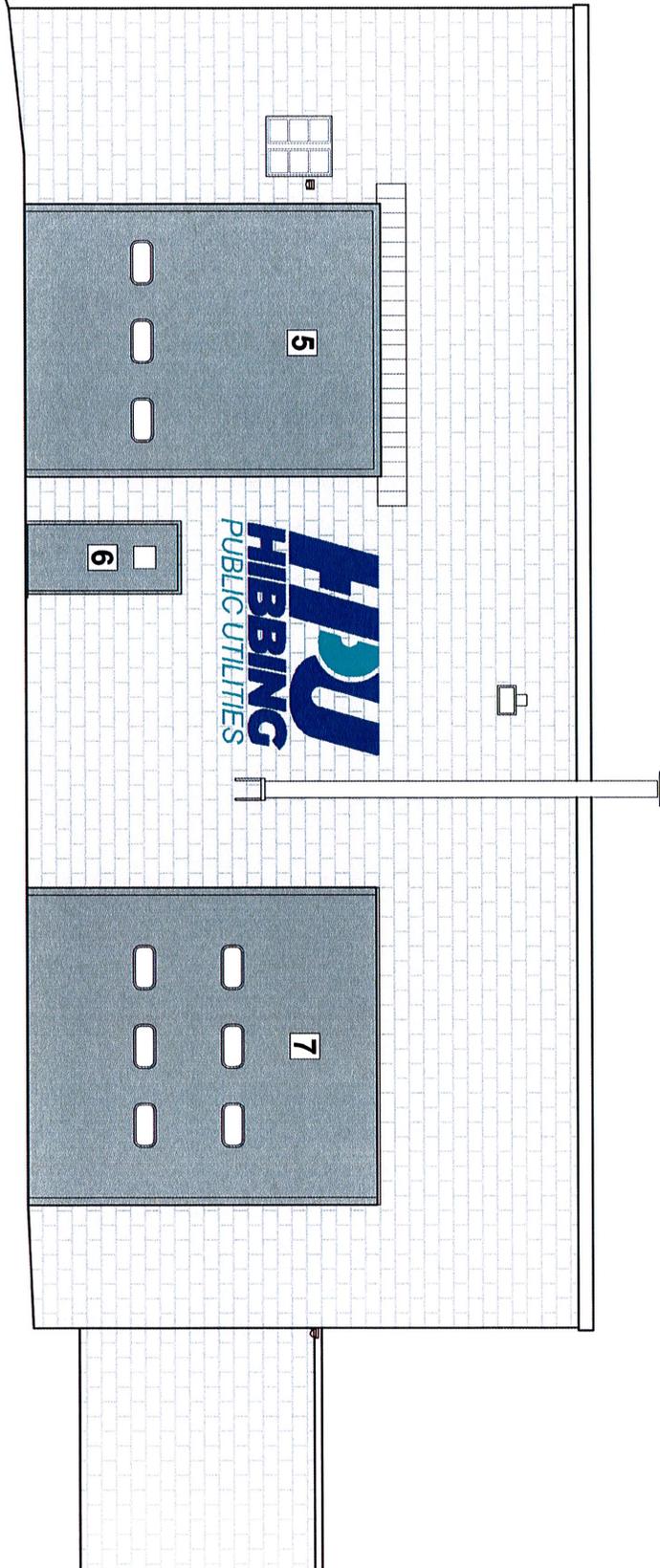
The last quarter of the year is typically busy with initial stages of payroll and benefits administration review and reconciliation to ensure our end of year processing goes well. Open Enrollment is going to be scheduled for October this year, so staff will start to development communication and other documents to share with staff for reviewing and making any adjustments to benefits for the following year.

I have begun early discussions with our fleet mechanic as well on planning for 2025 fleet recommendations. An updated version of the Fleet Replacement plan will be shared with the commission at a future date.

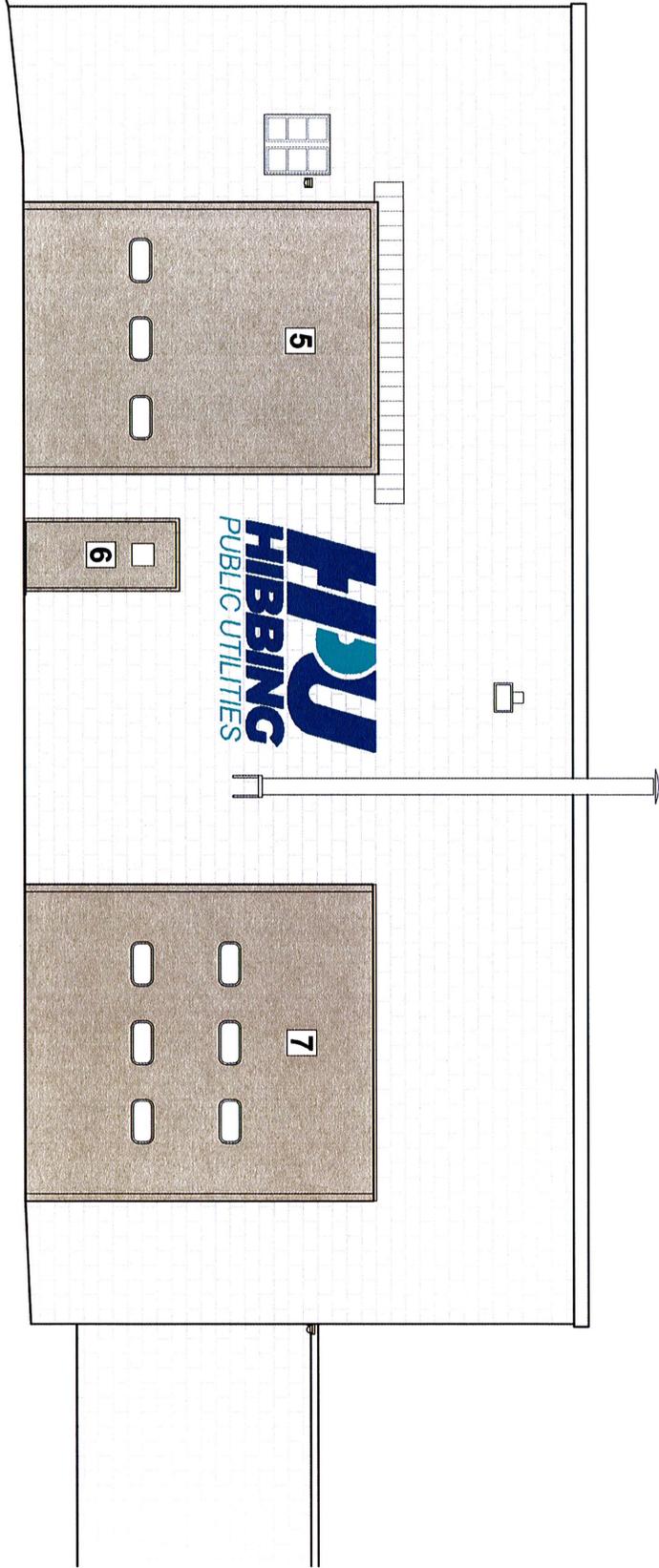
WARM WHITE & GRAY



LIGHT GRAY & GRAY



WARM WHITE & TAN



Hibbing Renewable Energy Center

Operations

HREC is currently operating with one turbine. Turbine 6 is currently averaging 1-2MW and fully supplying the city's heat line. Turbines 3 & 5 are in the ready reserve status. Boiler 4 is running on mostly biomass with Boiler 3 as backup. Our South Header is isolated to facilitate long range repairs.

Monthly Highlights

HREC completed the annual GVTC test the last week of July finishing with a respectable 32.4 MW for a total capacity. Immediately after the urge test Turbine 3 was returned to ready reserve with Turbine 5. Stack Brothers Mechanical arrived on site August 5th to begin the superheat tube replacement for Boiler 2. The superheat tube replacement is planned in conjunction with the Boiler 2 ID fan replacement and Boiler 1 non-return replacement. Conveyor 4 belt on the biomass boiler had a strip approximately 8" wide by 20' long tear off of it. The entire conveyor 4 belt was replaced on August 6th by Baldwin Supply.

Upcoming Schedule

August:

- Boiler 1 Non-Return Replacement
- Planning for Compliance Testing
- Arrival of superheat tubes
- Initial teardown of Boiler 2
- Bid walkthrough TG 6 Major
- DIMP Plan Review
- Boiler Blowdown Piping Work
- Coal Pocket Repair Work

September:

- Bid Planning TG 3 Rotor Repair
- TG 5 SRV Prep Work
- Blowdown Piping Plan Review
- Boiler 2 ID Fan Replacement
- Boiler 4 ID Fan Replacement Planning
- TG 5 Isolation Replacement Prep

Heat Crew

HPU Heat Crew has completed condensate work behind the Hibbing Public Library. The Heat Crew also completed a repair of the major leak behind Park State Bank. Crews are still dividing time with gas projects and chasing down repairs from damage caused by the June storm surge.

Notable Projects

Conveyor 4 Repairs



Park State Bank Steam Piping



Library Project



Superheat Project



Chief Operator Supervising Coal Pocket Repairs





Item 2 – City of Hibbing Requests

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August 13th , 2024

Jeff Hart, Chairman
Hibbing Public Utilities Commission
1902 E. 6th Avenue
Hibbing, MN 55746

RE: Item 2 - City of Hibbing Requests

Dear Commissioners;

Please find enclosed two Letters from HPU's partners of the City of Hibbing. They include:

- A request for a contribution for the water & sewer line at the Mineview Scenic Overlook
- A request for engineering estimates to evaluate a move of the belt-line substation (one of the substations planned for 2025 construction)

I look forward to discussing with you at the upcoming work session.

Sincerely;



Luke J. Peterson



August 1, 2024

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

Dear Chair Jeff Hart & Commissioners:

I hope this letter finds you well. I am writing to you on behalf of the City of Hibbing to seek your support in extending water utilities to the Hull Rust Mine View attraction. This initiative aims to install water and sewer services for the convenience, health and comfort of the thousands who visit the iconic Hull Rust Mine View site annually.

As you may know, we have been working diligently to enhance the new Mine View site for several years now. Two buildings have been constructed, walkways have been added, handicapped parking has been installed. Our current focus is water/sewer installation, which is an estimated \$600,000, according to project engineering firm Bolton & Menk.

This project is crucial for our community, and its success relies heavily on collaborating and support from key public entities like the Hibbing Public Utility.

Given your role and expertise in providing drinking water for the public, we believe that your contribution is vital. By collaborating with the City of Hibbing, you will:

- **Ensure** the project meets the community's needs effectively.
- **Enable** us to achieve our objectives more efficiently and successfully.
- **Demonstrate** leadership and commitment to our community's growth and improvement.

We feel this project aligns closely with your mission and responsibility to support community initiatives that foster positive change. We urge you to consider contributing to this vital endeavor.

Thank you for your attention and consideration. We look forward to the possibility of partnering with you to make a significant and lasting impact on our community.

Sincerely,

Pete Hyduke, Mayor of Hibbing



August 7, 2024

Chair Jeff Hart
Hibbing Public Utilities Commission
1902 6th Ave. East
Hibbing, MN 55746

Dear Chair Hart and Commissioners:

I am writing to express the City of Hibbing's support to the Hibbing Public Utilities to investigate the cost-benefit analysis of the potential to move the beltline substation off of a prime corner on the Hwy 169 beltline to a more appropriate piece of land for public infrastructure.

In order to consider a proposal from the Hibbing Public Utilities Commission to collaborate on the costs of this potential move, the city council is requesting the following to assist us with determining if the investment of taxpayer dollars in this project will provide a good return to the taxpayer.

1. Detailed engineering estimates for the initial beltline substation rebuild plan in the current location and
2. Detailed engineering estimates for the beltline substation rebuild plan with a move to a site on the other side of East 34th Street.

City staff is committed to assisting HPU with securing a new site and has suggested a potential location. If the HPU staff or engineering team comes up with an alternative preferred location, we are willing to consider additional sites as part of the proposed cost sharing. We look forward to collaborating with you on this project.

Sincerely,

Mayor Pete Hyduke
(218) 969-3067
petehyduke@hibbingmn.gov