



Commission Meeting

NOVEMBER 7TH, 2024

Commission Meeting Agenda

November 7th, 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: October, 2024

- a. Samantha Adams – Electrical Operations Director
- b. Jill Zallar – Finance & Customer Service Supervisor
- c. Stefanie Dickinson – Utility Resource Manager
- d. Paul Plombon – Manager of Power Supply

2. Year End House Keeping and Looking ahead to 2025

- a. Year-end Charitable Contributions
- b. Schedule for Commission Meetings
- c. Other Commission Priorities

3. Old Business

- a. Approve Job Description and Posting for Safety and Human Resources Coordinator
- b. TG #3 Update



Item 1 – HPU Management Updates

Item 1 – HPU Management Updates

November 7th, 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 October, 2024. Members of the management team will be present at the November 7th, 2024 Commission Working Session to provide updates and answer questions from Commissioners.

Sincerely;



Luke J. Peterson

October Monthly Highlights

Voltage Conversion Project

Line operations staff has started project planning and design for voltage conversion areas. Feeder 50 will be our focus during winter 2025. This 1.6 mile area will be alleys between 5th and 8th Ave. E. & from 25th to 31st Street where our previous Utility Engineer and crew last worked on voltage conversion. We are projecting to start construction in January using inventory we source before then and what is already in our warehouse. We will have late 2025 and 2026 area(s) prioritized with updates ready to share during our November meeting(s).

FEEDER 50 HIGHLIGHTED IN PINK



Vegetation

Vegetation maintenance for 2024 is complete. Staff is in progress identifying project areas to recommend for 2025.

Substation Projects

Conduit, concrete, earthwork continues. Fencing is starting to go up. We will begin seeing some layers for these contracts complete. We will wrap up most construction this fall then wait for equipment that had longer lead times.

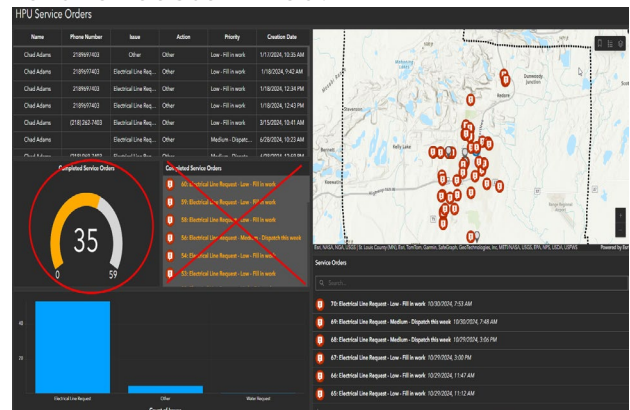
Street Lighting

HPU's excavation contractor is in progress boring poly for our final series of underground lighting repairs in 2024. Our crew is following to pull cable then making final repairs and terminations to relight. New requests for URD lights are now on hold until thaw in 2025.

Data is being for LED conversion work throughout our system.

Electrical GIS

- Overhead distribution is 100% complete and being published.
- Underground distribution collection in field is scheduled to start in November.
- A service order survey with dashboard is being rolled out to employees. As example: Streetlight and vegetation reports will now be digital from the when reported to completion. The dashboard with metrics is pictured but being further customized.



October Monthly Highlights

Finance

Year end processes are starting to ramp up to prepare us for the audit, and we expect to have reporting on rate study findings in November.

Utility Billing

The new bill format is complete; however, outdated software for our postage discounts was not supported prolonged us debuting it in October. Working with two different vendors took time, and we needed to upgrade the printer options. The new bill will run in November.

Customer Service

Staff continues to work with customers answering questions, taking utility payments, applications, and processing information requests.

Average phone calls per day: 49
Average in person transactions per day: 38

| | Last Week Cycle 3 | This Week Cycle 4 |
|------------------------------|----------------------|----------------------|
| CUT FOR NON PAY (CNP) | | |
| Disconnect Notices Mailed | 247 | 226 |
| CNP Calls Made | 42 | 45 |
| Electric CNP Completed | 4 | 4 |
| CNP by Metering Completed | 12 | 10 |

| STREET LIGHTS | Year to Date |
|------------------------------|--------------|
| Street Lights Called in 2024 | 188 |
| Street Lights Fixed | 156 |
| Remaining | 26 |
| UG remaining to fix | 6 |

*worked through 10/16/2024

| UTILITY APPLICATIONS | Year to Date |
|----------------------|--------------|
| Gas Received | 29 |
| Gas Completed | 22 |
| | |
| Steam Received | 0 |
| Steam Completed | 0 |
| | |
| Electric Received | 5 |
| Electric Completed | 4 |
| | |
| Water Received | 3 |
| Water Completed | 3 |

*waiting on HRA and Mine View completed applications.

Metering

Metering is working on updating meters to AMI compatibility and coordinating with projects to get meters changed out while at the residence. *Gas & Electric meters are waiting on material.* Electric meters need to be changed out with Gas meters just needing the radio installed to transmit data. Water meters are 50% upgraded to AMI. Radio readers still need to be installed and programming completed.

| AMI - as 10/30/2024 | |
|------------------------|------|
| Water Meters Total-R | 6165 |
| Upgraded to AMI | 3067 |
| Radio Reader installed | 12 |
| REMAINING | 3098 |

Warehouse

Year-end inventory begins in November.



Looking Forward

Staff will continue to polish process guidelines to create consistency.

MONTHLY UTILITY RESOURCES UPDATE

IT PROJECTS WORKFLOW

An employee dashboard was created. Staff accessed the dashboard from the HPU website and it currently has a staff directory and forms that can be printed or submitted electronically. More forms and options will be available in the future.

FLEET

The Digger Derrick Line Department truck was ordered. It has a lengthier lead time. When staff receives an update later in 2025 on an estimated deliver date an update will be shared.

The LEA surplus fleet auction ended on October 28, where 7 items were sold for a total of \$229,015.00. The remaining items will be auctioned in Spring of 2025.

FACILITY PROJECT UPDATES

The RFP for window replacement at the admin building will be advertised the first week of November. If the project is approved, it will start spring of 2025. A copy of the Hazardous Materials Assessment for the Warehouse has been received. If you are interested in a copy of the report please request by emailing utilityresources@hpuc.com

HUMAN RESOURCES UPDATES

There was one internal applicant for the lineman apprentice posting. Internal applicants who do not meet the minimum requirements for the education requirement are required to do a week-long assessment off site with MMUA prior

to final appointment to the position. If approved for final appointment, the finalist will be required to reimburse HPU for any program and training expenses if they post out of the position without a valid medical reason. If the internal applicant does not accept the posting, we will move on to advertising the posting externally.

SAFETY UPDATES

There were no injuries and no incidents in the month of October. MMUA's safety training topic for November will be Hot Work training. Staff is reviewing training needs for each department with a goal to have more job specific training options available for staff in 2025.

A project to upgrade and add additional surveillance at the admin building, HREC and warehouse was completed in October. The project included upgrading cameras and monitoring equipment at each building and in the boiler room so that offsite surveillance can be viewed during non-work hours and weekends.

ADDITIONAL UTILITY RESOURCES UPDATES

Open Enrollment for benefits takes place November 4-15. Staff has the opportunity to review current benefit elections, make changes if needed and learn about other HPU benefits.

Meetings took place with FM Global and Range Reliable Insurance to review HPU and LEA insurance coverage. Renewals are expected in the next 1-2 months.



Staff met with representatives for Heliene Solar who is interested in a long-term agreement for use of the LEA yard in Mt. Iron. We are close to being ready for a draft agreement to be created. Commission feedback is encouraged.

Much of year end 2024 and the first parts of 2025 will require a lot of focus on year end tasks and assisting with data requests for the Comp and Class Study. Utility Resources and Accounting staff have been a great help and I look forward to our continued collaborations on shared priorities.

Hibbing Renewable Energy Center

Operations

HREC is currently operating with one turbine. Turbine 5 is currently averaging 7MW and fully supplying the city's heat line via extraction. Turbines 3 & 6 are in full overhaul status. Boilers 2 & 3 are splitting the load while supplying steam to the turbines.

Monthly Highlights

HREC has completed the major overhaul of Boiler 2 and is currently in the process of tuning it to make sure it is efficient as possible with all the changes that were made with it. Work has started on the replacement of the Boiler 4 ID fan which should be back online early December. Significant cracking at the base of 4A ID fan was discovered. FM Global Loss Prevention was onsite for and annual inspection. FM was also onsite to conduct annual inspections of Boiler 1 & 2. TG 6 is expected to be ready for restart in the beginning of weeks of November.

Upcoming Schedule

November:

- Blowdown Piping Bid Recommendation
- Boiler 4 shutdown for ID fan Replacement
- Continue TG 3 Rotor Repair
- Turbine 6 Startup
- Wood Unload Drag Chain Replacement
- Boiler 2 Tuning
- Arrival of New Air Compressor
- Minor Biomass Repairs
- Ongoing FEMA Applications
- Circ Pump Recommended Repairs
- Boiler Inspections Corrective Actions

December:

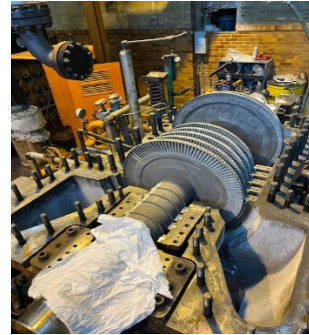
- TG 5 SRV Replacement
- Wrap up TG 6 Major
- RO Pump Replacement
- Plan for Blowdown Piping Work
- Boiler 4 ID Fan Wrap Up

Heat Crew

HPU Heat Crew has been working on cleaning up the last few gas line installs. The crew is excited to welcome its new member, Jeremy Nelson, on November 12th. Most of the major steam leaks from the summer storm surge have been remedied for now.

Notable Projects

TG 6 Rotor Back Home Piping



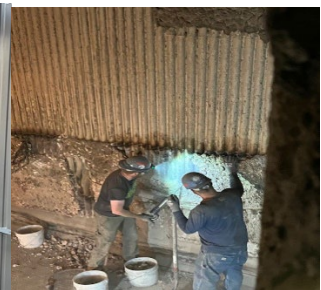
Damaged Steam Piping



ID Fan Removal Repairs



4A Refractory Repairs



TG 6 & TG 3 Rotors





Item 2.a

Item 2.a – End of Year Charitable Contributions

November 7th, 2024

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

RE: Item 2.a – End of Year Charitable Contributions

Dear Commissioners;

The Hibbing Public Utilities Commission has contributed a total of \$9,550 through 21 contributions throughout the calendar year of 2024. Each of these contributions were strategically selected by staff and unanimously approved by the commission, aligning with HPU's mission to bring the greatest overall benefit to our community. These contributions support a variety of sectors and resources essential to Hibbing's growth and well-being, including recreational, tourist, commercial, and vocational resources.

The Commission's authority for these contributions is outlined in paragraph 4, Subdivision 1, Section 3 of the enabling statute of the Hibbing Public Utilities Commission, which states:

"The commission shall have power to spend annually out of the water and light fund a sum not to exceed one percent of the gross revenues received by it during the preceding calendar year, or \$20,000, whichever is less, for the purpose of advertising, improving and developing the tourist, recreational, industrial, commercial or vocational resources of the village of Hibbing."

As 1% of HPU's gross revenues exceeds \$20,000, the maximum allowable contribution total for 2024 is \$20,000. With \$9,550 already allocated, this leaves \$10,450 for the commission to decide to allocate to local organizations.

In 2023, HPU staff recommended 3 End-of-Year Charitable Contributions to ensure that available funds are effectively allocated to organizations whose work improves and enriches our community. This initiative enables HPU to strengthen partnerships and provide support to projects that align with our community's needs.

As we approach year-end, HPU staff would like to invite the Commission's input on the allocation the remain funds.

Sincerely;



Luke J. Peterson



Item 2.b

Item 2.b – Schedule for 2025 Commission Meetings

November 7th, 2024

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

RE: Item 2.b – Schedule for 2025 Commission Meetings

Dear Commissioners;

Please review and note the following dates for Commission Meeting during the Calendar Year of 2025. These dates are selected as the 2nd & 4th Tuesdays of each month. Staff has highlighted dates that would potentially conflict holiday's or elections and recommends these dates be rescheduled.

Regular & Working Meetings are scheduled as below:

| <u>Working</u> | <u>Regular</u> |
|---------------------------------|---------------------------------|
| January 14 th | January 28 th |
| February 11 th | February 25 th |
| March 11 th | March 25 th |
| April 8 th | April 22 nd |
| May 13 th | May 27 th |
| June 10 th | June 24 th |
| July 8 th | July 22 nd |
| August 12th | August 26 th |
| September 9 th | September 23 rd |
| October 14 th | October 28 th |
| November 11th | November 25th |
| December 9 th | December 23rd |

Sincerely;



Luke J. Peterson



Item 2.c

Item 2.c – Other Commission Priorities

November 7th, 2024

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

RE: Item 2.c – Other Commission Priorities

Dear Commissioners;

HPU staff would like to discuss other Commission Priorities going into 2025.

Sincerely;



Luke J. Peterson



Item 3.a

Item 3.a- Approve Job Description and posting for Safety and Human Resources Coordinator

November 7th, 2024

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

RE: Item 3.a- Approve Job Description and posting for Safety and Human Resources Coordinator

Dear Commissioners;

As discussed at the October 8th Work Session, please find attached job description for the Safety and Human Resources Coordinator position. As noted, in October and subsequent discussions the position's focus is on Occupational Health and Safety. As stated, this position is responsible for managing pre-employment screenings and physicals, HPU's drug and alcohol screening program, all aspects of Work Comp cases and claims, overseeing MMUA's safety training program, creating safety training for departmental needs and managing the apprenticeship program.

It is my recommendation that the Commission approve the Job Description updates and declare a vacancy for the Safety and Human Resources position and approve posting beginning November 8, 2024 and approve the enclosed job description.

Sincerely;



Luke J. Peterson

Hibbing Public Utilities Position Description

| | |
|-----------------------|---|
| Title | Safety & Human Resources Coordinator – Occupational Health and Safety |
| Classification | Exempt |
| Department | Utility Resources |

Date of last evaluation
Points Total
Commission Approved

Supervisor: Utility Resources Manager

Supervisory Responsibility: None

Work Environment: Indoor, controlled office setting, outdoor work near office building entrances.

Overview: This position, plans, directs, manages, and coordinates human resources programs and confidential activities of the Hibbing Public Utilities Commission. The programs are part of the occupational health and safety functions. This position assists applicants and employees with pre-employment and other required occupational health and safety needs. They also coordinate the safety and training programs at HPU.

Duties:

HUMAN RESOURCES – performs human resources programs including but not limited to:

- Creates and updates health and safety policies to comply with legal standards and best practice
- Prepares FMLA documentation and tracks FMLA usage
- Schedules random and pre-employment drug testing and receives results
- Works closely with HPU management on various occupational health needs and schedules appointments for employees
- Manages the incident reporting program, logging workplace injuries and illnesses
- Develops and maintains an employee wellness program to promote overall employee health and well being
- Assists the Utility Resources work group in new employee training and onboarding

Manages the Functional Joint Apprenticeship Committee program

- Acts as the chair of the Committee
- Creates agendas, meetings minutes and all other documents for the review process
- Works closely with the Department of Labor and Industry on entering new apprentices in their portal and participates annual compliance reviews
- Assists managers in creating apprenticeship program curriculum
- Orders apprenticeship books
- Reviews monthly apprenticeship timesheets and book work for compliance
- Assists the committee in reviewing and making recommendations regarding the FJAC standards

Manages Workers Compensation program

- Completes First Report of Injury reports and all other subsequent injury forms and provides information as requested
- Receives reports of work ability and tracks restrictions on duty

- Maintains all yearly and employee work-related injury files
- Serves as contact person for employees, LMC claims adjusters and QRC's
- Monitors open work comp claims
- Assists Managers in coordinating return-to-work and light-duty assignments
- Completes OSHA 300 logs and 300A Summaries for each Utility location

SAFETY – Coordinates all safety program activities in conjunction with HPU Management and external vendors:

- Conducts and oversees safety training programs to ensure employees are aware of workplace hazards and safety protocol
- Coordinates the Safety Committee and maintains all records of the committee
- Performs annual OSHA reporting in consultation with Management technical safety recommendations
- Coordinates with HPU Managers and other internal and external safety subject matter experts to ensure that HPU's policies remain in compliance with State, Federal and other local agencies
- Assists Managers with updating and maintaining the Emergency Response plans and conducts drills
- Manages record of annual employee safety training and ensures employees meet annual safety training requirements
- Conducts contractor safety training
- Implements and maintains ergonomics solutions to reduce strain and injury in the workplace

Other Comprehensive Human Resources tasks

- Assists with developing and revising HPU employee policies
- Ensures compliance with Federal and State poster regulations
- Assists with annual employee driver license verification (CDL and non-CDL)
- Completes employee boiler affidavits for testing
- Monitors all employee boiler, Water Operator, Professional Engineer licenses
- Monitors the HPU Registered Electrical Employer, Master Electrician, and Unregistered Electrician certificates
- Maintains regular communication to keep employees informed about health and safety
- Encourages a culture of safety

Other Duties:

Please note this job description is not designed to cover or contain a comprehensive listing of activities, duties or responsibilities that are required of the employee for this job. Other duties may be assigned.

Required Education

- A Bachelor's degree in Human Resources, Occupational Health and Safety, Business Administration or a related field
- OR**
- A minimum of 5 years of relevant experience in lieu of a degree

Required Experience

Entry Level: 1-2 years of experience in Human Resources, Occupational Health, Safety or a related field
 Mid Level: 3-7 years of experience in Human Resources, Occupational Health, Safety or a related field
 Senior Level: 7+ years of experience in Human Resources, Occupational Health, Safety or a related field

Preferred Experience

- Certification as a Certified Safety Professional (CSP), Certified Industrial Hygienist (CIH), or similar
- Human Resources Manager Certification

Additional Eligibility Qualifications

- Understanding Occupational Safety and Health Administration (OSHA) standards and other relevant laws
- Ability to conduct risk assessments and implement safety measures
- Strong verbal and written communication skills to effectively train and inform employees
- Ability to identify hazards and develop solutions to mitigate risks

Minimum qualifications

- Class D Driver License

Physical Requirements

- 50% sitting, 25% standing, 25% walking, lifting up to 25 lbs

Safety

Responsible for compliance with all OSHA, Utility, and regulatory agency safety regulations and requirements, as applicable to the duties of the job.

Signatures

This job description has been approved by all levels of management.

General Manager

Signature

Date

Employee signature below constitutes employee’s understanding of the requirements, essential functions and duties of the position.

Employee

Signature

Date



Item 3.b

Item 3.b – Discuss TG #3 Assessment and Approve
Engineering Recommendation

November 7th, 2024

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

RE: Item 3.b – Discuss TG #3 Assessment and Approve Engineering
Recommendation

Dear Commissioners;

Please find attached to this cover letter the TG#3 Assessment. This assessment was performed by Jacob Crispo of Bolton & Menk. Mr. Crispo will be at the meeting to present the findings of this assessment.

Sincerely;



Luke J. Peterson



| Unit/Option | Option 1: | Option 2: | Option 3: | Option 4: |
|-------------|--------------------------|---------------|---------------------------|-------------|
| | HPU TG3 | LSPI TG6 | VPU TG5 | New Turbine |
| Ownership | Hibbing Public Utilities | Lake Superior | Virginia Public Utilities | |

Specifications

| | | | | | |
|-----------------|----------------------------------|----------------|-------------------------|---------------------|-----------|
| Capacity | Manufacturer | Dresser Rand | Turbodyne | Dresser Rand | |
| | Manufacture Date | 1964 | 1995 | 1965 | |
| | Rotor Manufacture Date | 1964 | 2015 | 2015 | |
| | Rebuilt Date | | 2015 | | |
| | Turbine Rating | 9,375 KW | 9060 KW | 7,500 KW | |
| | Generator Rating | 12,000 KVA | 11,700 KVA | 9,375 KVA | |
| | Design Inlet | 600P / 750F | 820 / 720F | 800P / 825 F | |
| | Extraction | 15P | 100P | 50P | |
| | Exhaust | 2" | | 1.5" | Match TG3 |
| | Capacity Accreditation Potential | 12 MW | 10 MW / Target of 12 MW | 10 MW | |
| | Actual | 11.6 MW | Requires Eval | 8 MW / Target 10 MW | |
| | Recent Evaluation | 10.1 MW | NA | NA | |
| | Cogeneration (CHP) | No | Yes | No | |
| Condensing Type | Condensing | Non-Condensing | Condensing | | |

Option Cost Model

| | | | | |
|------------------------------|--------------------|--------------------|--------------------|---------------------|
| Acquisition Cost | NA | \$500,000 | \$1,400,000 | \$10,000,000 |
| Demo TG3 | NA | \$200,000 | \$200,000 | \$200,000 |
| Estimated Retrofit Cost | \$1,700,000 | \$1,850,000 | \$1,000,000 | \$4,000,000 |
| Contingency Costs | \$250,000 | \$300,000 | \$300,000 | \$500,000 |
| Estimated Engineering Cost | NA | \$400,000 | \$400,000 | \$750,000 |
| Study/Evaluation Costs | | \$10,000 | | |
| Total Estimated Cost: | \$1,950,000 | \$3,260,000 | \$3,300,000 | \$15,450,000 |

Project Factors, Conditions, and Risks

| | | | | |
|--|---------|-------------|---------|---------------|
| Turbine Condition | Unknown | Good | Mid | New/Excellent |
| Retrofit Confidence | Mid | High | Low | High |
| Anticipated Life until Major Servicing | 10-Year | 20-30 years | 10-Year | 30+ Years |
| Potential for additional Costs | Mid | Low-Mid | High | Low |
| Inspection and Maintenance interval | 5-Year | 5-Year | 5-Year | 5-Year |

| | | | | |
|-----------------|----------|------------|-----------|----------------|
| Schedule | 3 Months | 3-6 Months | 6+ Months | 1 Year or more |
|-----------------|----------|------------|-----------|----------------|