

2024 Projects: Electric



Substation Modernization Projects

HPU's Substation Modernization Projects broke ground in September of 2024. This project represents one of the first major electrical distribution infrastructure investments in recent history. This \$5.8 million initiative will replace two 60-year-old substations with three new, modern facilities. The existing equipment has become more susceptible to outages caused by weather, wildlife interference, and equipment failure. The new substations, and the under grounding of electrical lines in coordination with this project will immediately improve electrical reliability across HPU's service area.



Vegetation Management

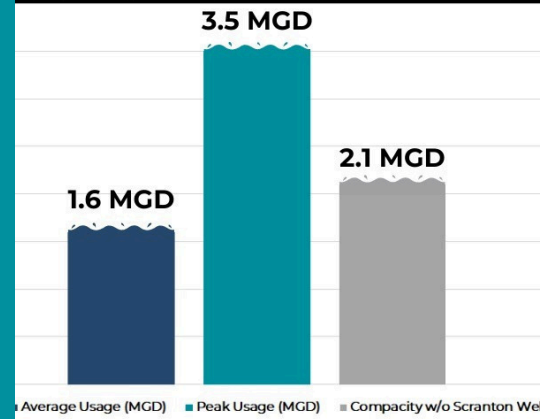
HPU's 2024 vegetation management project cleared ~12.3 miles of some of the most overgrown sections of power lines throughout HPU's electrical service area. Overgrown tree limbs are a risk by not only being able to directly disrupt service, but the limbs also provide wildlife access to critical power equipment. By removing these potential hazards, HPU is reducing the risk of outages caused by extreme weather and wildlife interference. The above before-and-after photos show a drastic improvement in some of the most challenging areas.

Utility Updater

A publication of Hibbing Public Utilities | Winter 2024 | hpuc.com

2024 Projects: Water

Capacity Limitations w/o Scranton Well



The Problem -

In summary of last Spring's publication, the primary concern with Hibbing's Water System is that it cannot produce enough water to keep up with usage during peak demand events. HPU's water production has been limited by the early retirement of Scranton Well and outdated infrastructure across other facilities. Peak usage events are often caused by water main breaks. If left unaddressed, a series of breaks, in combination with existing production limits, would drain Hibbing's water system in a matter of hours. An event like this would cause the loss of pressure, stopping water service across town, and leading to a "Boil Water Notice" as harmful contaminants would enter the water system.

Our Response -

HPU is addressing the short comings of our water system by prioritizing projects to **protect and increase water production** and **decrease peak demand events** (caused by watermain breaks). By doing both, HPU's projects will lower the risk of system failure and make a safer and more sustainable water supply for everyone.

Our Results: Strengthen existing water sources

South Water Treatment Plant

Crews were hard at work off of Townline road at Hibbing's primary Water Treatment location. A new reclaim tank (left) has been installed to improve operational efficiency and allow HPU to retire out of compliance seepage basins.

A **bypass line** (right) was installed to provide a secondary supply route from our wells to the treatment facility. Previously, the only route for this was through a crumbling concrete storage tank. This line will allow for existing facilities to be serviced without interrupting service.



Our Results: Decrease peak demand events

Project Success

HPU has had another year of progress on our Watermain Capital Improvement Plan. This plan was adopted by the Commission in 2022 and identifies sections of watermain to be replaced based upon several factors of risk including; age, # of breaks, and potential impact of breaks. Through these criteria, the Commission is attempting to lower the number of watermain breaks to decrease peak demand events across our system. Three projects were identified for replacement in 2024; 1st Ave., S Lake Dr, → 5th St. N (Kelly Lake), 41st St. (529 E 41st St. → 1910 E 41st St.), and Trunk Highway 169 Distribution Line (23rd St. → 25th St.). These projects totaled >10,000 feet of pipe or ~2% of our water system. HPU is proud to report that all three projects were substantially completed on time and on budget.

Innovative Methods of Work

HPU utilized two innovative methods of “trenchless replacement/refurbishment” during the 2024 season. These “trenchless” methods require minimal excavation/restoral, significantly lowering the cost/foot of the HPU’s projects. The 41st Ave. Project was completed using “Cure-in-Place” (CIP) method of replacement. This process relines an existing watermain with a plastic interior that extends the life of the existing pipe by an estimated 70 years. The HWY 169 project utilized a “Sliplining” method of replacement. A single pipe, >5,000 feet in length, was slid inside the existing pipe. The new pipe was fit into place and has an expected service life of ~100 years. These “trenchless methods” are well developed and utilized throughout other parts of the country, but Hibbing is the first community in Minnesota, north of the Twin Cities Metro, to utilize these methods for Watermain Replacement.



Community Input

As HPU reflects on another year of progress, the Commission remains committed to improving Hibbing’s utility infrastructure and minimizing disruptions to residents. To accomplish this goal, our staff is dedicated to improving the identification, completion, and public communication of these projects. The thoughts and concerns of our community members are vitally important to these improvements. To speak with our staff and learn more about the 2024 or 2025 projects, consider attending our public meetings, following our social media accounts, or contacting us at info@hpuc.com or 218-262-7700

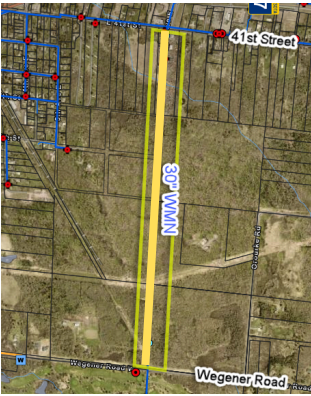


Funding Update:

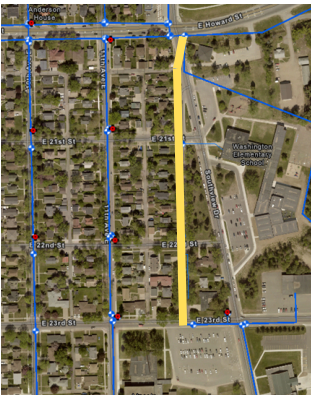
Last spring, HPU asked ratepayers to send letters of support to the state legislature. We are proud to announce that because of your efforts the needs of community were heard and met. The "Mineral Tax Reform" bill allocated \$4.7 million to HPU for Water Infrastructure Projects. We would like to

extend our gratitude to Hibbing’s Sen. Farnsworth and a bi-partisan group of Iron Range legislators for their support of the bill. Most importantly, we would like to thank our community members for sending their letters of support. You are the difference makers in our community, and your actions will continue to make Hibbing a better place.

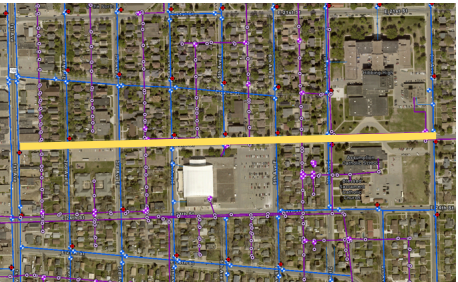
2025 Watermain Replacement Projects



- 30" Watermain (41st St to Wegener Rd)**
- Existing 30" cast iron (oversized)
 - Installation date: 1967
 - Estimated cost of \$3.01 million, funded through “Mineral Tax” allocation
 - This project is out for bid and expected to start in January, 2025



- 12th Avenue E (Howard St. to 23rd St.)**
- Existing 6" cast iron
 - Installation date: 1923
 - Recorded breaks: 4
 - Estimated cost of \$1.0 million
 - Work expected to start Summer 2025



- 23rd Street (1st Ave to 9th Ave E)**
- Existing 6" cast iron
 - Installation date: 1920
 - Coordinated with City Annual Paving Plan
 - Estimated cost of \$1.6 million
 - Work expected to start Summer 2025



- 2nd Ave E (S Inner Dr to Outer Dr)**
- Existing 6" cast iron
 - Installation date: unknown
 - Recorded breaks: 9
 - Coordinated with City Annual Paving Plan
 - Estimated cost of \$2.4 million
 - Work expected to start Summer 2025



- 17th Street, 5th Ave. & 6th Ave**
- Existing 4" cast iron
 - Installation date: 1917
 - Recorded breaks: 5
 - High concentration of lead service line to be replaced
 - Estimated cost of \$1.5 million
 - Work expected to start Summer 2025

Our Project Priorities

Reliable Service



Hibbing residents and businesses rely on HPU to provide electricity, water, and heating - services that are foundational to the high quality of life our community deserves. Despite past struggles caused by deferred maintenance, HPU’s leadership is committed to acting boldly to improve service reliability, build ratepayer trust, and meet future needs.

Competitive Rates



Ratepayers rely on HPU to maintain industry competitive rates to protect local prosperity. Throughout our rate making process, affordability and transparency remain top priorities. To support this commitment, HPU conducted a comprehensive “Rate Analysis and Planning” study in the fall of 2024 and made the results publicly available at hpuc.com

Greatest Benefit



Though the need to do more while spending less might seem contradicting, HPU views these challenges as opportunities for innovation. By adopting forward-thinking processes, HPU aims to deliver maximum value to rate payers while safeguarding local jobs, fostering community growth, and preserving the local decision making process.