

Take the Survey. Shape the Future.

Hibbing Public Utilities is developing a new strategic plan. We want to hear from YOU.



Paper copies of this survey will be available at the HPU Admin Building or mailed upon request.

1902 6th Ave E.
Hibbing, MN 55746



RELIABLE SERVICES



COMPETITIVE RATES



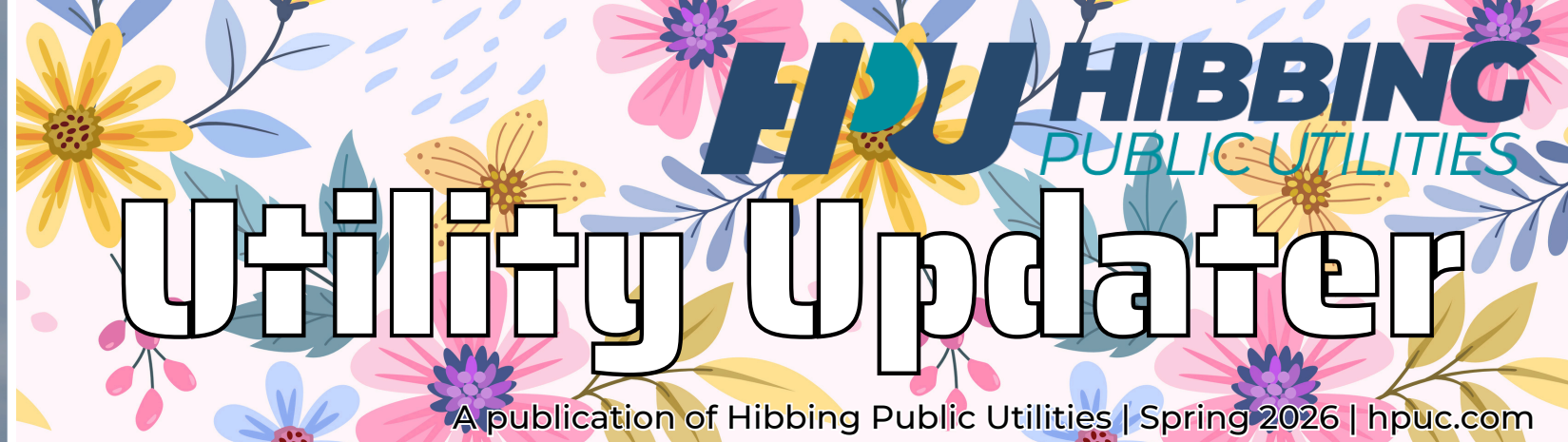
GREATEST BENEFIT



218-262-7700



info@hpuc.com



Utility Updater

A publication of Hibbing Public Utilities | Spring 2026 | hpuc.com

2026 Capital Project Report

The 2026 Construction season is quickly approaching, and Hibbing Public Utilities is preparing for another significant year of infrastructure investment. Planned projects span the Water, Electric and Steam utilities, all carefully selected to align with HPU's operational goals. These efforts are focused on delivering reliable services at competitive rates while maximizing benefits for the community of Hibbing. Take a look at how we plan to advance these priorities in 2026.



Lead Projects Front & Center

Building upon HPU's existing Water Main Capital Improvement planning, HPU has been able to shift its focus to accelerate the identification and removal of lead service lines. Across all water initiatives, HPU is budgeted to invest ~\$4.6 Million. Staff has secured \$3.0 Million of external funding from state and federal sources to support this work and is seeking further funding through bonding and additional grants.

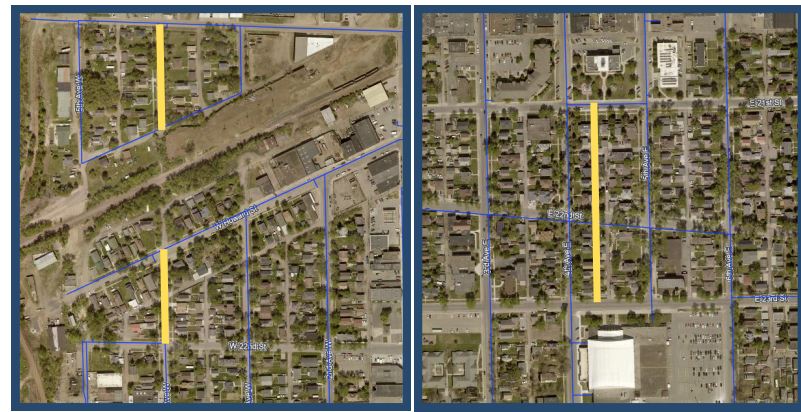
Continuing Investigative Work

Identification of lead lines and other potential contaminants remains a top priority for HPU going into the 2026 Construction Season. There are 11,394 sections of service line in Hibbing that must be identified, 6,724 remain unknown. In 2026, our goal is to have the customer-side inspections substantially completed. This data will inform our work as we continue performing pot-holing inspections to identify the utility-side of service lines. Pot-hole inspections will be a multi-year project, but work in 2026 will be prioritized in areas where lead has already been found.



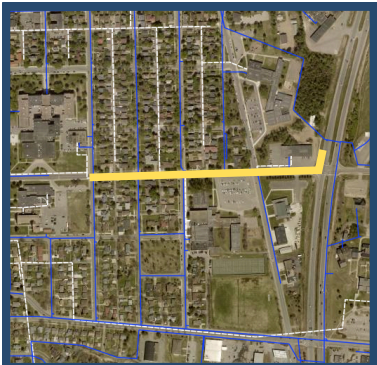
Lead Service Line Removal

HPU has identified two projects for the 2026 construction season focused on lead service line removal and water main replacement. These projects were selected based on a high density of lead service lines (20 confirmed lead lines) and the age of the existing water mains (~1920 installation). The completion of this project will support HPU's dual goal of reducing lead and improving water reliability. Projects will be performed through open-cut excavation. Construction is anticipated to start in late Summer of 2026. Affected residents will be contacted directly with planning information.



2000 & 2100 Blocks of 4th Ave. W 2100 & 2200 Blocks of 4th Ave. E

2026 Project Report: Cont.



E 23rd St. (9th Ave. to Hwy 169)

E 23rd St. - Water & Steam Rebuild

HPU is moving forward with the second phase of the East 23rd Street Rebuild. This project was selected because the existing water main and steam systems were installed in the early 1920's and show signs of failure. The roadway is also in poor condition. Because these needs overlap, HPU has partnered with the City of Hibbing's paving projects to share excavation costs and complete the work together.

This project requires excavation that will close the roadway throughout the duration of the project. As the project progresses, detour routes will be shared with the public as needed through HPU's social media & website.

Electric Reliability Investments

Electrical distribution improvements will continue through 2026. Electrical reliability is one of the most visible and persistent priorities of our utility. Long-term improvements are made through proactive work, not reactive work. Across all electrical projects HPU is planning to invest \$4.0 M in 2026.

Voltage Conversion - Feeders 60/61, 70, & 80/81

HPU will continue its system-wide voltage conversion projects in 2026, upgrading approximately 7 miles of aging 2.4kV and 4.16kV lines to a modern 13.8kV system. Work will be completed on Feeder 3, with new projects starting on Feeders 60/61, 70, and 80/81. These sections of were selected based on the age and condition of the existing infrastructure. By replacing this outdated equipment, HPU improves system reliability and meets the increasing electrical demand.



The work will be completed by HPU's Line Crew. Temporarily, block-by-block outages will occur during construction, and residents will be notified in advance.

Substation Modernization - Beltline Rebuild



HPU will continue its Substation Modernization efforts by rebuilding the Beltline Substation. Originally constructed in the 1950s, the existing substation has experienced equipment failures that raise reliability concerns, particularly for critical facilities like Hibbing's hospitals and other large customers. The project will replace it with a modern, pad-mount substation to improve performance.

Construction is scheduled to begin in the fall and continue through year-end. The existing substation will remain in service during construction, and no service interruptions are expected.

Advanced Metering Infrastructure

HPU will complete the system-wide implementation of Advanced Metering Infrastructure in 2026. This project will upgrade existing meters with modern technology to improve system monitoring, billing accuracy, and overall service efficiency. The following firms were selected through a competitive bidding process to perform this work:

- Water - HydroCorp
- Electric - Hunt Electric
- Gas - HPU Staff

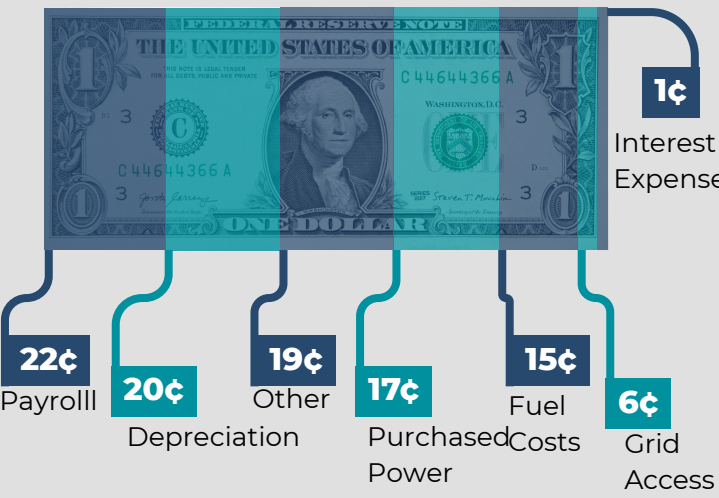
Installation will be completed by these authorized contractors, who may require access to customer homes. This work may require more than one visit to perform. Any work requiring access inside the home will be scheduled in advance.



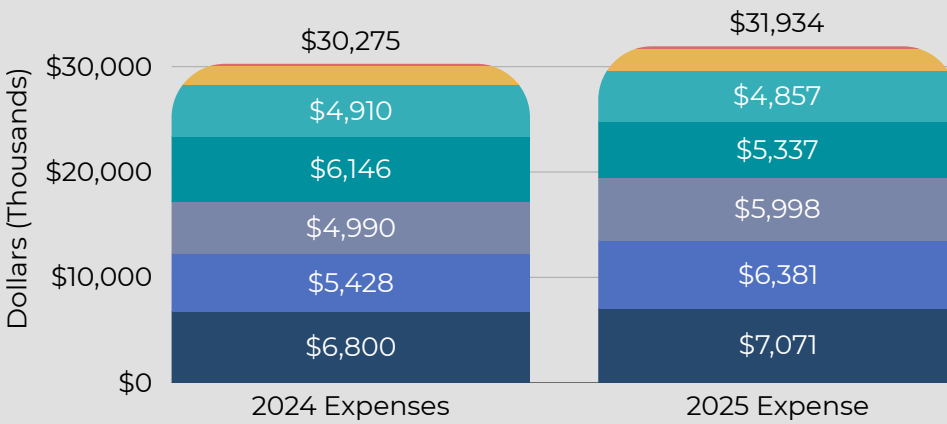
2025 Expense Breakdown

As HPU closes its fiscal year 2025, we remain committed to providing our customers and community with a clear and transparent view of our financial standing. HPU is required to undergo an annual audit to ensure the responsible use of public funds. Regarding the 2025 Financial Year, the auditors issued a clean opinion. This result indicates strong financial controls to ensure responsible stewardship of the utility's finances. HPU has published this report in full at www.hpuc.com/fy2025-audit. By sharing the results, HPU aims to build trust and equip our customers with the information needed to understand how our local resources are managed, protected, and invested for the benefit of our community.

HOW YOUR DOLLAR WAS SPENT

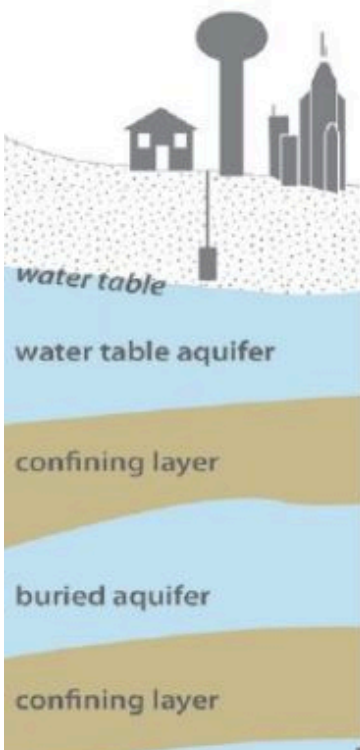


Expenses Breakdown Year to Year



Expense Type	Expense by Year	
	2024	2025
Payroll Expenses	\$ 6,800 K	\$ 7,071 K
Depreciation	\$ 5,428 K	\$ 6,381 K
Other Expenses	\$ 4,890 K	\$ 5,998 K
Purchased Power	\$ 6,146 K	\$ 5,337 K
Fuel Costs	\$ 4,910 K	\$ 4,857 K
Grid Access	\$ 1,839 K	\$ 2,071 K
Interest Expense	\$ 162 K	\$ 219 K
Total	\$ 30,275 K	\$ 31,934 K

Source Water Protection



Hibbing Public Utilities has implemented a Wellhead Protection Plan to protect Hibbing's groundwater sources. This plan focuses on preventing contaminants from entering areas around municipal wells, where groundwater is most vulnerable. As part of this effort, HPU is providing information on its website to help residents and businesses understand how they can protect groundwater quality. Scan the QR code or visit hpuc.com/whpp to find information about these topics:

- Wellhead Protection Planning
- Well Operations & Maintenance
- Sealing of Old Wells
- Registered Storage Tanks
- Chemical Storage & Hazardous Waste Generator Properties

