CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, November 8, 2018

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers of City Hall, 220 N. Hastings Avenue, on November 8, 2018.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Acting Chairman Bill Hitesman with the following members present: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Absent: Jack Schreiner, Joanne Seberg.

PLEDGE OF ALLEGIANCE:

The Acting Chairman led the group in recital of the Pledge of Allegiance to the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR November 8, 2018 REGULAR MEETING.

Moved by Shawn Hartmann seconded by Shayne Raitt to adopt the current agenda for November 8, 2018 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, November 6, 2018.

Acting Chairman Bill Hitesman read the Public Notice - Pursuant to the Nebraska Revised Statute Section 84-1412, the public is advised that a copy of today's agenda and all reproducible written material which will be discussed at today's meeting is located at the back of the Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers which is accessible to members of the public.

MANAGER'S COMMUNICATIONS:

Kevin Johnson remarked that on a day like today (snowy and cold), drive, work, and walk safely. He also said to stay warm and crank up the furnace.

BOARD CHAIRMAN'S COMMUNICATIONS:

Bill Hitesman said that he hopes the City gets their crews out and clears the roads so we can drive safely today.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. <u>All Consent Items.</u>

(a) Approval of the minutes of the Hastings Utility Board Meeting of October 11, 2018

(b) Release of Easement at 302 East F Street

(c) Approval of Release of Easement on Lot 2, Lakeview 7th Sub.

Moved by Shawn Hartmann seconded by Shayne Raitt to approve All Consent Items. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Administration

i. Approval of SHABRI Application - Funding Request

Maggie Vaughan from the Hastings Economic Development Corporation appeared on behalf of SHABRI, LLC. She said that Innovative Prosthetics & Orthotics Corporation is currently pursuing their next clinic expansion in Hastings under a separate company, SHABRI, LLC. SHABRI, Inc. is applying for economic development assistance from the Hastings Utilities 13-315 funds in the amount of $25,000. SHABRI, LLC will specialize in the manufacturing and 3D printing of medical devices. This expansion will add eight full-time employees to the Hastings clinic over the next two years. They plan to invest $420,000 in facility equipment and $726,000 in facility upgrades. They will be taking over the old Village Inn Pancake House on West 12th Street.

Moved by Shawn Hartmann seconded by Shayne Raitt to recommend approval to the City Council of the application from SHABRI, LLC for 13-315 funding in the amount of $25,000. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

ii. Approval of SID #1 Water Service Agreement

Chuck Shoemaker appeared on behalf of SID#1 of Clay County, Nebraska. He is asking the Board/Council for approval of a Water Purchase Agreement which states that the City of Hastings, Utilities Department agrees to sell water to the SID#1 of Clay County, Nebraska. Shoemaker stated that Hastings has been selling the water to them but that this agreement will formalize the transaction.

Moved by Shawn Hartmann seconded by Shayne Raitt to recommend approval by the City Council of Water Purchase Agreement between SID#1 of Clay County, Nebraska and City of Hastings, Utilities Department. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

iii. Approval of Flanders Demand Reduction Request

Kevin Johnson said that a Demand Reduction Program expired the end of 2016. AGP had been the only company that used the program. Flanders has requested the Demand Reduction and are in the process of formally requesting it. In the meantime, staff is introducing a proposed program to be considered for a Demand Reduction Program. Johnson distributed proposed terms for the Board to consider on the Large General Service (LGS) Rate, the Large Light and Power (LL&P) Rate, and the Large Light and Power - Transmission (LL&P-T) Rate.

Dave Ptak reminded the Board that if they approve the language in the proposed program, a rate ordinance will need to be approved for these three rate schedules. The Board felt comfortable going forward with the program and letting the Attorney and Staff work out the ordinance details for Council approval.

Moved by Shawn Hartmann seconded by Shayne Raitt to approve the proposed Demand Reduction Program and recommend approval of a Rate Ordinance reflecting the changes to the three rate schedules. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

iv. Review of Rates

Brian Strom handed out a sheet showing average residential bills for the year, the summer, and the winter; along with average consumptions for same. This was for information only.

(b) Finance

Kevin Johnson informed the Board that Renae Jimenez is not at this meeting because the Accounting Department is attending training with the ERP. He said that the financial reporting is behind and is likely to stay behind because of the ERP training.

Shawn Hartmann asked how the ERP is progressing. Kevin Schawang gave an update. He said full implementation is expected the 1st week of July. Hartmann said that he is hoping to have current financials for the budget season.

(c) Production

i. Approval of Change Order No. 2 to IES Commercial, Inc. for WEC-1 Switchgear Replacement Electrical Equipment Installation

The Board discussed the switchgear replacement project. Keith Leonhardt included explanation in the packet for the costly changes.

Moved by Shawn Hartmann seconded by Shayne Raitt to recommend to the City Council that they approve Change Order No. 2 to IES Commercial, Inc. for WEC-1 Switchgear Replacement Electrical Equipment Installation for a net addition of $222,016.71. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

ii. Solar Update

Derek Zeisler gave a presentation on Renewable Energy - Status Update. He shared the community survey results. Zeisler said that staff is sending out an RFP on November 9th, to be returned by November 28th, and looking for 1.5 AC Unit for solar generation. Staff has identified a possible location for a solar field near the Airport.

Kevin Johnson said that Brett Thompson from the Engineering Department, Bill Hitesman, and he attended a Battery Storage Conference in Kansas City and got alot of good information. He said it is still a new concept. Energy storage can be put in small facilities, like a hospital, business, etc. Johnson said that Central Community College has an interest in the technology and creating the education in that technology and may be interested in partnering with energy storage. Also, an unsolicited proposal came forward to consider. All options are being looked at.

v. Review of Rates (came back to this item)

Brian Strom gave a presentation on Irrigation Rates. He reviewed the differences in the firm irrigation service rate compared to the interruptible irrigation service rate. Staff is considering a change in the interruptible rate and developing one rate for all irrigators on the Hastings Utilities system. It was suggested to invite the irrigators to weigh in on a proposed change. No action at this time.

(d) Operations

None.

(e) Other

4. <u>Possible Closed Session (if necessary or requested).</u>

Moved by Shawn Hartmann seconded by Shayne Raitt that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest in that said Closed Session will consist of a strategy session relative to negotiations. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

The meeting closed to the public at 10:28 a.m.

Moved by Shayne Raitt seconded by Shawn Hartmann that the meeting be reopened to the public at 10:49 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes; Shayne Raitt, Shawn Hartmann, Bill Hitesman. Nays; None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

ADJOURN:

Moved by Shawn Hartmann seconded by Shayne Raitt that there being no further business, the meeting adjourn at 10:50 a.m. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner, Joanne Seberg. The motion carried.

APPROVED:

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Board Secretary