CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, January 10, 2019

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 January 10, 2019.

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: Bill Hitesman, Shayne Raitt, Shawn Hartmann, Joanne Seberg. Absent: Jack Schreiner.

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 January 10, 2019 REGULAR MEETING.

Moved by Shayne Raitt seconded by Shawn Hartmann to adopt the current agenda for January 10, 2018 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt. Nays: None. Absent: Jack Schreiner. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, January 8, 2019.

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:

None.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

George Anderson spoke on the Solar RFP Analysis, which appears on the agenda later in the meeting. He said he is not against any solar proposal. He said that our community is in an excess capacity situation and feels that it doesn't make financial sense to get involved in this type of solar product at a level that the Utilities is considering unless we have potential customers coming into town to use this energy at the increased costs up front. He said ratepayers should always come first. Anderson said that he already pays around $25,000 in utility rates and is not interested in sharing the cost of this new project. He asked the utilities to consider going with a smaller facility if they are just testing the waters with this project. Anderson reminded the Board that since Hastings is part of the Southwest Power Pool, we are already getting 28-1/2% renewables in our power mix. He cited the sizes of solar projects that are already complete or are being completed in other Hastings communities. He said the Hastings proposal is proportional larger. He reminded all that Hastings is partnering on the wind project at CCC and we still have our WAPA Agreement for hydropower. Anderson said he did fill out the renewables survey that the Utilities presented but many people he knew did not know about the survey. In all, he said he would like the city to consider a project smaller than what is currently being considered.

CONSENT AGENDA:

1. All Consent Items.

   (a) Approval of the minutes of the Hastings Utility Board Meeting of December 13, 2018

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

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

   (a) Finance

Kevin Johnson said that there has been alot of changes in the last month. Renae Jimenez has taken on a new role at the Utilities. The finance staff also lost a position so they are down another staff member.

Johnson introducted Roger Nash, who is being appointed by the City Council as the Interim City Treasurer/Director of Finance. He has been with the city a long time.

Nash said he really appreciates the opportunity that he has been given. He said his focus has always been on the governmental side but he wants to dive into the utilities side and get more knowledgeable of that no matter how we go foward in the decision for Renae’s replacement.

(b) Production

i. Update on Solar RFP Analysis

Kevin Johnson reported that staff is still analyzing alot of variables that are in play; size, scope, and pricing. He said we will know more about pricing after we know who the consultant is that we will work with.

Derek Zeisler updated the Board on where are at today and some of the critical variables still under consideration.

Zeisler said that staff is still analyzing the PPA (purchased power agreement) portion of solar and the taxing credits. He said that staff is in the process of obtaining information on that aspect of the project. Zeisler said that if we are not able to offer our customers something that they can take advantage of in both short and long term, it isn't probably a project worth pursuing.

Zeisler addressed the city's current excess capacity challenges and the question of longevity of some of that capacity. He said with the solar project, the solar can only count so much of that generation towards the capacity. He feels that capacity is not so much a concern as generation. He explained that our generation is going to the SPP market and we are competing against the SPP market. He said he could share costs of solar generation with the Board in Executive Session.

Zeisler said that another aspect is giving the City Council and HEDC a product that interests developers in coming to Hastings. Johnson said that we are still evaluating whether it should be a project where we own it or whether we just have a purchase power agreement.

(c) Operations

Kevin Johson gave a heads up for informational purposes only of a project that will be recommended for approval at the City Council meeting on January 14th. Staff is recommending that the Sanitary Sewer Outfall Bypass & Metering Structure Demolition Project be awarded to Van Kirk Brothers of Sutton, Nebraska in the amount of $248,820.00.

(d) Administration

i. Update on 2019 Strategic Initiatives

Kevin Johnson handed out a list of carry over items from the 2017/2018 Strategic Initiatives, Goals, and Critical Capital Projects. He said that he plans to update the Board at each meeting of a couple of the Strategic Initiatives.

Kevin Johnson said that the next two items are directly related to HEDC and that is why Michael Krings is present at this meeting.

ii. HEDC - Hastings North Industrial Park Infrastructure Request

Johnson said that the Utilities has had several requests. He said that the first request is a Hastings North Industrial Park Infrastructure Request. Johnson said there are prior agreements for both of these requests that have since expired or became outdated with the change from Board of Public Works to Utility Board.

Michael Krings said that another parcel of Industrial Park North has been brought into the city and this would be the property north of the spec. building - 39th Street to the east of the soccer field. He said there are plans to develop this parcel and put a road in and bring the utility infrastructure in. He said that demand for industrial lots has been surprisingly high and there were three offers for property right after the parcel was annexed.

An agreement for how we share together on the costs that build out those lots needs to be approved to be able to move forward with the project.

Johnson said that the estimate to build water infrastructure in that area would be $79,000 and $34,000 for sewer infrastructure. He said there are three ways to fund these improvements. 1. Make a district. 2. Fund it through ratepayers and charge it back to an out of district assessment when the lots are sold. 3. Fund through rates and recoup through their usage.

Johnson stated that as steward's of the utility ratepayer's money, he felt the Board should weigh in on this particular request. Shayne Raitt asked if this is something that the Board of Public Works has done in the past. Johnson said that the 1994 agreement funded this in the past. Bill Hitesman said that if the Utility Board would chose Option 3 with the Utility funding the project with ratepayer money, we would stay consistent with what was done in the past. Johnson reminded the Board that we would get that return when those lots are sold and the customer starts using utilities.

The Board asked Dave Ptak if he could update the agreement. He stated that a new agreement is not necessary as the previous one dealt with development outside the city and this project is already inside the city limits.

Moved by Shawn Hartmann seconded by Joanne Seberg to recommend to the City Council to fund the Hastings North Industrial Park Infrastructure Request by HEDC. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt. Nays: None. Absent: Jack Schreiner. The motion carried.

iii. HEDC - Economic Development Funds Request for "New Industrial Prospect"

This item involved negotiations and was deferred to Executive Session.

(e) Other

None.

4. Possible Closed Session (if necessary or requested).

Moved by Shawn Hartmann seconded by Joanne Seberg 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, Joanne Seberg, Bill Hitesman, Shayne Raitt. Nays: None. Absent: Jack Schreiner. The motion carried.

The meeting closed to the public at 9:48 a.m.

Moved by Shawn Hartmann seconded by Shayne Raitt that the meeting be reopened to the public at 11:15 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, Joanne Seberg. Nays; None. Absent: Jack Schreiner. The motion carried.

ADJOURN:

Moved by Shawn Hartmann seconded by Shayne Raitt that there being no further business, the meeting adjourn at 11:16 a.m. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Shayne Raitt, Joanne Seberg. Nays: None. Absent: Jack Schreiner. The motion carried.

APPROVED:

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Board Secretary