HASTINGS UTILITY BOARD
AGENDA

Council Chambers – City Hall
220 North Hastings Avenue
August 8, 2019
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR August 8, 2019 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, August 6, 2019. Pursuant to 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:

BOARD CHAIRMAN'S COMMUNICATIONS:

BOARD MEMBERS' COMMUNICATIONS:

CITIZEN COMMUNICATIONS:

CONSENT AGENDA:

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

    (a) Approval of the minutes of the Hastings Utility Board Meeting of July 11, 2019

REGULAR AGENDA:

2. <u>Unfinished Business of Preceding Meeting.</u>

3. <u>General Business.</u>

    (a) Other

i. New Board Member Introduction

ii. Election of New Chair and Vice Chair

(b) Finance

i. Introduction of New Financial Manager (Utilities)

ii. 2nd Qtr. Financials Update, Report Distribution Only

iii. '19/'20 Budget Introduction, High Level Preview

(c) Production

i. Solar Farm Construction and Customer Participation Update

(d) Operations

(e) Administration

i. Introduction of New Process Financial Analyst

ii. Security and Customer Service Project at NDS Update

iii. Discussion of Central Plains Energy Project 2

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

ADJOURN:

The Hastings Utility Board reserves the right to enter into an executive session at any time during the meeting, in accordance with the Nebraska Open Meetings Act, even though the closed session may not be indicated on the agenda. It is the intention of the Hastings Utility Board to take up the items on the agenda in sequential order. However, the Hastings Utilities Board reserves the right to take up matters in a different order to accommodate the schedule of the Utility Board Members, persons having items on the agenda, and the public.

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, July 11, 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 July 11, 2019.

ROLL CALL:

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

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 July 11, 2019 REGULAR MEETING.

Before voting to adopt the current agenda, Acting Chairman Bill Hitesman recommended that Item E. I. Election of New Chair and Vice Chair be tabled until the next meeting when he hopes a full Board will be in attendance and the members concurred.

Moved by Shawn Hartmann seconded by Joanne Seberg to adopt the current agenda for July 11, 2019 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg. Nays: None. Absent: Shayne Raitt. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, July 9, 2019.

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:

None.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. All Consent Items.

   (a) Approval of the minutes of the Hastings Utility Board Meeting of June 13, 2019

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

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

   (a) Finance

      i. Update on Staffing and Financial Reporting

Roger Nash updated the Board on staffing in the Finance Department. He and Dave Ptak have done a first review of the applications for the Finance Manager - Utilities. They plan to start interviews next week. Roger stated that the April and May financials are substantially complete. Staff has turned their focus to budgeting so the final financials are not complete

      ii. Preview of Capital Budgets Proposed, All Utilities

Kevin Johnson gave an initial review of the Capital Budget. He went over the highlights of each department budget. He stated that the O&M budget is still being finalized. Johnson stated at this point, funding for this budget is yet to be determined, after all the information is available, but hopes that rates will not be affected. He would like to have a Cost of Service Study completed for both electric rates and gas rates before those decisions can be made.

      iii. Budget Review Plans for Board/Council

Nash said that he has reached out to our Auditing firm in Grand Island and have hired one of their auditors to help compile and review the budget information as staff is getting the information.

Nash said that the budget completion schedule is as follows: The Utility Budget will go to the Utility Board on August 8th. On August 12th, the proposed City/Utility Budgets will be presented to the City Council. On August 19th, there will be a worksession with the City Council and the Utility Board at 5:30 in the Public Library. The Combined Budget will go to the Council for approval on September 9th and an approved budget needs to be received by the State by September 20th

   (b) Production

      i. Solar Farm Construction & Customer Participation Update

Derek Zeisler gave an update on the Solar Farm construction and customer participation. He stated that Curt Gosser from the Museum has developed a brochure that will be sent to customers with the customer bill. He thanked Lindsey Stone on her help with developing a website for customers to get information. cityofhastings.org/solar Derek stated that the rates are set. A billing forecast tool will be up and available soon on this website. As far as construction, the piles are currently being put up and panels will be started next week.

Zeisler said that he is scheduling a customer meeting for 5 p.m. on August 8th as an informational meeting. Site is yet TBD. He may schedule a day meeting on August 12 to help people with their signups as that is the day that signups can begin.

Bill Hitesman stated that energy storage is the next big issue. He said that Central Community College can do a program and would like the Utilities to come out to CCC and update on this issue. Kevin Johnson stated that he has been invited to an updated energy storage session in Kansas City in October. He stated that other options can also be considered, ie. electrification of vehicles. He recently saw fake trees with solar panels installed in them. He said many changes could be coming.

(c) Operations

i. June 21st Storm, Post Mortem Update

Kevin Johnson said that because of the severity of the June 21st storm, he held a Post Mortem Storm meeting with the Leadership Team. He said we have no concern with our response, but the coordination in the office/dispatch center is still very manual. He recommends we get aggressive to look toward automation. He has instructed staff to look into automation options. Wet coal was another issue that our staff was working with AGP and Chief on.

Mayor Stutte said that he appreciates the emails he is now receiving to keep him informed of outage events and updates.

(d) Administration

None.

(e) Other

i. Election of New Chair and Vice Chair

Tabled to next meeting.

ii. New Board Member Update

Mayor Stutte stated that he hopes to have a recommendation on a new member for the Utility Board at the next Council meeting.

iii. HU Overview Presentation Planning for New Board/Council Members

Kevin Johnson stated that he asked Al Meyer and Carol Crecelius to put a presentation together for new Council and Board members to help educate them on utility functions. He said we will be scheduling sessions for any Board or Council members wanting an overview.

Dave Ptak introduced new City Attorney, Clint Shukei. Clint is originally from the Adams County area.

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

None.

ADJOURN:

Moved by Shawn Hartmann seconded by Joanne Seberg that there being no further business, the meeting adjourn at 9:49 a.m. Roll Call: Ayes;: Shawn Hartmann, Joanne Seberg, Bill Hitesman. Nays: None. Absent: Shayne Raitt. The motion carried.

APPROVED:

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Board Secretary

RESOLUTION OF THE CITY OF HASTINGS, NEBRASKA, D/B/A HASTING UTILITIES ("HASTINGS"), AUTHORIZING HASTINGS TO PROCEED WITH AN AMENDMENT TO ITS GAS SUPPLY AGREEMENT WITH CENTRAL PLAINS ENERGY PROJECT ("CPEP") IN CONNECTION WITH THE RESET OF THE AVAILABLE DISCOUNT IN CPEP GAS PREPAYMENT PROJECT NO. 2 ("PROJECT NO. 2") WITH ROYAL BANK OF CANADA ("RBC"); AND RELATED MATTERS

WHEREAS, Hastings is a Member of the Central Plains Energy Project ("CPEP") and is a Project Participant in CPEP's Project No. 2, its gas prepayment transaction with RBC, in connection with which Hastings purchases supplies of natural gas from CPEP at a discount to market prices; and

WHEREAS, Project No. 2 began in 2009, at which time Hastings and CPEP entered into the Gas Supply Agreement for the sale and purchase of gas supplies from Project No. 2; and

WHEREAS, Project No. 2 was restructured in 2014, at which time Hastings entered into an Amendment to the Gas Supply Agreement calling for periodic resetting of the discount under which Hastings would purchase gas supplies from CPEP in Project No. 2, with the first such resetting to take place in 2019; and

WHEREAS, ~~,~~pursuant to that restructuring, the existing Gas Supply Agreement between CPEP and Hastings, as amended, calls for a re-calculation of the Available Discount under the Gas Supply Agreement pursuant to parameters set forth in a Re-Pricing Agreement between CPEP and RBC and a resetting of the period during which the Available Discount will be in effect (the "Reset Period"), with such resetting to occur between the dates of September 3, 2019 and December 1, 2019; and

WHEREAS, CPEP is in discussions with RBC in connection with the optimal approach to structuring the Reset Period and is considering different options for determining the Available Discount for the Reset Period, including different options for the term, volumes, and discount to be available during the Reset Period; and

WHEREAS, certain of those options may require an Amendment to the existing Gas Supply Agreement, as amended, between CPEP and Hastings, while others may not.

NOW, THEREFORE, be it hereby resolved by the City Council of the City of Hastings, Nebraska, d/b/a Hastings Utilities, that:

1. The Mayor of the City and the General Manager of Hastings Utilities are hereby authorized to enter into an Amendment to the Gas Supply Agreement between Hastings and CPEP, if necessary and appropriate, and to structure the best resolution in the interest of Hastings of the Reset Period options that may be available to CPEP and its Members.

2. The Mayor and the General Manager are hereby delegated full authority to determine the best option for the City and Hastings Utilities for the Reset Period from among those that are available, including but not limited to (i) resetting the Available Discount for a term to be determined without making structural changes in Project No. 2 or any amendment to the Gas Supply Agreement, as amended; (ii) purchasing additional supplies of gas for a portion of the remaining term of the Gas Supply Agreement; and (iii) both purchasing additional supplies of gas and extending the term of the Gas Supply Agreement as amended.

3. This Resolution shall take effect immediately upon its adoption and shall be effective for all negotiations and decisions that may be made for the upcoming Reset Period under the Gas Supply Agreement between Hastings and CPEP, and for the

finalization of any amendments to the Gas Supply Agreement in order to effectuate the refunding of CPEP's Project No. 2 bonds for such Reset Period, to occur no earlier than September 3, 2019, and no later than December 1, 2019.

4. All Resolutions or portions thereof inconsistent with this Resolution are hereby repealed and superseded.

Adopted and approved this __ day of _________, 2019.

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[Name]

Mayor

I, _______________, do hereby certify that I am the duly qualified and acting City Clerk of the City of Hastings, Nebraska, and as such official I further certify that the foregoing is a true and correct copy of a Resolution adopted by the Board of Directors of the City of Hastings, Nebraska, at a meeting, a quorum being present and acting throughout, held on _________________, 2019.

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