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

ROLL CALL:

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

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 October 10, 2019 REGULAR MEETING.

Moved by Dewalt seconded by Raitt to adopt the current agenda for October 10, 2019 regular meeting. Roll Call: Ayes; Jeanette Dewalt, Shayne Raitt, Shawn Hartmann. Nays; None. Absent: Bill Hitesman, Joanne Seberg. The motion carried.

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

Acting Chairman Shawn Hartmann 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 stated that the colder temperatures are upon us and urged customers to turn up the heat. He stated that from a ratepayer perspective, he would rather have the lulls in the heating and cooling seasons.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

Jeanette Dewalt thanked all the staff involved with the Open House at the Community Solar Farm. She thought it was a great open house and was happy to see all the Board members and some Council members in attendance. Shawn Hartmann remarked that it is a nice facility and we had wonderful weather for the open house.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. All Consent Items.

   (a) Approval of the minutes of the Hastings Utility Board Meeting of September 5, 2019

   (b) Approval of Release of Easement on Shady Acres Sub on 2nd Ave. North of BNRR.

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

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

   (a) Administration

      i. Annual Report by HEDC Director Michael Krings and Approval of Hastings Economic Development Corporation Funding Agreement

HEDC Director Michael Krings gave a presentation which included highlights of the financials of the Hastings Economic Development Corporation and highlights of the many projects they are working on.

Moved by Shayne Raitt seconded by Jeanette Dewalt to recommend to the City Council approval of the FY2019-2020 HEDC Funding Agreement in the amount of $125,000. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: Joanne Seberg, Bill Hitesman. The motion carried.

      ii. Annual Report by Chamber Director Mikki Shafer and Approval of Hastings Area Chamber of Commerce Funding Agreement

Corey Stutte, speaking as a member of the Chamber of Commerce Board, gave a Hastings Retail Development Update. He discussed the "Shop Hastings" campaign and gave a presentation which included the Year in Review, the Year Ahead, and a Conclusion. The Conclusion is that we have seen improvement in the retail and restaurant interest in Hastings, but turnkey inventory is an issue. We are engaged with potential new businesses and will continue to work toward increasing numbers. We are engaged with existing retailers and are working to provide them with relevant information and programming to impact their bottom lines. We continue to work toward building awareness of existing businesses. We thank the City of Hastings and Hastings Utilities for its continued commitment to Retail.

Mikki Shafer, Chamber President, discussed chamber membership. She stated that the number of members remains at the 700 mark - with some businesses going out of business but new members coming in. She stated that the dues structure will be increasing 2% this year, the first raise in three years. Mr. Stutte stated that Hastings Utilities and the City of Hastings were two separate chamber member dues structures and they are now combined with a shared cost; the City of Hastings paying more and Hastings Utilities paying less.

Ms. Shafer stated that the $30,000 funding from the City of Hastings will not be spent on salaries but projects. Mr. Stutte said that video marketing and social media are very important now and the Chamber plans to use that extensively.

Kevin Johnson thanked the Chamber for helping with the ribbon cutting at the Solar Open House.

Moved by Jeanette Dewalt seconded by Shayne Raitt to recommend to the City Council approval of the FY2019-2020 Hastings Area Chamber of Commerce Funding Agreement in the amount of $30,000. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt.
Nays: None. Absent: Joanne Seberg, Bill Hitesman. The motion carried.

iii. Strategic Initiatives & KPI's Status Update
- Production
- Engineering
- Customer Service
- Administration
- Safety

Kevin Johnson stated that he asked the Leadership Group to give the Board an update on their Strategic Initiatives and Key Performance Indicators.

Mike Hernandez reported on the Production Strategic Initiatives and Key Performance Indicators. His report included Running Plant Capacity Factor, Availability Factor, and Forced Outage Rate for both Units 1 and 2. He reported on Regulatory Compliance (sampling and reporting requirements) at the Pollution Control Facility, along with Historical Ammonia Permit Limits and Treatment O&M Costs of Wastewater Services at the PCF. Completed Strategic Initiatives included Spring Outages, WEC 1 Fall Outages, Bearing Training, PCF Assessment for new Ammonia Limits. He reported on Ongoing Strategic Initiatives and Strategic Initiatives for 2020.

Keith Leonhardt reported on the Engineering Dept. Strategic Initiatives and Key Performance Indicators. His report included Completed Strategic Initiatives, Strategic Initiatives that are in progress, and new Strategic Initiatives. He also reported on KPI's - Capital Work Order Closeout Costs vs Estimate - within 10% of Estimate and As Built Drawing Completion - 64% Completed.

Al Meyer reported on Administrative Strategic Initiatives that are in progress and those completed.

Bob Davis reported on Safety Strategic Initiatives. He gave an overview of 2019, a personal injury rate report, a property damage report, and announced that Hastings Utilities had received the Gold Safety Award for 2019 from the Nebraska Health and Safety. Mr. Davis reported that all of his safety policies have been adapted to include all City of Hastings employees; however, his main focus is the Utilities. Kevin Johson said that Bob's role is the Safety Director for

Hastings Utilities but we make him available as a resource for the City.

iv. NDS Security & Customer Service Enhancements RFP Update

Keith Leonhardt stated that bids were opened for the Revised Plan for NDS Security and Customer Service Enhancements and the price per sq.ft. was not what we were hoping for. Mr. Leonhardt said they will continue to look at options to bring the cost down.

v. Cost of Service Study RFP Update

Brian Strom stated that we had sent out an RFP in September for an Electric and Natural Gas Cost of Service and Rate Design Study. We received four bids. Staff has chosen JK Energy Consulting from Lincoln, for a cost of $36,000, based on their experience, on their price, and on their references. JK Energy Consulting has done extensive work in the Nebraska area - most recently in Grand Island on the electric side and on the gas side with Fremont and in Iowa. The low bid did not meet the required specifications.

vi. Integrated Resource Plan RFP Update

Keith Leonhardt updated the Board on the Integrated Resource Plan REF. He stated that we received four bids ranging from $93,100 - $165,000. Kevin Johnson stated that this is how we source our energy - what do we do with a 40 year old WEC-1, our NDS Units 4 and 5, and what's available on the markets today for us to get energy. He said that the bids are currently being evaluated.

(b) Finance

i. 3rd Qtr. Financial Review

Kevin Johnson gave a report on the 3rd Quarter Financials. The report included Balance Sheet Highlights, Summaries for Electric, Gas, Water, Pollution Control, General & Administrative, and Street Lighting, as well as a Unit Sales & Cost Analysis. It also included a Comparison Statement of Production in Electric, Water, and Natural Gas Production. Roger Nash updated the Board on the status of the Finance Department. He stated that the auditors will be coming in on December 16-18th. Roger, Robin Ginn and Deb McCoy met shortly after Robin began her duties in the Finance Department and developed an aggressive timeline goal to have the 4th Quarter Financials available at the November Utility Board meeting, which would give the Finance Department about a month to get ready for the audit. However, it is more likely now that the 4th Quarter Financials can be prepared by Thanksgiving and that would still give their department 2-3 weeks before the auditors come in. Roger commended Robin as she jumped right in to get up to speed and Deb has been a great asset to her.

Roger gave a report on ERP progress. He said their department just started working with the outside consultant that was hired to help implement the ERP system. He said that as we dig deeper with high level meetings with the vendor, it is apparent the challenges of bringing the city off one platform, the utilities off one platform, and PPGA with a separate fiscal year, it is gonig to be a bigger challenge than any of our staff or Tyler Technologies thought it was going to be. He said this will challenge our time and resources.

Dave Ptak said the best thing we did was hire this consultant to help get the departments implemented into the new system. He said a report should be prepared by the end of October that will give us a roadmap going forward.

(c) Production

None.

(d) Operations

None.

(e) Other

None.

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

None

ADJOURN:

Moved by Shawn Hartmann seconded by Jeanette Dewalt that there being no further business, the meeting adjourn at 11:08 a.m. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: Joanne Seberg, Bill Hitesman. The motion carried.

APPROVED:

____

Board Secretary