CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, November 14, 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 November 14, 2019.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Chairman Bill HItesman with the following members present: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Absent: None. The motion carried.

PLEDGE OF ALLEGIANCE:

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

MOTION TO ADOPT CURRENT AGENDA FOR November 14, 2019 REGULAR MEETING.

Moved by Shayne Raitt seconded by Jeanette Dewalt to adopt the current agenda for November 14, 2019 regular meeting. Roll Call: Ayes: Shayne Raitt, Jeanette Dewalt, Bill Hitesman, Shawn Hartmann, Joanne Seberg. Nays: None. Absent: None . The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, November 12, 2019.

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 stated that the agenda today will include finalizing the KPI's from the three areas not covered at the last meeting and having a conversation to reaffirm transparency with the information you are getting from him and his leadership group, and in jest, he reminded the Board to turn up the heat if they are cold.

BOARD CHAIRMAN'S COMMUNICATIONS:

Chairman Bill Hitesman thanked Al Meyer and staff for putting together the Hastings Utilities 101 Presentation. He said it was very informative.

Mr. Hitesman stated that the Solar Field Open House was well done and said he enjoyed the tour. He said that students from Central Community College toured the field later and are very interested in working with the city as that project moves forward.

BOARD MEMBERS' COMMUNICATIONS:

Jeanette Dewalt also thanked staff for the Hastings Utilities 101 Presentation. She encouraged this presentation be offered to Service Clubs. Dave Ptak suggested that it could be put on the website. Kevin Johnson stated that it will be utilized at the yearly Customer Key Accounts Meeting.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

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

   (a) Approval of the minutes of the Hastings Utility Board Meeting of October 10, 2019

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

REGULAR AGENDA:

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

None.

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

   (a) Finance

      i. Update of Finance Report Status

Roger Nash reported that the August report should be finished this week. He said a $400,000 error was made in changing the way they reconciled some items in accounts receivable. The error started in April and they have made the change to the April, May, June, and July reports. The revised July report was emailed to the Board on Wednesday. The process has been changed and this error should not happen again. He said that Robin Ginn expects the September report to be done by the end of November, which will give them time to get ready for the auditors, who are coming in on December 16th.

A conversation took place on auditing and quarterly reviews. In the past, the auditor was hired to present quarterly reviews. Staff will get a cost from the new auditors on preparing and presenting quarterly reviews.

   (b) Production

None.

   (c) Operations

None.

(d) Administration

i. Strategic Initiatives & KPI Overviews
- Customer Service
- Operations
- Energy Supply

Presentations on Strategic Initiatives and KPI Overviews were given by Brian Strom - Customer Service, Lee Vrooman - Operations, and Derek Zeisler - Energy Supply.

Mr. Strom's presentation included Customer Delinquency Rate, Billing Accuracy, Uncollectible Accounts, Customer Disconnect Rate, Service Complaints, Strategic Initiatives in Progress and New Strategic Initiatives.

Lee Vrooman's presentation include Operational Strategic Initiatives and Electric Distribution and Substation Department, Gas Department, and Water and Sewer Department KPI's.

Mr. Zeisler's presentation included Energy Supply KPI's and Energy Supply Strategic Initiatives.

ii. IRP Study Overview & Status

Al Meyer reviewed with the Board a recommendation from the Engineering Department to Kevin Johnson for award of a contract for an Integrated Resource Plan (IRP) for Hastings Utilities, which will be used as a guide for Hastings Utilities for future planning and development to meet the electric energy needs of our customers over the next 20 years. The recommendation was to award a contract with GDS Associates for the IRP. The cost is not to exceed $165,000. Mr. Meyer said that GDS has a wide range of consulting services that they provide for the utility industry and that they will be providing Transmission Planning Services to Hastings Utilities in the near future and there may be other opportunities to use their services. GDS Associates provided very good references for the service provided and has significant Southwest Power Pool market experience.

Mr. Meyer gave a presentation on the IRP which included the scope of the contract, tasks, and the status of the project.

iii. Strategic Projects Status
- NDS Security & Customer Service Enhancements
- Cost of Service Study

Kevin Johnson updated the Board on the NDS Security & Customer Service Enhancements. He said that the second round of bids came in higher per sq.ft. Therefore, staff has re-visited the project for a third time. The new plan will not include any external infrastructure changes except for the drive-up payment window. The other changes will be internal infrastructure within the current framework of the front of the office that is no in place. Johnson stated that the architect is in the process of drawing up the plans for bids. The initial time-frame from the architect to get back to us with the plans is after the first of the year. Staff will try to get that project accelerated.

Johnson stated that the Cost of Service Study is in process and there has been alot of data exchange with the consultant and our staff. Expected delivery of the study is mid-February.

iv. Board Roles & Responsibilities (Business Oversight Expectations and Requirements)
- Budget, Rates, Economic Development Fund, Operations, Staffing, etc.

A discussion took place on the Board Roles and Responsibilities, which included Business Oversight Expectations and Requirements. Examples - budget, rates, economic development fund, operations, staffing, etc. Johnson stated that we are not trying to emulate the process that was used under the Board of Public Works. Dave Ptak thanked the members of the Utility Board and said it is important to have citizen input for decisions that need to be made. He said he feels the City Council appreciates and relies on the Utility Board's input and recommendations on items that are brought before them. With the Utility Board structures versus the Board of Public Works, the Utility Manager is charged with making more of the decisions and then being transparent with the Utility Board. Per ordinance, some items will still need to be recommended by the Utility Board and then approved by the City Council. The Manager has the authority to spend money on items that are a part of the budget. Butch Eley asked why the IRP Recommendation, for example, did not have to go to the City Council for recommendation. Ptak stated that by ordinance, the Manager of Utilities has the authority to hire consultants. Ptak said that the City Council has the right to change whatever processes they would like to see. Other items that are bid are spelled out by dollar amounts in the state statute 16-321.

Bill Hitesman asked whether an item that is not recommended for approval by the Utility Board could be forwarded to the City Council for their approval. Johnson said that he would not take it to the City Council for approval until the Utility Board revisited the item, and at that time, the City Council would be informed of the outcome of the Board's discussion and recommendation.

Jeanette Dewalt asked if any attachments, presentations, etc. that have been shown at the meetings be available to the Board in advance for review. Kevin Johnson said that staff will make that change.

(e) Other

None.

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

None.

ADJOURN:

Moved by Jeanette Dewalt seconded by Shayne Raitt that there being no further business, the meeting adjourn at 11:10 a.m. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt, Joanne Seberg, Bill Hitesman. Nays: None. Absent: None. The motion carried.

APPROVED:

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Board Secretary