CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, January 9, 2020

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 9, 2020.

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, Jeanette Dewalt. Absent: Shayne Raitt.

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 January 9, 2020 REGULAR MEETING.

Moved by Jeanette Dewalt seconded by Shawn Hartmann to adopt the current agenda for January 9, 2020 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Jeanette Dewalt. Nays: None. Absent: Shayne Raitt. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, January 7, 2020.

Chairman Bill Hitesman read the Public Notice - 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:

Al Meyer, who was filling in for Kevin Johnson, said that Hastings Utilities' staff hosted customer meetings on December 18 and 19th. Staff provided customers with good information and received good feedback from the customers. Bill Hitesman stated that he attended one of the meetings and he felt the meeting went well. Jeanette Dewalt also attended a meeting and said she noticed there is still interest in solar. She encourages anyone that needs more information to go to the Utility Office. They can help you with questions and/or signups.

BOARD CHAIRMAN'S COMMUNICATIONS:

Chairman Hitesman thanked staff for setting up the customer meetings. He stated that he hopes everyone had a great holiday.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

APPROVAL OF MINUTES:

1. Approval of Minutes of the December 12, 2019 Meeting

Moved by Joanne Seberg seconded by Jeanette Dewalt to approve the minutes of the December 12, 2019 meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Jeanette Dewalt. Nays: None. Absent: Shayne Raitt. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Finance

Roger Nash stated that Robin Ginn sent out the unaudited September financials. Kevin Johnson will give a year end presentation at the next meeting in February. Mr. Nash said he is guessing the audit will be presented at the March meeting.

(b) Production

Shane Stone reported that both WEC units are operating well as is the PCF.

(c) Operations

None.

(d) Administration

i. General '2019 Highlights'

Kevin Johnson included in the packet a list of highlighted projects for the year 2019. Mr. Meyer said he did not plan any detailed discussion but will answer any questions on any of these projects. A short discussion took place on the paying off of the bonds on WEC-1. Mr. Meyer explained that the PPGA debt is different in that PPGA is totally financed by PPGA. Our payments for purchased power will go toward the payment of the PPGA bonds. Meyer explained that with the final payment of the WEC-1 bonds, this will improve the financial performance of the electric system.

Dave Ptak stated that he, Kevin Johnson and Roger Nash have been looking at the Combined debt, specifically the 2006 and 2012 issues. He said that we have a chance to save substantial money by redeeming and reissuing the 2006 bonds. He said we can retain a lower interest rate. Mr. Ptak stated we will also have an opportunity, if rates stay low, to do the same thing with the 2012 issue, but not until 2021. He said that both issues have a reserve fund and by recalling the 2006, we can release the reserve funds which will free up some additional cash that would be available for the Utilities. Same for the calling of the 2012 bonds. Mr. Ptak stated that we have an ancient water distribution system and those funds could help fund some of those projects going forward. Mr. Nash stated that bond covenants with both issues required the reserves and once we get those refunded and get that language out of the bond covenants going forward, we would not need any reserves.

Mr. Ptak stated that the decision of how to use that reserve money will be for a budget discussion.

Mr. Meyer gave an update on the ASR latest project. He said we are starting Phase 3 of the ASR. He said that we have a bid package out for bids now that includes the construction of the four injection wells and installing water main (airport property). Bids are due January 21, 2020. Mr. Meyer stated that there will be two separate contracts; one for wells and one for water main construction. He expects the recommendation for approval of those contracts will be on the February Board agenda. The budgeted cost is $2.3 million and is budget item no. 3.00

ii. Update on NDS Security & Customer Service Design

Brian Strom stated that the NDS Security and Customer Service Modification drawings are being finalized by staff and the architect. He expects a bid package to go out January 24, 2020, with an award on March 23, 2020, and a goal of completion to be November 1, 2020.

(e) Other

None.

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

Moved by Jeanette Dewalt seconded by Shawn Hartmann 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 contract negotiations. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Jeanette Dewalt. Nays: None. Absent: Shayne Raitt. The motion carried.

The meeting closed to the public at 9:18 a.m.

Moved by Shawn Hartmann second by Joanne Seberg that the meeting be reopened to the public at 9:39 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes: Shawn Hartmann, Joanne Seberg, Bill Hitesman, Jeanette Dewalt. Nays; None. Absent: Shayne Raitt. The motion carried.

ADJOURN:

Moved by Jeanette Dewalt seconded by Shawn Hartmann, that there being no further business, the meeting adjourn at 9:39 a.m. Roll Call: Ayes; Jeanette Dewalt, Shawn Hartmann, Bill Hitesman, Joanne Seberg. Nays: None. Absent: Shayne Raitt. The motion carried.

APPROVED:

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Board Secretary