CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, February 13, 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 February 13, 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, Shayne Raitt, Jeanette Dewalt.

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 FEBRUARY 13, 2020 REGULAR MEETING.

Moved by Shayne Raitt seconded by Shawn Hartmann to adopt the current agenda for February 13, 2020 regular meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, February 11, 2020.

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 this is Mike Hernandez' last meeting and his last day is March 3, 2020. Mike will be finishing his career closer to home in Minnesota. Kevin said that he wanted to acknowledge Mike for the time he's been here and thank him publicly. Board Members and the Mayor also thanked him and recognized his good work for Hastings Utilities.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

None.

APPROVAL OF MINUTES:

1. Approval of Minutes of the Hastings Utility Board Meeting on January 9, 2020

Moved by Jeanette Dewalt seconded by Joanne Seberg to approve the minutes of the January 9, 2020 meeting. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Finance

i. Year-End Financial Review

Kevin Johnson stated that although the 4th Quarter financials are four months behind, he is prepared to give a presentation on the Year-End Financials. He said that there is alot going on in the Finance Department; the ERP has picked back up, the audit that they were involved with since December, and pressure to get caught up; along with pressure to make process changes. He stated that it may not be a good time for process changes and that those changes will come about with the implementation of the ERP.

Dave Ptak stated that the Mayor and Council are committed to the success of the ERP system and said that we may need to hire some temporary help to do the daily work in Finance so they don't get any further behind.

Roger Nash said that as staff worked through the audit, he asked for the 1st Quarter Financials to be completed for the March meeting and have January and February financials for the April meeting. He said that would put us back on track. He has mandated these deadlines so that current information is available to put the next budget together. Roger informed the Board that Kevin Schawang has hired a staff person in IT to help with ERP Implementation and Roger said that he is interviewing on Monday for a position in accounting to help with ERP Implementation.

Kevin Johnson gave a presentation on the Year-End Financials for September 30, 2019.

(b) Production

None.

(c) Operations

i. Approval of Recommendation for Award of Contract No. HU 2020-01, IC-1 for Construction of Four Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00)

Moved by Joanne Seberg seconded by Shayne Raitt to recommend the City Council award a Contract (No. HU 2020-01, IC-1) for Construction of Four Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00) to Downey Drilling, Lexington, Nebraska, in the amount of $434,966.00. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

ii. Approval of Recommendation for Award of Contract No. HU 2020-01, IC-2 for Construction of Water Mains to Serve Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00)

Moved by Jeanette Dewalt seconded by Shawn Hartmann to recommend the City Council award a Contract (No. HU 2020-01, IC-2) for Construction of Water Mains to Serve Injection Wells (Phase III ASR Injection Wells and Water Collection System - B.I. 3.00) to Van Kirk Brothers, Sutton, Nebraska, in the amount of $1,091,285.34. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

iii. Tree Trimming Bids and Strategy

A discussion took place on tree trimming bids for utility and street work. Lee Vrooman stated that we have problem trees we haven't had the option of doing a five year cycle that needs to be done. The Utilities and Parks Department have decided to prepare a combined bid on tree trimming. At the January 23, 2020 bid opening, Vrooman said that The Green Tree Company of Red Oak, Iowa bid $1,079,000 for utility work and $543,820 for street work and that staff has decided to split the work and costs into two years. Then a five year tree trimming rotation will be used.

Vrooman stated that staff prepared a high level analysis of a city-wide four man tree trimming crew and he reviewed those numbers with the Board. Dave Ptak said that those numbers reflect only maintenance of trees that were first trimmed by the 20-crew Green Tree Company in a two-year surge. Therefore, you cannot compare those costs of the surge -vs- maintenance. Vrooman stated that at a City Council Worksession, the Council said they would like staff to review the four-man tree trimming crew in more detail at budget sessions. Vrooman reported that alot of public education will take place to get the word out that people will be coming around to trim trees. Mayor Stutte remarked that tree damage from storms is what he gets the most calls on. He said it is a big piece in protecting our system as well as maintaining the trees.

Chairman Hitesman asked if staff knew why local tree trimming outfits did not bid. Lee said that local contractors may not have bid on this project because of the large scope of the project, a bid bond is required, the contractor must be certified arborists, and must be certified for working around power lines.

(d) Administration

i. Organizational Reviews Update

Kevin Johnson stated that Mike Hernandez' departure is requiring staff to reevaluate and determine the best replacement. He would like to discuss those details in Executive Session.

ii. Integrated Resource Plan (IRP) Update

Keith Leonhardt gave an update on the Integrated Resources Plan Study. He said that a phone conference is set up in 10 days. Leonhardt stated that there are three major items we are looking at; 1) existing generation resources power costs, 2) generation resource portfolios, new generation - what are our options? 3) Sensitivity analysis with alternatives. What would new regulations impact on our study results? And what impact would new and improved technology have on power supply options?

iii. Cost of Service Study Status

Kevin Johnson informed the Board that the Cost of Service Study results should be ready in March. He stated that the Consultant will present the results at the Utility Board Meeting.

iv. NDS Office Remodel Status

Brian Strom updated the Board on the North Denver Station Office Removal Project. He said that the revised blueprints and specifications were finished last week. They include a new drive-up window, public restrooms in the lobby, privacy area for customers, customer payment counter will be moved to add additional area in the lobby, and to secure the building, the stairway and elevator access will be enclosed and only accessible with a badge. Strom stated that bid proposals went out on February 7, 2020 and bids will be opened up on March 2, 2020.

(e) Other

None.

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

Moved by Jeanette Dewalt seconded by Joanne Seberg, that this Board go into Closed Session, which Closed Session is clearly necessary for the protection of the public interest and for the prevention of needless injury to the reputation of an individual, which individual has not requested a public meeting, in order to discuss certain matters relating to personnel. Roll Call: Ayes: Shawn Hartmann, Bill Hitesman, Joanne Seberg, Shayne Raitt, Jeanette Dewalt. Nays: None. Absent: None. The motion carried.

The meeting closed to the public at 10:00 a.m.

Moved by Joanne Seberg seconded by Jeanette Dewalt, that the meeting be reopened to the public at 10:40 a.m., and that no decisions were made nor official actions taken during said Closed Session. Roll Call: Ayes; Joanne Seberg, Jeanette Dewalt, Shawn Hartmann, Bill Hitesman, Shayne Raitt. Nays: None. Absent: None. The motion carried.

ADJOURN:

By unanimous vote, that there being no further business, the meeting adjourn at 10:41 a.m.

APPROVED:

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Board Secretary