HASTINGS UTILITY BOARD
AGENDA

Council Chambers – City Hall
220 North Hastings Avenue
October 8, 2020
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR date REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, October 6, 2020. 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. All Consent Items.

    (a) Approval of the minutes of the Hastings Utility Board Meeting of September 9, 2020.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

    (a) Board Officer Appointments

    (b) Finance

(c) Production

i. IRP Final Report Status

ii. Solar Production Review

iii. Directional Boring for Electric

(d) Operations

i. AMI Status

ii. Tree Trimming Status

iii. SID

(e) Administration

i. Safety Stats Update

ii. NDS Enhancements
- Office/Parking

iii. Customer Programs

iv. Other Organizational Changes
- Director of Electrical Production
- WEC Planner/Scheduler (2)
- Tech Coord Water/Sewer
- Facility Maint. (-1)
- Customer Service

v. Union Vote Schedule

(f) Other

i. Presentation on Fischer Fountain

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

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, September 10, 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 September 10, 2020.

ROLL CALL:

PRESENT: HARTMAN, RAITT, DEWALT, HEMJE

Absent: HITESMAN

Others present: Mayor Stutte, Dave Ptak, Lee Vrooman, Derek Zeisler, Keith Leonhardt, Robin Ginn, Erik Nielsen.

PLEDGE OF ALLEGIANCE:

Utility Board Member Hartmann led the group in recital of the Pledge of Allegiance to the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR date REGULAR MEETING.

Moved by Shayne Raitt seconded by Jeanette Dewalt to adopt current agenda for September 10, 2020 Regular Meeting. Roll Call: Hartmann, Raitt, Dewalt, Hemje. Nays: None. Absent: Hitesman. The motion carried.

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MANAGER'S COMMUNICATIONS:

Introduced and welcomed Mark Hemje to the Board and Jaclyn Wieczorek as Carol Crecelius's replacement.

Moved from cooling season to the heating season. From a utility standpoint that is ideal. Will be moving back to cooling season in the next few weeks.

We are having employee meetings to discuss questions relative to the union overture. Meetings start today and last through September. Don't have a confirmation of union vote timeline as of yet. Do anticipate a vote in October, but no confirmed date yet.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

Mayor Stutte thanked Mark Hemje for willingness to serve on the board and thanked Joanne Seberg for her service on the board. She will be recognized at a City Council Meeting once her plaque is finished.

CONSENT AGENDA:

1. All Consent Items.

(a) Approval of the minutes of the Hastings Utility Board Meeting of August 13, 2020.

Moved by Raitt and seconded by Dewalt to approve the minutes of the Hastings Utility Board Meeting on August 13, 2020, as corrected. Roll Call: Hartmann, Raitt, Dewalt, Hemje. Nays: None. Absent: Hitesman. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

None.

3. General Business.

(a) Finance

i. Budget Questions

Will be formally approved in the Council Meeting. Kevin Johnson explained that within the budget there is an overall 1% proposed rate increase for electric and an overall 3% proposed rate increase for natural gas. No increase for water or pollution control.

ii. Insurance Broker Update

Representatives from Harry A. Koch Company, Jeff Scanlan and Mark Frantz, gave a presentation on utility insurance coverage options for 2020-21.

Harry A. Koch went through a Request for Proposal (RFP) process last year and was chosen to be Insurance Broker for the City of Hastings. Jeff Scanlan led the discussion on insurance renewal terms with the Utility Department. The Utility Department currently has two primary insurance companies: FM Global (property carrier) and AEGIS (excess liability).

Jeff explained the property insurance market is distressed globally, because of hurricanes, fires, riots, etc. Higher deductibles and price increases are across the board. We have options to have multiple carriers on property to cover the whole property. The risk is a gap in coverage. FM Global pricing has changed, but their terms have not. When FM Global rate increases were given to Harry A. Koch, they went looking for insurance options. The viable options were AEGIS and Starr Indemnity. Starr had an interest, but had a loss limit on property. Their rate was higher and did not reflect a lower limit. They have not heard back from AEGIS on property coverage.

The insurance proposal was handed out to Utility Board members. The FM Global property policy has a total insured value of $398,325,895 with a $500,000 deductible. Discussion was held on how the property values are established. Changing deductible amounts was researched, but did not seem to be a benefit in the cost of coverage.

Some property, including Fisher Fountain, is covered under another carrier with a $5,000 deductible. Other coverage, such as auto, is covered under Travelers with all city vehicles. We cost allocate in order to charge the proper city departments.

AEGIS, excess liability insurance coverage, has a limit of $35 million, per occurrence. The annual aggregate limit is $70 million, with the retained limit of $500,000. AEGIS gave a continuity credit of $14,009 to be applied against the rated premium at the time of binding.

Cyber, Director & Officers, and Employment Liability insurance coverage are under the city's coverage.

Harry A. Koch would recommend FM Global for property coverage for the Utility Department. Kevin Johnson stated the insurance coverage vendor choice is an operational decision, so the board will not vote on this issue. This discussion is for transparency.

(b) Production

None.

(c) Operations

None.

(d) Administration

i. Organization Changes
- WEC
- Water/Sewer
- Customer Service

Discussion only.

Kevin Johnson explained that the new WEC Director didn't feel like it was a good fit. Actively looking to fill position. Kevin mentioned organizational changes specifically with WEC maintenance, E I & C Group, shifting people into more strategic roles. No addition to staff count. Customer Service Group, more info to come at next meeting on organizational changes. Currently still evolving. Administrative standpoint still revisiting organization, roles and responsibilities. Realign to correct roles. Streamlining organizational structure because of efficiencies. From a management perspective broader management expectation than just a single scope expectation.

Customer Service Remodeling Project: (Dave Ptak) How is the project coming along? In response Kevin Johnson mentioned it was nearing completion on the inside of the building (North Denver Station). Current delay on the drive up window. Waiting to receive the window, anticipated at the end of the month. Anticipated fully operational customer service area with security measures and enhancements in early October. We still have the drive up and resurfacing reconfiguration that will start next week. From a customer access standpoint between October 1 and October 15 potentially open up. Reminded that there will be limited customer access in the building when open to the public, will need key badges to get through locked doors. Drive up window at city hall will be accessible through October. Have expanded online capabilities, and will continue to look for opportunities to expand those services.

Organizational changes: (Dewalt) What management is typically involved in decisions? Kevin's leadership team (Keith Leonhardt, Derek Zeisler, Lee Vrooman, Lori Hartman (Director of HR)) are primary decision makers. Then those are run through Dave Ptak for his approval.

(e) Other

i. Forest Property Update

Lee Vrooman gave an update on the forest property next to WEC. Lee stated the developer authorized their engineering firm to remove trees and doing some geo-technical work. Started two weeks ago and uses the trees they cut down for wood chips. Work should be complete near the middle of October. Have not received yes, but it is moving forward.

Kevin: this is the prospect of the 2nd largest electric user in our system and top 5 user of our water and sewer services.

ii. Welcome New Board Member Mark Hemje

Welcome to Mark Hemje as the new Utility Board member.

IRP study is not complete. Kevin will report on the study as soon as it is available. We have peaking units that require maintenance that must be taken into consideration. Plan for later in the year, report coming to you in the early part of 2021.

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

Moved by Shayne Raitt seconded by Jeanette Dewalt to go into closed session for reason of litigation and personnel at 9:22 A.M. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt, Mark Hemje. Nays: None. Absent: Bill Hitesman. The motion carried.

Moved by Mark Hemje seconded by Shayne Raitt to come out of closed session at 9:44 A.M. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt, Mark Hemje. Nays: None. Absent: Bill Hitesman. The motion carried.

ADJOURN:

Moved by Mark Hemje seconded by Jeanette Dewalt there being no further business to adjourn at 10:29 A.M. Roll Call: Ayes: Shawn Hartmann, Shayne Raitt, Jeanette Dewalt, Mark Hemje. Nays: None. Absent: Bill Hitesman. The motion carried.

APPROVED:

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Board Secretary