HASTINGS UTILITY BOARD
AGENDA

TELECONFERENCE MEETING
December 10, 2020
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR date REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Virtual Meeting was published in the Hastings Tribune on Tuesday, DECEMBER 8, 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 can be found on the City of Hastings' website, cityofhastings.org.

MANAGER'S COMMUNICATIONS:

BOARD CHAIRMAN'S COMMUNICATIONS:

BOARD MEMBERS' COMMUNICATIONS:

CITIZEN COMMUNICATIONS:

CONSENT AGENDA:

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

    (a) Approval of the minutes of the Hastings Utility Board Meeting of October 8, 2020.

REGULAR AGENDA:

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

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

    (a) Finance

        i. Fiscal Year-End Financials Review

    (b) Production

        i. WEC Re-Organization

(c) Operations

(d) Administration

i. AMI Phase I

ii. Recommendation to the City Council to submit Letters of Intent for 2020 Rural Workforce Housing Funds from the Nebraska Department of Economic Development for Phase II of Trail Ridge Subdivision and for Pioneer Trail Flats Subdivision.

(e) Other

i. Board Officer Selections

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

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, October 8, 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 October 8, 2020.

ROLL CALL:

PRESENT: HITESMAN, HARTMANN, HEMJE

ABSENT: RAITT, DEWALT

OTHERS PRESENT: Dave Ptak, Lee Vrooman, Derek Zeisler, Keith Leonhardt, Erik Nielsen, Noel Nienhueser, Brandan Lubken, Amanda Scott, Derek Pfeifer, Lori Hartman, Bob Davis, Butch Eley.

PLEDGE OF ALLEGIANCE:

Utility Board Member Hitesman 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 Bill Hitesman seconded by Shawn Hartmann to adopt current agenda for October 8, 2020 Regular Meeting. Roll Call: Hartmann, Hitesman, Hemje. The motion carried.

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:

Intention for this meeting to provide the board to meet our extended leaders as well as our peer group.

Thought we were going from a cooling season to heating season and did for a little bit, but ended back to cooling. From a utilities standpoint that is good.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

None.

CITIZEN COMMUNICATIONS:

Chuck Shoemaker, 747 N. Burlington Ave, Hastings NE, (on behalf of Clay County District 1), appeared to speak in favor of the S.I.D. of Clay County for Hastings Utilities to take over the operations and management of a water distribution system that has recently been completed.

Bill Hitesman thanked Chuck for his communication and stated that it will be coming up later for discussion

CONSENT AGENDA:

1. All Consent Items.

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

    Moved by Hartmann and seconded by Hemje to approve the minutes of the Hastings Utility Board Meeting on September 10, 2020, as corrected. Roll Call: Hartmann, Hitesman, Hemje. Nays: None. Absent: Raitt, Dewalt. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

    None.

3. General Business.

    (a) Board Officer Appointments

    Hitesman asked to defer. Ptak spoke on how the board is late on appointing board member's new positions, but since not having a full board at today's meeting to table it until next board meeting.

    Motion to table by Hartmann and seconded by Hemje. Roll Call: Hartmann, Hitesman, Hemje. Nays: None. Absent: Raitt, Dewalt. The motion carried.

    (b) Finance

    None.

(c) Production

i. IRP Final Report Status

Keith Leonhardt (Director of Capital Management) updated the board on the status of integrated resource plan which evaluates the difference of power supply around the city. Hired a consultant GPS.
First steps identified 10 different resource portfolios. Each portfolio was a mixture of existing generating units and as well as future power supply options. They have done the economic analysis. The second step was to do the scenario analysis. The consultant looked at three different scenarios: 1) Business as usual, 2) High technology 3) High regulatory. The consultant applied those to the economics. The last step was to look at different criteria.
Keith mentioned the study is now complete and just received the report a few days ago. Staff is in the process of looking at it and doing some evaluating of existing resources and applying our own analytics. He mentioned they have formed a committee. There will be six people on the committee and starting the meetings soon. Expecting process to take up to the end of the year to spring of next year. Keith asked if there was any questions and there were none.

ii. Solar Production Review

Derek Zeisler spoke on the solar production review. He mentioned it has been a year since the project started. He spoke on the solar farm being 1.5 mW AC System and how it has put out 3,635,673 kWh, which hits close to forecast of when initially started. A community solar project, which allowed for customers to purchase into. To date (numbers as of last week) have had over 136 panels sold, over 300 solar shares sold solar which equates to roughly three panels in a share which gets to over a 1,000 panels. The complete solar farm is over 6,000 panels, little over 17% customer ownership.
Customer interest was high first month. Recall wasn't an immediate money saving opportunity but did give us the opportunity for renewables for new and existing customers. Good portion of the scenarios Keith mentioned do include solar. Derek appreciates Noel Neinhuser's team helping with the overseeing and maintenance. Derek mentioned they have learned a lot that will help evaluate when they get ready with the IRP.
Been participating in a PPA on the wind side. He went on to mention some things that have changed - the panels being a year old they went back and adjusted panel pricing ($375 now). Fuel adjustment factor (changed) returned to an energy adjustment correction factor. Our energy no longer comes directly from coal and gas fire units, it comes from the market. Our fuel costs are not the main driver, it is whatever we are buying off the market. With correcting that, able to take some costs that are better suited for actual rates out of the old FAC and put it back in electric rates.
Moving forward with EAC will likely trend lower starting in October because costs were pushed back to where they think they belong. It helps pull the EAC charge off of solar participants, because they are participating in renewables. There is no market adjustment for the power they are using and won't be charged toward the solar customers. Derek asked if there was any questions.

Hitesman asked if there is any kind of promotion to increase sales of the panels.

Derek said that Amanda Scott is planning on getting some information out and using the social media platforms. He went on to say that currently with the pricing it allows for Hastings that it hasn't been bad for the panels not to be sold out. The pricing is hitting very close to what the market is. All customers are getting the benefit of that. He stated they want customers to buy in and the option to be there for potential customers that are coming and needing the renewable. He stated not seeing a huge need to get panels sold out but if interest becomes more renewable and more renewable behind the meter then gives us incentive to move to Phase 2.

Kevin added on to say that there was no financing required. They used internal funds and the three largest parties that were interested that they were speaking with early on have not bought in yet. The numbers are a little over what was originally anticipated, but not in bad shape.

iii. Directional Boring for Electric

Ed Fleharty (Gas Department) spoke on having most of the equipment at the Utilities and about 10 years ago taking on some projects for the electric department, which has increased over time.
The gas department has 2 directional drilling machines; one primarily gas and one a lot of electric, but still some gas. Fleharty referred to the presentation of what has been completed in 2020 and what is in progress and future plans are. Electric department budget for 19-2020 some projects listed out in dollar amounts, but another section as potential.
He mentioned that every couple of weeks meeting with Engineering, Electric, and Superintendent to re-prioritize what is new, what is in the future, etc. Continually rearranging some things in the future. Some future are requests and some done.
Every year the Engineering department does an annual review of Electric Work Orders and shows up in EEI to report. Tyler continually updates annually. Spoke on when doing projects for electrical they are in installing conduits for other companies.

Kevin spoke on our departments cross functionally working. He stated that every time the Gas department does work for the Electric department they do charge that time (material, equipment hours). Our rate integrity stays in tack.

(d) Operations

i. AMI Status

Noel Nienhueser (Superintendent of sub stations, communication and support) spoke on AMI system. Entered into a program with Tantalus. It was to stand up a small area of Hastings on a cloud based AMI system and integrate into present billing system.
Area chosen was about 14 square blocks and 75 residences near Brickyard Park. He mentioned from a metering standpoint with 75 residences that is about 3 meters (eclectic, water & gas) residences equals 3.
AMI group began weekly calls with Tantalus to keep process moving. About 9 people

with the utilities involved with those calls each week. Cellular collector installed and server activated on 9/25/2020. Using a cellular card system to bring back all the data from the meters to the billing system. When and if they roll out an entire system they will utilize the city owned fiber optic network. May need to use cellular cards out in the rural areas, but the goal is to use their own fiber.
In the area installed 21 TUNet meters. Currently use a system called ITron (just a brand). All are communicating successfully, except an issue with one. It has since been replaced and fully functioning. 24 meters in pilot, only 21 installed. Noel went on to talk about the next steps; getting VPNs for users to access data (billing office, Noel and his staff, upper management), verification of read capability, training on portal interface, and migration of reads into billing system. Some benefits of the Tatalus; each meter can read 25 ERTs (radio signals). Goal is to replace 8-10 meters initially. Additional meters added makes the system stronger. Each meter bounces to another back to the collector looking for the strongest path.

Bill Hitesman asked with this being a pilot what the cost is moving forward and how many steps would it take if we did this city wide. Noel mentioned that this system does allow us to use our old meters instead of going to a full AMI system that would cost around 6 million dollars to get all new meters. With this system (Tantulus) we can use existing meters. He said it they think they can do it for about $600,000 dollars.
Noel spoke on changing meters out once they break and prefer taking the same money they are budgeting for meters and be aggressive and change meters. Noel said they prefer to have an aggressive change out and complete AMI system in 3 years which allows the billing office to know remotely what is going on with the meters. In doing this everything can be done remote (i.e., diagnosing issues, allows to tie in a power outage system and remote disconnect).

Hitesman went on to ask if that cost of 6 million stretch over 3 years. Noel corrected him and stated it would cost roughly 2 million spent over 3 years.

ii. Tree Trimming Status

Doug Baumgart (Electric Distribution) stated they hired Green Tree. All x's are completed, red boxes is current and the other open ones are still in progress and coming up. He mentioned Utilities 7, 10 and 12 will be the last one. He stated everything is going good. Amount of questions and calls in the beginning, but now have slowed down about inquiring. He mentioned he still gets some calls of residents wanting their trees trimmed, but not on current list. Unshaded areas (depending on how aggressive they got) could be 1 to 2 years.

Kevin Johnson asked the board if they had received any overtures from customers related to the tree trimming.

Shawn Hartmann stated he has not heard anything.

iii. SID

Brandan Lubken (Superintendent of Water and Wastewater) mentioned he has been in his new role for 3 months and is approaching this from the side. He went on to talk about the SID had an old water main that they abandoned due to water losses and decided to build in a new water main. SID 1 serves 23 customers and 31 meters. The new main was constructed with PVC and to USDA Rural Water System Standards. SID requested Hastings Utilities to take over operations and maintenance of the new water main.
Currently we bill the SID and the SID then bills their customers. Lubken spoke on it is required to have a designated operator when there is a water system. Right now they have that contracted through a local plumber.
Lubken stated that Hastings Utilities has some concerns with taking over the SID. He spoke on man hours and currently being appropriately staffed. With the SID being way out there and an issue arises it is a long way back. He spoke on the system footprint being large and customer density. Lubken stated that in the city of Hastings we currently have about 205 miles of water main that renders down to about 50 customers per mile of main. The SID is a vast area with a lot more main and a lot fewer customers.
System liability is a big deal due to the amount of liability. He spoke on every drop that comes from a sprinkler head, fire house, etc. it all has to be drinkable, which means there is certain standards to sampling. Constant monitoring and would have to be rolled out further to the SID. Lubken stated it is more of a risk the further you get away from the source of your water production. He mentioned that considerations are still going back and forth. Looking at offering up maintenance opportunities to the SID and Mark Hemberger has been in contact with their operator.

Hitesman stated he understands the utilities side. He went on to say how to address as a community as well as utility. He was confused on currently offering service that is within a 2 mile radius. He asked if there is anything on that end to expand that and what the additional liability that is different than others.
Lubken responded about the response time to a problem, system not up to city standard. System is not set up (operators comfort level) be able to flush and chlorinate, which is a risk for operator and community. Hitesman stated he hopes it's an ongoing thing and as a community have some responsibility that we want to keep those people. He stated on giving the best service we can, but understands there is a ton of things to be talked through. Spoke on his perspective as a board to get more educated on that they can make a recommendation to the City Council. Lubken stated in his opinion on the situation about conversations to keep going and a longer analysis of the main to see what costs are really going to look at.

Hemje stated he would feel more comfortable after more analysis.

Kevin spoke on today's presentation was intended to show that the Utilities and SID are having discussions. He spoke on having more bullet points to go through and suggested coming back to the board with pros and cons from their perspective. He stated that their system is still being tweaked. They still have unaccounted water usage, water quality problems now, fire suppression challenges. He stated we need to work these issues before recommending to the City Council or the Board to get into an agreement. Johnson stated his primary hesitation is taking on risks for the unknown.

Hitesman agreed that he wouldn't be able to make a decision today. He thinks that next month or coming months have this on the agenda to understand more from each of the perspectives. He stated that at some point make some decisions and move it forward. He mentioned that we have a responsibility to the community of what can we better do to improve and provide services for that.

Kevin stated we already have some interim steps that we have offered for a fee.

Hartmann wanted some clarification. He asked about the current infrastructure being for just existing customers now. He went on to ask if we assume responsibility then would cost would be on us for new customers to add the service. Stated looking from a business standpoint not seeing how we would ever come ahead with that low of a volume. He went on to ask if there is customers now that would switch over if it was stabilized.

(e) Administration

i. Safety Stats Update

Bob Davis (Director of Safety) spoke on this year being a great year. With communication and changing the culture he has seen great changes within Utilities department. He mentioned there is still some things that come up but with communication and holding people accountable they are seeing a lot better results. Vehicle accidents have come down this year. Employees have been aware of what has been going on around them and gives kudos to employees to being aware of surroundings.

ii. NDS Enhancements
- Office/Parking

Lee Vrooman (Director of Engineering) spoke on having construction at NDS since late spring. He stated they are starting to see the finish line. Went on to refer to the presentation- Parking lot - phase 1, Ben Engel completed their first pour this morning after they will have sidewalk, grading, and cleanup. Vrooman said they hope to have it striped by the end of the month. Phase 2 of the parking lot will be the north, will happen after removing the reservoir and pump chamber.
Customer service area (lobby) about 95% complete. There is an awning for the drive-thru, carpet, glass interior and countertops left to do. If all comes in next week then the last week of October business office can move in and anticipate opening for the public. In the drive-thru going to put up a vinyl fence to hide the generator and the buildings in the back. Overall projects went well and ahead of schedule.

iii. Customer Programs

Amanda Scott (Manager of Public Information) spoke on revamping the incentive programs. Updating forms and combining some. Other options available online bill pay been pushing since COVID just to make easier and cuts down customer service needs and phone calls. Another option offered is budget billing to keep bills consistent month to month. Payment arrangements are available and applications online. Utilities offers thermal energy services, tree trimming separate from main tree trimming project not by request but by necessity.

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

Kevin Johnson introduced Rich Kleinhample as the new Director of Electric Production. He went on to talk on the other changes: WEC - 2 new positions developed but were transfers within the departments.
In the Water department- the new superintendent Brandan Lubken and Mark Hemberger transferred to the new technical coordinator role. Mark has the highest level water operator position. Mark is taking the lead on the SID and some other projects.
Facility maintenance group (reports to Noel) - ground maintenance group transferred 1 FTE to parks. Did have two, but one was promoted into an apprentice position.
Customer service department - Brian is in knee deep to organization structure review. In the process of taking customer rep II roles (3) and enhancing those roles. Turning customer reps I (6) to being more customer focused.

v. Union Vote Schedule

Lori Hartman spoke on the union voting schedule. She mentioned there were 107 employees included on this filing. Covers 46 different job classifications. Ballots sent out by the Court of Industrial Relations on 9/28/2020 and must be post marked back by 10/8/2020. Give employees two weeks to send back and allow one more week to come in. They will be counted a week from today, 10/15/2020 and will have the determination at that time. During the month of September herself and Kevin met with all employees in small groups. Very informal, just a chance to ask questions.

(f) Other

i. Presentation on Fischer Fountain

Derek Pfeifer spoke on Fischer Fountain and looked at options on issues that currently exist. He stated that current issues are access/confined space, drain-up and clean weekly- if it is not done then the pump shuts down, cracked fountain floor- tried to reseal, but it’s not working, security cameras are not useable at night, fence condition is very old and rough condition and overspray/soggy conditions - everything is set to one speed, no way to dial back. Other issues is deteriorating conditions (pipes, electrical fittings, standing water), pump & actuators not functioning running out of their life cycle and shutdowns almost daily, GFI trips.
He explained how they were going to fix it under the new design. Referring to the presentation he stated under access/confined space - move equipment to a new

building extension to the existing mechanical room by the roundabout, deteriorating conditions - replace electrical system, upgrade bonding/grounding, get rid of old drain system, redo lid (new LED lights), pump and actuators not functioning - change to VFD control, stock motors and pumps used in pools and fountains all around the world, shutdowns and GFI trips - upgrade equipment and protect from elements, drain-up & clean weekly - adding a filtration system and run 24 hours when fountain is running.
Other updates under the new design, cracked fountain floor - hired a consultant to help with design guidelines. Recommended a different system to seal the floor, security cameras - upgrade megapixels and add another one, the fence - looked at moving back 10 ft. for access to maintenance, put in junction boxes. Looking at going to powder coated aluminum. Recommends going to lighter color than black. Overspray/soggy conditions - adding a wind control system, LED lights - improve from 18,200W incandescent lighting to 952W LED ($567 savings per year). Pfeifer went over the schedule and cost overview found on the presentation.

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

ADJOURN:

Moved by Bill Hitesman seconded by Shawn Hartmann there being no further business to adjourn at 10:45 A.M. Roll Call: Ayes: Hitesman, Hartmann, Hemje. Nays: None. Absent: Raitt, Dewalt. The motion carried.

APPROVED:

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Board Secretary

2020 RURAL WORKFORCE HOUSING FUND (RWHF)
LETTER OF INTENT

Hastings Economic Development Corporation
301 S. Burlington Ave.
Hastings, NE 68901

Contact:
Michael Krings, Executive Director
(402) 461-8403
mkrings@hastingsedc.com

Amount of RHWF grant funds intending to apply for:	$250,000
Amount of matching funds intending to raise:	$250,000
Anticipated Private Investment:	$2,300,000
Service area of the organization:	Hastings and Adams County
Service area of the fund:	Hastings and Adams County

Project Overview:

This project is located on Block 1, Lot 2 of the Pioneer Trail Flats subdivision. In partnership with Queen City Development, this project would include the construction of 12 duplex units along West Laux Avenue and would require a private investment amount of $2,300,000. This is a rental housing project with a target market being individuals ready to move out of the apartments located directly to the north (which was a first-round recipient of RWHF), wanting to stay in Hastings, but not yet ready to purchase housing.

2020 RURAL WORKFORCE HOUSING FUND (RWHF)
LETTER OF INTENT

Hastings Economic Development Corporation
301 S. Burlington Ave.
Hastings, NE 68901

Contact:
Michael Krings, Executive Director
(402) 461-8403
mkrings@hastingsedc.com

Amount of RHWF grant funds intending to apply for:	$250,000
Amount of matching funds intending to raise:	$250,000
Anticipated Private Investment:	$7,800,000
Service area of the organization:	Hastings and Adams County
Service area of the fund:	Hastings and Adams County

Project Overview:

In 2017, Hastings Economic Development Corporation purchased 97 acres of farm ground with the main purpose to increase the number of affordable housing units within our community. In 2020, Phase 1 of the Trail Ridge subdivision was completed at a cost of $2.7 million, and opened up 35 single-family home lots that HEDC is currently working to sell to local builders. Because of the cost of this project, Phase II of Trail Ridge has been put on hold for the foreseeable future. The cost of Phase II is approx. $500,000 and would make an additional 39 lots available for construction. If we were awarded funds from the RWHF we would be able to commence construction of Phase II in 2021. With 39 lots becoming available and an estimated construction costs of $200,000 per home, we anticipate a minimum of $7,800,000 in private investment would be leveraged with this project. HEDC would repay the funds as lots were sold, and Tax Increment Financing was captured to help pay for the cost of the infrastructure.