

HASTINGS UTILITY BOARD AGENDA

**Council Chambers – City Hall
220 North Hastings Avenue
April 8, 2021
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR APRIL 8, 2021 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, April 6, 2021. 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 March 11, 2021

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.
3. General Business.
 - (a) Finance
 - i. February Extreme Weather Financial Projections

- ii. 2021-22 Scheduled Budget Projection
 - (b) Production
 - (c) Operations
 - i. 2021-22 Strategic Initiatives
 - ii. IRP Status
 - iii. NDS Construction Update
 - (d) Administration
 - i. New Employee Introduction
 - (e) Other
- 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, March 11, 2021

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 March 11, 2021.

ROLL CALL:

The meeting was called to order at 9:00 A.M. in Regular Session by Chairman Hitesman with the following members present: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt.

Absent: None.

Other present: Manager of Utilities, Kevin Johnson; City Administrator, Dave Ptak; City Attorney, Clint Schukei; Finance Director, Roger Nash; Accounting Manager, Robin Ginn; Information Technology, Erik Nielsen, Superintendent of Substations and Communication, Noel Nienhueser; Director of Capital Management, Keith Leonhardt; Director of Administration, Derek Zeisler; Director of Electric Production, Rich Kleinhample; Director of Engineering, Lee Vrooman; Director of Human Resources, Lori Hartman, Butch Eley, Shawn Hartmann.

PLEDGE OF ALLEGIANCE:

Chairman Bill Hitesman led the group in recital of the Pledge of Allegiance of the United States of America.

MOTION TO ADOPT CURRENT AGENDA FOR MARCH 11, 2021 REGULAR MEETING.

Moved by Jeanette Dewalt seconded by Shayne Raitt to adopt current agenda for the February 11, 2021 Regular Meeting. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, March 9, 2021. 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:

Manager of Utilities Kevin Johnson commented on still being in the process of reconciling the severe weather incident, both natural gas and electric perspective. He hopes to have more details at the next board meeting. Stay tuned.

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 February 11, 2021.

Moved by Jeanette Dewalt seconded by Mark Hemje to approve the minutes of the Hastings Utility Board Meeting of February 11, 2021. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

- (b) Approval of the minutes of the Special Hastings Utility Board Meeting of March 4, 2021.

Moved by Jeanette Dewalt seconded by Mark Hemje to approve the minutes of the Special Hastings Utility Board Meeting of March 4, 2021. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

i. Presentation of 2019-2020 Audit

Marcy from AMGL spoke on the 2019-2020 audit report for Hastings Utilities. Marcy went over the report that was given to the Board, which they had received and time to review. Kevin Johnson asked about the current fiscal year about rolling the street lights into the electric department and if that is an issue. Marcy stated that there is no concern with that. Jeanette Dewalt asked about any of the corrected items on the report caused her concern. Marcy stated no, eight adjustments is not a large amount

and is fairly routine as they run into as auditors. Dewalt also asked about the fly ash liability being on the letter for some time. Asked if it needs to be changed at some point and not be a continued issue. Marcy stated that is hasn't been a priority, but left in the letter to eventually get addressed. Right now it's just a reminder.

ii. FY 2021 Q1 Financial Update

Kevin Johnson gave a presentation on the FY Qtr 1 Financials. He reviewed with the Board the Balance Sheet Highlights, Summary Highlights for each department, Headcount at Utilities, Production Highlights and a sheet showing Unit Sales and Cost Analysis.

(b) Production

(c) Operations

(d) Administration

i. Response to SPP Market

Derek Zeisler and Noel Nienhueser gave a presentation on the Response to the SPP Market during the extreme weather event. They reviewed the Timeline, SPP Reliability Events, Load Shedding, Key Points and Gas Supply.

Jeanette Dewalt asked if anything has gone out to customers regarding what their rates will be. Derek stated that some information has started going out explaining the costs and when they will see it on their bill. Jeanette asked if anything has gone out in the newspaper or press. Derek stated he will get with Amanda on that.

ii. Generation Efforts

Keith Leonhardt and Rich Kleinhample gave a presentation on the Generation Efforts during the cold snap. They reviewed with the Board the Operational Challenges, WEC 1 & Outputs, Fuel Handling Team Challenges, Operational Team Challenges and Maintenance and EI&C Team Challenges.

(e) Other

i. COVID-19 Vaccinations Update

Kevin Johnson gave a presentation on the Hastings Utilities COVID-19 Data. He reviewed with the Board the on the Inoculation Data with just Utilities.

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

Moved by Jeanette Dewalt seconded by Shayne Raitt to go into closed session for reason of negotiations at 10:01 A.M. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

Moved by Jeanette Dewalt seconded by Mark Hemje to come out of closed session at 10:30 A.M. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

ADJOURN:

Moved by Mark Hemje and seconded by Shayne Raitt there being no further business to adjourn at 10:31 A.M. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: None. The motion carried.

APPROVED:

Board Secretary



Utility Board Meeting

April 8, 2021



Strategic Initiatives

By: Bob Davis (Safety), Rich Kleinhample (Production), Derek Zeisler (Administration), Keith Leonhardt (CapEx), Noel Nienhueser (Operations)

Safety

Electronic Field Inspection Software

- Will be able to track leading indicators and discussions to improve on our observations.
- Safety Director will use and get the system up and running.
- Once system is up and running will roll out to Utility supervisors.

Hands Free Phone Devices

- Will purchase a few devices to sample.
- Once a device is selected, will start installing in all HU vehicles.
- Will be in compliance with all laws and policies.

Production

Improved Lock Out Tag Out (LOTO)

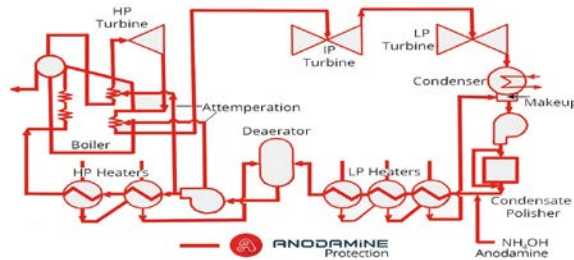
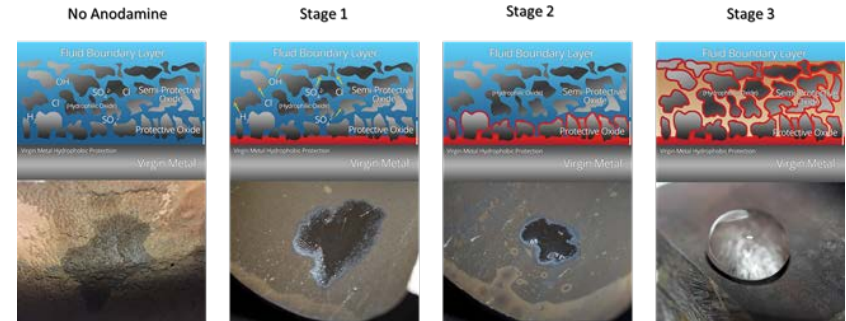
- LOTO procedures are locked. Only personnel with administrator privileges can modify.
- Complete digital audit trail of all LOTO & permitting activity.
- URL/PDF document lookup. Ex: can link P&ID's to specific LOTO's.
- Weatherproof LOTO tag creation process; tags come off printer ready to use instead of peel and stick system.
- Multi-user capable server based; LOTO system can be used by up to 25 users at the same time with free SQL express license.
- Has device database, migrates easily from current database.
- Fillable Permits for Confined Space and Hot Work.
- OSHA required yearly procedure auditing is supported.
- Server Based still available when local internet [may] fails.



Production

Protect Equipment From Effects of Cycling

- Anodamine targets virgin metallurgies for formation of a hydrophobic protective barrier film to prevent corrosion and extend the life of boiler systems.
- Interacts with the hematite and magnetite layers to remove cations (sodium, chloride, sulfate, etc.) without removing oxide passivation layers.
- Allows for cleaner chemistry, faster startup and better long term performance of metal components.



2020 Unit 2 Cycling	
Status	Number of days
On	80
Off	73
On	105
Off	6
On	3
Off	10
On	4
Off	62
On	4
Off	18

Total days offline	169
Total days offline for outage	69
Total days online	196
% days offline	46%
% days online	54%

Administration

Evaluation of Transmission Agreements

- Network Integrated Transmission Service (NITS)
- Ownership benefit has been declining
- Ties closely to the Utilities IRP planning
- Looking into becoming a Transmission Member

Water and Sewer Cost of Service

- Cost of service studies for budget year 2022-23
- Last cost of service study for water and sewer – 2013
- Completed COS studies for Electric and Gas in 2020 for budget year 2020-21

CapEx

Develop Turbine Performance Monitoring Program

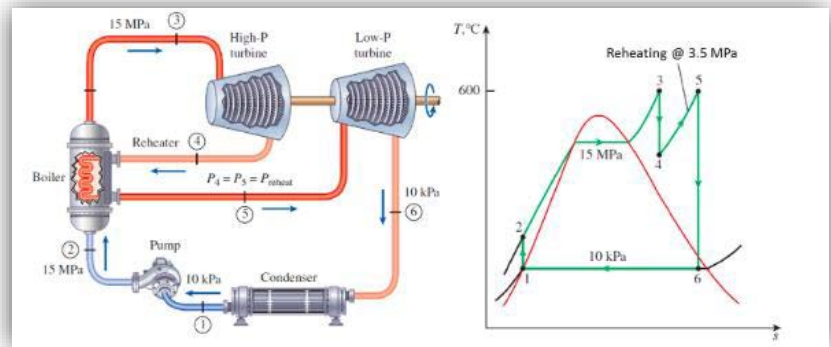
- Use Asset 360 to gather and filter data
- Automate tracking of turbine performance real time
- Assist in planning outage work and spare parts



CapEx

Turbine Performance Data

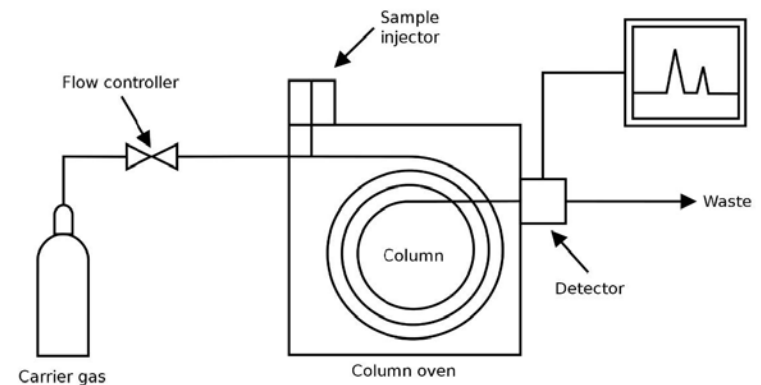
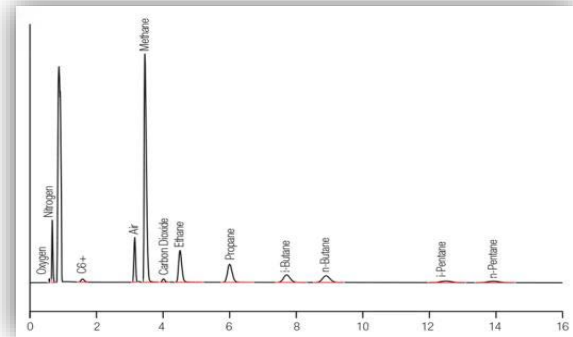
- Monitor turbine section efficiency
- Monitor turbine cycle heat rate
- Perform turbine capacity tests
- Trend corrected cycle pressures and other parameters over time



CapEx

Improve Interchangeability Criteria for Propane Plant

- Natural gas chemical makeup has changed in recent years
- Standard process needs to be developed
- Use standardized indexes based on AGA input
- Track chromatograph data for future reference
- Track propane plant performance using historian



Operations

- Mechanic
 - Service Truck Build Out – In Progress
 - Environmentally Correct HVAC Service Equipment – In Progress
- NDS Maintenance
 - Building Repair (roofs and side sections) – In Progress
 - Sprinkler Layout and Install for West Side Projects – Planned
- Warehouse
 - Replace Forklift with Telehandler – In Progress
 - Convert Inventory System to ERP – Planned
- Subs
 - Phase 1 of Underground Fiber Ring – In Progress
 - AMI Pilot and Phase 1 – In Progress

Operations

- Gas
 - GA-350 2" PE Gas Main Replacement and ¾" Services – Planned
 - EL-149 Electric Service East Laux – Planned
- Water
 - Water Main Replacement Plan (Work & Funding) – In Progress
 - Code Review of Shared Liability for Service Damage – In Progress
- PCF
 - Begin Rehab of Primary Digester Cover – Planned
 - Level Control on the Maxon Lagoons – Planned
- Electric Distribution
 - Completion of Tree Trimming Project and 2022 Plan – In Progress
 - Distribution Wood Pole Inspections – Planned



February Extreme Weather Financial Projections

By: Derek Zeisler

February Weather Event – Natural Gas

- $\approx$ \$6.25 million shortfall
- \$3.75 million from rate stabilization
- \$2.5 million will be recovered through PGA
 - PGA will be reviewed and adjusted in September
- PGA ties the recovery to actual gas usage
 - Recovery will be spread over 13 months

February Weather Event – Electric

- $\approx$ \$13 million in wholesale revenue for February
 - FY2018 - \$2,265,660
 - FY2019 - \$5,084,519
 - FY2020 - \$2,166,394
- Use generation to hedge against city electric cost
- Will drive the EAC down to zero



NDS Construction Update

By: Lee Vrooman

NDS Construction Update

Customer Service Area Expansion



NDS Construction Update

Customer Service Area Expansion



NDS Construction Update

Reservoir Removal



NDS Construction Update

Fisher Fountain



NDS Construction Update

Fisher Fountain



NDS Construction Update

Fisher Fountain

