

HASTINGS UTILITY BOARD AGENDA

**Council Chambers - City Hall Building
220 North Hastings Avenue
March 10, 2022
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR March 10, 2022 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, March 8, 2022. 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 February 10, 2022.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.
3. General Business.
 - (a) Finance
 - i. Fiscal Year 20-21 Audit Report

- ii. Fiscal Year-End 20-21 Q4 Summary Report
- (b) Production
 - i. Update on WEC leadership interim planning
- (c) Operations
 - i. Water Department City Code Change
 - ii. Water Department Staff additions for boring group.
- (d) Administration
 - i. Energy Supply Staff Addition
- (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, February 10, 2022

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Council Chambers - City Hall Building, 220 North Hastings Avenue, on February 10, 2022.

ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present: Jeanette Dewalt, Mark Hemje, Shayne Raitt, Susan Meeske, Kevin Johnson, Erik Neilson, Jake Frerichs, Brandan Lubken, Keith Leonhardt, Derek Zeisler, Shawn Hartmann, Noel Nienhueser, Robin Ginn, Lee Vrooman, Dave Ptak, Clint Schukei, Lori Hartman, Roger Nash, and Karen Rennick

Absent: Corey Stutte and Butch Ehly

PLEDGE OF ALLEGIANCE:

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

MOTION TO ADOPT CURRENT AGENDA FOR February 10, 2022 REGULAR MEETING.

Moved by Raitt and seconded by Dewalt to adopt the current agenda for the February 10, 2022 Regular Meeting. Roll Call: Ayes: Hitesman, Dewalt, Meeske, Hemje, Raitt. Nays: None. Absent: None. The motion carried.

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MANAGER'S COMMUNICATIONS:

None

BOARD CHAIRMAN'S COMMUNICATIONS:

None

BOARD MEMBERS' COMMUNICATIONS:

None

CITIZEN COMMUNICATIONS:

None

CONSENT AGENDA:

1. All Consent Items.

- (a) Approval of the minutes of the Hastings Utility Board Meeting of December 9, 2021

Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

- i. ERP delayed until March 1

Roger explained training is good and on track.
Robin to have first quarter reports at the next meeting.

- (b) Production

- i. IRP Update - CCR Rule

Staff are continuing to do evaluations for potential changes in operation such as reliability status.

Coal combustion residue rule, a rule that wouldn't allow us to slush ash to an unlined pond after October 2023. What was submitted is complete, but not yet approved. They had incomplete applications, they are to focus on those nine. Our application, which was complete, will be "told" (legal term, which means to hold off for delay). Marty did discuss the process and we will have to wait until they have approved.

schedule will have to shift

wait and will be able to operate after October 2023? Expecting a year at this point.

The goal is to continue to evaluate other units.

Jeannette- Is this only regarding Whelan 1? No, this will affect both.

ii. CCC Wind Turbine Contract Negotiations

Three-way agreement with CCC, Blue stem out of Omaha and Hastings. There are things that we would like to revisit in the contract.

Bill thinks that the original part of the contract was to be reviewed after 5 years.

The wind turbine is still in play.

(c) Operations

i. Water Code and Boring Crew

Brandan presents a PowerPoint slide show.

The Lead Copper Rule goes into effect in October 2024.

New Main and Lead Service Replacement Plan

32-602 Recommendation

Jeanette? approx 200 annually over the next 20 years., 4000 total. Yes. Rough figure.

Bill, will we be receiving grants? We are looking into it.

The intention of the program is to take the burden off of the customer.

30-109 Recommendation

Water Service Installation Crew

Jeanette would like to see a financial breakdown, including employee costs and benefits.

Bill likes that, but also remember what would the delay be if we did not get any bids?

Would it delay the process?

Would like the cost difference before a recommendation is made. Do we need an official motion for this or do we leave it up to management?

Jeanette recommends to table this, motion Bill, Meeske 2nd.

ii. Transformer Replacement (2301)

Noel explains why this needs to be recommended to go to council.

Was built in 1971 and out into service the same year.

Transformer has failed, everything has been out into another transformer. It can handle this during the winter, but it will not be able to handle it once summer hits and people begin to use their a/c.

New transformer built in 2012, never been put into service. Located in South Carolina.

\$252,000, 3 year warranty

Quote to repair, \$370,000, replace is \$600,000 with 42 week lead time.

Repair is 42 weeks from the time they receive the transformer.

Some modification will need to be done when unloading new transformer.

Recommendation is to buy new transformer and send old one to be repaired so we have a spare.

There will be other in house expenses.

Jeanette recommends both units, Hemje seconds.

iii. Supply Chain Issues

Just received a truck that was on the 2020 budget. Things have been approved for 3505 Yost, but we are waiting for things to arrive. Supply chain issues with all materials, waiting on fencing, garage doors, HVAC unit. All materials are being delayed.

Are a lot of the items prepayed? Most items do need a down payment.

iv. UNL partnership with PCF

Brandon to explain.

UNL-University Nebraska Lincoln

PCF-Pollution Control Facility

Test covid, test spikes 2 to 3 weeks before peaks.

We are #22 in the program.

Started sampling last week from the waste water.

Samples get sent off twice a week. Reports will be sent once a week to us and then forwarded on to our Health officials.

Peaks can be caught before people are getting sick.

(d) Administration

i. GPS in Vehicles

Jake to speak about the GPS in vehicles.

40% complete. Starting with admin vehicles. Used for insurance and operations.

Was already available in police and fire departments.

How many vehicles? 160 to 170

(e) Other

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

Moved by Jeanette Dewalt seconded by Shayne Raitt to go into closed session. Went into closed session at 10:34 am. Roll Call: Ayes: Bill Hitesman, Mark Hemje, Shayne Raitt, Susan Meeske, Jeanette Dewalt. Nays: None. Absent: None

Moved by Jeanette Dewalt seconded by Susan Meeske to come out of closed session at 11:35 am. Roll Call: Ayes: Bill Hitesman, Mark Hemje, Shayne Raitt, Jeanette Dewalt, Susan Meeske. Nays: None. Absent: None

Motioned carried.

ADJOURN:

Moved by Shayne Raitt seconded by Jeanette Dewalt there being no further business to adjourn at 11:36 am. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Shayne Raitt. Nays: None. Absent: None. Meeting Adjourned.

APPROVED:

Board Secretary



Utility Board Meeting
March 2022



Financial and Operating Report

Fiscal Year 2021

Quarter 4

July 1, 2021 – Sept 30, 2021

Balance Sheet Highlights

FY 2021 Q4 Update

(\$M)	<i>Electric</i>	<i>Combined System</i>	<i>Total</i>	<i>End FY 2020</i>
<u>Net Assets</u>	72.8	87.5	160.4	160.8
<u>Special Funds:</u>				
Insurance	2.0	1.0	3.0	3.0
Bond Reserve	0.0	0.0	0.0	1.4
Rate Stabilization	6.3	2.8	9.0	14.2
Health Insurance	0.0	1.9	1.9	2.3
Closure/Post Closure	1.2	0.0	1.2	1.1
Economic Development	0.0	1.5	1.5	1.5
<u>Cash & Investments</u>	43.8	17.9	61.6	42.6
<u>Revenue Bonds & SRF</u>	0.0	10.7	10.7	13.5
<u>City Equity</u>	121.9	112.0	233.9	221.7

- *Rate Stabilization Changes*
 - *Feb Weather Event*
 - *Used \$3.75M Gas*
- *Electric paid off \$1.1M street light loan back to gas*

Electric Summary

FY 2021 Q4 Update

(\$M)	FY 2021 Q4	Year Over Year	FY 2021 Budget	%
<u>Operating Revenue:</u>	54.5	16.3	43.1	126%
Retail	34.9	(1.1)	37.9	92%
Wholesale, Solar, Str	19.6	17.4	5.2	377%
<u>Operating Expenses:</u>	39.3	(3.0)	41.7	94%
Production	13.1	(1.2)	12.5	105%
Purchased Power	3.0	(0.7)	5.5	55%
PP - PPGA	10.1	0.7	10.4	97%
Trans & Dist	2.3	0.1	2.2	105%
Gen & Admin	7.6	(0.6)	8.6	88%
Pyemt in Lieu of Tax	3.1	(1.0)	2.4	129%
<u>Operating Income</u>	14.0	13.3	1.3	1077%
Depreciation	5.4	(0.3)	5.6	96%
<u>Other Income/Exp</u>	2.2	0.0	1.7	129%
<u>Net Income</u>	12.3	13.3	(1.8)	

- Street Light Revenue: This is the first full FY street light revenue was included under Electric (previously its own department)
- Wholesale: This year was an outlier due to the Feb event and summer load
- Electric Rate Restructure: From the cost of service study performed in 2020, HU implemented recommendations to shift revenue collection through rates versus the energy cost adjustment
- In Lieu of Tax: This year is an outlier due to the Feb Event

Gas Summary

FY 2021 Q4 Update

(\$M)	<i>FY 2021 Q4</i>	<i>Year Over Year</i>	<i>FY 2021 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	10.4	2.6	8.2	127%
<u>Operating Expenses:</u>	14.0	(7.1)	8.8	159%
Purchased Gas	10.4	(6.6)	5.1	204%
Trans & Dist	1.2	(0.1)	1.2	100%
Gen & Admin	1.6	0.0	1.9	84%
Pymt in Lieu of Tax & Transfer to Gen. Fund	0.7	(0.2)	0.5	140%
<u>Operating Income</u>	(3.6)	(4.4)	(0.6)	
Depreciation	1.5	0.0	1.5	100%
<u>Other Income/Exp</u>	0.0	(0.4)	0.0	
<u>Net Income</u>	(4.1)	(3.8)	(2.1)	

- *Natural Gas Purchased: Feb Weather Event pricing*
- *In Lieu of Tax: Above budget amount due to Feb Event revenue*

Water Summary

FY 2021 Q4 Update

(\$M)	<i>FY 2021 Q4</i>	<i>Year Over Year</i>	<i>FY 2021 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	7.1	(0.6)	7.1	100%
<u>Operating Expenses:</u>	4.9	(0.6)	5.0	98%
Production & Water Treatment	1.7	(0.2)	1.6	106%
Trans & Dist	0.9	(0.2)	0.9	100%
Gen & Admin	1.8	(0.2)	1.9	95%
Pyemt in Lieu of Tax & Transfer to General Fund	0.5	0.1	0.5	100%
<u>Operating Income:</u>	2.3	(1.1)	2.1	110%
Depreciation	0.8	0.0	0.9	89%
<u>Other Income/Exp</u>	0.1	0.0	0.1	100%
<u>Net Income</u>	2.2	(0.7)	1.3	169%

Pollution Control

FY 2021 Q4 Update

(\$M)	<i>FY 2021 Q4</i>	<i>Year Over Year</i>	<i>FY 2021 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	7.5	0.2	7.4	101%
<u>Operating Expenses:</u>	3.9	(0.4)	4.2	93%
Wastewater Treatment Plant	1.4	(0.1)	1.7	82%
Collection System	0.6	(0.1)	0.4	150%
Gen & Admin	1.6	(0.1)	1.8	89%
Pymt in Lieu of Tax	0.3	0.0	0.3	100%
<u>Operating Income:</u>	3.6	(0.1)	3.2	113%
Depreciation	1.9	0.0	1.9	100%
<u>Other Income/Exp</u>	(0.5)	(0.2)	(0.4)	
<u>Net Income</u>	1.8	0.1	0.9	200%

General & Admin

FY 2021 Q4 Update

(\$M)	<i>FY 2021 Q4</i>	<i>Year Over Year</i>	<i>FY 2021 Budget</i>	%
<u>General & Administrative</u> <i>(showing only budgets > \$400K)</i>	8.6	0.3	9.3	92%
Customer Records & Collections	0.6	(0.2)	0.5	120%
Engineering: Support, Admin. Allocation, and Environmental	1.6	(1.6)	1.6	100%
G & A Salaries	1.2	0.3	1.4	86%
Admin & Engineering Services to PPGA	0.9	0.0	0.8	113%
Outside Services	0.5	0.0	0.5	100%
Employee Benefits	1.3	0.2	1.6	81%
Maintenance of Buildings & Grounds	0.7	(0.2)	0.5	140%

Engineering

FY 2021 Q4 Update

(\$M)	<i>FY 2021 Q4</i>	<i>Year Over Year</i>	<i>FY 2021 Budget</i>	<i>%</i>
<u>Total Engineering</u> <i>(showing only budgets > \$100K)</i>	1.7	(1.7)	2.2	77%
Engineering General Expense	0.1	(0.1)	0.4	25%
Off Duty	0.3	(0.3)	0.2	150%
Employee Benefits	0.6	(0.6)	0.7	86%
IT Support	0.1	(0.1)	0.1	100%
Engineering Services to PPGA	0.0	0.0	0.1	0%
Engineering Services to City	0.4	(0.4)	0.4	100%

- *Engineering: This was the first full year of a projected budget.*

Hastings Utilities Headcount

	No. of Employees for Pay Periods 18 & 19 ending 9/11/2021	Budget Headcount 2020-2021
GAS	18	18
WATER/SEWER	14	15
PCC	9	9
ELEC/SUBS	18	20
NDS	6	7
WEC	73	78
ADMIN (EXCLUDES ENGIN, HR, IT, FINANCE) (INCLUDES MAINT, MECHANIC, WAREHOUSE)	14	13
ENGINEERING	21	26
ENV ENIGEERING	4	4
BUSINESS OFFICE/ METER READING	14	14
	191	204

Unit Sales & Cost Analysis

Electric					Gas					Water				
		Revenue per KWH	Cost per KWH	NET			Revenue per CCF	Cost per CCF	NET			Revenue per CCF	Cost per CCF	NET
Oct	\$	0.0663	0.0632	\$0.0031	Oct	\$	0.4857	1.2499	(\$0.7642)	Oct	\$	1.9267	0.9955	\$0.9312
Nov	\$	0.0721	0.0761	(\$0.0040)	Nov	\$	0.4603	0.8277	(\$0.3674)	Nov	\$	2.1490	1.3803	\$0.7687
Dec	\$	0.0731	0.0769	(\$0.0039)	Dec	\$	0.5062	0.7254	(\$0.2193)	Dec	\$	2.2520	1.6432	\$0.6088
Jan	\$	0.0744	0.0778	(\$0.0034)	Jan	\$	0.5307	0.6454	(\$0.1147)	Jan	\$	2.2820	1.8549	\$0.4272
Feb	\$	0.0750	0.0871	(\$0.0121)	Feb	\$	0.5388	1.1137	(\$0.5749)	Feb	\$	2.3334	1.9897	\$0.3438
March	\$	0.0755	0.0801	(\$0.0046)	March	\$	0.6083	1.1005	(\$0.4922)	March	\$	2.4064	2.2635	\$0.1429
April	\$	0.0767	0.0831	(\$0.0064)	April	\$	0.6290	1.0797	(\$0.4508)	April	\$	2.4220	2.2756	\$0.1464
May	\$	0.0767	0.0818	(\$0.0051)	May	\$	0.6363	1.0699	(\$0.4335)	May	\$	2.4450	2.3019	\$0.1431
June	\$	0.0769	0.0787	(\$0.0018)	June	\$	0.6447	1.0800	(\$0.4353)	June	\$	2.4405	2.2254	\$0.2151
July	\$	0.0772	0.0749	\$0.0023	July	\$	0.6535	1.0967	(\$0.4432)	July	\$	2.4073	2.0584	\$0.3489
Aug	\$	0.0774	0.0718	\$0.0055	Aug	\$	0.7560	1.1122	(\$0.3562)	Aug	\$	2.3852	1.9644	\$0.4207
Sept	\$	0.0784	0.0730	\$0.0054	Sept	\$	0.7627	1.1403	(\$0.3776)	Sept	\$	2.3900	1.9100	\$0.4800

- NET is each month to date
- Gas: Feb event expenses were significant and while some were recouped through the PGA, state and rate stabilization funds were used to cover the remaining, which would NOT be included in the above numbers

Electric Production

COMPARATIVE STATEMENT OF PRODUCTION September 2021 and 2020 - Year to Date FY2021 and FY2020

	No. Meters In Service 9/30/2021	September 2021	Year to Date FY 2020-2021		No. Meters In Service 9/30/2020	September 2020	Year to Date FY 2019-2020
Electric Department K-W Hours							
Residential - Hastings	10,683	11,296,943	102,749,648		10,607	10,485,420	103,413,327
Residential - Rural	273	379,584	4,801,059		274	355,699	4,785,423
Residential - Juniata	355	331,269	4,065,831		346	296,043	4,092,245
Commercial - Hastings	1,828	6,994,323	72,841,988		1,843	6,733,269	72,027,208
Commercial - Rural *	215	1,068,211	12,430,764		207	988,393	11,733,798
Commercial - Juniata	51	126,966	1,449,901		49	110,365	1,329,651
Commercial Heating - Hastings	32	220,837	2,476,021		32	145,422	2,270,267
Commercial Heating - Rural	4	9,613	171,863		4	8,266	139,505
Primary Power	37	18,710,380	208,053,190		37	18,327,450	203,387,540
Irrigation	140	404,812	2,867,199		118	379,935	3,184,001
Street Lighting - Hastings	1	133,728	1,690,059		1	128,784	1,616,143
Traffics - Hastings	1	5,231	64,527		1	5,859	75,177
Street Lighting - Juniata	1	-	-		1	10,736	110,358
Public Authorities - Hastings	86	337,893	3,292,271		86	346,873	3,139,821
Public Authorities - Juniata	9	17,304	224,992		9	17,840	242,474
Unmetered	10	5,214	62,568		10	5,214	62,568
Interdepartmental	36	1,052,482	11,693,622		37	986,949	10,433,649
	13,762			0.73%	13,662		
Total Retail Sales		41,094,790	428,935,503			39,332,517	422,043,155
Total Wholesale Sales		19,368,678	184,487,925			13,478,534	130,660,969
Total Sales		60,463,468	613,423,428			52,811,051	552,704,124
Gross Generation		38,026,720	444,643,450			32,442,320	377,338,320
Less Plant Power		3,894,697	43,619,564			3,306,987	41,946,810
Net Generation		34,132,023	401,023,886	19.57%		29,135,333	335,391,510
KWH Purchased (Excludes SPP)		35,086,034	231,988,105	4.41%		18,820,947	222,182,199
Total KWH		69,218,057	633,011,991			47,956,280	557,573,709
Unaccounted For/Unbilled		8,754,589	19,588,563			(4,854,771)	4,869,585
KWH Sold (Retail and Wholesale)		60,463,468	613,423,428	10.99%		52,811,051	552,704,124

- Wholesale Sales: Significant increase due to Feb Weather
- Net Generation: Market favors coal generation as gas prices increase

Gas Production

COMPARATIVE STATEMENT OF PRODUCTION									
September 2021 and 2020 - Year to Date FY2021 and FY2020									
				No. Meters				No. Meters	
				In Service	September	Year to Date	Yr-Over-Yr	In Service	September
				9/30/2021	2021	FY 2020-2021		9/30/2020	2020
Gas Department - CCF									Year to Date
									FY 2019-2020
Residential - Hastings				9,355	114,683	6,501,035		9,333	147,008
Residential - Rural				18	176	15,591		19	275
Commercial - Hastings				1,207	45,201	2,647,952		1,213	59,632
Commercial - Rural				37	2,105	132,585		35	2,934
Industrial - Hastings				45	112,209	2,298,960		45	144,034
Industrial - Rural				2	2,850	179,938		2	1,388
Sales to Public Authorities				24	1,548	91,853		23	2,687
Firm Transportation				14	130,395	1,615,525		13	73,802
Interdepartmental				9	149	97,889		7	1,131
Total				10,711	409,316	13,581,328	0.20%	10,690	432,891
Gas Purchased					312,681	11,966,453			412,650
Gas Manufactured					969	325,222			5,930
Total CCF					313,650	12,291,675			418,580
Unaccounted For/Unbilled					(95,666)	(1,289,653)			(14,311)
CCF Sold					409,316	13,581,328	-8.06%		432,891
									14,772,658

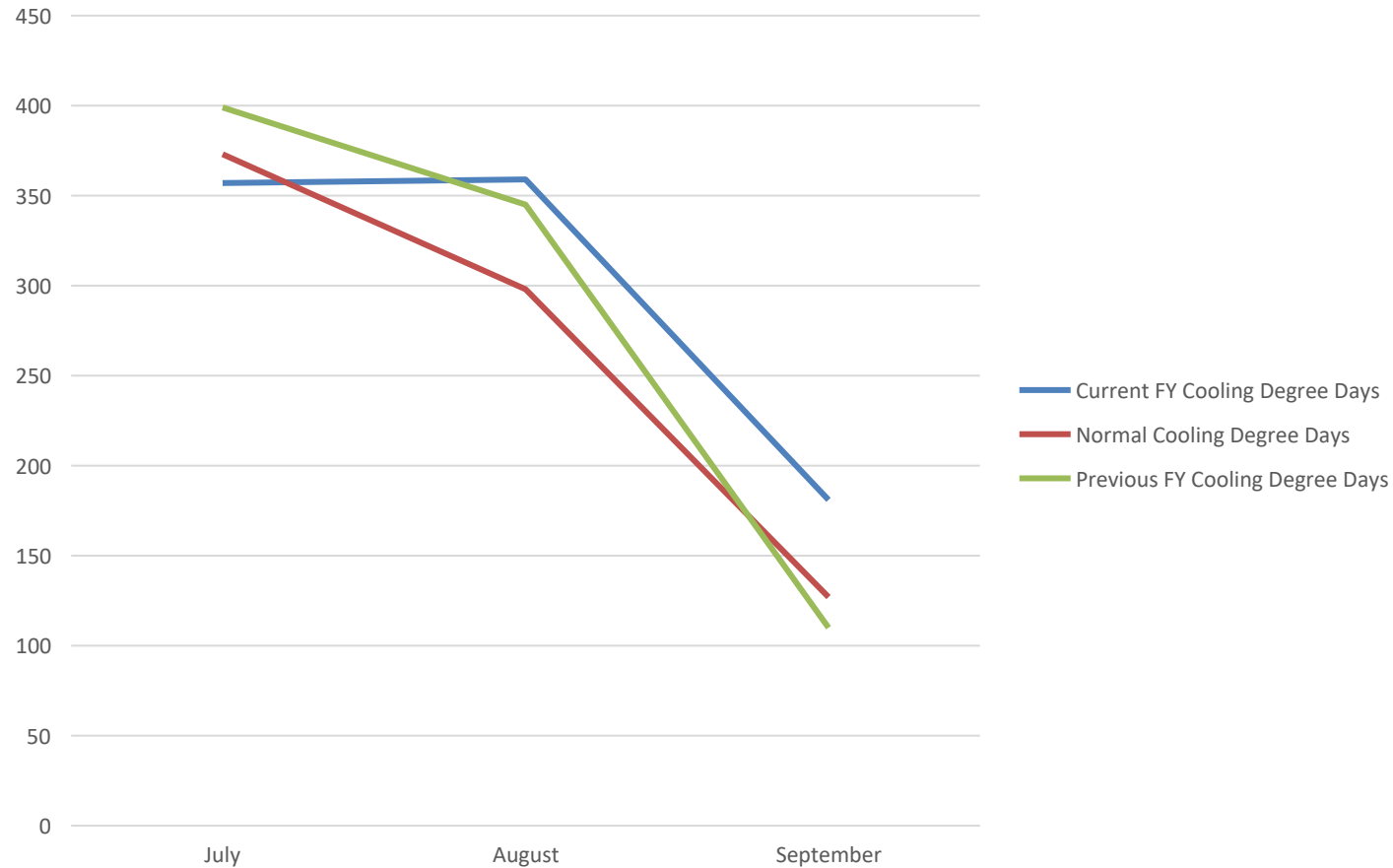
- Overall, FY21 had a decrease in gas usage, but high gas prices from the Feb Event led to an increase in expenses for the year

Water Production

COMPARATIVE STATEMENT OF PRODUCTION									
September 2021 and 2020 - Year to Date FY2021 and FY2020									
					No. Meters			No. Meters	
					In Service	September	Year to Date	In Service	September
					9/30/2021	2021	FY 2020-2021	9/30/2020	2020
Water Department - CCF							Yr-Over-Yr		Year to Date
									FY 2019-2020
					8,637	146,869	1,123,269	8,661	179,801
					34	539	3,594	34	542
					5	41	464	5	99
					1,323	100,992	857,149	1,328	111,293
					32	1,075	9,320	32	1,086
					78	16,982	164,555	78	13,195
					5	16,889	191,155	5	24,449
					1	40,072	486,507	1	43,511
					69	11,047	80,124	69	13,153
					29	2,703	56,176	29	9,856
					10,213		-0.28%	10,242	
						337,209	2,972,313		396,985
						1,777	15,910		1,947
						338,986	2,988,223		398,932
						456,904	3,185,163		373,925
						34	2,962		-
						117,884	193,979		(25,007)
						338,986	2,988,222		398,932

- From March – Sept 2020, there was almost 10 inches more of precipitation than in 2019 during the same timeframe. This would have caused a decrease in CCF usage

Cooling Degree Days



- The summer ended warmer than normal with more days needing cooling (air conditioning)

Capitol Budgets

Electric Capitol Budget	Execution Rate	Budget Amount	FY2020-2021
Plant Additions	63%	\$1,069,000	\$668,606
Substations	36%	\$490,000	\$176,295
Rural Distribution	14%	\$1,005,000	\$140,083
City Distribution - Overhead			
City Distribution - Underground	65%	\$1,510,000	\$976,210
Vehicle and Miscellaneous Additions	39%	\$1,325,000	\$521,753
Street Light Additions	81%	\$290,000	\$233,892
Total Budget	48%	\$8,109,749	\$3,912,414

Gas Capitol Budget	Execution Rate	Budget Amount	FY2020-2021
Distribution Additions	80%	\$818,000	\$654,367
Total Capitol Budget	58%	\$1,515,655	\$879,129

Capitol Budgets

Water Capitol Budget	Execution Rate	Budget Amount	FY2020-2021
ASR Additions	347%	\$50,000	\$173,370
Production Additions	10%	\$800,000	\$81,463
Transmission & Distribution	90%	\$1,520,000	\$1,360,652
Miscellaneous Additions	88%	\$110,000	\$96,554
Total Capitol Budget	43%	\$2,807,516	\$1,219,046

Pollution Control Capitol Budget	Execution Rate	Budget Amount	FY2020-2021
Plant Additions	57%	\$2,275,000	\$1,291,856
Main Additions	157%	\$295,000	\$464,117
Total Capitol Budget	49%	\$2,874,080	\$1,419,844

General & Admin Capitol

Capitol Budget	Execution Rate	Budget Amount	FY2020-2021
Total Capitol Budget	72%	\$2,190,000	\$1,577,886





Utility Board Meeting
2/10/2022



Revision Recommendations to Hastings City Code Sec. 32-602 & Sec. 30-109

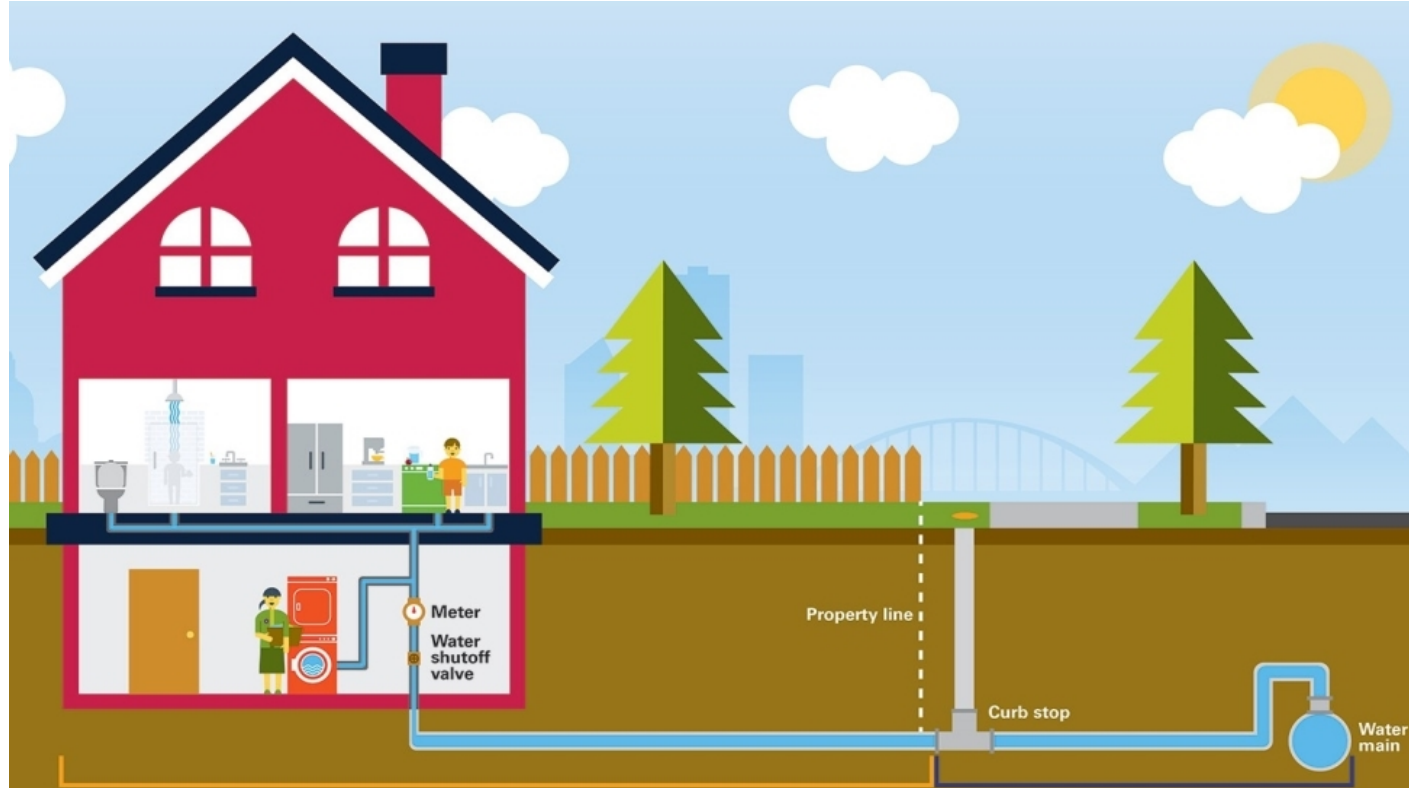
- 32-602 Current Language History and Concerns
- 2024 Lead Copper Rule, Where Hastings Stands
- New Main and Lead Service Replacement Plan
- 32-602 Recommendation
- 30-109 Current Language
- 30-109 Recommendation

Current Code Language History and Concerns

- Language stipulates that Hastings Utilities shall maintain water service lines and/or repair any water service leaks or damage on lines sized 1 ½" or less from the public right of way to the property line.
- Shared liability installed as a cost share for residential customers in 2002, extended to commercial customers in 2014 (current full water service replacement costs about \$4,000).
- 7 years of leak reports indicate an average of 41 services requiring some level of replacement annually.
 - About 13 per year customer liable, 28 per year City liable.

Current Code Language History and Concerns

- Current language:
 - does not define “damage” or “maintain”.
 - has led to Customer, Contractor, and City finger pointing.
 - does not fit up to date City priority.



2024 Lead Copper Rule, Where Hastings Stands

- New revision focuses almost entirely on lead.
- Action levels for lower concentrations of lead in water.
- Requires Utilities to provide lead service inventory.
- Requires full lead line replacement, restricts partial line repairs.

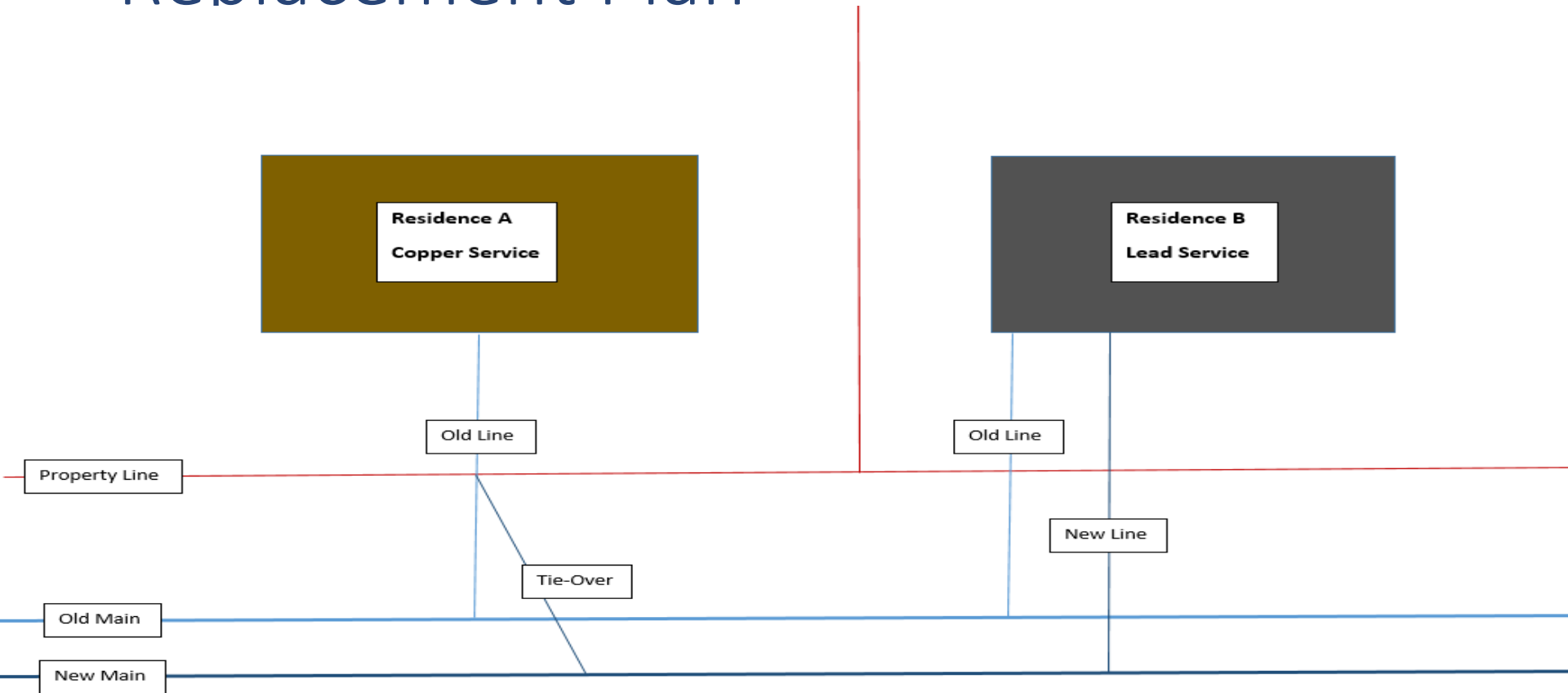
2024 Lead Copper Rule, Where Hastings Stands

Utility	Known Lead Inventory	Lead Service Density	Share Service Liability	Notes
Like Size Utility A	NO	Near Zero	NO	Director has never seen a full lead service
Like Size Utility B	Partial	Medium	YES	Only have lead lines on their portion of liability
Larger Utility A	NO	Very High (Likely)	NO	Scrambling to get inventory
Larger Utility B	YES	High	NO	By policy has been replacing leaking lead services since 2018
Like Size Utility C	Yes	Very High	YES	Only replace their portion of leaking lead service
Like Size Utility D	NO	Very Low	NO	Lead goosenecks only, no lines in system
Like Size Utility E	No	Very Low	NO	Getting inventory but average 1 leaking lead service every 3 years.
Hastings Utilities	YES	Very High	YES	Lead service replacement plan 21/22 fiscal cycle

New Main and Lead Service Replacement Plan

- Water main and lead service replacement plan started this fiscal cycle.
- Goals include complete, City wide removal of lead services in 20 years.
 - This fiscal cycle scheduled to remove 79 lead services.
 - This fiscal cycle also includes 116 water service “tie-overs”

New Main and Lead Service Replacement Plan



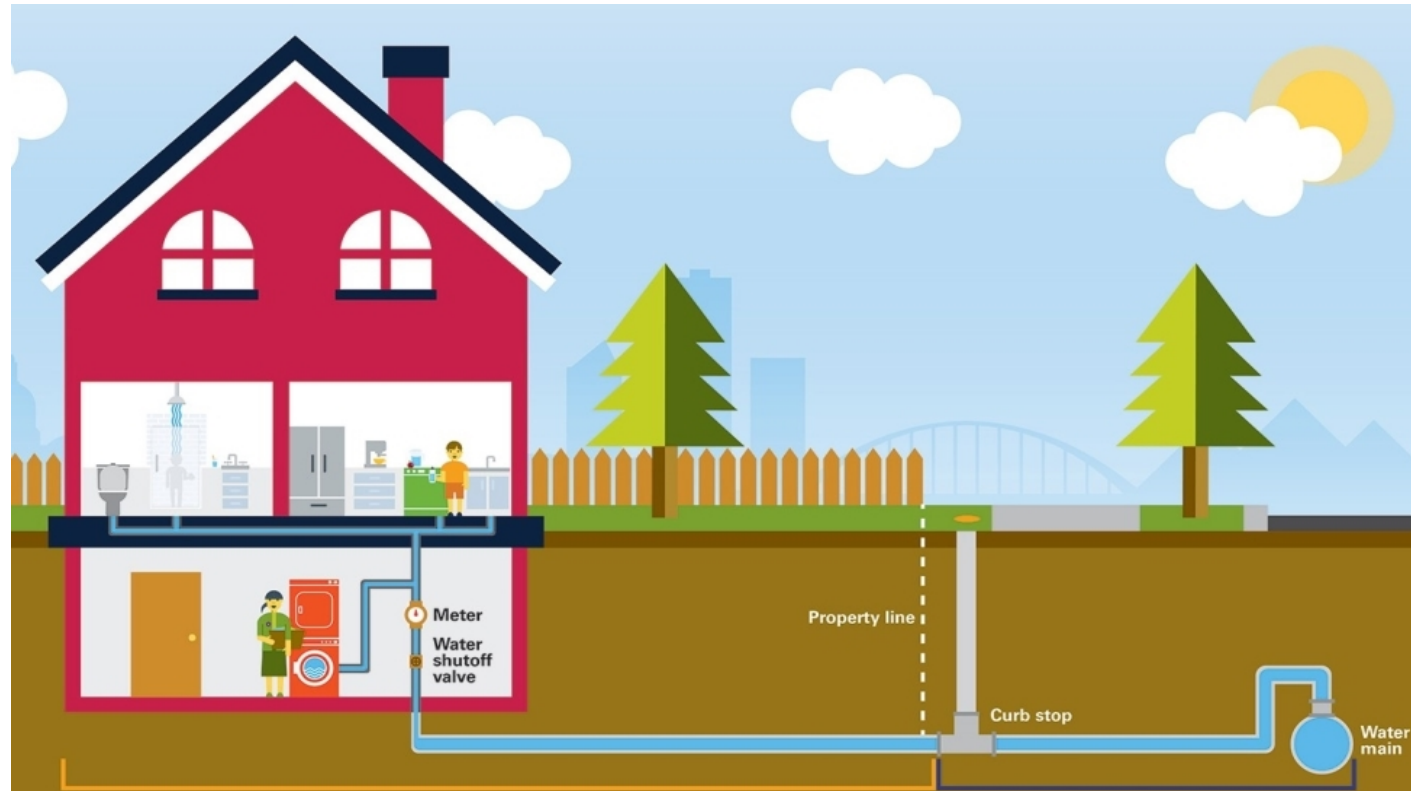
32-602 Recommendation

Codify Full and Partial Lead Service Liability and Remove Shared Service Liability:

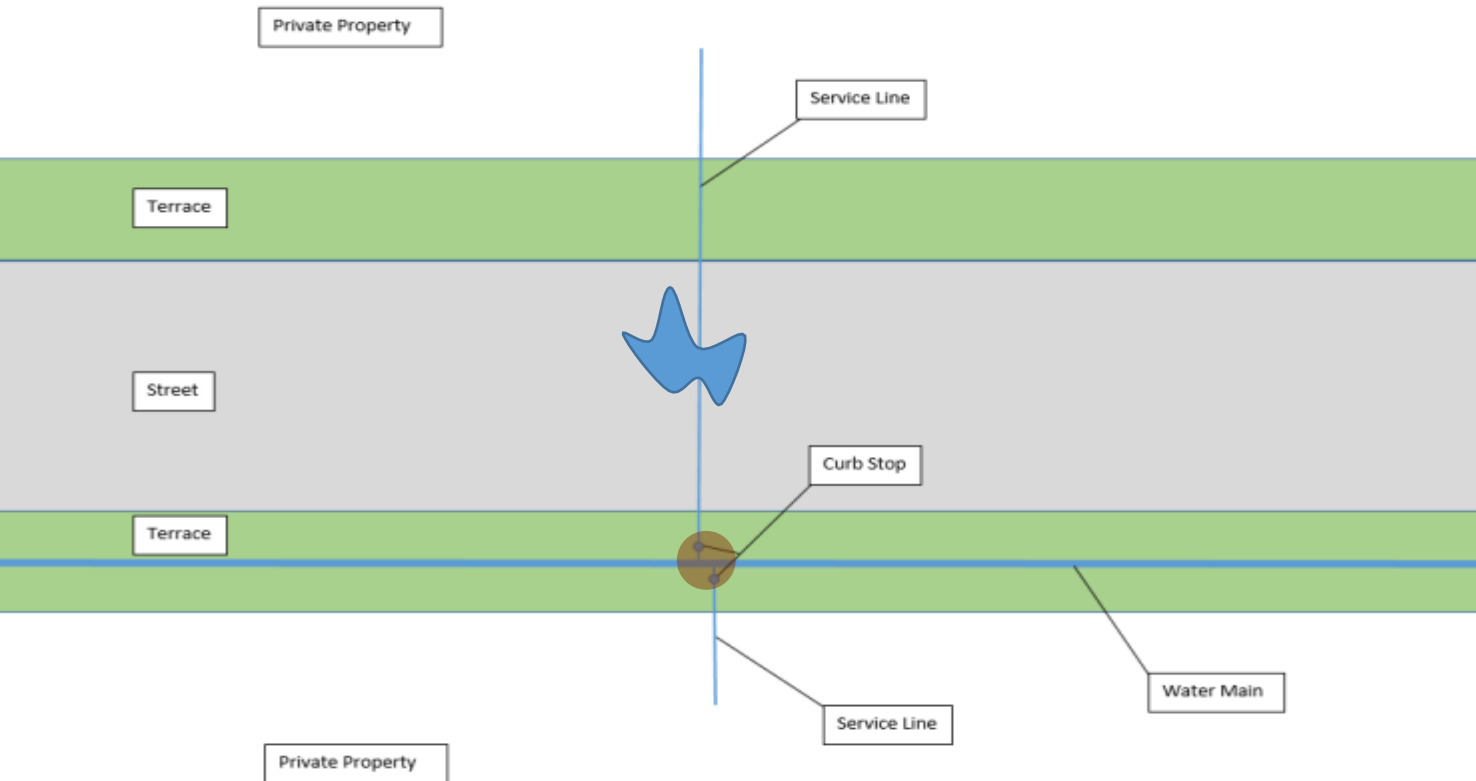
- Main/Lead Service replacement plan benefits more customers (7 to 1).
- Main replacement plan is to replace 1% of main annually, which means roughly 1% of services will be replaced in full or in parcel annually.
- Codifying lead service replacement keeps pressure on the City to adhere to the plan.
- Codifying lead service replacements gives the City the legal authority to address the problem now.

30-109 Current Language (Service curb stop location)

- “Curb Stop shall be placed In the water service at the Property Line.”



30-109 Recommendation



- Curb Stop 18" from main
- Main Locating
- One Excavation
- Service Isolation

Questions?





Utility Board Meeting
2/10/2022



Hastings Utilities Water Service Installation Crew

Water Main and Lead Service Replacement Plan

- Workload
- Why HU?: Support
- Why HU?: Cost Comparison
- What's the Plan?

Water Main and Lead Service Replacement Plan

Program focuses on 4" mains in high density lead water service neighborhoods.

- Program goal to remove all lead water services in 20 years.
- Average of 80 lead water services per year with about 100 tie-overs.
- Program started 2021-2022 fiscal cycle.
 - Bidders struggled to find service installation support.
 - Bidders said they will not be able to complete work this fiscal cycle.
 - Bidder said they would be able to meet deadline if they just focused on main.

Workload

It's a lot:

- Completion of a full run service varies a lot, 1.5 days per service.
80 full service replacements annually $\approx$ 120 days
- Completion of tie-over service, 1 day per service.
100-120 tie-overs annually $\approx$ 110 days
- 230 days in a 260 day work year: Weather, Equipment, Staffing.
- *20 years full service line work, tie-overs indefinitely.*

Why HU?: Support

Two person crew in full support of water service work generated by Water Main Replacement Program.

- Water Department Construction Crew will provide absence support.
- Water Department Sewer Vacuum Truck will provide pot hole utility support as well as occasional mud removal.
- Engineering Department will provide project development support.

Why HU?:Cost Comparison

Internal Cost Comparison (Full Service Replacement):

- Contracted Water Service Leak Replacement:
 - Oct 2020 to present Average $\approx$ \$4,000 per service
- Water Main Replacement Program 21/22 Cycle:
 - Average among bidders $\approx$ \$6,100 per service
- New HU Water Service Replacement Crew:
 - New Equipment, Two New People, Consumables $\approx$ \$2,600 per service

What's the Plan?

Hire a Crew: Equipment Operator 1 and Master Plumber.

- Buy the Equipment: Boring Machine, Excavator, Trench box, Tools, and Trailer.
- Put them to Work: 2020-2021 Services (49 full runs) + lead services on larger mains. Then 2022-2023 Services and tie-overs.

* Potential federal funding available through NDEE.

Questions??

