CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, November 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 November 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,Susan Meeske
Kevin Johnson, Noel Nienhueser, Jeff Campbell, Bob Davis, Butch Eley, Erik Nielsen, Brandan Lubken, Derek Zeisler, LeAnne Doose, Keith Leonhardt, Lori Hartman, Ed Fleharty, Shawn Hartmann, Robin Ginn, Lee Vrooman, Clint Schukei, Jesse Oswald, Roger Nash
Absent: Corey Stutte and Shayne Raitt

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 November 10, 2022 REGULAR MEETING.

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

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, November 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:

We have some slight changes in the minutes and would like to defer last months minutes.

BOARD CHAIRMAN'S COMMUNICATIONS:

None

BOARD MEMBERS' COMMUNICATIONS:

None

CITIZEN COMMUNICATIONS:

None

CONSENT AGENDA:

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

   (a) Approval of the minutes of the Hastings Utility Board Meeting of October 13, 2022.

   Dewalt motions to remove the consent agenda and defer it to next month. Meeske seconds. Rolle Call: Ayes: Hitesman, Dewalt, Hemje, Meeske. Nays: None. Absent: Raitt

REGULAR AGENDA:

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

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

   (a) Finance

   i. PILOT (pay in lieu of taxes) Proposal

   Derek Zeisler presents the proposal prepared.

- Payment in lieu of tax: currently the utilities transfer 5.6%
- PILOT Comparisons
    - study performed by John Krajewski with JK Consulting
    - % shown is calculated amount based on actual transfer and retail for 2011
    - (1) 5% gross receipts tax paid to the treasurer and distributed to all tax entities
    - (2) Does not include lease payments which are applicable to large number of municipalities
    - (3) Utilities may provide free or discounted services to municipal accounts or in-kind labor
    - (4) These cities transfer a fixed amount
- PILOT Proposal
    - Due to the fluctuation in total Operating Revenue impacted by wholesales, the proposal is to use the Total Retail revenue amount; but

use a percentage of the Total Retail revenue that would equal roughly the same payment amount of 5.6% of total Operating Revenue.

- John Krajewski with JK Consulting calculated 6.1% of total retail revenue as the 2017-2020 average PILOT percentage needed for the City to receive similar PILOT amounts as prior years.

Questions?

Jeanette asks about the percent being retail only? (Yes.) Why would we do that when our consultant says everyone else is 5%? Understands keeping the city whole helping the cities budget, but is that what the utilities is in business to do? We are in business to keep our rates stable for rate payers, not to subsidize the city. Kevin: Because I reported to Joe and reported to Dave. Derek: As we transition over to this, getting it back to strictly retail sales gets it back in line with the rest of Nebraska.

Jeanette: At some point will we as a utility advisory board recommend a percentage to the city council or is that not in our realm? Yes, we will be voting on this.

Bill: When will this go into effect? We would like to have a recommendation for this to go to the council. Would take effect fo the fiscal year 2023 that would be paid in fiscal year 2024.

Clint: When the change is made, clarify the date of the changes.

Jeanette and Derek agree not to let this wait until budget season to talk more about. Don't have a need to take it to the council at this point. We will wait until closer to budget season.We will spend the time talking more with the advisory board.

ii. Workforce Housing Contribution

This is a clarification to explain the actual guidelines that came out after the last advisory board meeting.

The board agreed to up to $500,000. Mike is going for a million and the target is a 50% match.

The goal is still 50%, but if he can go beyond that, he gets more points to get the million.

With new information, we wanted to come back to this. If we stay with the $500,000, no matter how much he gets.

Randy explains what CRA is doing for housing. Passed a similar motion up to $100,000.

Discusses the grant application.

Surprise request for today. You have funds that are just sitting there. Why not use them to fund more projects?

Jeanette: Will we see the funds? No, but rural housing gets for them. It is like a loan. Would you have to repay the state?

Mark: Do you have any statistics on what does and does not get paid back? Only two projects have been completed. Mesner received 50% and has all been paid back, the other is prairie lofts, but since it is an apartment, it is a long-term payback.

Clint to articulate the funds.Hastings does not have an LB840 program.

Just because there are additional funds, does not mean we need to pay less.

Happy to help with workforce development, but has no plan to add additional because there is no plan for utilities to replenish the funds.

Are we looking at staying with the original proposal? Mark: I am okay with the $500,000. Have utilities come up with different uses?

Kevin says no, we have just been waiting for people with requests. But he doesn't

think utilities should be the only ones funding.
Butch: How much is left after the $500,000? 1 million.
Bill: How do we find ways to replenish those funds?
Shawn: Need to worry about keeping the funds available before we have empty business buildings.

(b) Production

i. Market Participant change; Tenaska to NextEra Energy

Derek to explain what the market participant is and the change. Revisit what is actually being provided for us.
This is just an FYI to keep you updated.

(c) Operations

i. HU Critical Initiatives for fiscal 2022-2023.

You can take the hand out with you and ask questions later if you get them.
Ed Fleharty to discuss the gas department initiatives.
Brandan Lubken to discuss water/wastewater.
Noel Niehueser to discuss the subs
Jeff Campbell to discuss the elctrical.
Derek to discuss electric production and energy supply
Bob Davis to discuss the initiatives for Safety.
Keith discusses capitol management.

(d) Administration

(e) Other

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

(a) HU Org Review (Closed Session-protection of the public interest)

Meese moved, Hemje seconded. Went into closed session at 10:15 am. Roll Call: Ayes: Bill Hitesman, Mark Hemje, Susan Meeske, Jeanette Dewalt. Nays: None. Absent: Shayne Raitt
Come out of closed session at 10:44 am. Roll Call: Ayes: Bill Hitesman, Mark HemjeJeanette Dewalt, Susan Meeske. Nays: None. Absent: Shayne Raitt
Motioned carried.

ADJOURN:

Being no further business to adjourn at 10:45 am. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske. Nays: None. Absent: Shayne Raitt. Meeting Adjourned.

APPROVED:

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Board Secretary