

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, January 12, 2023

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Utility Boardroom of North Denver Station, 1228 N. Denver Avenue, on January 12, 2023.

ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Shayne Raitt. Kevin Johnson, Erik Nielsen, Butch Eley, Derek Zeisler, Jaci Higgins, Brian Strom, Corey Stutte, Bob Davis, Brandan Lubken, Karl Block, Shawn Hartmann, Noel Nienhueser, Lee Vrooman, Lori Hartman, Robin Ginn, Jesse Oswald, Roger Nash.

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 January 12, 2023 REGULAR MEETING.

Moved by Raitt and seconded by Hemje to adopt the current agenda for the January 12, 2023 Regular Meeting. Roll Call: Ayes: Hitesman, Dewalt, Meeske, Hemje, Raitt. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, January 10, 2023. 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:

Shawn Metcalf wasn't able to make it today, but he will try to make it to the next one. Like to thank Shawn Hartmann and Butch Eley for reupping on the board. The weather is changing again. One clarification of the rate changes and impacts of gas conservation does help. Not just a straight \$50 increase. Susan: Is anyone weighing in on social media comments? I know you don't want to weigh in on every single comment. Kevin: LeAnne did a great job on weighing in at the right moment. There are people out there that weigh in on our behalf that are not employed by the utilities. Read the flyer or bill insert again.

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 8, 2022.

Moved by Dewalt and seconded by Meeske to approve the minutes of the December 8, 2022 meeting. Roll Call: Ayes: Hitesman, Dewalt, Meeske, Hemje, Raitt. Nays: None. Absent: None. Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

i. Q4 2022 Financial Update

Jaci Higgins to present slide show on Quarter 4
Financial and operating Report
Fiscal Year 2022, Quarter 4, July1, 2022-Sep 30, 2022

- Balance Sheet Highlights
- Electric Summary
 - Spp Market Sales and Spp Market Purchases: previously these were netted and then included in the Wholesale number or the Purchased Power number but are now broken out separately to better track
 - This was not initiated at budget time but new budget amounts have been estimated based off of Q1 numbers
 - The market has been strong and units have been generating at the top with high market values
- Gas Summary
 - Purchased Gas: Higher than anticipated gas prices

- Water Summary
- Pollution Control
- General and Admin
 - Customer Records & Collection: slightly above budget due to Covid-19 impacts
 - Employee Benefits: Projects were not closed as they have been in the past
- Hastings Utilities Headcount
 - Water/Sewer headcount transferred to PCC
 - Increase in Admin headcount due to Compliance Manager position
 - All headcount changes approved during 2022 fiscal year
- Unit Sales & Cost Analysis
 - NET is each month to date
 - Electric is not included as the presentation of that data is currently being evaluated
- Electric Production
- Gas Production
- Water Production
- Cooling degree Days
 - Q4 of FY22 trended warmer than normal for the majority of the quarter

Jeanette: What are the numbers on the left? That is what they refer to as days, even though it is not actually days. Jaci and Derek to forward the slide that they have the board.

How do we get out to the public about budget billing? Can it be signed up anytime or certain times of the year? Can we put it in the news letter?

It was put in the news letter at the beginning of the winter. They can come in at anytime to start.

(b) Production

(c) Operations

i. December Weather Event

Brian Strom to discuss the December weather event. Slide show presented.

- December Weather Event (Dec. 21 to 25)
- Gas Supply Overview
 - City gas is supplied from BP at the Cheyenne Hub.
 - City gas is delivered to Hastings via the Trailblazer Pipeline and the Tallgrass Interstate Pipeline.
 - Hastings has supply rights of up to 14840 MMBtu from BP.
 - Hastings has a No-Notice storage service with Tallgrass.
 - Hastings has availability to withdraw or inject gas to handle daily load fluctuations.

Don't want to purchase too much gas in advance

- Gas Supply Overview
 - Through hedged purchases done in the prior year, Hastings has a baseload volume of gas allocated it can use per day.
 - Monthly volumes vary due to seasonal climates and load forecasting.
 - When excess gas is needed in addition to the baseload, swing gas is purchased from BP at current market rates.
- Nominating (Ordering Gas)
 - Objective is to nominate a volume identical to what City will use per day (balance).
 - Can inject and withdraw from No-Notice Storage.
 - Key elements to nominating include weather forecasting, use of storage, current spot prices, and natural gas generation (Don Henry and NDS)
 - Hastings has to nominate for each gas day
 - "Weekend" nomination is for Sat, Sun, and Mon.
- Preparation for the Storm
 - Personnel began meeting on Dec 19th (Monday) to prepare for the upcoming weather
 - Continued to meet daily and discuss key roles and duties
 - West-Peak Shaver Plant
 - Nominations
 - Don Henry Placed in Reliability Status on Dec 22nd.
- Weather Conditions
 - Four days of extreme cold and high winds
 - Temperatures averaged 26.96 degrees below normal
 - -15 degrees on Dec 22nd
 - Reliability was a concern
- What Transpired
 - Nominations were made to cover forecasted City load
 - Don Henry was called up
 - West Peak Shaver went into operation
 - Force Majeure issued
 - Communication
- What about electric?
 - Difference from February 2021 Event
 - Low demand through SPP helped
 - High wind, less pressure on gas supply
 - WEC performance and benefit
 - Future Fuel Oil Discussion
- Event Takeaways
 - Reliability is the top priority
 - Gas Dept Preparation
 - Utilization of assets
 - Peak Shaver and Generation
 - Reemphasis of Peak Shaving
 - Revisiting Gas Supply Options

ii. Capital Budget Increase Request

Brandon to discuss an item to be purchased.

Not an overall budget increase, just an item increase.

Brandon reads the memo.

Set to be delivered next month.

Request to recommend the purchase of this vehicle.

Bill: Is there value in the old vehicle or is it obsolete now? We didn't investigate the prospect of the used vehicle, we budgeted for a new vehicle. Brand new mode of operation for us and replacing a contractor.

Jeanette: This is not asking to reopen the capital budget, but approving the item that is within the capital, but over the budget for this item. Does it need approval? Since it is a specific budgeted item and is above the budget, we are asking for approval.

Butch: Who will drive this vehicle? Will we do it or will we still contract out? We will be driving it as we have some employees with a CDL. We are going to step away from the contractors.

Jeanette moves to approve, Meeske seconds.

Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Shayne Raitt.

Nays: None.

(d) Administration

i. Safety Results for 2022

Bob Davis to discuss the safety results for 2022.

A slide show was presented

- City of Hastings Utility Department - Total Recordable Incident Rates and Total Vehicle Incident Rates
- Past 5 years Total Recordable Incident Rates
 - 2022; Recordable-3, Non-Recordable-4
- Total Vehicle Incident Rate
 - 2022; Number of Incidents-5
- Tracking Injuries
- Part of Body Injured
- What caused the incident or accident.
- Recordable Injuries and Non-Recordable Injuries by Departments.

(e) Other

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

ADJOURN:

Moved by Meeske and seconded by Hemje, there being no further business to adjourn at 10:23 am. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Shayne Raitt. Nays: None. Absent: None. Meeting Adjourned.

APPROVED:

Board Secretary