

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, February 9, 2023

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 9, 2023.

ROLL CALL:

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

PLEDGE OF ALLEGIANCE:

Jeanette Dewalt led the group in the recital of the Pledge of Allegiance to the United States.

MOTION TO ADOPT CURRENT AGENDA FOR February 9, 2023 REGULAR MEETING.

Moved by Raitt and seconded by Meeske to adopt the current agenda for the February 9, 2023 Regular Meeting. Roll Call: Ayes: Dewalt, Meeske, Hemje, Raitt. Nays: None. Absent: Hitesman. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, February 7, 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:

Kevin is out, Keith Leonhardt is filling in. No other communication.

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 January 12, 2023.

Moved by Hemje and seconded by Meeske to approve the minutes for the January 12, 2023 meeting. Roll Call: Ayes: Dewalt, Meeske, Hemje, Raitt. Nays: None. Absent: Hitesman. Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

- i. Finance Update on Reporting

Robin to discuss some updates about moving from Cayenta to Munis. It has been a bit of a struggle, we have had a lot of ups and downs with the new system. Finally, we got depreciation to run. Should be able to come up with the income sheet. The balance sheet is a mess. Need to talk with Munis some more to discuss how to move things properly to be able to get the balance sheet. We have only run it once and it was back in July. Once we run the year, we should be able to do it automatically after that.

Has been working on this, but it takes time.

Jeanette: We appreciate all of the extra work that you have been putting in.

- (b) Production

- (c) Operations

- i. SFR Loan/Lead removal efforts

Brandan to discuss the memo.

The state has the funds and we are requesting the funds for an SFR Loan.

The major components of the SRF Loan and Agreement and Board Ordinance with the Nebraska Department of Environment & Energy Include:

- SRF Loan is for \$2,000,000 and is set to begin March 1, 2023
- SRF Loan includes a grant to forgive \$1,100,000 of the loan.
- Also provided is a grant of \$200,000 for Lead Service Inventory activities.
- Remaining loan of \$700,000 to be paid with interest over 30 years.
- Interest is 0.5% on the loan for a total of 1.0%.
- Loan can be paid down after 10 years.

Meeske: Does this cover costs we have already incurred or is this cost going forward? We've been learning the rules as we go, We will make the drop dead date March 1, when we start formally recording everything to the state standards.

Showed a graphic of what needs to be done and what has been done.

Keith: You did a presentation to the board about 18 months ago on our water main replacement program, which is to replace 1 mile per year and then ramp up in 2030. With that, we will be replacing lead services. This funding fits in very nicely with that. It's a two-year loan expandable to four.

Jeanette: How did you decide on the loan amount?

The state asked us to aim high on our estimates. We are a top 5 need community within the state.

Mark: Are there certain requirements for forgiveness?

Yes, there are certain things they look for in every service. Require photos before and after.

Mark: As far as budget wise, is it too soon to see how this will affect the budget?

It should positively affect this year's budget because we weren't sure when it would come out. We didn't budget for this to come to use this year.

Meeske motioned to move to city council, Raitt second. Ayes: Dewalt, Hemje, Meeske, Raitt. Nays: None. Absent: Hitesman

ii. Coal Train Pump Station

Lee is going to give an update on the bidding evaluation and present the attached memo.

This project has three different parts. The first part being construction of the pump station and the Maxon Lagoons and the piping to the new lift station at Heartwell renewables we will be installing. The second part is rerouting the sewer main that serves the CCC truck driving building and the third part is putting in some communication conduit.

Bids opened on January 25th and we received 3 bids. The lowest bid was Carkoski Construction.

The project is over budget. That is why it is being brought to the advisory board. There is room in the budget.

Recommendation to pass on to City Council.

Mark: Not totally over budget, just the line over is over budget? Yes, just the line item.

Meeske motion to approve, second by Hemje. Ayes: Dewalt, Hemje, Meeske, Raitt.

Nays: None. Absent: Hitesman.

(d) Administration

i. Extreme Weather/High Bills/Customer Communications

Karl Block and Brian Strom to discuss the power point that was presented.

Reasons for high bills

1. Cost for HU to Purchase Natural Gas
2. Increase in the Purchase gas adjustment(PGA)
3. Increased consumption

Meeske: They could be paying double what they were paying last year? Yes, the same similar consumption, but the gas portion of the bill is a higher rate.

Butch: We have different rates, a fixed rate and a variable rate that customers are paying? Yes, the way that the rates were designed, there is a retail rate that is set on the annual budget and then the PGA is added. Your CCF used or billed that month gets multiplied by the retail rate and by the PGA.

Derek helped explain the increases.

Meeske: I think there could be some proactive things that we could do to help those conversations and educate our community.

Jeanette: The three different ways of explaining that it was increasing were helpful.

Messaging: Utility Bill Messages

July 2022 Reminder

October 2022 Reminder

August Rebates

September Natural Gas

November Natural Gas

December Summary

January Low Income Energy Assistance Programs

These are sent out every month with the Utility Bill.

Butch: They need to be aware of rates. They don't realize they are paying two rates.

Meeske: Could we explore some things that we haven't done before?

Great suggestion. We are going to work harder to get those messages out.

Hartmann: There are a lot of people that do not get the paper or look online. They also do not look at the paper included in the bills. Conservation is key, but you don't see results because prices are so high. Thank you to everyone on Utilities for doing what you do because prices could be much higher.

Brian: We wouldn't be anywhere without our customers and we are here to work with them. There are avenues if anyone is struggling, talk to customer service. There are ways we can work things out as long as there is communication.

Metcalf: In these situations, an opportunity would be to do a Facebook live.

(e) Other

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

ADJOURN:

Moved by Raitt seconded by Hemje there being no further business to adjourn at 9:50 am. Roll Call: Ayes: Dewalt, Hemje, Meeske, Raitt. Nays: None. Absent: Hitesman. Meeting Adjourned.

APPROVED:

Board Secretary