

HASTINGS UTILITY BOARD AGENDA

**Council Chambers - City Hall Building
220 North Hastings Avenue
April 13, 2023
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR April 13, 2023 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, April 11, 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:

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 9, 2023.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.
3. General Business.
 - (a) Finance
 - i. Q1 Update
 - ii. Asst. Finance Director Status

- iii. Budget Prep Assignments
- (b) Production
 - i. WEC Regulatory Compliance-Bottom Ash Project
 - ii. Community Solar Expansion
- (c) Operations
- (d) Administration
 - i. Utility Bill/Print RFP
- (e) Other
 - i. Yost Bldg Offices-Development Services Temp Relocation
- 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 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 March 9, 2023.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in Regular Session by Bill Hitesman with the following members present: Jeanette Dewalt, Mark Hemje, Shayne Raitt. Kevin Johnson, Lee Vrooman, Karl Block, Keith Leonhardt, Noel Nienhueser, Jaci Higgins, Derek Zeisler, Butch Eley, Brandan Lubken, Erik Nielsen, Tony Herman, Lori Hartman, Robin Ginn, Roger Nash, and Jesse Oswald.
Absent: Susan Meeske, Corey Stutte, Shawn Hartmann

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 March 9, 2023 REGULAR MEETING.

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

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

Apologies for missing the meeting last month.

BOARD CHAIRMAN'S COMMUNICATIONS:

Apologize as well for being absent.

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 February 9, 2023.

hemje, dewalt

Hemje moved, Dewalt second. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Shayne Raitt. Nays: None. Absent: Meeske.

Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

i. Audit Presentation via Zoom

AMGL from Grand Island conducted our audit. Had a clean and productive audit with some suggestions moving forward on things we can do.

Marci to walk through the audit via video call.

Questions:

Comment about depreciation of capital assets not being calculated per asset. It has been an issue for awhile. Hopefully, next year with the new system, they will take time to get each asset properly depreciated.

On page 50, segregation of duties due to limited personnel. There is no adequate segregation of duties to insure internal control over cash receipts disbursements and recording of transactions. That has been on there for a few years. In other utilities of this size, do you see that being an issue? She sees that as a very common comment. In an organization, we can't eliminate this comment.

The deposits that we have, what's the policy for Hastings Utilities as far as going out to bid for rates on CD's, money markets? Is there a policy in place to do that from time to time? Historically, what we have done, is we have a certain amount of operating cash in the combined accounts and then we have money in CD's and money markets. When the CD's mature, there is a notice sent out to all of the local banks of the amount and what we are requesting for either a 6 month or 12 month term and gives them an opportunity to offer a rate. Money market accounts continue to be in contact with the banks when interest is increased to see if our rates will increase.

ii. Additional FTE & Funding

A year ago, we started parallel processing in anticipation of going live October '22 with the current system and the new system. We did go live, but we are still having challenges on the utility side. We are looking for support for an additional FTE for the utility side. We have payroll, asset management and billing modules coming up. The issues are going to keep getting bigger.

When our 3rd party consultants came on at the end of 2019, they had suggested that the finance department hire two additional full time people dedicated to the ERP. Had discussions with complete staff and decided to move forward with the current staff level at the time. Payroll is scheduled to go live on October 1, 2023. Before the end of this fiscal year, there will be some significant additional work in the finance department. Hemje motions to approve moving to the City council an additional FTE and funding for the finance department. Rait seconds. Yays: Hitesman, Dewalt, Hemje, Rait. Nays: None. Absent: Meeske.

(b) Production

i. Electric Production (WEC1, Solar) Economics

Jaci presents a power point mainly on WEC 1. Ties a little bit on solar and wind. Data that is pulled from Tenaska and monthly financial statements.

Is SPP willing to pay even if we don't have a February event? Hastings can't save SPP. We have to do what is best for our customers.

ii. CCR (Ash) Compliance Update

Lee to start discussion on this.

In the April meeting, we will be bringing a contract for ash equipment for unit 1. This equipment is in compliance with the CCR rules and was not budgeted. Was waiting for the EPA to approve the technology we could use before budgeting. Recently was told that EPA approval is not needed.

iii. Solar Farm Expansion Update

Derek to discuss the expansion. A lot of good reasons for us to continue. Hopefully, to get some finalized numbers and bring them to the April meeting.

Will we be doing it somewhere where people can buy them? Considering multiple options. Wanted to get the best economic bang for the buck. Roughly 22 acres as opposed to our 11 acres now.

(c) Operations

(d) Administration

(e) Other

i. APPA National Conference

This year the APPA National Conference is from June 16th through the 21st. If you have an interest, we would fund your participation, but not your spouse. It will be held in Seattle this year. If you have an interest, please let us know fairly quickly.

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

ADJOURN:

Moved by Dewalt seconded by Hemje there being no further business to adjourn at 10:18 am.
Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt Mark Hemje, Shayne Raitt. Nays: None.
Absent: Susan Meeske. Meeting Adjourned.

APPROVED:

Board Secretary



Utility Board Meeting
April 2023



Financial and Operating Report

Fiscal Year 2023

Quarter 1

Oct 1, 2022 – Dec 31, 2022

Electric Summary

FY 2023 Q1 Update

(\$M)	<i>FY 2023</i>	<i>Year Over Year</i>	<i>FY 2023 Budget</i>	<i>%</i>
<u>Operating Revenue:</u>	14.6	3.2	52.1	28%
Retail	8.5	0.7	36.1	24%
Wholesale, Solar, Str	0.8	0.2	3.8	21%
SPP Market Sales	5.3	2.3	12.0	
<u>Operating Expenses:</u>	14.2	(2.9)	52.3	27%
Production	3.5	(0.9)	15.7	22%
SPP Market Purchases	3.7	(1.2)	10.0	
Purchased Power	0.7	0.0	2.4	29%
PP - PPGA	3.0	(0.1)	10.1	30%
Trans & Dist	0.4	(0.1)	2.9	14%
Gen & Admin	2.0	(0.3)	8.6	23%
Pyemt in Lieu of Tax	0.8	(0.3)	2.1	38%
<u>Operating Income</u>	0.4	0.4	1.7	24%
Depreciation	1.2	0.2	5.8	21%
<u>Other Income/Exp</u>	0.7	0.1	2.0	35%
<u>Net Income</u>	0.0	0.8	(2.1)	

- **PILOT:** First couple months are paid at the prior year's payment schedule; payments are then trued up after the audit.

Gas Summary

FY 2023 Q1 Update

(\$M)	<i>FY 2023</i>	<i>Year Over Year</i>	<i>FY 2023 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	3.4	1.2	15.3	22%
<u>Operating Expenses:</u>	4.7	(2.2)	14.1	33%
Purchased Gas	3.8	(2.0)	10.1	38%
Trans & Dist	0.2	0.1	1.2	17%
Gen & Admin	0.2	0.2	2.0	10%
Pymt in Lieu of Tax & Transfer to Gen. Fund	0.1	0.0	0.7	14%
<u>Operating Income</u>	(1.3)	(1.0)	1.2	
Depreciation	0.2	0.2	1.7	12%
<u>Other Income/Exp</u>	0.1	0.1	0.0	
<u>Net Income</u>	(1.5)	(0.8)	(0.4)	

- Purchased Gas: Majority of gas is purchased during winter months. December was a particularly high gas purchase month.
- PILOT: First couple months are paid at the prior year's payment schedule; payments are then trued up after the audit.

Water Summary

FY 2023 Q1 Update

(\$M)	<i>FY 2023</i>	<i>Year Over Year</i>	<i>FY 2023 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	1.7	0.0	7.6	22%
<u>Operating Expenses:</u>	1.2	(0.2)	6.8	18%
Production & Water Treatment	0.4	(0.1)	1.7	24%
Trans & Dist	0.2	(0.1)	2.1	10%
Gen & Admin	0.5	(0.1)	2.3	22%
Pymt in Lieu of Tax & Transfer to General Fund	0.1	0.0	0.6	17%
<u>Operating Income:</u>	0.5	(0.1)	0.8	63%
Depreciation	0.2	0.0	1.0	20%
<u>Other Income/Exp</u>	0.0	0.0	0.1	
<u>Net Income</u>	0.3	(0.1)	0.5	

Pollution Control

FY 2023 Q1 Update

(\$M)	<i>FY 2023</i>	<i>Year Over Year</i>	<i>FY 2023 Budget</i>	<i>%</i>
<u>Operating Revenue</u>	2.0	0.2	7.5	27%
<u>Operating Expenses:</u>	1.1	(0.2)	4.2	26%
Wastewater Treatment Plant	0.5	(0.1)	1.7	29%
Collection System	0.1	0.0	0.3	33%
Gen & Admin	0.4	0.0	1.9	21%
Pymt in Lieu of Tax	0.1	0.0	0.3	33%
<u>Operating Income:</u>	0.9	0.0	3.3	27%
Depreciation	0.3	0.2	1.9	16%
<u>Other Income/Exp</u>	0.1	0.1	0.0	
<u>Net Income</u>	0.6	0.2	1.3	

General & Admin

FY 2023 Q1 Update

(\$M)	<i>FY 2023</i>	<i>Year Over Year</i>	<i>FY 2023 Budget</i>	<i>%</i>
<u>General & Administrative</u> <i>(showing only budgets > \$400K)</i>	2.2	(0.3)	7.6	29%
Customer Records & Collections	0.1	0.1	0.6	17%
Environmental Engineering	0.1	0.0	0.5	20%
G & A Salaries	0.2	0.0	1.3	15%
Admin & Engineering Services to PPGA	0.3	(0.1)	0.9	33%
Outside Services	0.1	0.0	0.5	20%
Employee Benefits	0.2	0.0	0.8	25%
Maintenance of Buildings & Grounds	0.1	0.0	0.6	17%

Hastings Utilities Headcount

	No. of Employees for Pay Periods 25 & 26 ending 12/17/22	Budget Headcount 2022-2023
GAS	17	18
WATER/SEWER	15	15
PCC	11	10
ELEC/SUBS	19	23
NDS	6	6
WEC	69	77
ADMIN (EXCLUDES ENGIN, HR, IT, FINANCE) (INCLUDES MAINT, MECHANIC, WAREHOUSE)	15	15
ENGINEERING	20	22
ENV ENIGEERING	4	4
BUSINESS OFFICE/ METER READING	13	14
	189	204

- *Elec/Subs:* Crew added during FY23 budget approval process
- *Engineering:* Stormwater Tech approved during FY23

Electric Analysis

Revenue and Expenses Detail				
Year to Date FY 2023	Expenses	Revenue	kWh	\$/kWh
WEC1, DHPC, NDS Net Generation			222,660,474	
Fuel Cost (WEC1, DHPC, NDS)	\$3,598,402			\$0.0162
Other Generation Expenses (WEC1, DHPC, NDS)	\$3,392,084			\$0.0152
Generation Depreciation (WEC1, DHPC, NDS)	\$1,204,680			\$0.0054
HU Generation Production Costs	\$8,195,166			\$0.0368
Contracted Power Behind the Meter (Wind and Solar)	\$64,650		2,868,282	\$0.0225
Contracted Power Purchased from PPGA and WAPA	\$6,936,834		88,481,700	\$0.0784
SPP Purchases (City Load)	\$7,497,323		209,897,280	\$0.0357
SPP Market Sales (Generation)		\$10,694,348	272,720,460	\$0.0392

Unit Sales & Cost Analysis

Gas	Revenue per CCF	Cost per CCF	NET		Water	Revenue per CCF	Cost per CCF	NET	
Oct	\$ 1.3458	1.7776	(\$0.4318)		Oct	\$ 2.3696	1.3920	\$0.9776	
Nov	\$ 1.0798	1.7064	(\$0.6266)		Nov	\$ 2.5026	1.8431	\$0.6595	
Dec	\$ 0.9979	1.4710	(\$0.4731)		Dec	\$ 2.5838	2.1766	\$0.4072	
Jan	\$		\$0.0000		Jan	\$		\$0.0000	
Feb	\$		\$0.0000		Feb	\$		\$0.0000	
March	\$		\$0.0000		March	\$		\$0.0000	
April	\$		\$0.0000		April	\$		\$0.0000	
May	\$		\$0.0000		May	\$		\$0.0000	
June	\$		\$0.0000		June	\$		\$0.0000	
July	\$		\$0.0000		July	\$		\$0.0000	
Aug	\$		\$0.0000		Aug	\$		\$0.0000	
Sept	\$		\$0.0000		Sept	\$		\$0.0000	

- NET is each month to date

Electric Production

HASTINGS UTILITIES											
COMPARATIVE STATEMENT OF RETAIL SALES											
December 2022 and 2021 - Year to Date FY2023 and FY2022											
					No. Meters			No. Meters			
					In Service	December	Year to Date	In Service	December	Year to Date	
Electric Department K-W Hours					12/31/2022	2022	FY 2022-2023	12/31/2021	2021	FY 2021-2022	
	Residential - Hastings				10,761	8,230,732	21,570,540		10,724	7,166,069	20,516,959
	Residential - Rural				286	538,581	1,191,105		273	424,006	1,021,714
	Residential - Juniata				355	426,776	940,989		356	322,711	826,860
	Commercial - Hastings				1,855	6,496,333	18,740,270		1,838	5,793,804	16,639,642
	Commercial - Rural				229	1,211,465	3,314,038		217	1,317,426	3,533,049
	Commercial - Juniata				52	123,370	346,533		50	111,883	335,360
	Commercial Heating - Hastings				31	268,700	562,499		33	225,554	534,629
	Commercial Heating - Rural				4	19,049	38,725		4	13,039	29,341
	Primary Power				38	16,118,960	50,444,500		38	17,208,520	52,075,250
	Irrigation				5	11,172	93,842		1	380	40,700
	Street Lighting - Hastings				1	166,123	457,986		1	175,162	487,548
	Traffics - Hastings				1	5,722	15,668		1	5,227	14,893
	Public Authorities - Hastings				77	235,797	709,198		86	228,198	715,735
	Public Authorities - Juniata				9	18,950	52,061		9	19,076	53,103
	Unmetered				10	5,214	15,642		10	5,214	15,642
	Interdepartmental				37	1,031,059	2,988,209		34	852,836	2,577,153
					13,751		-0.56%	13,675			

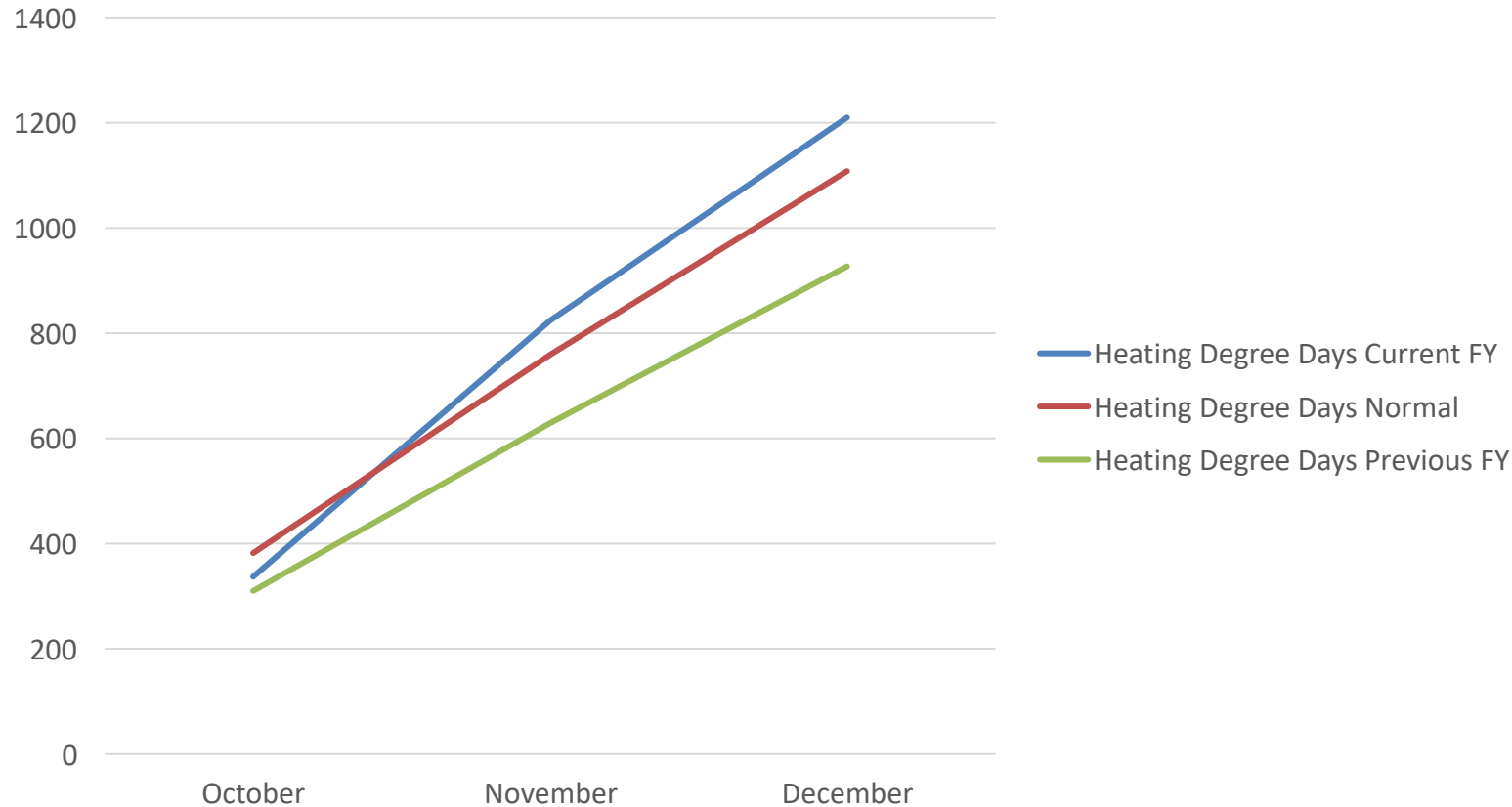
Gas Production

HASTINGS UTILITIES COMPARATIVE STATEMENT OF PRODUCTION December 2022 and 2021 - Year to Date FY2023 and FY2022									
			No. Meters						
			In Service	December	Year to Date				Year to Date
			12/31/2022	2022	FY 2021-2022				FY 2020-2021
Gas Department - CCF									
Residential - Hastings			9,395	1,002,735	1,559,414				1,264,736
Residential - Rural			18	2,999	5,071				3,733
Commercial - Hastings			1,213	456,291	710,896				527,897
Commercial - Rural			38	19,020	79,214				150,956
Industrial - Hastings			43	155,945	291,474				282,479
Industrial - Rural			2	16,211	26,937				21,686
Sales to Public Authorities			23	14,492	23,049				15,811
Firm Transportation			14	279,502	624,383				640,177
Interdepartmental			9	25,498	49,608				38,242
Total			10,755	1,972,693	3,370,046	-0.13%	10,741	1,450,709	2,945,717
Gas Purchased				2,254,020	4,433,750				3,529,860
Gas Manufactured				16,260	45,560				19,910
Total CCF				2,270,280	4,479,310			1,698,300	3,549,770
Unaccounted For/Unbilled				297,587	1,109,264				604,053
CCF Sold				1,972,693	3,370,046	-14.40%		1,450,709	2,945,717
*Commercial CMS includes PPGA Meters									

Water Production

HASTINGS UTILITIES COMPARATIVE STATEMENT OF PRODUCTION December 2022 and 2021 - Year to Date FY2023 and FY2022									
				No. Meters				No. Meters	
				In Service	December	Year to Date		In Service	December
				12/31/2022	2022	FY 2021-2022		12/31/2021	2021
Water Department - CCF									Year to Date
									FY 2020-2021
Residential - Hastings				8,707	46,152	240,980		8,667	46,694
Residential - Rural				35	143	755		34	264
Residential - CMS				5	42	99		5	36
Commercial - Hastings				1,298	48,918	190,391		1,293	41,930
Commercial - Rural				42	420	1,949		32	413
Commercial - CMS *				80	10,771	36,987		78	11,046
Large Industrial - Hastings				4	17,758	54,911		5	16,731
Large Industrial - Rural				1	36,357	110,369		1	36,129
Sales to Public Authorities				40	162	13,190		69	150
Interdepartmental				9	946	5,056		29	1,597
				10,221			-0.08%	10,213	
Total Retail Sales					161,669	654,687			154,990
Total Wholesale Sales					714	3,242			1,121
Total Sales					162,383	657,929			156,111
CCF Pumped					167,560	626,989			167,633
Water Main Flushing					319	1,188			682
Unaccounted For/Unbilled					4,858	(32,128)			10,840
CCF Sold					162,383	657,929	-5.55%		156,111
									623,356

Heating Degree Days



- December 2022 heating degree days were well above the previous FY and the National Weather Service defined Normal heating degree days = Very Cold Dec!





To: Kevin Johnson, Manager of Utilities
From: Brandon Miller, Mechanical Engineer
Date: 4/4/23
Subject: Bid Evaluation for WEC1 Bottom Ash System
Formal Contract No. HU 2023-20

On 3/29/23, bids were opened for the WEC1 Bottom Ash System. Bid packages were sent to two companies and two bids were received. The bid package was also advertised in the Hastings Tribune and on the City website.

The scope of work for the project includes supplying materials only for a new bottom ash conveyor system for the Unit 1 boiler. The conveyor system will replace the existing Unit 1 sluicing system and will be CCR rule compliant.

BIDDER	Bid Surety	Exceptions	Bid Sect I – Bottom Ash Conveyor	Bid Sect II – Mill Pyrite System	Bid Sect III – Economizer and Air Heater System	Bid Sect IV – Expedited Schedule	Bid Sect V – Startup Support and On-Site Training	Total – All Sections
Babcock & Wilcox Co	5% Bid Bond	Yes	\$1,606,976	\$260,796	\$52,665	\$89,100	\$6,170	\$2,013,207
UCC Environmental	5% Bid Bond	Yes	\$2,766,482	No Bid	No Bid	No Bid	\$9,484	\$2,775,966

Both companies bid two different technologies for bid section I - bottom ash conveyor system. Babcock & Wilcox (B&W) bid on a conveyor system that connects directly to the bottom of the boiler. The conveyor will exit out the side of the plant and dewater and deposit the bottom ash into a bunker. Mill pyrites, economizer ash, and air heater ash would be handled separately. The UCC Environmental (UCC) system will reuse part of the existing ash sluicing system and move the bottom ash and water to a remote conveyor system, outside of the plant, that will dewater and deposit the ash into a bunker. The system from UCC would also remove the mill pyrites, economizer ash, and air heater ash as they are currently sluiced together. The conveyor system from Babcock & Wilcox is the most cost-effective option with less potential maintenance costs and no other water treatment needed unlike the UCC system.

Bid section III is for a system to take the mill pyrites and put them into the bottom ash hopper then into the bottom ash conveyor system. Bid section V is for system startup support and on-site training. Both of these bid sections are necessary with the B&W proposal and will be included in the project.

Bid section II is a system for capturing the ash from the economizer and air heater and putting it into the bottom ash system. This system was evaluated and deemed not necessary on the B&W system since there are other options for disposing of this ash that are more cost effective. Cost of expedited schedule, Bid Section IV, was evaluated and deemed not a significant improvement on schedule.

The total cost for materials for this project including bid sections I, III, and V from the B&W proposal is \$1,665,811. Staff recommends awarding the contract to Babcock & Wilcox Co in the amount of \$1,665,811 which is the lowest and best bid for the City of Hastings. This amount includes sales tax and freight.

Cc: Lee Vrooman, Director of Engineering



Hastings Community Solar Farm –Phase 2

April 13th, 2023

Community Solar



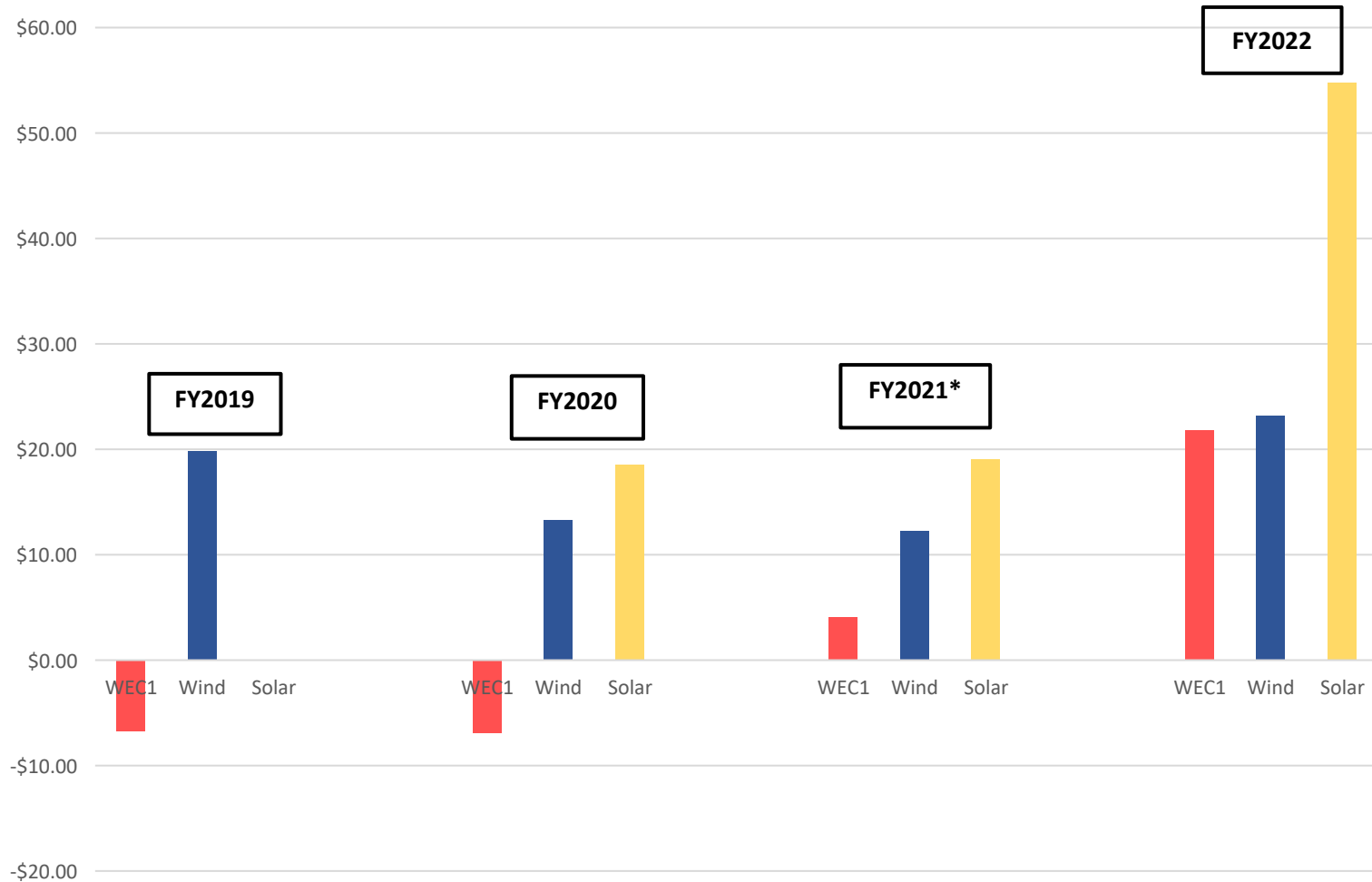
Inflation Reduction Act (IRA)

- Signed into law Aug 16th 2022
- Direct Pay refund equal to the amount of credit
- 30% (potential for more)

Local Industry Demand

- Phase 1 has been completely sold out
- 3 businesses in town are looking for renewable options
 - Utilities responsible for looking into options to fulfill a customers need.

Value per MW



* Revenue and expenses from February 2021 are removed

Site Access



DC/AC Output

- Phase 1 was 2916 ea 330W and 3096 ea 335W
 - Total 1,999,440 W or 1,999kW or 2MW DC
 - 1.33 DC/AC Ratio = 1.5MW AC Output
- Phase 2 planned for 10275 ea 545 W
 - Total 5,599,875 W or 5600 kW or 5.6 MW DC
 - 1.21 DC/AC Ratio = 4.63 MW AC Output



Engineering Cost Evaluation

IRA Savings Percent Assumption:		30%		
Genpro				
System Cost		\$8,413,259.00		
System Cost with 30% IRA Savings		\$5,889,281.30		
\$/MWh		\$35.82		
\$/MWh with 30% IRA Savings		\$25.07		

IRA Savings Percent Assumption:		40%		
Genpro				
System Cost		\$8,413,259.00		
System Cost with 40% IRA Savings		\$5,047,955.40		
\$/MWh		\$35.82		
\$/MWh with 40% IRA Savings		\$21.49		

\$2,007,386 in 22/23, remainder in 23/24



To: Derek Zeisler, Director of Energy Production & Supply
From: Nathan Bren, Electrical Engineer
Date: 4/11/2023
Subject: Bid Evaluation for Solar Farm Phase 2
Contract No. HU 2023-01

On 01/18/23, bids were opened for the Hastings Solar Farm Phase 2. A summary of the bids is given below:

BIDDER	Exceptions	Option 1: Solar Total	Solar LCOE \$/MWh over 25 years with 30% IRA	Power Density (MWh/yr)/ Acre	Option 2: Battery Energy Storage System Total	BESS LCOE for 25 years with 30% IRA	Option 3: Fencing, Weed barrier	IRA Help Available
GenPro	Yes	\$8,029,544	\$25.07	453.91	\$2,236,800	\$88.00	\$296,215	Yes
ISS	Yes	\$5,275,573	\$26.61	286.00	N/A	N/A	N/A	No Info
Miller Brothers	Yes	\$8,800,459	\$29.43	423.13	\$1,900,000	\$73.00	\$508,085	No Info

LCOE (Levelized Cost of Energy) – Cost per MWh to achieve break-even in the engineered design standard of 25 years. Includes consideration for decreased efficiency over lifespan.

The bid package was sent directly to ten contractors. In addition, the package was posted on our website and advertised in the Hastings Tribune. Three contractors submitted bids. GenPro has completed other projects in the Nebraska area, including Phase 1 of the Hastings Solar Farm. All bids had minor exceptions to the bid specifications. Construction is scheduled to start in December 2023 with a projected completion date of May 1, 2024.

Since the Inflation Reduction Act savings, in the form of a tax credit or a direct payment, will greatly affect the end cost (30 - 40% rebate), we highly recommend awarding the project to a company that is familiar with the IRA requirements and is willing to help us navigate. GenPro and Miller Brothers meet Prevailing Wage and Apprenticeship required for IRA savings, ISS did not directly state whether they do.

The Battery Energy Storage System bid option does not appear to be cost efficient for City of Hastings at this time. Since there are not any major benefits to have the BESS located on the solar site it can be pursued in the future as a standalone project, so Staff recommends that we do not include the BESS option as part of this project.

It is recommended that we include a spare transformer since the size and voltage is non-standard in our system. We recommend using the industry standard 600V system rather than making the solar farm match our 480V standard. Spare transformer is an additional \$87,500 with GenPro. Miller

Brothers and ISS did not give a spare transformer cost and so it was estimated by CoH staff to be \$163,818 for them.

Staff recommends that the project be awarded to GenPro Energy Solutions of Piedmont, South Dakota for a total of \$8,413,259 (\$2,007,386 in 22/23, remainder in 23/24) for Option 1, Option 3, and a spare transformer. This is the lowest and best bid for the City of Hastings, it has the lowest Levelized Cost of Energy and the highest proposed power density, resulting in the most efficient use of the available land.

Cc: Lee Vrooman, Director of Engineering; Derek Pfeifer, Lead Engineer



Utility Bill Print/Mail Outsourcing

Analysis of RFPs

Cost Comparison

Invoices-Delinquent Notice/Piece			
	HU Customer Service	Midwest Connect	Info Send
Print,Fold, Insert, Presort, Deliver to USPS, Envelopes, Data Processing, Archive etc. Cost/Piece less Postage	\$0.134	\$0.2450	\$0.1420
Postage Cost (Invoices)	\$0.513	\$0.531	\$0.468
Postage Cost (Delinquent)	\$0.600	\$0.531	\$0.468
Total Cost/Piece (Invoices)	\$0.647	\$0.7760	\$0.6100
Total Cost/Piece (Delinquent)	\$0.734	\$0.7760	\$0.6100

Cost Comparison

Monthly Invoices			
	HU Customer Service	Midwest Connect	Info Send
Average # Bills/Month	13,280	13,280	13,280
Total Monthly Cost (Invoices)	\$8,590.92	\$10,305.28	\$8,100.80
Add Newsletter	\$625.95	\$1,062.40	\$1,128.80
Total Monthly Cost (w/ Newsletter)	\$9,216.87	\$11,367.68	\$9,229.60
Subtract Return Envelope (Not Needed)		\$175.00	\$70.00
Total Monthly Cost After Deductions	\$9,216.87	\$11,192.68	\$9,159.60
Monthly Delinquent Notice			
Average # of Delinquent/Month	2,100	2,100	2,100
Total Monthly Cost (Delinquent)	\$1,455.61	\$1,587.60	\$1,297.70
Projected Cost Savings / Month		*HU Labor NOT Included	\$215.18
Projected Cost Savings / Year		*HU Labor NOT Included	\$2,582.20

Sample of Potential Bill Rework

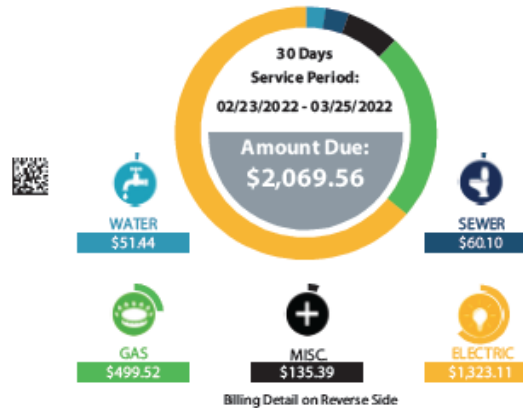
- Provide Updated Look
- Display History/Comparison of Services
- Opportunity for Clarity and Additional Information
- Growth Potential to Integrate with Future Billing and Communication Partners



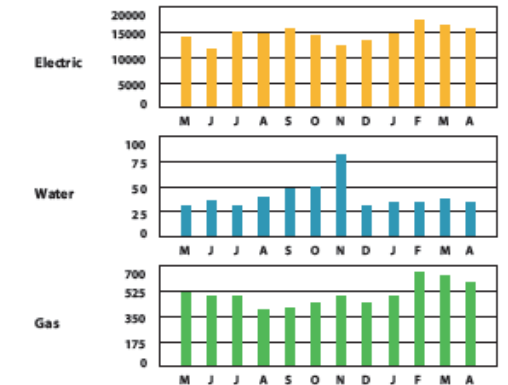
UTILITY STATEMENT

Pay online at: www.fremontne.gov
 Pay by Phone: 833-277-8709
 Physical Address: 400 E Military Ave. | Fremont, NE 68025-5141
 Customer Service/24-Hour Emergency: 402-727-2600
 Business Hours: Monday - Friday, 8:00 AM - 4:30 PM

NAME	SERVICE ADDRESS	ACCOUNT #	CYCLE	BILL DATE	DUE DATE
JOHN Q SAMPLE	1122 W MAIN ST	12345-4321	05-10	04/04/2022	04/26/2022



YOUR MONTHLY USAGE: ELECTRIC, WATER & GAS



SERVICES	METER #	SERVICE PERIOD	DAYS	MULTIPLIER	METER READINGS CURRENT	PREVIOUS	USAGE	UNITS
ELECTRIC	E8888888	02/23/2022 - 03/25/2022	30	1.000	67747.00	52136.00	15611.00	KWH
GAS	G9999	02/23/2022 - 03/25/2022	30	1.122	7874.00	7349.00	589.05	CCF
WATER	W7777777	02/23/2022 - 03/25/2022	30	1.000	3419.00	3384.00	35.00	CCF
SEWER		02/23/2022 - 03/25/2022	31				35.00	CCF

Account with a "balance forward" is PAST DUE and subject to disconnect.
 Late fees are charged if payment is made after 4:30 p.m. on bill due date
 Sign up for Budget Billing for the next 12 months.
 2021 Fremont Water Quality Report available at <https://www.fremontne.gov/DocumentCenter/View/6289/Water-Quality-Report-2021>

Accounts with a "Balance Forward" are past due and subject to disconnect.
 Please return bottom portion with your payment.

FREMONT DEPARTMENT OF UTILITIES
 400 E MILITARY AVE
 FREMONT, NE 68025-5141



**SINGLE-PIECE 1 SGL 132375AF13-A-1
 27 1 SP 0.530



JOHN Q SAMPLE
 1122 W MAIN ST
 FREMONT, NE 68025-9999

ACCOUNT NUMBER: 12345-4321
 SERVICE ADDRESS: 1122 W MAIN ST

CURRENT CHARGES	BALANCE FORWARD	AMOUNT DUE
\$2,069.56	\$0.00	\$2,069.56
DUE DATE	CYCLE-ROUTE	AMOUNT PAID
04/26/2022	05-10	

Amount Due if Paid After 04/26/2022 **\$2,149.56**

Please Make Checks Payable and Remit to



FREMONT DEPARTMENT OF UTILITIES
 400 E MILITARY AVE
 FREMONT NE 68025-5141

Transitions and Efficiencies Gained

- Outsourcing of the Printing/Mailing will Gain Approximately 20-25 Hours/Week after Implementation
- Equates to \$740-930 in Payroll/Week that could be Transitioned to Other Duties (AMI/mCARE)
- As we continue to move toward 100% readings from the AMI system additional reading duties are placed on Customer Service.
- mCARE Automation of the Service Ticket System is Currently being Tested for Rollout Late 2023.

Efficiencies Continued...

- Potential Integrations with Customer Portal and Payment Systems (currently reviewing to determine if other options are available to improve our customer experience)

Timeline

April 13th – Utility Advisory Board Meeting

TBD – City Council Work Session (Introduction)

Early May – Project Kick-off

August – Go Live with 1st Production Run of New Bills



Questions?