# HASTINGS UTILITY BOARD
# AGENDA

## Airport Conference Room - Hastings Municipal Airport
## 3300 W. 12th Street
## September 6, 2023
## 9:00 AM

**ROLL CALL:**

**PLEDGE OF ALLEGIANCE:**

**MOTION TO ADOPT CURRENT AGENDA FOR September 6, 2023 REGULAR MEETING.**

**PUBLIC NOTICE** - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, September 5, 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 Airport Conference Room, which is accessible to members of the public.

**MANAGER'S COMMUNICATIONS:**

**BOARD CHAIRMAN'S COMMUNICATIONS:**

**BOARD MEMBERS' COMMUNICATIONS:**

**CITIZEN COMMUNICATIONS:**

**CONSENT AGENDA:**

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

    (a) Approval of the minutes of the Hastings Utility Board Meeting of August 10, 2023.

**REGULAR AGENDA:**

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

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

    (a) Finance

        i. Budget Recommendation

    (ii.) Insurance Renewals

(b) Production

(c) Operations

(d) Administration

(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, August 10, 2023

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted in the Hastings Public Library, 314 North Denver Avenue, on August 10, 2023.

## ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present:
Scott Snell, Mark Hemje, Butch Eley, Shawn Hartmann
Staff in attendance: Kevin Johnson, Derek Zeisler, Brian Strom, Karl Block, Erik Nielsen, Roger Nash, Micha McCaffery, Lee Vrooman, Brandan Lubken, Tony Herrman, Noel Nienhueser, Lori Hartman, Larrry Fox, Jesse Oswald.
Absent: Jeanette Dewalt, Susan Meeske, Corey Stutte, Shawn Metcalf

## 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 August 10, 2023 REGULAR MEETING.

Moved by Hemje, Second by Snell to adopt the current agenda for the August 10, 2023 regualr meeting. Roll call: Ayes: Bill Hitesman, Mark Hemje, Scott Snell. Nays: None. Absent: Jeanette Dewalt, Susan Meeske. The motion carried.

**PUBLIC NOTICE** - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, August 8, 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 Hastings Library. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Hastings Library which is accessible to members of the public.

## MANAGER'S COMMUNICATIONS:

Not asking for recomendation from the board today with members absent today. Gives you time to go over everything. The date for council is September 11. Have to have recomendation prior to the 11th. Will set up a time to get this

## BOARD CHAIRMAN'S COMMUNICATIONS:

Thank you staff for putting everything together.

## 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 July 13, 2023.

Moved by Hemje, Second by Snell to adopt the current agenda for the August 10, 2023 regular meeting. Roll call: Ayes: Bill Hitesman, Mark Hemje, Scott Snell. Nays: None. Absent: Jeanette Dewalt, Susan Meeske. Approved.

**REGULAR AGENDA:**

2. Unfinished Business of Preceding Meeting.

3. General Business.

(a) Finance

i. Budget Preview

Kevin and others presented the overview of the presentation for the budget for 2023/2024. We will have this presentation on the website and will have further deciles on the website.
Defer recommendation vote until all members are present.

(b) Production

(c) Operations

(d) Administration

(e) Other

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

**ADJOURN:**

Motion to adjourn by Snell, seconded by Hemje. Ayes:Hitesman, Hemje, Snell. Nays: None.
Absent: Jeanette Dewalt, Susan Meeske.
Adjourned at 9:49 am.

APPROVED:

____________________________________
Board Secretary

# Advisory Board Meeting
# August 10, 2023

*Kevin Johnson*
*Manager, Utilities*

***'23 / '24 Budget Preview***

# *Budget Assumptions*

| | |
|---|---|
| *Three (3) Year Forecast Projections* | *Economic Challenges* |
| *Cost of Service Study Results Utilized* | *Elec, Gas, Water* |
| *Forecasted Revenue Growth (Non-Rate)* | *1 %* |
| *Forecasted Expense Inflation (Forecasts)* | *3 %* |
| *Financial = Unencumbered Cash & Rate Stabilization Funds as % of Operating Expense (Target)* | *> 50 %* |
| *Capital Execution Rate (Target)* | *75 – 85 % in budget* |
| *Customer Fees Analyzed and Reviewed* | *FY2024* |
| *Economic Impacts Budgeted:* | *Payroll 4 %* |
| *Combined Utilities Cash Allocation Methodology* | *New System, New Methodology* |

HASTINGS UTILITIES

# *General Budget Highlights*

*Cost of Service discipline continues with the Gas COS study completed in 2023 and Electric COS study planned for ‘2024’*

*No Headcount (FTE’s) increase for entire HU Department*

*Organizational reviews and role validation continues with each and every open position*

*Yost building utilization for Development Services continues support for other City Depts*

*HU Facility management integration into new City Dept for Facility Management planned*

*Depreciation method better reflected utilizing new accounting software*

# Utilities Dept Staffing

## 2023-24 Personnel Authorization Schedule
## Utilities

| Utilites Department - Divison | FT | PT | Total |
|---|---|---|---|
| **Electric** | | | |
| Distribution, Substation, and Metering | 21 | 2 | 23 |
| North Denver Station | 6 | 0 | 6 |
| Whelan Energy Center | 74 | 1 | 75 |
| **Electric Totals** | **101** | **3** | **104** |
| **Gas** | **19** | **0** | **19** |
| **Water** | **15** | **0** | **15** |
| **Pollution Control Facility** | **11** | **0** | **11** |
| **Engineering** | **21** | **2** | **23** |
| **General Administrative** | | | |
| Administration | 4 | 0 | 4 |
| Customer Service | 10 | 0 | 10 |
| Marketing and Energy Supply | 5 | 0 | 5 |
| Environmental Engineering | 4 | 0 | 4 |
| Meter Readers | 1 | 0 | 1 |
| Warehouse | 4 | 0 | 4 |
| **General Administrative Totals** | **28** | **0** | **28** |
| **Grand Total** | **195** | **5** | **200** |



HASTINGS UTILITIES

# Utilities Dept Staffing

**City of Hastings: Utilities Dept.**
**Budgeted Staff Level**

| | ***2024*** | ***2023*** | ***2022*** | ***2021*** | ***2020*** |
|---|---|---|---|---|---|
| ELECTRICAL DISTRIB/SUB/METERING * | 23 | 23 | 20 | 20 | 20 |
| ELECTRICAL PRODUCTION-WEC ** | 75 | 77 | 78 | 78 | 82 |
| ENERGY SUPPLY - NDS DISPATCH | 6 | 6 | 7 | 7 | 7 |
| ELECTRIC TOTALS | **104** | **106** | **105** | **105** | **109** |
| GAS DEPARTMENT | 19 | 18 | 18 | 18 | 20 |
| WATER DEPARTMENT | 15 | 15 | 14 | 15 | 16 |
| POLLUTION CONTROL FACILITY | 11 | 10 | 9 | 9 | 9 |
| GENERAL ADMINISTRATIVE | 28 | 32 | 31.5 | 27 | 48 |
| Utilities Dept TOTALS | ***177*** | ***181*** | ***177.5*** | ***174*** | ***202*** |

| | # | % SPLIT | HUShare |
|---|---|---|---|
| ENGINEERING | 22.5 | 70% | 15.8 |
| FINANCE | 8 | | 7.5 |
| HR | 6 | 45% | 2.7 |
| IT | 10 | 45% | 4.5 |
| MAINTENANCE | 7 | 21.5% | 1.5 |
| | 53.5 | | 32.0 |

*(2) Summer interns
**(1) Seasonal part-time

# Administration Highlights

- AMI expansion continues
  - Over 5,400 meters converted to date
- MCARe software plans
  - Currently testing small subset of procedures; will integrate with billing software once ability has been proven
- Collaboration with City Safety Director continues

CAPITAL

- <u>Administration Dept</u> $1.184M

  Technology Fiber $430K

# Critical Capital Planning - Electric

*TOTAL ELECTRIC CAPITAL BUDGET 32.97M*

Whelan Energy Center

- Coal Combustion Residuals (CCR) Compliance $3.7M

North Denver

- Upgrades (Switchgear/DCS) $1.2M

Solar Field

- Solar Field Phase 2 Project $7.1M

Substations

- System Improvements (Additions and Upgrades) $11.9M

Distribution System

- Improvements and Additions $4.0M

*$25.1M IN CARRYOVER PROJECTS… $15M IN SUBSTATIONS AND TRANSMISSION*

# CITY OF HASTINGS - UTILITIES
## ELECTRIC FUND BUDGET - FORECAST
## FISCAL YEAR ENDING 9-30-24

| | 9/30/2024 BUDGETED | 9/30/2025 FORECAST | 9/30/2026 FORECAST | 9/30/2027 FORECAST |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Retail Sales | 36,848,527 | 37,607,607 | 37,994,738 | 38,385,740 |
| Other Operating Revenue | 22,554,530 | 22,780,075 | 23,007,876 | 23,237,955 |
| Supplemental Rate Increase | 1,105,456 | 1,105,456 | 1,105,456 | 1,105,456 |
| Industrial Potential Growth | 750,000 | 2,400,000 | 2,500,000 | 2,500,000 |
| **Total Operating Revenue** | **61,258,513** | **63,893,138** | **64,608,070** | **65,229,151** |
| Interest | 750,000 | 757,500 | 765,075 | 772,726 |
| Participation & Capacity Agreements | 2,100,000 | 2,121,000 | 2,142,210 | 2,163,632 |
| Coal Sales (Ethanol) | 4,754,000 | 4,801,540 | 4,849,555 | 4,898,051 |
| Contribution in Aid of Construction | 100,000 | 4,665,000 | 1,600,000 | 400,000 |
| Reimbursement from PPGA | 6,450,000 | 6,450,000 | 6,450,000 | 6,450,000 |
| Other | 573,000 | 578,730 | 584,517 | 590,362 |
| **Total Revenues** | 75,985,513 | 83,266,908 | 80,999,427 | 80,503,922 |
| | | | | |
| **Operating Expenses** | **58,238,304** | **59,985,453** | **61,785,017** | **63,638,568** |
| Cost of Service to PPGA | 6,450,000 | 6,450,000 | 6,450,000 | 6,450,000 |
| Coal Cost (Ethanol) | 3,148,000 | 3,242,440 | 3,339,713 | 3,439,904 |
| Capital Improvements | 31,341,427 | 15,328,338 | 7,173,836 | 5,931,068 |
| Debt Service | | | | |
| Other | 258,150 | 265,895 | 273,872 | 282,088 |
| **Total Expenditures** | 99,435,881 | 85,272,126 | 79,022,438 | 79,741,628 |
| | 101,160,488 | | | |
| **Subtotal: Revenues Less Expenditures** | (23,450,368) | (2,005,218) | 1,976,989 | 762,294 |
| Accrual Reconciliation | - | - | - | - |
| **Increase or (Dec.) in Unencumbered Cash** | (23,450,368) | (2,005,218) | 1,976,989 | 762,294 |
| Cash & Investments Balance Beginning of Year | 50,906,036 | 27,455,668 | 25,450,450 | 27,427,439 |
| **Cash & Investments Balance End of Year** | 27,455,668 | 25,450,450 | 27,427,439 | 28,189,734 |
| | | | | |
| **Electric Fund:** | | | | |
| Unencumbered Cash | 19,854,941 | 22,135,069 | 24,112,058 | 24,874,353 |
| Rate Stabilization | 4,285,346 | - | - | - |
| Insurance | 2,010,000 | 2,010,000 | 2,010,000 | 2,010,000 |
| Closure/Post Closure | 1,305,381 | 1,305,381 | 1,305,381 | 1,305,381 |
| Reserve | | | | |
| Debt Service | | | | |
| **Cash & Investments Balance End of Year** | $ 27,455,668 | $ 25,450,450 | $ 27,427,439 | $ 28,189,734 |

**CITY OF HASTINGS - UTILITIES**
**ELECTRIC FUND BUDGET - ACCRUAL**
**FISCAL YEAR ENDING 9-30-24**

| | 9/30/21 ACTUAL | 9/30/22 ACTUAL | 9/30/23 FORECAST | 9/30/24 BUDGETED |
|---|---|---|---|---|
| **OPERATING REVENUE** | | | | |
| Retail Sales | $ 34,911,950 | $ 35,340,776 | $ 37,476,500 | $ 36,483,690 |
| Fuel Cost Adjustment | | $ 22,162 | $ - | $ 277,000 |
| Solar Sales | 4,728 | 19,214 | 17,050 | 17,820 |
| Street Lighting Revenue | 789,095 | 837,453 | 893,970 | 865,710 |
| SPP Market Sales | | 23,735,296 | 15,879,000 | 18,645,000 |
| Wholesale Sales | 18,833,636 | 2,707,539 | 2,790,000 | 2,749,000 |
| **TOTAL OPERATING REVENUE** | $ 54,539,409 | $ 62,662,441 | $ 57,056,520 | $ 59,038,220 |
| | | | | |
| **OPERATING EXPENSES** | | | | |
| Production: | | | | |
| Fuel | 6,904,588 | 6,597,458 | 6,363,098 | 6,559,430 |
| Other | 6,356,826 | 6,257,233 | 8,361,666 | 8,579,152 |
| Purchased Power | 13,056,773 | 31,934,582 | 26,649,000 | 29,030,000 |
| Transmission and Distribution | 2,291,506 | 1,613,065 | 2,368,615 | 2,249,676 |
| Street Lighting | 208,500 | 184,515 | 188,790 | 186,790 |
| Administration & General | | | | |
| Direct | 3,913,847 | 4,449,724 | 4,954,741 | 5,878,936 |
| Indirect | 3,545,674 | 3,650,841 | 3,388,770 | 3,508,337 |
| Cash Payments in Lieu of Taxes | 3,067,860 | 2,534,343 | 2,743,330 | 2,245,983 |
| **TOTAL OPERATING EXPENSES** | $ 39,345,574 | $ 57,221,761 | $ 55,018,010 | $ 58,238,304 |
| | | | | |
| **OPERATING INCOME BEFORE DEPREC.** | 15,193,835 | 5,440,680 | 2,038,510 | 799,916 |
| LESS - DEPRECIATION | 5,412,864 | 5,693,616 | 4,793,650 | 4,793,200 |
| Non Utility Plant Depreciation Expense | 609,936 | 609,936 | 609,930 | 616,880 |
| **OPERATING INCOME (LOSS)** | $ 9,171,035 | $ (862,872) | $ (3,365,070) | $ (4,610,164) |
| | | | | |
| **ADDITIONS TO INCOME** | | | | |
| Interest | 76,355 | 197,084 | 1,535,630 | 750,000 |
| Electrical Jobbing Sales | 114,520 | 86,973 | 176,120 | 110,000 |
| Reimbursement from PPGA | 5,849,664 | 5,932,198 | 6,152,430 | 6,450,000 |
| Wheeling | 16,130 | 12,178 | 9,870 | 12,000 |
| Other | 455,285 | 467,089 | 468,730 | 451,000 |
| Participation & Capacity Agreements | 716,662 | 665,627 | 1,301,875 | 2,100,000 |
| Coal Sales (Ethanol) | 4,460,538 | 4,909,447 | 4,665,000 | 4,754,000 |
| **TOTAL ADDITIONS TO INCOME** | $ 11,689,154 | $ 12,270,595 | $ 14,309,655 | $ 14,627,000 |
| | | | | |
| **DEDUCTIONS FROM INCOME** | | | | |
| Cost of Electrical Jobbing | 212,483 | 245,213 | 342,286 | 258,150 |
| Cost of Services to PPGA | 5,849,664 | 5,932,198 | 6,152,430 | 6,450,000 |
| Coal Cost (Ethanol) | 2,832,746 | 3,105,835 | 3,072,000 | 3,148,000 |
| **TOTAL DEDUCTIONS FROM INCOME** | $ 8,894,893 | $ 9,283,245 | $ 9,566,716 | $ 9,856,150 |
| | | | | |
| **INC. (LOSS) Before Contrib. In Aid of Const.** | 11,965,295 | 2,124,478 | 1,377,869 | 160,686 |
| Contribution in Aid of Construction | 327,969 | 202,503 | 56,210 | 100,000 |
| **ACCRUAL NET INCOME (LOSS)** | $ 12,293,264 | $ 2,326,981 | $ 1,434,079 | $ 260,686 |
| | | | | |
| Add Depreciation | 6,022,800 | 6,303,552 | | |
| Add Interest & Amortization | - | - | | |
| Change in Accruals | 7,934,228 | (646,773) | | |
| Less Capital Improvements | (7,352,343) | (4,564,247) | (12,730,554) | (33,066,034) |
| Less Debt Service | - | - | | |
| **CASH NET INCOME (LOSS)** | $ 18,897,949 | $ 3,419,513 | $ (11,296,475) | $ (32,805,348) |

HASTINGS UTILITIES

# Electric Dept Highlights

- Renewable strategy continues with solar farm expansion
- Units 4 and 5 anticipated to bring around $1.5M in capacity revenue starting FY2024
- Recent operational successes: running <u>*all five*</u> production plants at once
- Infrastructure support for Heartwell Renewables
  - Expansion supports HU reliability
- Contribution in Aid of Construction: Includes Hwy 6, Solar Farm, and Flowserve

HASTINGS UTILITIES

# Electric Dept Highlights cont.

- Electric Production had projects deferred from the IRP study completed in 2020, but have been revived with WEC1’s recent profitability
  - Some of these projects include: Coal pulverizer parts, coal piping replacements, and boiler tube replacement; those total about $440k
- Electric Distribution continues success with the tree trimming work totaling around $500k
  - Proactive tree trimming can reduce electrical outages

# Critical Capital Planning – Combined Depts

| | *NEW BUDGET* |
|---|---|
| GAS DEPT | $1.424M |
| Water Dept | $6.215M |
| • ASR Additions | $660K |
| • New Mains & Developer Projects | $2.1M |
| • Main Replacement Program | $2.61M |
| Pollution Control Dept | $5.612M |
| Activate Sludge Basin | $2.5M |
| • Anaerobic Digester Upgrade | $160K |
| • Sewer Main and Manhole Improvements | $100K |

## CITY OF HASTINGS - UTILITIES
## COMBINED UTILITIES FUND - GAS DEPARTMENT BUDGET - FORECAST
## FISCAL YEAR ENDING 9-30-24

| | 9/30/2024 BUDGETED | 9/30/2025 FORECAST | 9/30/2026 FORECAST | 9/30/2027 FORECAST |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Operating | 7,919,350 | 8,497,463 | 9,117,778 | 9,783,376 |
| PGA | 2,400,000 | 2,400,000 | 2,400,000 | 2,400,000 |
| Supplemental Rate Increase | - | - | - | - |
| **Total Operating Revenue** | **10,319,350** | **10,897,463** | **11,517,778** | **12,183,376** |
| Contribution in Aid of Construction | - | - | 604,000 | 200,000 |
| Interest and Other | 208,548 | 210,633 | 212,739 | 214,866 |
| **Total Revenues** | 10,527,898 | 11,108,096 | 12,334,517 | 12,598,242 |
| **Expenditures:** | | | | |
| **Operating Expenses** | **10,514,468** | **10,829,902** | **11,154,799** | **11,489,443** |
| Capital Improvements | 1,139,188 | 1,562,236 | 1,157,140 | 744,720 |
| Other | 50,000 | 51,500 | 53,045 | 54,636 |
| **Total Expenditures** | 11,703,656 | 12,443,638 | 12,364,984 | 12,288,799 |
| | 11,988,453 | | | |
| **Subtotal: Revenues Less Expenditures** | (1,175,758) | (1,335,542) | (30,467) | 309,443 |
| Accrual Reconciliation | - | - | - | - |
| **Increase or (Dec.) in Unencumbered Cash** | (1,175,758) | (1,335,542) | (30,467) | 309,443 |
| Cash & Investments Balance Beginning of Year | 9,282,494 | 8,106,736 | 6,771,194 | 6,740,726 |
| **Cash & Investments Balance End of Year** | 8,106,736 | 6,771,194 | 6,740,726 | 7,050,169 |
| **Gas Fund:** | | | | |
| Unencumbered Cash | 3,246,970 | 1,805,345 | 1,859,505 | 1,915,290 |
| Rate Stabilization | 2,814,766 | 2,920,849 | 2,836,221 | 3,089,879 |
| Economic Development | 1,513,000 | 1,513,000 | 1,513,000 | 1,513,000 |
| Health Insurance Claims | | | | |
| Insurance | 532,000 | 532,000 | 532,000 | 532,000 |
| **Cash & Investments Balance End of Year** | 8,106,736 | 6,771,194 | 6,740,726 | 7,050,169 |

**CITY OF HASTINGS - UTILITIES**
**COMBINED UTILITIES FUND - GAS DEPARTMENT BUDGET - ACCRUAL**
**FISCAL YEAR ENDING 9-30-24**

| | 9/30/21 ACTUAL | 9/30/22 ACTUAL | 9/30/23 FORECAST | 9/30/24 BUDGETED |
|---|---|---|---|---|
| Operating Revenue | 10,359,023.00 | 6,724,295.14 | $ 8,236,000 | $ 7,450,000 |
| PGA | - | 2,743,649.61 | $ 4,600,000 | $ 2,400,000 |
| Projected Increase Rate Revenue | | | | $ 469,350 |
| **TOTAL OPERATING REVENUE** | 10,359,023.00 | 9,467,944.75 | $ 12,836,000 | $ 10,319,350 |
| | | | | |
| **OPERATING EXPENSES** | | | | |
| Production: | | | | |
| Natural Gas Purchased | 11,889,804.53 | 6,622,610.24 | 8,658,156 | 6,325,000 |
| Gas Sold for Elec Generation | (1,650,348.11) | (317,099.34) | (160,000) | (196,000) |
| Peak Shaving Plant Expense | 149,219.40 | 59,744.18 | 210,000 | 83,000 |
| Distribution Expense | 1,171,400.24 | 1,152,720.20 | 1,212,173 | 1,352,959 |
| Administrative & General | | | | |
| Direct | 867,056.15 | 1,007,963.01 | 1,355,697 | 1,457,502 |
| Indirect | 751,893.15 | 794,148.26 | 790,434 | 797,349 |
| Cash Payment in Lieu of Taxes | 425,313.00 | 378,718.00 | 398,780 | 424,000 |
| Transfer to General Fund Resolution 1344 | 292,972.00 | 239,476.00 | 240,000 | 270,658 |
| Intra-City Services Fund | 76,144.81 | 25,625.19 | 4,600 | - |
| **TOTAL OPERATING EXPENSES** | 13,973,455.17 | 9,963,905.74 | $ 12,709,840 | $ 10,514,468 |
| | | | | |
| **OPERATING INCOME BEFORE DEPREC.** | (3,614,432.17) | (495,960.99) | $ 126,160 | $ (195,118) |
| LESS - DEPRECIATION | 1,513,248.00 | 1,662,045.00 | 991,820 | 993,972 |
| **OPERATING INCOME** | (5,127,680.17) | (2,158,005.99) | $ (865,660) | $ (1,189,090) |
| | | | | |
| **ADDITIONS TO INCOME** | | | | |
| Gas Jobbing Sales | 19,497.97 | 20,416.45 | 40,000 | 30,000 |
| Interest Income | - | - | - | - |
| Other | 1,022,103.25 | - | - | - |
| Allocation of Engin. Dept. Revenue | 61,401.03 | 102,549.34 | 320,910 | 178,548 |
| Allocation of Administration Dept. Revenue | 36,381.17 | - | - | - |
| **TOTAL ADDITIONS TO INCOME** | 1,139,383.42 | 122,965.79 | $ 360,910 | $ 208,548 |
| | | | | |
| **DEDUCTIONS FROM INCOME** | | | | |
| Cost of Gas Jobbing Sales | 72,444.58 | 56,594.68 | 25,000 | 50,000 |
| **TOTAL DEDUCTIONS FROM INCOME** | 72,444.58 | 56,594.68 | $ 25,000 | $ 50,000 |
| | | | | |
| **INC. (LOSS) before Contrib. in Aid of Const.** | (4,060,741.33) | (2,091,634.88) | (529,750) | (1,030,542) |
| Contribution in Aid of Construction | - | - | - | - |
| **ACCRUAL NET INCOME (LOSS)** | (4,060,741.33) | (2,091,634.88) | $ (529,750) | $ (1,030,542) |
| | | | | |
| Add Depreciation | 1,513,248.00 | 1,662,045.00 | 991,820 | 993,972 |
| Add Interest & Amortization | - | - | | |
| Rate Stabilization funds used | | - | (2,000,000) | (1,000,000) |
| Change in Accruals | (3,290,403.00) | 2,456,492.00 | | |
| Debt Borrowing | - | - | | |
| Less Capital Improvements | (879,129.00) | (1,320,748.00) | (1,086,441) | (1,423,985) |
| Less Debt Service | - | - | | |
| **CASH NET INCOME (LOSS)** | (6,717,025.33) | 706,154.12 | $ (2,624,371) | $ (2,460,555) |

# Gas Dept Highlights

- Gas purchases have decreased in cost by greater than 25%
  - Continue to look for ways to optimize purchased gas costs. Utilize Contracted Gas, Pre-pay Gas, Spot Gas, etc.
- Increase in Propane Peak Shaving Plant Operation has increased the need for more scheduled training and O&M.
- Full time effort to troubleshoot full gas cathodic system this year. Re-defining zones and set maintenance schedules moving forward.
- FY23-24 budget will include a three-year plan to replace regulator under Operation of Reg Station expense



HASTINGS UTILITIES

## CITY OF HASTINGS - UTILITIES
## COMBINED UTILITIES FUND - WATER DEPARTMENT BUDGET - FORECAST
## FISCAL YEAR ENDING 9-30-24

| | 9/30/2024 BUDGETED | 9/30/2025 FORECAST | 9/30/2026 FORECAST | 9/30/2027 FORECAST |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Operating | 7,802,550 | 8,270,703 | 8,766,945 | 8,854,614 |
| Infrastructure Fee | 573,000 | 603,000 | 633,000 | |
| Supplemental Rate Increase | - | - | - | - |
| Industrial Potential Growth | | 500,000 | 500,000 | 500,000 |
| **Total Operating Revenue** | **8,375,550** | **9,373,703** | **9,899,945** | **9,354,614** |
| Contribution in Aid of Construction | 363,900 | 781,900 | 1,580,900 | 1,121,900 |
| Interest and Other | 193,752 | 195,690 | 197,647 | 199,623 |
| **Total Revenues** | 8,933,202 | 10,351,293 | 11,678,492 | 10,676,137 |
| **Expenditures:** | | | | |
| **Operating Expenses** | **5,721,486** | **5,893,131** | **6,069,925** | **6,252,023** |
| Capital Improvements | 5,630,091 | 4,404,352 | 2,888,080 | 2,603,340 |
| Debt service- SRF loan | 178,785 | 176,000 | 174,000 | 172,000 |
| Other | 30,000 | 30,900 | 31,827 | 32,782 |
| **Total Expenditures** | 11,560,362 | 10,504,383 | 9,163,832 | 9,060,145 |
| **Subtotal: Revenues Less Expenditures** | (2,627,160) | (153,090) | 2,514,660 | 1,615,992 |
| Accrual Reconciliation | - | - | - | - |
| **Increase or (Dec.) in Unencumbered Cash** | (2,627,160) | (153,090) | 2,514,660 | 1,615,992 |
| Cash & Investments Balance Beginning of Year | 2,496,582 | (130,578) | (283,668) | 2,230,992 |
| **Cash & Investments Balance End of Year** | (130,578) | (283,668) | 2,230,992 | 3,846,984 |
| Unencumbered Cash | (976,383) | (1,129,473) | 1,011,856 | 1,042,212 |
| Rate Stabilization | - | - | 373,331 | 1,958,967 |
| Insurance | 302,000 | 302,000 | 302,000 | 302,000 |
| Customer Deposits | 543,805 | 543,805 | 543,805 | 543,805 |
| **Cash & Investments Balance End of Year** | (130,578) | (283,668) | 2,230,992 | 3,846,984 |

**CITY OF HASTINGS - UTILITIES**
**COMBINED UTILITIES FUND - WATER DEPARTMENT BUDGET - ACCRUAL**
**FISCAL YEAR ENDING 9-30-24**

| | 9/30/21 ACTUAL | 9/30/22 ACTUAL | 9/30/23 FORECAST | 9/30/24 BUDGETED |
|---|---|---|---|---|
| **OPERATING REVENUE** | | | | |
| Operating Revenue | 7,141,727.00 | 7,533,986.25 | $ 7,327,000 | $ 7,431,000 |
| Infrastructure Fee | - | - | $ 287,000 | $ 573,000 |
| Projected Increase Rate Revenue | | | | $ 371,550 |
| **TOTAL OPERATING REVENUE** | 7,141,727.00 | 7,533,986.25 | $ 7,614,000 | $ 8,375,550 |
| **OPERATING EXPENSE** | | | | |
| Production: | | | | |
| Purchased Power | 504,884.08 | 522,162.24 | 550,000 | 516,000 |
| Other | 376,763.62 | 222,046.11 | 320,000 | 315,000 |
| Aquifer Storage and Restoration | 775,503.50 | 675,402.98 | 776,000 | 815,000 |
| Transmission & Distribution | 901,950.98 | 1,059,046.39 | 1,162,000 | 1,201,719 |
| Administrative & General | | | | |
| Direct | 840,377.45 | 1,004,119.74 | 1,207,563 | 1,291,011 |
| Indirect | 944,546.91 | 934,804.61 | 963,099 | 981,353 |
| Cash Payment in Lieu of Taxes | 361,282.00 | 387,247.00 | 375,820 | 401,126 |
| Transfer to General Fund Resolution 1344 | 181,089.00 | 191,252.00 | 200,000 | 200,277 |
| **TOTAL OPERATING EXPENSES** | 4,886,397.54 | 4,996,081.07 | $ 5,554,482 | $ 5,721,486 |
| **OPERATING INC. BEFORE DEPREC.** | 2,255,329.46 | 2,537,905.18 | 2,059,518 | 2,654,064 |
| LESS - DEPRECIATION | 821,022.00 | 944,965.00 | 776,440 | 776,650 |
| **OPERATING INCOME** | 1,434,307.46 | 1,592,940.18 | $ 1,283,078 | $ 1,877,414 |
| **ADDITIONS TO INCOME** | | | | |
| Water Jobbing Sales | 43,646.79 | 45,783.13 | 40,000 | 40,000 |
| Reimbursement from PPGA | 726.17 | 3,606.78 | 420 | 1,000 |
| Other Income | 8,152.20 | 8,069.30 | 8,870 | 8,870 |
| Allocation of Administration Dept. Revenue | 42,144.17 | 70,387.39 | 221,230 | 143,882 |
| Allocation of Engin. Dept. Revenue | 22,065.71 | - | - | - |
| **TOTAL ADDITIONS TO INCOME** | 116,735.04 | 127,846.60 | $ 270,520 | $ 193,752 |
| **DEDUCTIONS FROM INCOME** | | | | |
| Loss on Sale of Asset | | | 70,200 | - |
| Interest Expense | 27,702.42 | 12,757.40 | 15,100 | 35,000 |
| Interest Expense - SRF Loan | - | - | 28,113 | 26,489 |
| Cost of Water Jobbing Sales | 35,979.27 | 23,982.22 | 25,000 | 30,000 |
| Cost of Services to PPGA | 726.17 | 3,606.78 | 420 | 1,000 |
| **TOTAL DEDUCTIONS TO INCOME** | 64,407.86 | 40,346.40 | $ 138,833 | $ 92,489 |
| **INCOME Before Contrib. in Aid of Const.** | 1,486,634.64 | 1,680,440.38 | $ 1,414,765 | $ 1,978,677 |
| Contribution in Aid of Construction | 744,355.37 | 68,122.43 | 70,050 | 363,900 |
| **ACCRUAL NET INCOME (LOSS)** | 2,230,990.01 | 1,748,562.81 | $ 1,484,815 | $ 2,342,577 |
| Add Depreciation | 821,022.00 | 944,965.00 | 776,440 | 776,650 |
| Add Interest & Amortization | 27,702.42 | 12,757.40 | 15,100 | 35,000 |
| Change in Accruals | (2,115,731.00) | (9,610,013.00) | | |
| Debt Borrowing | - | - | | |
| Less Capital Improvements | (1,219,046.00) | (2,411,778.00) | (3,611,862) | (6,579,520) |
| Less Debt Service | (124,749.00) | (132,814.00) | (180,084) | (178,785) |
| **CASH NET INCOME (LOSS)** | (379,811.57) | (9,448,319.79) | $ (1,515,591) | $ (3,604,078) |



HASTINGS UTILITIES

# Water Dept Highlights

- Anticipated increase in Contribution of Aid for lead replacement project
  - State loan compliance
  - Federal Infrastructure Bill Funds moved to NDEE SRF Fund
- Slight increase in ASR expense
  - Varies based off number of arrays running;
  - ASR water has made it to North Denver location = ASR is working!

HASTINGS UTILITIES

**CITY OF HASTINGS - UTILITIES**
**COMBINED UTILITIES FUND - POLLUTION CONTROL DEPARTMENT BUDGET - FORECAST**
**FISCAL YEAR ENDING 9-30-24**

| | 9/30/2024 BUDGETED | 9/30/2025 FORECAST | 9/30/2026 FORECAST | 9/30/2027 FORECAST |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Operating | 7,500,000 | 7,575,000 | 7,650,750 | 7,727,258 |
| Supplemental Rate Increase | - | - | - | - |
| Industrial Potential Growth | | 350,000 | 350,000 | 350,000 |
| **Total Operating Revenue** | **7,500,000** | **7,925,000** | **8,000,750** | **8,077,258** |
| Contribution in Aid of Construction | 100,000 | 160,000 | 300,000 | - |
| Interest and Other | 183,510 | 185,345 | 187,198 | 189,070 |
| **Total Revenues** | 7,783,510 | 8,270,345 | 8,487,948 | 8,266,328 |
| **Expenditures** | | | | |
| **Operating Expenses** | **4,585,057** | **4,722,609** | **4,864,287** | **5,010,216** |
| Debt Service | 690,000 | 670,000 | 650,000 | 630,000 |
| Repay Loan to Electric Fund | | - | - | - |
| Capital Improvements | 5,382,769 | 2,662,474 | 751,644 | 1,173,672 |
| Other | 153,880 | 158,496 | 163,251 | 168,149 |
| **Total Expenditures** | 10,811,706 | 8,213,579 | 6,429,182 | 6,982,037 |
| **Subtotal: Revenues Less Expenditures** | (3,028,196) | 56,766 | 2,058,766 | 1,284,291 |
| Accrual Reconciliation | - | - | - | - |
| **Increase or (Dec.) in Unencumbered Cash** | (3,028,196) | 56,766 | 2,058,766 | 1,284,291 |
| Cash & Investments Balance Beginning of Year | 3,863,820 | 835,624 | 892,391 | 2,951,157 |
| **Cash & Investments Balance End of Year** | 835,624 | 892,391 | 2,951,157 | 4,235,448 |
| Unencumbered Cash | 669,624 | 726,391 | 810,877 | 835,203 |
| Rate Stabilization | - | - | 1,974,280 | 3,234,245 |
| Insurance | 166,000 | 166,000 | 166,000 | 166,000 |
| Debt Service | - | - | - | - |
| **Cash & Investments Balance End of Year** | 835,624 | 892,391 | 2,951,157 | 4,235,448 |

**CITY OF HASTINGS - UTILITIES**
**COMBINED UTILITIES FUND - POLLUTION CONTROL DEPARTMENT BUDGET - ACCRUAL**
**FISCAL YEAR ENDING 9-30-24**

| | 9/30/21 ACTUAL | 9/30/22 ACTUAL | 9/30/23 FORECAST | 9/30/24 BUDGETED |
|---|---|---|---|---|
| **TOTAL OPERATING REVENUE** | $ 7,460,553 | $ 7,541,655 | $ 7,970,000 | $ 7,500,000 |
| **OPERATING EXPENSE** | | | | |
| Sewer Treatment Expense: | | | | |
| Purchased Power | 200,786 | 192,751 | 233,500 | 225,500 |
| Other | 1,193,680 | 1,296,506 | 1,428,000 | 1,475,000 |
| Sewer Line Expense | | 227,373 | 215,126 | 334,000 |
| Pumping Station Expense | 391,808 | 72,482 | 157,915 | 110,000 |
| Administrative & General Expense | | | | |
| Direct | 993,661 | 973,374 | 1,175,762 | 1,294,139 |
| Indirect | 797,188 | 843,938 | 832,257 | 846,418 |
| Cash Payments in Lieu of Taxes | 298,468 | 301,666 | 301,460 | 300,000 |
| **TOTAL OPERATING EXPENSES** | $ 3,875,592 | $ 3,908,089 | $ 4,344,020 | $ 4,585,057 |
| **OPERATING INC. BEFORE DEPREC.** | 3,584,961 | 3,633,566 | 3,625,980 | 2,914,943 |
| LESS - DEPRECIATION | 1,922,136 | 1,945,878 | 1,335,770 | 1,335,880 |
| **OPERATING INCOME (LOSS)** | $ 1,662,825 | $ 1,687,688 | $ 2,290,210 | $ 1,579,063 |
| **ADDITIONS TO INCOME** | | | | |
| Interest | 4,336 | 3,615 | - | - |
| Sewer Jobbing Revenue | 9,360 | 8,654 | 10,000 | 10,000 |
| Other | 25,143 | 29,102 | 35,000 | 30,000 |
| Reimbursement from PPGA | - | - | - | - |
| Allocation of Administration Dept. Revenue | 47,726 | 79,710 | 231,130 | 143,510 |
| Allocation of Eng. Dept. Revenue | 24,020 | - | - | - |
| **TOTAL ADDITIONS TO INCOME** | $ 110,585 | $ 121,080 | $ 276,130 | $ 183,510 |
| **DEDUCTIONS FROM INCOME** | | | | |
| Interest | 548,860 | 118,313 | 145,880 | 145,880 |
| Cost of Services to PPGA | - | - | - | - |
| Cost of Sewer Jobbing Sales | 5,367 | 6,130 | 8,000 | 8,000 |
| **TOTAL DEDUCTIONS FROM INCOME** | $ 554,226 | $ 124,444 | $ 153,880 | $ 153,880 |
| **INC. (LOSS) Before Contrib. in Aid of Const.** | 1,219,184 | 1,684,325 | 2,412,460 | 1,608,693 |
| Contribution in Aid of Construction | 560,561 | 47,204 | 2,440 | 100,000 |
| **ACCRUAL NET INCOME (LOSS)** | $ 1,779,745 | $ 1,731,529 | $ 2,414,900 | $ 1,708,693 |
| Add Depreciation | 1,922,136 | 1,945,878 | 1,335,770 | 1,335,880 |
| Add Interest & Amortization | | | | |
| Add Bond Refunding | | | | - |
| Change in Accruals | (3,757,092) | 595,788 | | |
| Less Capital Improvements | (1,419,844) | (1,669,602) | (4,185,850) | (5,712,461) |
| Less Debt Service | (2,670,000) | (700,000) | (710,000) | (690,000) |
| **CASH NET INCOME (LOSS)** | $ (4,145,055) | $ 1,903,593 | $ (1,145,180) | $ (3,357,888) |

# PCF/Sewer Dept Highlights

- Budget includes approx. $100k more for Sewer Line expense
  - Plan to camera (film) 1/20th of sewer system per year to develop maintenance plan
- Increase in Maintenance of Structures for repair of two large roofs (RBS & Admin) and two overhead door replacements in solids complex.

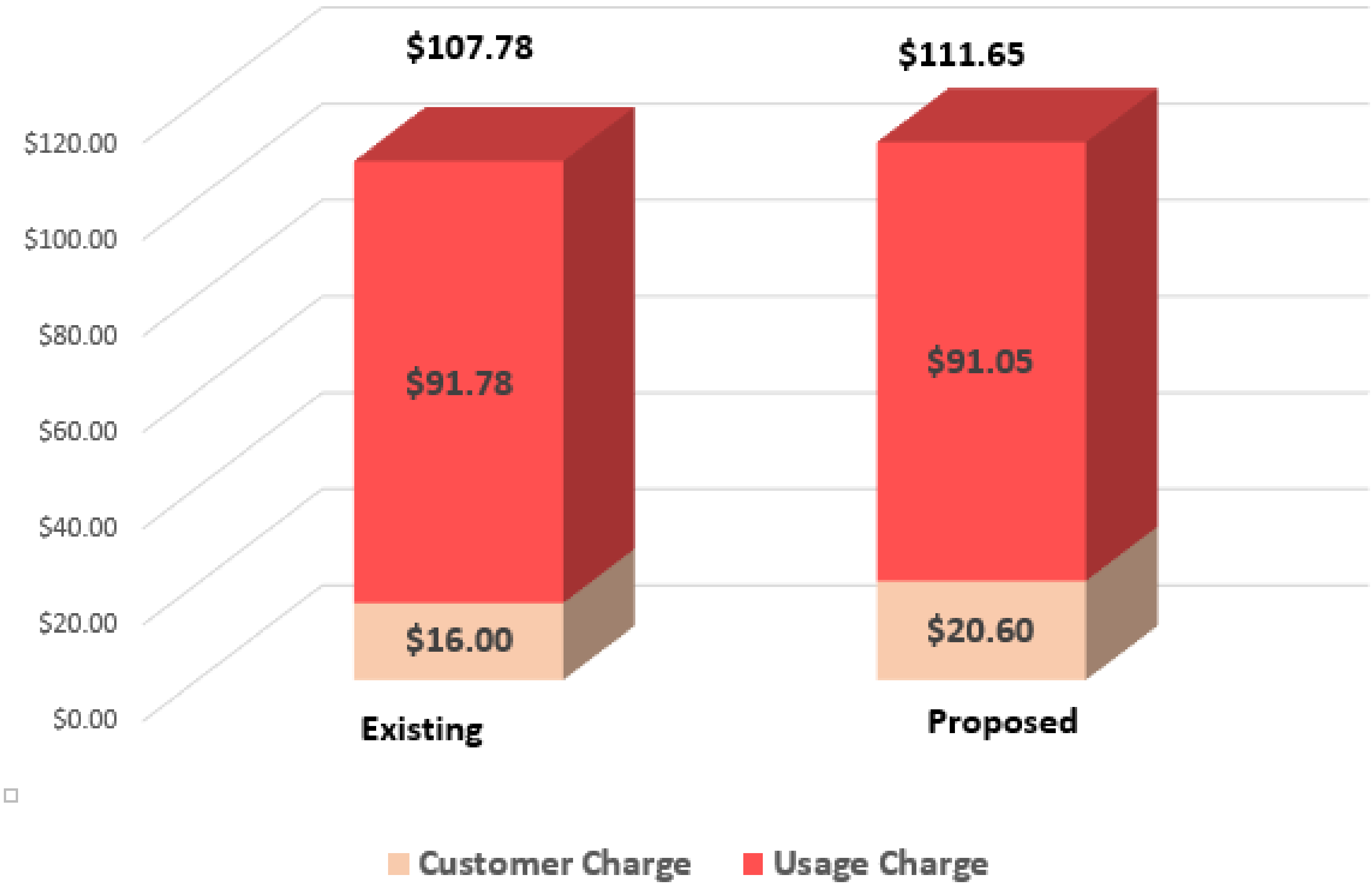
# Rate Changes Proposed

*__Utility Rate Increases Budgeted__:*

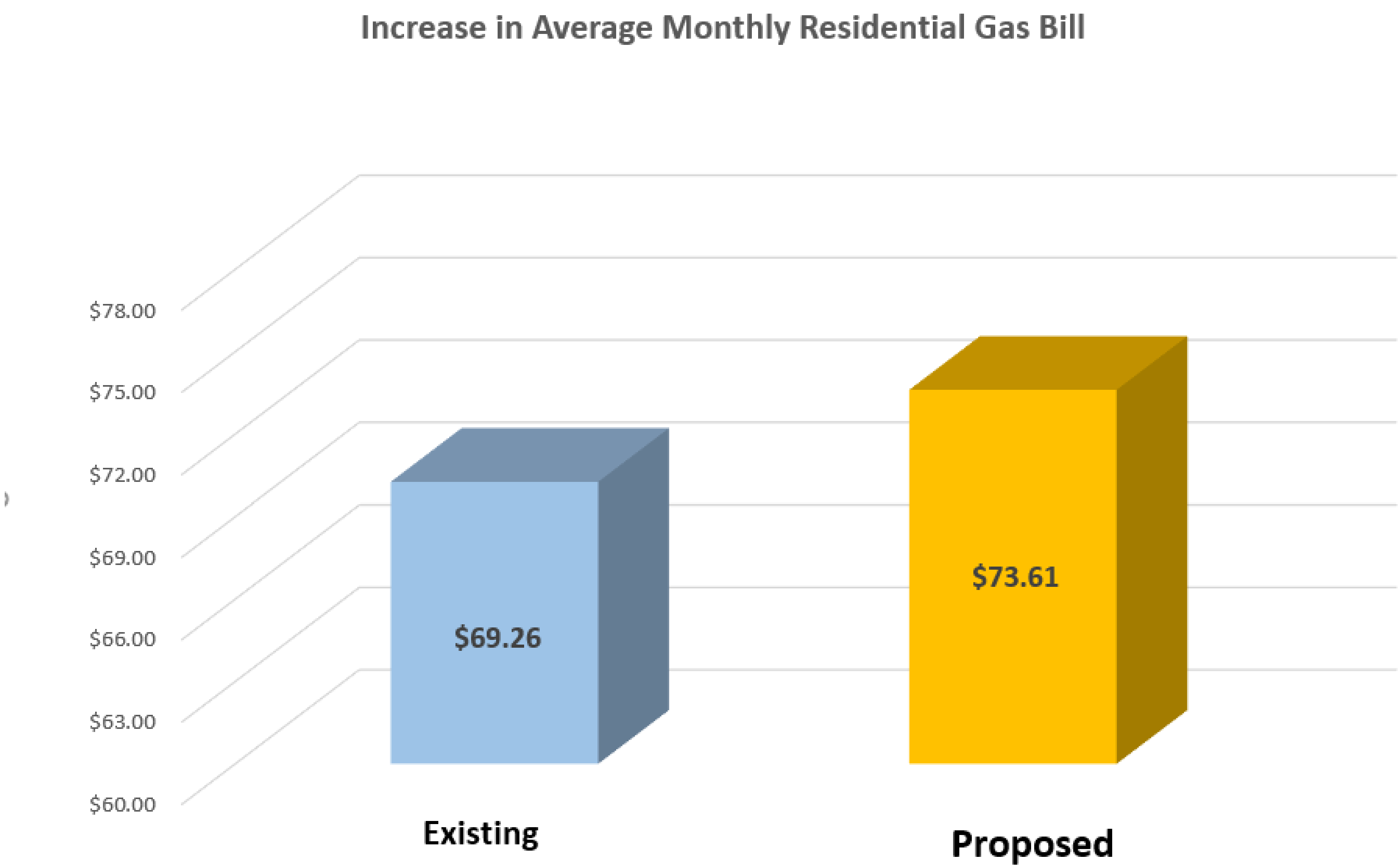
| | |
|---|---|
| *Electric ('20 COS Study)* | *1%* |
| *Electric Operations* | *3%* |
| *Gas ('23 COS Study)* | *6.3%* |
| *Water ('22 COS Study)* | *5%* |

*"Weather conditions, economic challenges including rising material and energy prices, supply chain delays, fuel prices, etc. continue to directly impacting all utility operations."*

# Increase in Average Monthly Residential Electric Bill (Summer Months)

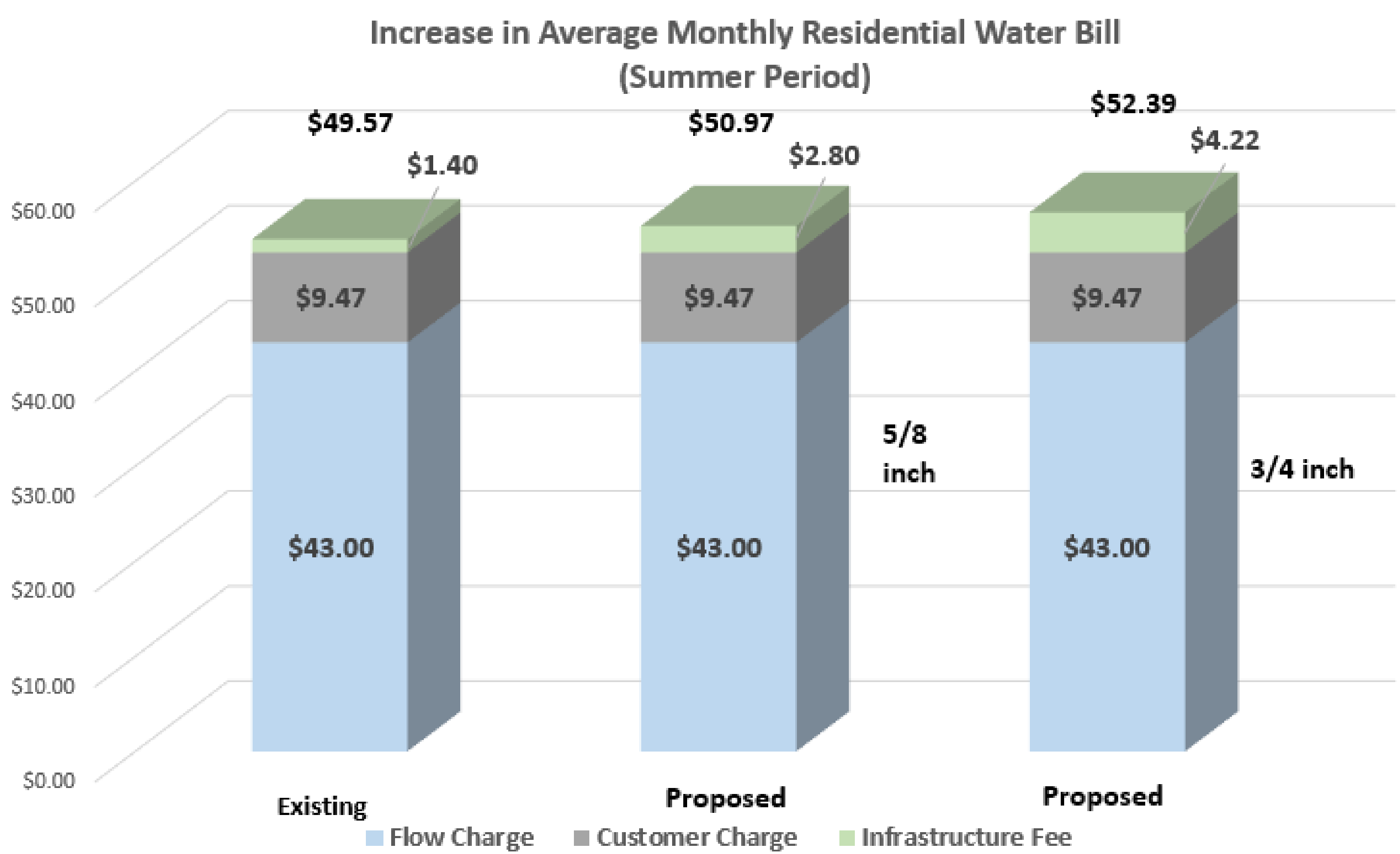



HASTINGS UTILITIES





HASTINGS UTILITIES






HASTINGS UTILITIES

# Rate Comparison

| Electric Rate Comparisons | | | |
|---|---|---|---|
| **Utility** | **500 kwh** | **1000 kwh** | **2500 kwh** |
| Lincoln | $ 55.63 | $ 92.48 | $ 191.53 |
| Grand Island | $ 56.20 | $ 92.10 | $ 189.30 |
| **Hastings** | **$ 62.40** | **$ 105.91** | **$ 216.00** |
| Beatrice | $ 61.50 | $ 99.75 | $ 210.75 |
| Omaha | $ 69.40 | $ 107.63 | $ 189.47 |
| Kearney | $ 73.49 | $ 116.16 | $ 233.07 |

| Gas Rate Comparisons | |
|---|---|
| **Utility** | **140 Therms (131 ccf)** |
| **Hastings** | **$ 131.81** |
| Fremont | $ 136.64 |
| Juniata | $ 164.93 |
| Grand Island | $ 155.79 |
| Lincoln | $ 167.48 |

| Water Rate Comparisons | |
|---|---|
| **Utility** | **6 CCF** |
| Grand Island | $ 14.41 |
| Fremont | $ 15.61 |
| Kearney | $ 20.12 |
| **Hastings** | **$ 25.17** |
| Omaha | $ 29.03 |

| Sewer Rate Comparisons | |
|---|---|
| **Utility** | **6 CCF** |
| Kearney | $ 18.91 |
| Fremont | $ 22.75 |
| **Hastings** | **$ 31.25** |
| Grand Island | $ 32.18 |
| Omaha | $ 67.09 |

# Disconnect/Reconnect Fee Change

- A Disconnect Fee will automatically be added to a customer's bill once that customer has been disconnected for non-payment; historically that fee was charged to the customer after their services were reconnected.

<u>Disconnection/Reconnection Charges – For accounts that have been disconnected for non-payment</u>

Disconnection Charges

| | | |
|---|---|---|
| 8:00 AM to 4:30 PM, Monday through Friday, except Holidays | | - $75.00 |
| | Disconnect at Pole | - $75.00 |

Reconnection Charges (will be added to the next billing cycle)

| | | |
|---|---|---|
| 8:00 AM to 4:30 PM, Monday through Friday, except Holidays | | -$0.00 |
| 4:30 PM to 10:00 PM, Mon-Fri & hours on weekends and Holidays | | |
| | Standard Reconnection | -$75.00 |
| | At the Pole Reconnection | -$125.00 |

If a trip is required to collect the past due amount, a service charge of $30.00 is required.

No reconnections will be made during the hours of 10:00 PM to 7:00 AM unless unusual circumstances warrant it and the reconnection is approved by appropriate staff. If reconnection is done during this timeframe, after hours reconnection charges will apply.

HASTINGS UTILITIES

RESILIENCE IS A CHOICE.

**Renewal for The City of Hastings**

Property Insurance Program – V2
August 24th, 2023

Kevin Doak
St. Louis Operations

Email: kevin.doak@fmglobal.com
Phone: 314 317 2878

FM Global®

# The FM Global Difference

FOR 185 YEARS, FM Global's unique business model has allowed us to deliver long-term stability to our clients, supported by excellent underwriting results and superior financial performance. We hope to demonstrate an added value to your organization through this business model, which sets us apart from other insurance companies.

- A proactive approach to managing property risk
- We believe it's better to prevent a loss than try to recover from one
- Loss prevention guided by science and engineering know-how

## Your Partner in Resilience

### Philosophy

The strength of our business model lies in our ability to successfully connect property underwriting to loss prevention engineering. Believing that the majority of all property loss is preventable, we are the only commercial property insurance company dedicated to helping clients actively reduce loss through our expertise and R&D capabilities, rather than simply finance future loss occurrences.

### Mutual Ownership

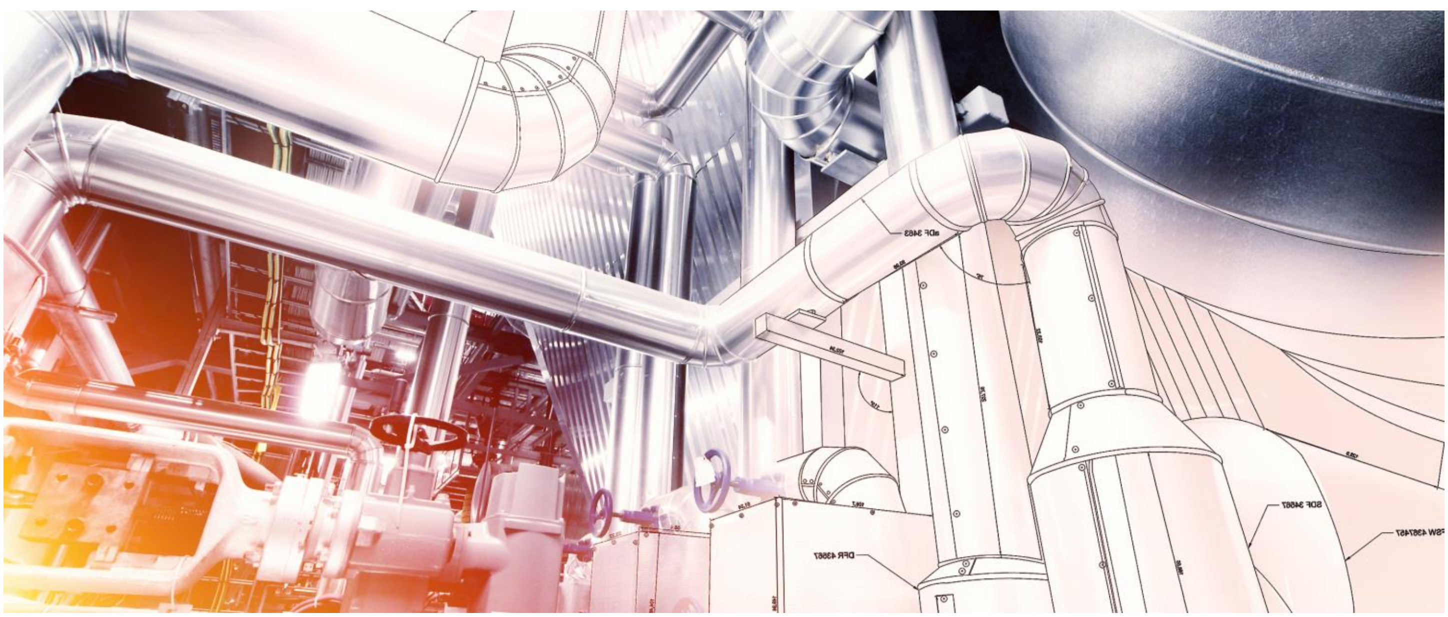
Our policyholders are our owners. Mutual ownership allows FM Global a greater independence to market volatility than the insurance industry in general, and allows us to share positive results with our clients, rather than returning profits to shareholders.

### Specialty Focus

We are committed entirely to commercial property and business interruption. This singular focus guarantees that we won't divert attention or capacity to other lines of insurance.

### Stable Capacity

Since FM Global doesn't have to answer to the financial markets on a quarterly basis, we can take a longer-term view in our reaction to market issues such as large losses. We also have the ability to take on more exposure because we are able to maintain greater volatility in our short-term results. This creates less need for reinsurance, and that difference adds to the cost efficiency and stability of your program.



# Power Generation

FM GLOBAL IS A LONGTIME PROVIDER TO THE POWER GENERATION INDUSTRY. Our commitment, presence and credibility translate into value for our clients. We insure all types of power generation facilities, regulated and unregulated. And, we help protect our clients against losses caused by environmental factors, operating conditions, age, maintenance and human error. Our world-renowned research and testing center for property loss prevention, scientific research and product testing helps us share information about loss to clients.

## What We Offer

### Commitment to the Industry

- Serving more than 150 power industry clients worldwide at 2,200 locations
- More than 20% market share in U.S.
- Average client tenure: 15 years; longest tenure: 65 years
- One of the largest industries insured by FM Global
- Dedicated power generation high-hazard team

### Loss Prevention Expertise

- Research-based engineering
- In-depth knowledge of equipment risk, including turbines, transformers and generators
- Shared fact-based solutions that dispel myths about loss
- Identification of key drivers of loss
- Annual Power Generation Risk Managers Forum

### Resilient Policy, Broad Coverage, Outstanding Claims Service

- Ample coverage for thermal, hydroelectric and renewable energy power plants, plus transmission and distribution systems
- 185 field engineers globally trained in power generation
- 30 client service teams specializing in power generation
- Dedicated power generation leadership team
- Scenario-based training for select clients
- In-house claims adjusters
- Pre-loss planning and workshops

**We need business interruption insurance. FM Global provides the capacity in a one-stop shop. We don't need a shared/layered program. FM Global can meet all of my capacity needs in one policy, and that's one of the best things they bring to the table.**

DOUG TROUPE
DIRECTOR OF RISK MANAGEMENT
TENASKA

# Financial Strength

FOR NEARLY 200 YEARS, FM Global has offered stability and security to our clients through some of the most volatile economic periods. Our financial strength has remained consistently strong as validated by the world's leading rating agencies.

**A+**

**Superior**

AM BEST

January 2023

**AA**

**Very Strong**

Fitch Ratings

January 2023

**A+**

S&P Global Ratings

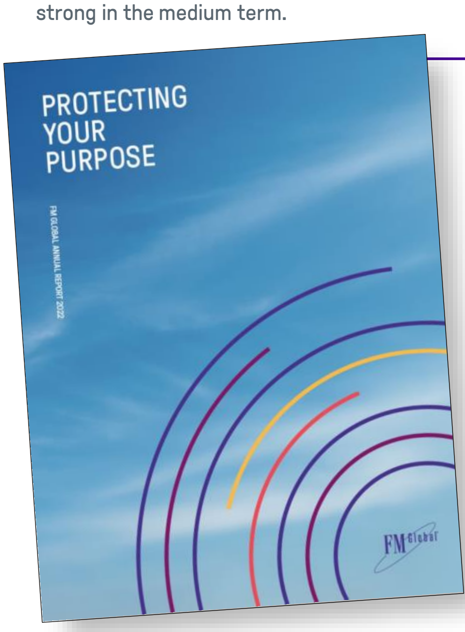
January 2023

"FM Global's balance sheet is sound, with invested assets exceeding liabilities by comfortable margins. Current and quick liquidity measures compare favorably to industry composite norms and are enhanced by strong underwriting and operating cash flows. With the implementation of higher deductibles and attachments points, as well as ongoing rate adequacy, and engineering and loss control initiatives, cash flows from underwriting and operations have remained strong since 2002. Given the group's historically strong cash flows and solid risk-based level of capitalization, FM Global is largely protected against the need to liquidate any investments at a loss in order to meet its cash needs. AM Best expects cash flows from operations to remain strong in the medium term.

Fitch's ratings affirmation "reflects FM Global's long-term underwriting profitability, very strong capitalization and competitive advantages derived from the company's engineering expertise and global presence in specialty commercial property insurance markets, as well as benefits drawn from the company's mutual company status."

S&P declares FM Global the "world's largest commercial property insurer and [a] formidable leader in specialized engineering-based property underwriting and research." It spotlights the company's "highly valued customized loss prevention solutions complementing large commercial property products" and "strong long-term underwriting performance."

**Access each ratings report:**




| $9.2B | $19.6B |
|---|---|
| Gross Premium Earned | Policyholder Surplus |
| $5.5B | $32.2B |
| Net Earned Premium | Total Assets |

**Read the 2022 Annual Report:**

# Membership Credit

## US$5.2 Billion

**returned to Policyholders**

**That's an average 12% of premium. And, credit increases with tenure.**

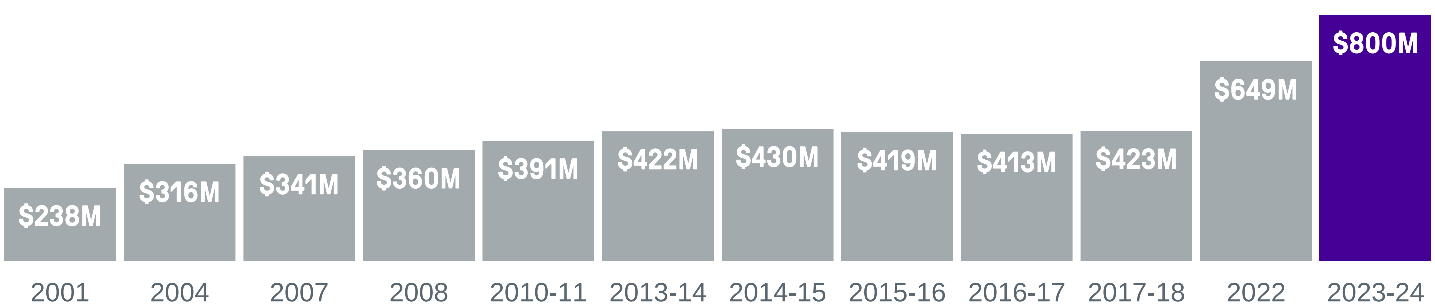
**Less than 5 years**
**5%**
16% of clients

**5-19 years**
**10%**
35% of clients

**20+ years**
**15%**
49% of clients

**The City of Hastings's Membership Credit is $101,698**

### Membership Credit through the years:



# Policy Updates

## Changes to Existing Coverage

**Sanctions and Cyberattack language being added to all policies**

Recent events have increased the awareness and concern over property policy language addressing sanctions and cyber war. Policy language has been updated and will be reflected in your renewal policy.

Sanctions on the Donetsk and Luhansk Peoples Republics in Ukraine and Russia have created heightened focus on how sanctions impact insurance contracts. Despite the fact that policy language or coverage in conflict with a sanction renders those areas of the policy illegal and therefore invalid, there has been a growing insistence, particularly in the reinsurance marketplace, on inserting specific sanctions language into insurance contracts. There have been many instances where insurance/reinsurance capacity has been withdrawn or is unavailable solely due to the absence of sanctions wording, and these instances are becoming more the norm. In light of this increasing focus by the marketplace on sanctions wording, FM Global will now be including sanctions wording in all policies.

With respect to cyber war, the ever-evolving nature of cyber risk and methods of carrying out cyberattacks have led to concern in the marketplace over the application of customary war exclusions to cyberattacks. Markets, particularly when acting in a reinsurance capacity, are pursuing specific language dealing with cyber war. FM Global will now be including specific cyberattack wording in all policies as affirmation of our ongoing intent.

Below is an excerpt of the wording that will be added to your October 1st, 2023 renewal policy and all other policies issued by or on behalf of FM Global. The added language reiterates how sanctions and cyberattack have, and will continue to, impact cover under your policy.

**EXCLUSIONS item B in the PROPERTY DAMAGE section:**

**EXCLUSIONS**
In addition to the exclusions elsewhere ...

**B. This Policy excludes loss or damage directly or indirectly caused by or resulting from any of the following regardless of any other cause or event, whether or not insured under this Policy, contributing concurrently or in any other sequence to the loss...**

2) a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by any:
(i) government or sovereign power (de jure or de facto);
(ii) military, naval or air force; or
(iii) agent or authority of any party specified in i or ii above.

b) hostile or warlike cyberattack in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected cyberattack by any:
(i) government or sovereign power (de jure or de facto);
(ii) military, naval or air force; or
(iii) agent or authority of any party specified in i or ii above.

...
[Note: references to these clauses will be updated as applicable]

**New clause in the GENERAL PROVISIONS section:**

**SANCTIONS**
This Policy shall not provide coverage for any claim, under any provision, if coverage and payment of such claim would expose the Company to any sanctions, prohibitions or restrictions under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

# Policy Updates Continued

## Other Policy Changes

- As discussed at the 2022 renewal this year there will be an additional increase in the All Other Loss Deductible from 1.0M to 1.5M

- The values have been trended 5% YoY
    - Please notify FM Global of any changes (additions, sales, etc.) and we will recalculate the final values and premium accordingly

- A 1% PD Hail deductible will be placed on the policy at the 2023 renewal. This deductible will apply to all locations as all locations on the policy are located in a Very Severe Hail Zone.

# Insurance Program

### Policy Coverage and Limits of Liability

The tables below set out a summary of the essential elements of your FM Global Advantage Master Policy coverage, limits, waiting periods and deductibles.

**Program Essentials**

| | |
|---|---|
| **Name insured** | The City of Hastings |
| **Policy dates** | October 1st, 2023 – October 1st, 2024 |
| **Cancellation** | 60 days by the company except for non-payment of premium which shall be 10 days |
| **Participation** | FM Global: 100% |
| **Territory** | North America |
| **Cover** | All risks |
| **Policy limits of liability** | $450,000,000 |
| **Currency of policy** | USD |

# Insurance Program

### Policy Comparison

| | 2022 Renewal | 2023 Renewal |
|---|---|---|
| Total Insured Value | USD 438,158,485 | USD 460,066,409 |
| Policy Limit | USD 450,000,000 | USD 450,000,000 |
| All Other Loss Deductible | USD 1,000,000 | USD 1,500,000 |

### Pricing Details

| | 2022 Renewal | 2022 Expiring (No credits shown) | 2023 |
|---|---|---|---|
| Total Annual Premium | **USD 649,306** | **USD 649,306** | **USD 681,771** |
| United States Terrorism (TRIA) **Optional, bought in 2022* | **USD 28,679** | **USD 28,679** | **USD 30,113** |
| Membership Credit | ***(USD 92,844)*** | - | ***(USD 101,698)*** |
| Resilience Credit | ***(USD 20,948)*** | - | ***(USD 33,899)*** |
| **TOTAL ANNUAL PREMIUM** | **USD 554,194** | **USD 677,985** | **USD 576,287** |

### Notes

- A change in insured values prior to inception of cover will result in an associated premium change.
- The resilience and membership credits will be shown as a deduction from the annual premium on the invoice.
- The premium includes our risk engineering services.
- Premiums shown are net annual premiums due and are exclusive of applicable taxes, commissions, surcharges and brokerage.
- Quote valid until October 1st, 2023, subject to no known or reported losses.

# TRIA Disclosure

Please sign the policy holder disclosure notice of terrorism insurance coverage form with your choice and return to FM Global **before** your renewal date.

**POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

Insured Name: The City of Hastings
Account Number: 05249
Date: October 1st, 2023
Insurer Name: Factory Mutual Insurance Company

The Terrorism Risk Insurance Act of 2002, as amended and extended, gives you the right as part of your property insurance program to elect or reject insurance coverage for property within the United States or any territory or possession of the United States for losses arising out of acts of terrorism, as defined and certified in accordance with the provisions of the act.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. UNDER THIS FORMULA, THE UNITED STATES GOVERNMENT GENERALLY PAYS 80% OF COVERED TERRORISM LOSSES EXCEEDING A STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURER REFERENCED ABOVE. **ALSO, THERE IS A $100,000,000,000 CAP ON THE FEDERAL AND INSURER SHARE OF LIABILITY STATING THAT IF THE AGGREGATE INSURED LOSSES EXCEED $100,000,000,000 DURING ANY CALENDAR YEAR, NEITHER THE UNITED STATES GOVERNMENT NOR ANY INSURER THAT HAS MET ITS INSURER DEDUCTIBLE SHALL MAKE PAYMENT OR BE LIABLE FOR ANY PORTION OF THE AMOUNT OF SUCH LOSSES THAT EXCEED $100,000,000,000.** THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

**ACCEPTANCE OR REJECTION OF TERRORISM INSURANCE COVERAGE:** UNDER FEDERAL LAW, YOU HAVE THE RIGHT TO ACCEPT OR REJECT THIS OFFER OF COVERAGE FOR TERRORIST ACTS COVERED BY THE ACT AS PART OF YOUR RENEWAL POLICY. IF WE DO NOT RECEIVE THIS SIGNED DISCLOSURE FORM PRIOR TO THE RENEWAL POLICY EFFECTIVE DATE OF October 1st, 2023 ,THEN YOUR PROPERTY INSURANCE PROGRAM WILL REFLECT YOUR DECISION NOT TO PURCHASE THE TERRORISM COVERAGE PROVIDED BY THE ACT.

______________ I hereby elect to purchase coverage for terrorist acts covered by the act for an annual premium of USD 30,113 . This Premium does not include applicable taxes or surcharges.

______________ I hereby decline this offer of coverage for terrorist acts covered by the act.

____________________________________

Policyholder/Applicant Signature

____________________________________

Printed Name

____________________________________

Date

Thank you for your business

FM Global

@FMGlobal

InsurerFMGlobal

FM Global

Trusted insurance advisors

# PROPOSAL OF INSURANCE

September 1, 2023

City of Hastings Utilities

## DISCLOSURES

*This proposal contains a brief description of coverages offered and is based upon underwriting information gathered from the client. It is not a legal contract. It neither modifies nor supersedes the insuring agreements, terms, conditions and exclusions of the policies referenced, which constitute the sole agreement between the insurer and the insured. The exclusions shown in the proposal are for discussion purposes only. The policy is not necessarily limited to only those exclusions. Refer to the actual policy for all exclusions. We suggest that you carefully review your coverage limits and applicable conditions. We are pleased to assist you with your own final determination of the values you decide to insure Higher limits and/or optional coverages may be available. Specimen copies of all policies can be provided for review prior to the binding of coverage, upon request. Coverage cannot be bound or altered by voicemail, email or text and will not be effective until it is acknowledged by your licensed insurance professional.*

*FEDERAL SALE OF INSURANCE DISCLOSURE*

*This insurance product or annuity is not a deposit or other obligation of, or guaranteed by, the bank or any affiliate of the bank.*

*The insurance product or annuity is not insured by the Federal Deposit Insurance Corporation (FDIC) and with the exception of Federal Flood Insurance or Federal Crop Insurance, is not insured by any other agency of the United States, the bank, or an affiliate of the bank.*

*If this product involves investment risk, it may go down in value.*

*Our Privacy Policy is available on our website at www.fnicgroup.com//privacy-policy*

# ABOUT FNIC

We became FNIC in 2021 following the transformation of seventeen individual insurance agencies who united their brands, experiences, stories, and futures into ONE. Even as individual agencies, our core values were always aligned, reflecting our commitment to supporting our clients and communities, and fostering meaningful connections based on trust, integrity, and communication.

As we continues to grow, with office locations in Colorado, Illinois, Iowa, Nebraska, and South Dakota and over 300 employees, we remain dedicated to developing and nurturing meaningful client and carrier partnerships. We offer a comprehensive range of services to our clients while maintaining the personalized service that has made us a trusted partner for generations.

We’re more than just an insurance agency. We are a true insurance partner capable of delivering relevant insurance and risk management advice. Whether you're a small business owner or a large corporation, we have the knowledge and resources to help you navigate the complex world of insurance. At FNIC, we are committed to helping you achieve your goals.

# OUR RELATIONSHIP WITH FNBO

First National Bank of Omaha, FNBO, also affiliated with the Laurtizen Corporation, has long been a supportive and collaborative partner. FNBO’s 165-year history of tradition, community, differentiation, and approachability are synonymous with FNIC’s key guiding principles of trust, integrity, and knowledge. Our name and logo proudly highlight our relationship and signal our joint stability, breadth of knowledge, and depth of resources. The circle one icon represents all that we share in common; our people, values, family ownership, and our commitment to serving our customers.

# WHAT WE DO

We offer innovative, personalized solutions to large organizations, small businesses, families, and individuals in the areas of:

COMMERCIAL INSURANCE

EMPLOYEE BENEFITS

SURETY BONDS

FARM & CROP INSURANCE

PERSONAL INSURANCE

FNIC is more than an insurance agency; we’re a true insurance partner capable of delivering relevant insurance and risk management advice.

# PRODUCTS & SERVICES

## EMPLOYEE BENEFITS

- Group Medical Plans
  - Private Exchange
  - Health Reimbursement Accounts
  - Health Savings Accounts
  - Fully Insured
  - Self-Funding
- Basic & Supplemental Life Insurance
- Voluntary Benefits
- Short & Long-Term Disability
- Plan Document & SPD Development
- Employee Communications & Education
- Web-Based HR Portal
- Consulting Services
- Retirement Plans
- Owner-Based Planning
- Executive Benefits

## COMMERCIAL INSURANCE

- Property
  - Business Income & Extra Expense
  - Irrigation Systems
  - Livestock Mortality
- Auto
- Farm & Ranch Insurance
- Crop Insurance
- Workers' Compensation
- Domestic/Farm Workers Employers' Liability
- General Liability
- Umbrella & Excess Liability
- Professional Liability
- Directors & Officers Liability
- Employment Practices Liability
- Cyber Liability
- Pollution Liability
- Captive & Insurance Management
- Risk Management Consulting
- Risk Analysis & Risk Transfer Review
- Loss Control Services

## PERSONAL INSURANCE

- Homes & Condominiums
- Farms & Ranches
- Automobile & Recreation Vehicles
- Antique Automobiles
- Art, Furs, Collections, Jewelry
- Watercraft
- Umbrella & Personal Excess Liability
- Flood
- Earthquake

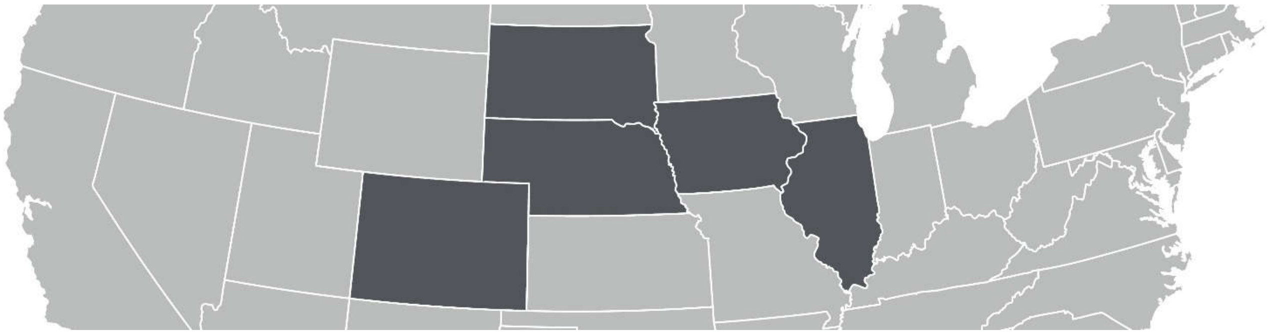
## SURETY BONDS

- Bid Bonds
- Performance Bonds
- Miscellaneous Bonds
- Financial Analysis
- Financial Presentation to Surety
- Contractor Prequalification Assistance
- Consulting Services
- Banker, Attorney & CPA Referral

*This is a summary and not all inclusive, contact us for more information.*

# LOCATIONS

Our reach extends across Nebraska, Iowa, South Dakota, Illinois, and Colorado with office locations and professionals where you need them to be.



**NEBRASKA**
124 W 3rd St
Alliance, NE 69301

1413 W 6th St
Chadron, NE 69337

620 W Main St
Alma, NE 68920

515 Minor Ave
Bertrand, NE 68927

211 Commercial St
Loomis, NE 68958

2205 N 6th St
Beatrice, NE 68310

1529 Lincoln St
Blair, NE 68008

303 S 13th St
Tekamah, NE 68061

610 N Main St
Fremont, NE 68025

102 W Main St
Bloomfield, NE 68718

25414 Park Ave
Niobrara, NE 68760

201 N Dewey St
North Platte, NE 69101

397 N 4th St
David City, NE 68632

1004 N Diers Ave, Suite 140
Grand Island, NE 68803

422 N Hastings Ave, Suite 107
Hastings, NE 68901

601 R Street, Suite 150
Lincoln, NE 68501

700 Lincoln Ave
York, NE 68467

**IOWA**
201 S Division St
Audubon, IA 50025

105 N Main St
Kimballton, IA 51543

120 N Elm St
Avoca, IA 51521

152 N Elm St
Avoca, IA 51521

1209 Broadway
Denison, IA 51442

2010 23rd St
Harlan, IA 51537

425 East St
Shelby, IA 51570

407 Howard St
Emerson, IA 51533

1609 N Broadway
Red Oak, IA 51566

1015 South Grand
Spencer, IA 51301

327 9th St
Sibley, IA 51249

868 Main St
Ocheyedan, IA 51354

**SOUTH DAKOTA**
210 N Lawler St
Mitchell, SD 57301

505 W 7th St
Woonsocket, SD 57385

**ILLINOIS**
11000 E Rt 34, Suite 1
Plano, IL 60545

613 E Church St
Sandwich, IL 60548

2112 W Algonquin Rd
Lake in the Hills, IL 60156

Rockford . DeKalb . Geneva

**COLORADO**
750 N Lincoln Ave
Loveland, CO 80537

**FNIC HEADQUARTERS**
14010 FNB Parkway, Suite 300
Omaha, NE 68154

# YOUR TEAM

We value your business, but most importantly, we will value building a relationship based on trust with you and your staff.

AGENTS

**Jeff Scanlan,** CPCU
Sr. Vice President
402-861-7136
*jeff.scanlan@fnicgroup.com*

**Mark Frantz,** ARM, CIC, CRM
First Vice President
402-861-7010
*mark.frantz@fnicgroup.com*

ACCOUNT EXECUTIVE

**Kim Gray**
Account Executive
402-861-7022
*kim.gray@fnicgroup.com*

ACCOUNT MANAGER

**Beth Ford, CIC**
Account Executive
402-861-7146
*beth.ford@fnicgroup.com*

CLAIMS REPRESENTATIVE

**Jim Glendening**
Claims Manager
402-861-7012
*jim.glendening@fnicgroup.com*

# CREDIT POLICY

Your insurance coverage is very important to you and your business. Your prompt payment of premiums due enables this valuable coverage to remain in force. Delinquent premiums subject your insurance coverage to cancellation. The following is the credit policy of FNIC:

AGENCY BILL

- All invoices are due and payable immediately. Common business courtesy requires payment be received within 15 days of the invoice date.
- Installment invoices are due on the effective date of the installment. Installment invoices are mailed approximately 25 days prior to the effective date of the installment.
- Statements will be mailed at the beginning of each month for your benefit. Please verify your open invoices against our record of your open invoices.

Please mail all payments to:

**FNIC**
**P.O. Box 3875**
**Omaha, NE 68103-0875**

DIRECT BILL

- Mail payments to your insurance carrier at the address shown on the payment notice. The finance relationship is between you and the insurance company and responsibility for timely payments rests with you. We do not follow up or contact customers for late/past due payments.

PREMIUM FINANCE PLANS

- We are glad to assist you in making premium finance arrangements with third party insurance finance organizations. However, once the finance plan is in place, you assume the responsibility for timely premium payments. We do not follow up or contact customers for late/past due payments.

AUDITS

- Audit invoices are due and payable immediately. Any issues concerning the audit must be brought to our attention within 10 days of receipt. Common business courtesy requires payment be received within 15 days of the invoice date.

**If you have any questions please contact:**

**Spencer Ryan (402) 861-7042**

**David Destache (402) 861-7165**

**Toll Free (800) 344-5624**

# Equipment Floater Policy

Named Insured: City of Hastings Utilities
Insurance Company: Federal Insurance Company
Policy Number: Renewal of 45473870
Policy Term: 10/1/2023 to 10/1/2024

**Deductibles:** $5,000 Per Item – Scheduled Equipment

**Scheduled Equipment**

| # | Year | Description | Model | ID/Serial Number | Value |
|---|---|---|---|---|---|
| 1 | 1991 | Caterpillar 824C Wheeled Coal Dozer with Blade | 824C | 85X01505 | $100,000 |
| 2 | 2005 | Caterpillar 824H Wheeled Coal Dozer | 824H | ASX00168 | $150,000 |
| 3 | 2009 | Komatsu WD600-6 Wheeled Coal Dozer | WD600-6 | 55004 | $280,000 |
| 4 | 2002 | Ag Chem Model 3104 | 3104 | 34010302 | $100,000 |
| 5 | 2010 | Komatsu WD600-6 Wheeled Coal Dozer | WD600-6 | 55009 | $283,000 |
| | | **Total Scheduled Equipment** | | | **$913,000.00** |

**Additional Coverages and/or Exclusions include, but are not limited to:**

| Description: | Limit: | Deductible: |
|---|---|---|
| Any one occurrence limit - Including Scheduled & Unscheduled Equipment | $938,000 | |
| Leased, Rented or Borrowed Contractors Equipment | $250,000 | $1,000 |
| Newly Acquired Equipment | $250,000 | $1,000 |
| Debris Removal | $150,000 | $1,000 |
| Weight Load Extension Endorsement – NEW Limit | $100,000 | $25,000 |
| Pollutant Clean Up or Removal | $50,000 | $1,000 |
| Fire department service charges | $25,000 | $1,000 |
| Inventory or appraisals | $25,000 | $1,000 |
| Rental Fees | $25,000 | $1,000 |
| Unscheduled Tools and Equipment; $2,500 Max per Item | $25,000 | $1,000 |
| Fire protective equipment | $10,000 | $1,000 |
| Cap on Terrorism Losses | | |
| Malicious Programming Exclusion Added | | |
| No Coinsurance | | |
| Replacement cost; ACV for equipment 5 years or older | | |
| Virus or Bacteria or microorganism Exclusion | | |

## Umbrella Policy

| | |
|---|---|
| Named Insured: | City of Hastings Utilities |
| Insurance Company: | Associated Electric & Gas Ins. Services |
| Policy Number: | Renewal of XL5056111P |
| Policy Term: | 10/1/2023 to 10/1/2024 |

| Limits: | Coverage Description: |
|---:|---|
| $35,000,000 | Each Occurrence |
| $70,000,000 | Annual Aggregate |
| $500,000 | Retained Limit |

**Additional Coverages and/or Exclusions include, but are not limited to:**

| Description: | Limit: |
|---|---:|
| Combined Products Liability and Completed Operations Liability Aggregate Limit of Liability | $35,000,000 |
| Failure to Supply Aggregate Limit of Liability | $35,000,000 |
| Medical Malpractice Injury Limit - Each Occurrence | $35,000,000 |
| Pollution Liability Aggregate Limit of Liability | $35,000,000 |
| Wildfire Liability Aggregate Limit of Liability | $35,000,000 |
| Automobile Liability Exclusion | |
| Claims Made Coverage | |
| Condition (H) Other Insurance (Primary and Non-Contributory with Prior Writing or Law) | |
| Coverage Endorsement - Applies to Utility Operations Only | |
| NEW - Definition (N) of Joint Venture Amendment | |
| Emergency Assistance Agreement Endorsement | |
| NEW - Employment Practices Liability Endorsement | |
| NEW - Exclusion - Captive Insurance Operations | |
| Exclusion - PFAS | |
| Exclusion (B) Property Damage - Care Custody or Control | |
| NEW - Failure to Supply Liability Amendatory Endorsement - Definition (J) and Exclusion (D) Amended | |
| NEW - Joint Entity Endorsement - Prorated Limits of Liability - Per Limit of Liability Section | |
| Joint Venture Limit of Liability - Each Occurrence | |
| Member with Voting Rights Endorsement | |
| Methyl Tertiary-Butyl Ether and Lead Exclusion | |
| Nebraska Governmental Immunity Endorsement | |
| Retroactive Date - 05/02/1986 | |
| Terrorism Endorsement | |
| Underlying limits - $500,000 each Occurrence; GL, Pollution, Employers Liability, CCC, Emergency Assistance | |

# FNIC

## Premium Summary

Named Insured: City of Hastings Utilities
Policy Term: 10/1/2023 – 10/1/2024

| Description of Coverage | Annualized Expiring Premium | Renewal Premium | Premium Difference |
|---|---|---|---|
| Property | $649,306 | $681,771 | $32,465 |
| -Terrorism | 28,679 | 30,113 | 1,434 |
| -Less Membership Credit | -92,844 | -101,698 | -8,854 |
| -Less Resilience Credit | -20,948 | -33,899 | -12,951 |
| Final Property Premium | $564,193 | $576,287 | $12,094 |
| Inland Marine including Terrorism | $3,869 | $4,058 | $189 |
| Excess Liability including Terrorism | $407,000 | $448,850 | $41,850 |
| -Less Continuity Credit | -17,072 | -17,821 | -749 |
| -Plus Surplus Lines Tax | 11,697.84 | 12,930.87 | 1,233.03 |
| Final Excess Liability Premium | $401,625.84 | $443,959.87 | $42,334.03 |
| FNIC Fee | $19,000 | $19,000 | $0 |
| **Total Estimated Premium** | **$988,687.84** | **1,043,304.87** | **$54,617.03** |

*A change in terms, conditions or premiums may occur after binding upon underwriter's receipt and review of subjectivities, or the failure to provide subjectivities on a timely basis.*

**Available Premium Payment Plans:**

Property – Direct bill per expiring pay plan with carrier.
Inland Marine – Direct Bill, annual payment
Excess Liability – Agency bill, annual payment

*We accept online payments & you can review open invoices at [https://fnicgroup.epaypolicy.com](https://fnicgroup.epaypolicy.com) using your client code HAS90854.*
*If an installment plan is selected, the insurance company may add a service charge to each installment.*
*Please provide your accounting contact email address for invoice inquiries.*

**Important Notes and Comments Regarding Quotations:**

- Property – FM Global

**Policy Comparison**

| | 2022 Renewal | 2023 Renewal |
|---|---|---|
| Total Insured Value | USD 438,158,485 | USD 460,066,409 |
| Policy Limit | USD 450,000,000 | USD 450,000,000 |
| All Other Loss Deductible | USD 1,000,000 | USD 1,500,000 |

# FNIC

- Excess Liability
  - Premium includes Terrorism per expiring. Removal of Terrorism reduces premium by $7,000.
  - New forms are noted on summary page.

Note this year's increase for Hastings specifically is attributable to the following factors:

- Trend:
We must keep pace with the loss trend brought on by the increase in claim severity, which is now coupled with inflation to ensure the account is adequately funded based on its exposures. Note that while these factors are of impact, we also acknowledge Insured as good performers that enjoy tort immunity and damage cap protections. Thus, although it is hard to quantify the value of their immunities/ protections, we still apply the largest credit available in recognition of this benefit.

Wildfire
A wildfire load is presently not being applied to Hastings. However, please note AEGIS reserves the right to evaluate this exposure at any point in time and at every renewal. Thus, a wildfire load may be implemented in the future should material changes arise with respect to this exposure, coverage, a loss, etc. or a reassessment deem the implementation prudent.

**Binding Subject To:**

- Excess – Attached signed Surplus Lines Consent form

Surplus Lines Consent Form

**Named Insured**
City of Hastings Utilities
2727 W. Second St.Hastings, NE 68901

**Policy Number**
Renewal of XL5056111P

**Insurance Company**
Associated Electric & Gas Ins. Services

**Policy Term**
10/1/2023 – 10/1/2024

In compliance with NEB. REV. STAT. Section 44-5510 (Reissue 1993), this form must be signed by the insured and returned to FNIC prior to the effective date of the policy.

> "With regard to this application for insurance, said coverage or portions thereof, may be written in an insurance company that is non-admitted in Nebraska; and in the event of the insolvency of such company, the policy will not be covered by the Nebraska Property and Liability Insurance Guaranty Association."

Date: ______________________________

By: ______________________________________________________________

______________________________________________________________

______________________________________________________________

(If insured is a corporation, partnership or other legal entity, state the name of the insured plus name and title of the individual signing the consent.)