HASTINGS UTILITY BOARD
AGENDA

Airport Conference Room - Hastings Municipal Airport
3300 W. 12th Street
July 25, 2024
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR July 25, 2024 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, July 23, 2024. 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 Conference Room. 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 June 13, 2024.

REGULAR AGENDA:

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

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

    (a) Finance

        i. 2024/2025 Utility Budget

    (b) Production

    (c) Operations

i. Water, Gas, and Sewer Pilot Discussion

(d) Administration

(e) Other

4. <u>Possible Closed Session (if necessary or requested).</u>

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, June 13, 2024

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted Airport Conference Room - Hastings Municipal Airport - 3300 W. 12th Street, on June 13, 2024.

ROLL CALL:

The meeting was called to order at 9:00 am in regular session by Bill Hitesman with the following members present: Jeanette Dewalt, Mark Hemje, Susan Meeske, Scott Snell. Kevin Johnson, Shawn Hartmann, Butch Eley, Corey Stutte, Shawn Metcalf, Jesse Oswald, Tony Herrman, Lori Hartman, Erik Nielsen, Larry Fox, Noel Nienhueser, Micah McCaffery, Bob Davis, Mark Funkey, Lee Vrooman, Karl Block, Keith Leonhardt, Jaci Higgins, Derek Zeisler, and Brandan Lubken.

PLEDGE OF ALLEGIANCE:

Bill Hitesman led the group in the recital of the Pledge of Allegiance to the United Sates of America.

MOTION TO ADOPT CURRENT AGENDA FOR June 13, 2024 REGULAR MEETING.

Moved by Dewalt and seconded by Meeske to adopt the current agenda for the June 13, 2024, Regular Meeting. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Snell. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, June 11, 2024. 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 Conference Room. 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:

Today is Kevin's last Utility Board Meeting. He has really appreciated the board and their support and help. The challenges and that you all were here for us.
Brandan discusses an issue that wasn't on the agenda, but had popped up. Well 8 that is on 12th and Crane has tested high on the nitrates. It was tested in April and was average. Tested in May and it was high. Shut the well off immediately and notified the state. On June 10th it was sampled again, and it was still testing high. The public, press, papers have been notified. We have the resources around it to be okay this summer.

BOARD CHAIRMAN'S COMMUNICATIONS:

Appreciate everything that Kevin has done for us.
Had the opportunity to go to San Diego for the APPA National conference. Bringing back some great information to hopefully discuss with the Utilities.

BOARD MEMBERS' COMMUNICATIONS:

Always a lot of good information and networking at the conference.
Thank you Kevin for all of your hard work. It has been a pleasure to work with you.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

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

   (a) Approval of the minutes of the Hastings Utility Board Meeting of May 9, 2024.

   Hemje moved, Meeske second. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Snell. Nays: None. Absent: None.
   Approved.

REGULAR AGENDA:

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

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

   (a) Finance

   i. Budget Development Status

   Larry to give an update on the budget development status.
   This year a decision was made to go with teams and work together. It has created efficiency that wasn't there in the past. Staff will be working on prioritization. Will be working on the operating and maintenance budget over the next few weeks. Electric Cost of Service study is being worked on as well.
   The week of July 15th through 19th is when we will be trying to schedule the individual meetings. July 25th is when the budget will be presented to the board.

   (b) Production

   (c) Operations

i. APPA Reliability Award Details

Jaci and Noel presented a slide describing the award that was received.
Noel also commented on how we helped a rural community after they were hit with a storm. We are part of mutual aid and communities call them when they need help.
Hastings Utilities Excellence in Reliability Award 2023
Hastings Utilities Awards
- Hastings Utilities has been awarded the Excellence in Reliability for 2021, 2022, and 2023 outage years.
- The award recognizes that Hastings Utilities is in the top quantile of utilities for average interruption duration.
- The award bases performance as compared to other Utilities not as compared to a target number.

Reliability Indices
- System Average Interruption Duration Index (SAIDI): Measures the total duration of an interruption for the average customer during a given time.
- Customer Average Interruption Duration Index (CAIDI): Measures average time to restore service.
- System Average Interruption Frequency Index (SAIFI): Measures the average number of times that a customer experiences an outage during a time period.

Applicable Critical Initiatives
•New WEC substation allows feeders 244 and 273 to be fed from either direction or split up
•Upgrades to 7th and B St substations will facilitate reduction in the number of customers on heavily loaded feeders
•AMI, GIS, and OMS all continue to expand and work together to automatically report issues and reduce restoration time
•Fiber optic upgrades improve communication within the system
Why do we care about the data sent to APPA?
•To better understand how well we are serving customers during an outage
•Ensuring we are consistent with how we record outages
•They can indicate performance of the electric system itself
  •Longer circuit (feeder) length tends to have more interruptions
  •If system changes are put in place, able to monitor the interruptions of that specific area

(d) Administration

(e) Other

i. HU Organizational Changes

Derek Reviews the new Organizational chart. When someone retires, we always evaluate the position to see if it can be spread out or if it needs a replacement. There have been a lot of transitions.
He also thanks Kevin for everything that he has brought to us.

4. <u>Possible Closed Session (if necessary or requested).</u>

ADJOURN:

Everyone gives a final word and thanks Kevin for all of his work.
Moved by Dewalt seconded by Hemje there being no further business to adjourn at 10:00 am. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Scott Snell. Nays: None. Absent: None. Meeting Adjourned.

APPROVED:

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Board Secretary

HASTINGS UTILITIES

FY 24-25 UTILITIES BUDGET PRESENTATION

July 2024

General Budget Highlights

Cost of Service discipline continues with Electric COS study near completion

No Headcount (FTE's) change for entire HU Department

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

All money owed to other departments has been transferred to the appropriate department

In 2021 and 2022, the average national inflation rate was roughly 7%. The last time that two consecutive years averaged this high was in 1980 and 1981

Utilities Dept Staffing

2024-25 Personnel Authorization Schedule

Utilities

Utilites Department - Divison	FT	PT	Total	FY23-24 Total
Electric				
Distribution, Substation, and Metering	22	2	24	23
North Denver Station	6	0	6	6
Whelan Energy Center	74	0	74	74
Electric Totals	**102**	**2**	**104**	**103**
Gas	**19**	**0**	**19**	**19**
Water	**15**	**0**	**15**	**15**
Pollution Control Facility	**11**	**0**	**11**	**11**
General Administrative				
Administration	3	1	4	4
Customer Service	10	0	10	10
Maintenance and Mechanic	1	0	1	1
Marketing and Energy Supply	4	0	4	5
Warehouse	4	0	4	4
Meter Reader	0	0	0	1
General Administrative Totals	**22**	**0**	**23**	**25**
Grand Total	**169**	**2**	**172**	**173**

Additional Staffing

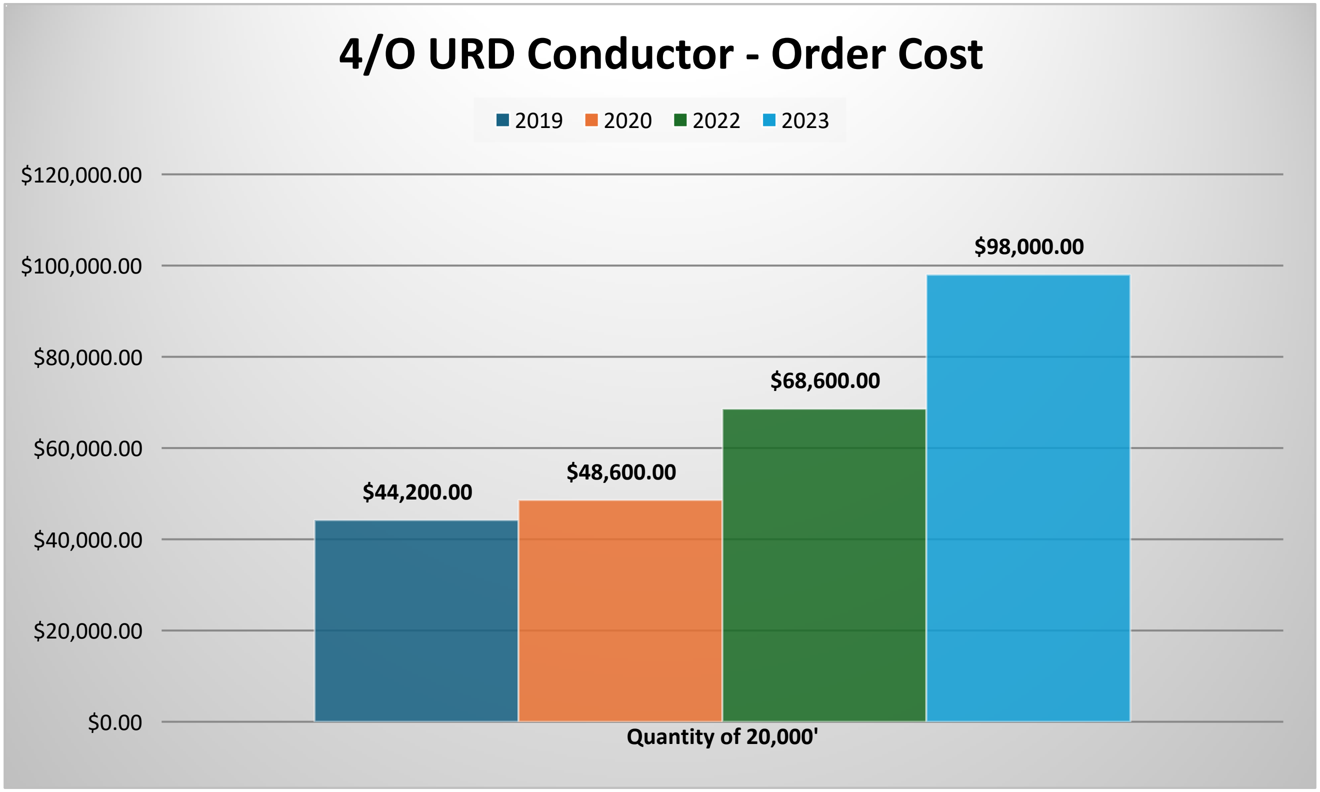
	#	% SPLIT	HUShare
ENGINEERING	23	70%	16.1
ENVIRONMENTAL ENGINEERING	4		3.5
FINANCE	9		7.5
HR	5	45%	2.3
IT	12	45%	5.4
SAFETY	2		1.0
MAINTENANCE	6		1.0
	61		**36.8**

- There is no change in headcount for utility positions
- The Utilities pays a varying portion of city department services. The Utilities is not involved in any of the hiring or supervision of those department.

Budget Assumptions

Cost of Service Study Results Utilized	*Elec, Gas, Water*
Material Inflation	*5%*
Economic Impacts Budgeted:	*Payroll ~ 8.5 %*
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 being Analyzed and Reviewed	*FY2025*
Three (3) Year Forecast Projections	*Economic Challenges*

Product Cost Comparison – Electric

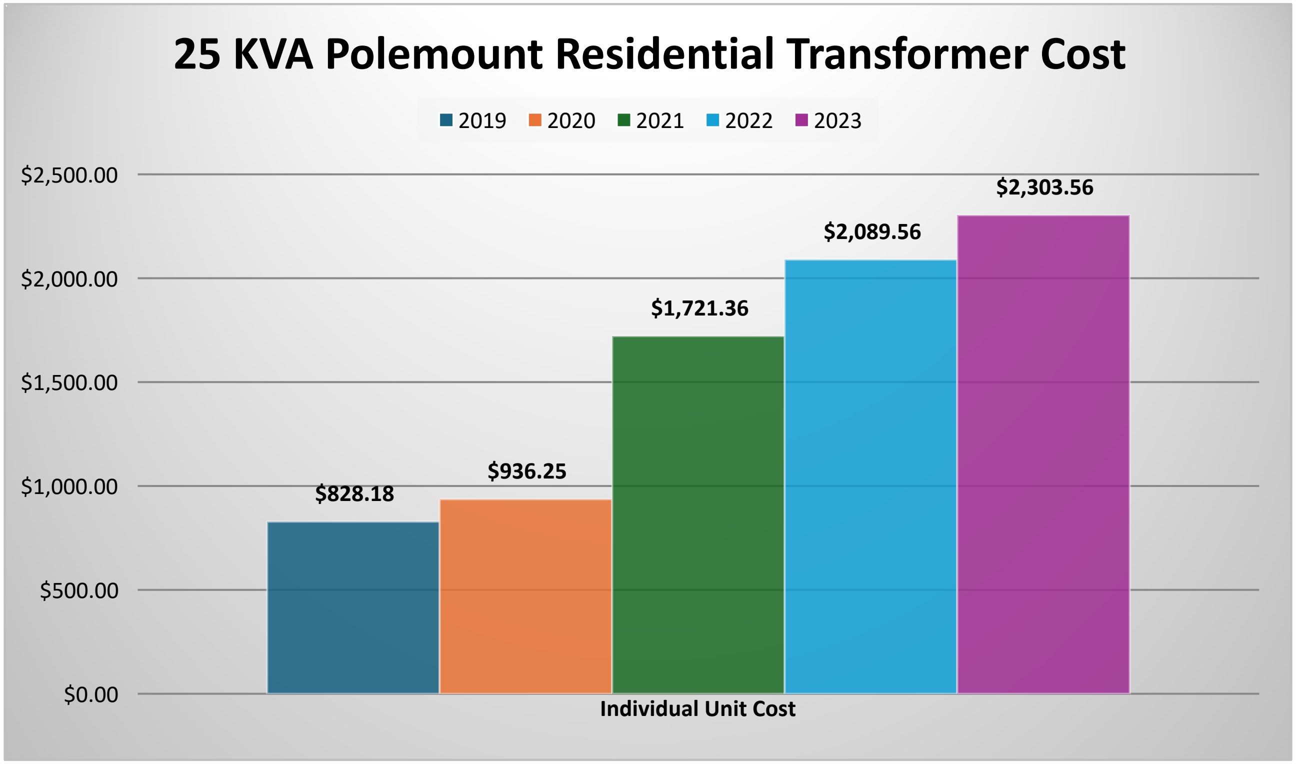


122% Increase

Product Cost Comparison – Electric

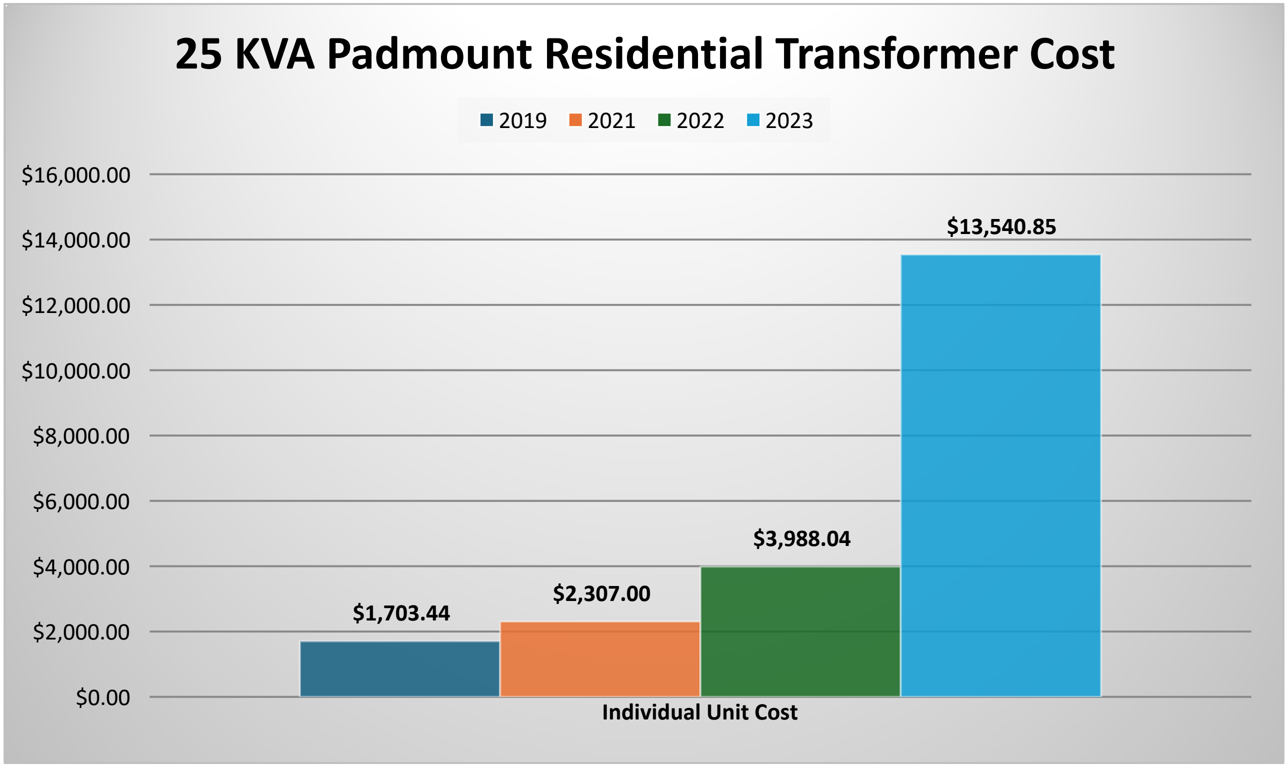
124% Increase

Product Cost Comparison – Electric



178% Increase

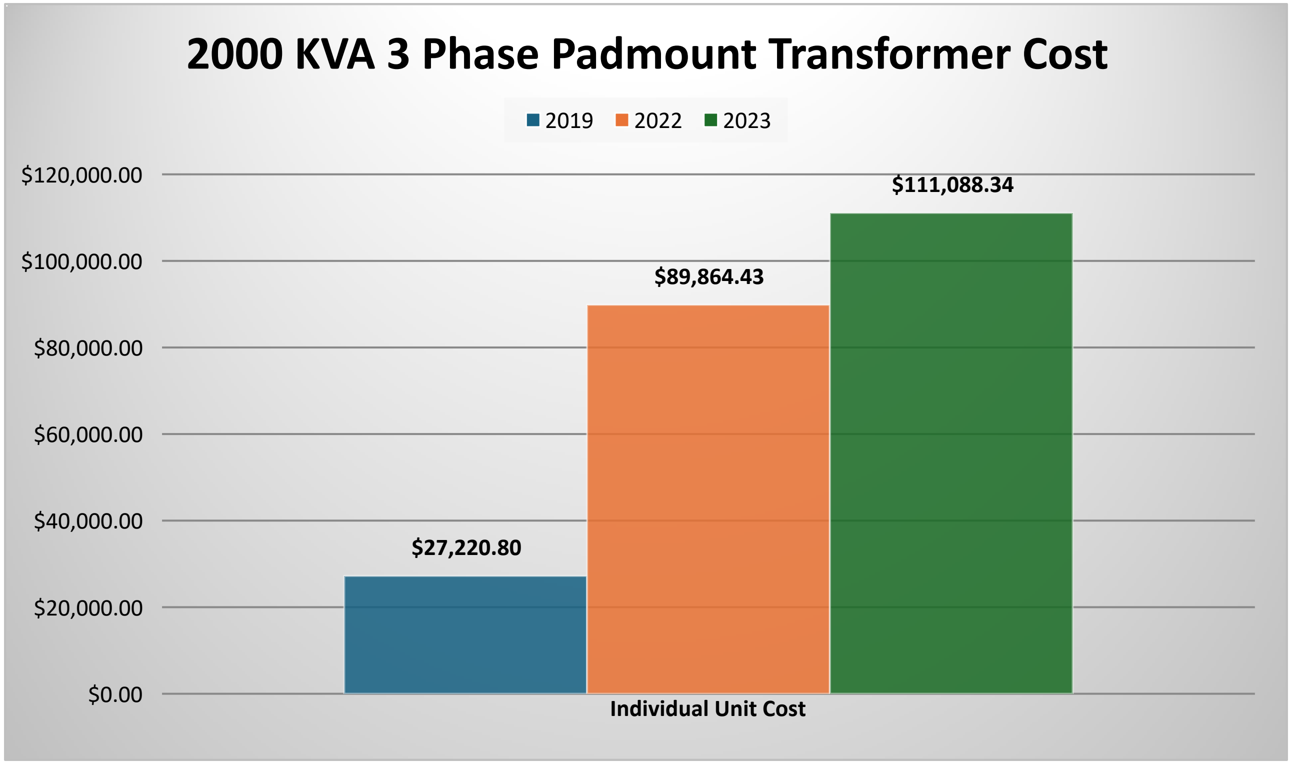
Product Cost Comparison – Electric



695% Increase

HASTINGS UTILITIES

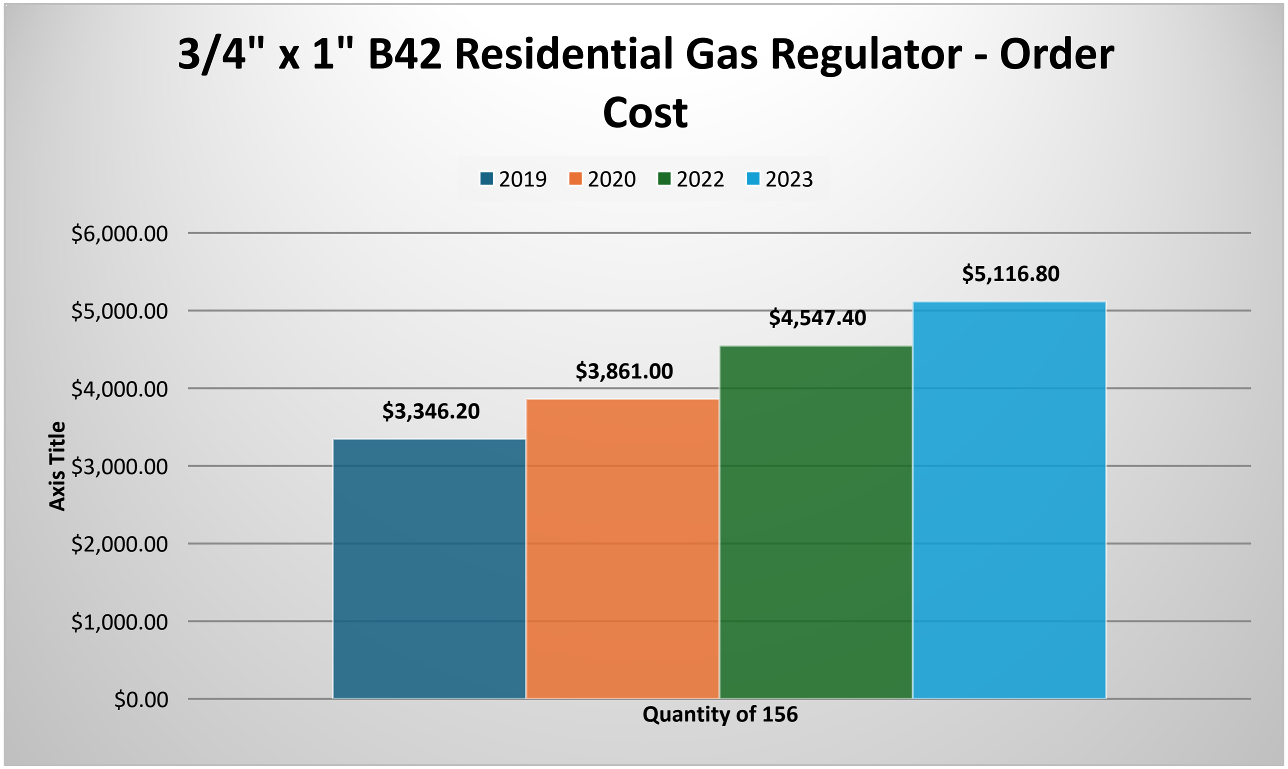
Product Cost Comparison – Electric



308% Increase

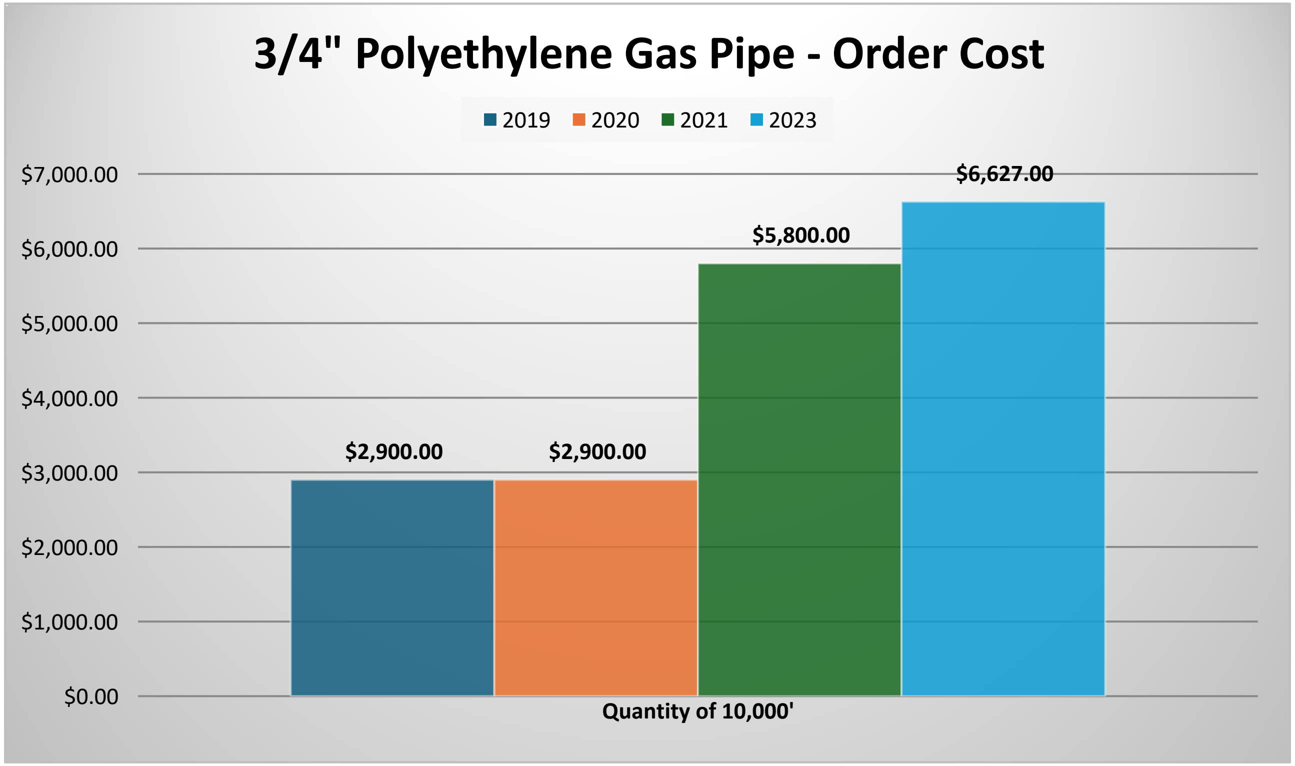
HASTINGS UTILITIES

Product Cost Comparison – Gas



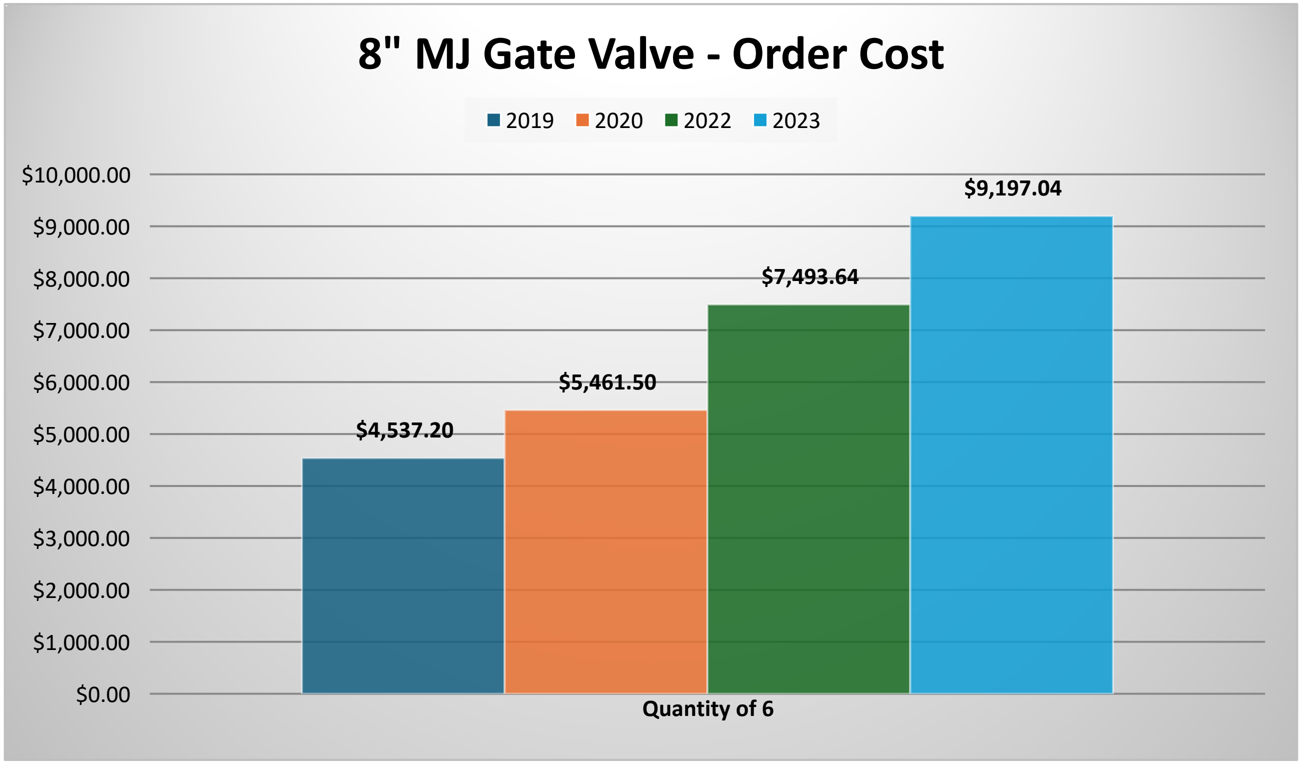
53% Increase

Product Cost Comparison – Gas



129% Increase

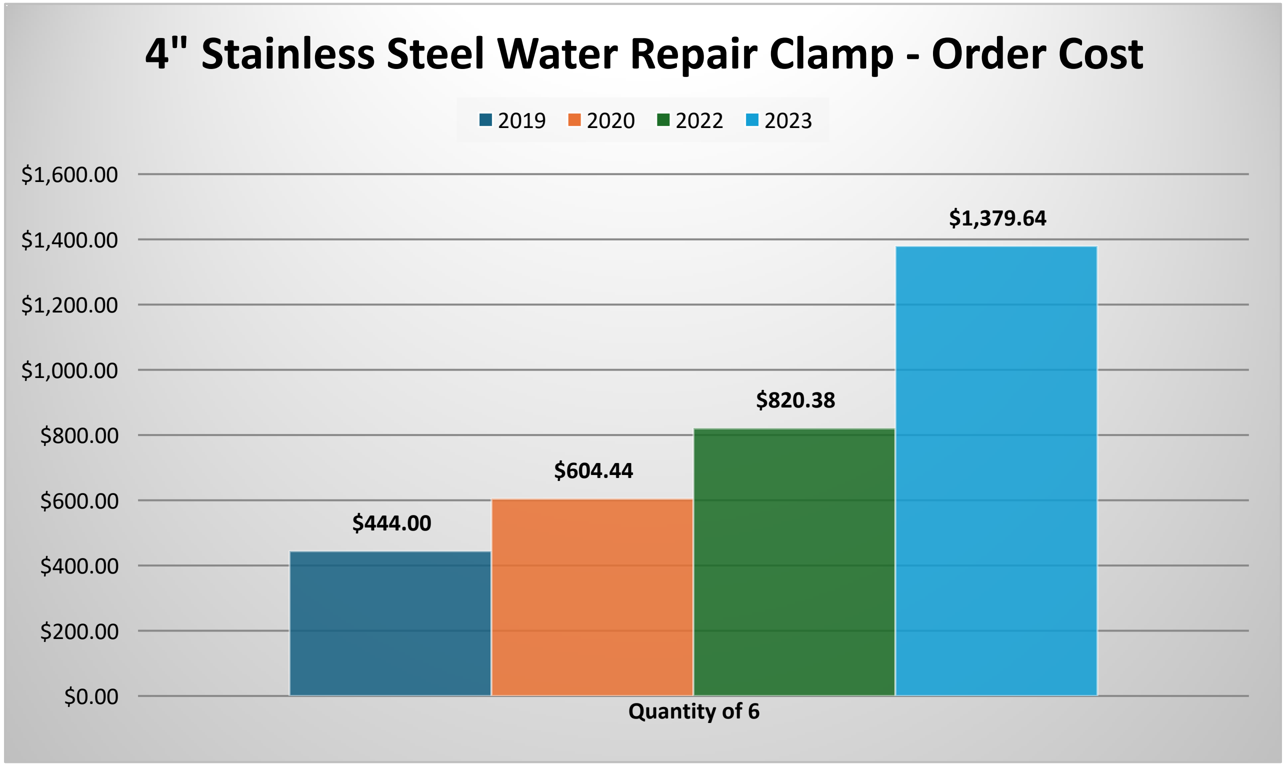
Product Cost Comparison – Water



103% Increase

HASTINGS UTILITIES

Product Cost Comparison – Water



211% Increase

Critical Capital Planning - Electric

TOTAL ELECTRIC CAPITAL BUDGET $14.00M

Whelan Energy Center
- Coal Combustion Residuals (CCR) Compliance $2.9M

North Denver
- Circ Water Line Repairs $500k

Solar Field
- Solar Field Phase 2 (Carry Over) $1.5M
- Solar Field Phase 3 $2.0M

Don Henry
- DCS Recontrol $1.0M

Distribution and Substations
- Improvements and Additions $8.0M

CITY OF HASTINGS - UTILITIES
ELECTRIC FUND BUDGET - FORECAST
FISCAL YEAR ENDING 9-30-25

	9/30/2025 BUDGETED	9/30/2026 FORECAST	9/30/2027 FORECAST	9/30/2028 FORECAST
Revenues:				
Retail Sales	37,079,445	41,288,889	43,786,867	46,435,972
Other Operating Revenue	19,718,980	19,916,170	20,115,332	20,316,485
Supplemental Rate Increase	1,853,972	-	-	-
Industrial Potential Growth (Heartwell)	750,000	1,365,000	1,433,250	1,504,913
Total Operating Revenue	**59,402,397**	**62,570,059**	**65,335,449**	**68,257,370**
Interest	150,000	151,500	153,015	154,545
Participation & Capacity Agreements	1,595,200	3,275,300	3,562,000	3,700,100
Coal Sales (Ethanol)	4,200,000	4,242,000	4,284,420	4,327,264
Contribution in Aid of Construction	3,021,000	1,860,000	620,000	-
Reimbursement from PPGA	6,980,000	6,980,000	6,980,000	6,980,000
Other	538,000	543,380	548,814	554,302
Total Revenues	75,886,597	79,622,239	81,483,698	83,973,580
Total Operating Expenses	**57,535,763**	**59,261,836**	**61,039,691**	**62,870,882**
Cost of Service to PPGA	6,980,000	6,980,000	6,980,000	6,980,000
Coal Cost (Ethanol)	2,900,000	2,987,000	3,076,610	3,168,908
Capital Improvements	14,003,056	8,383,668	5,161,269	5,031,574
Debt Service				
Other	251,220	258,757	266,520	274,516
Total Expenditures	81,670,039	77,871,261	76,524,090	78,325,880
Subtotal: Revenues Less Expenditures	(5,783,442)	1,750,978	4,959,608	5,647,700
Accrual Reconciliation	-	-	-	-
Increase or (Dec.) in Unencumbered Cash	(5,783,442)	1,750,978	4,959,608	5,647,700
Cash & Investments Balance Beginning of Year	14,172,878	8,389,436	10,140,414	15,100,022
Cash & Investments Balance End of Year	8,389,436	10,140,414	15,100,022	20,747,723
Electric Fund:				
Unencumbered Cash	4,880,187	6,631,165	11,590,773	17,238,473
Rate Stabilization	-	0	(0)	(0)
Black Rock	142,598	142,598	142,598	142,598
Insurance	2,010,000	2,010,000	2,010,000	2,010,000
Closure/Post Closure	1,356,652	1,356,652	1,356,652	1,356,652
Reserve				
Debt Service				
Cash & Investments Balance End of Year	8,389,436.45	10,140,414	15,100,022	20,747,723

HASTINGS UTILITIES

CITY OF HASTINGS - UTILITIES
ELECTRIC FUND BUDGET - ACCRUAL
FISCAL YEAR ENDING 9-30-25

	9/30/22 ACTUAL	9/30/23 ACTUAL	9/30/24 FORECAST	9/30/25 BUDGETED
OPERATING REVENUE				
Retail Sales	35,340,775.80	35,969,910.71	36,771,611.00	37,079,445.00
Fuel Cost Adjustment	22,162.14	-	-	2,000,000.00
CCC - PILOT	-	-	21,754.00	32,631.00
Solar Sales	19,214.32	(12,431.76)	(11,130.00)	(14,190.00)
Street Lighting Revenue	837,452.61	834,037.40	847,675.00	857,539.00
SPP Market Sales	23,735,296.44	17,117,058.41	14,300,000.00	14,443,000.00
Wholesale Sales	2,707,539.45	2,109,889.69	2,900,000.00	2,400,000.00
Projected Rate Increase Revenue				2,603,972.00
TOTAL OPERATING REVENUE	62,662,440.76	56,018,464.45	54,829,910.00	59,402,397.00
OPERATING EXPENSES				
Production:				
Fuel	6,597,457.66	6,725,009.48	6,093,576.00	6,934,383.00
Other	6,228,421.59	9,275,803.35	9,725,342.00	10,201,306.00
Purchased Power	31,934,581.72	26,597,290.06	28,200,000.00	25,916,000.00
Transmission and Distribution	1,595,522.47	2,288,675.38	2,532,401.00	2,532,043.00
Street Lighting	185,589.73	154,553.59	206,000.00	206,000.00
Administration & General				
Direct	4,482,476.85	4,881,951.47	5,365,061.00	6,234,072.00
Indirect	3,650,841.46	3,556,557.86	2,916,399.00	3,191,749.00
Cash Payments in Lieu of Taxes	2,534,343.00	2,221,768.00	2,220,160.00	2,320,210.00
Intra-City Services	-	-	-	-
TOTAL OPERATING EXPENSES	57,209,234.48	55,701,609.19	57,258,939.00	57,535,763.00
OPERATING INCOME BEFORE DEPREC.	5,453,206.28	316,855.26	(2,429,029.00)	1,866,634.00
LESS - DEPRECIATION	5,693,616.00	3,959,987.41	4,080,093.00	4,739,000.00
OPERATING INCOME (LOSS)	(240,409.72)	(3,643,132.15)	(6,509,122.00)	(2,872,366.00)
ADDITIONS TO INCOME				
Interest Revenue	197,083.67	1,787,917.14	1,150,000.00	150,000.00
Electrical Jobbing Sales	86,973.28	122,699.75	168,000.00	170,000.00
Reimbursement from PPGA	5,932,197.56	6,141,864.33	6,650,000.00	6,980,000.00
Wheeling	12,177.84	12,798.96	6,500.00	5,000.00
Other	467,088.84	547,620.33	430,924.00	363,000.00
Participation & Capacity Agreements	665,626.54	1,547,329.44	1,467,400.00	1,595,200.00
Coal Sales (Ethanol)	4,909,447.48	3,939,279.64	4,000,000.00	4,200,000.00
TOTAL ADDITIONS TO INCOME	12,270,595.21	14,099,509.59	13,872,824.00	13,463,200.00
DEDUCTIONS FROM INCOME				
Coal Cost (Ethanol)	3,105,835.11	2,582,593.96	2,600,000.00	2,900,000.00
Cost of Services to PPGA	5,932,197.56	6,141,864.33	6,650,000.00	6,980,000.00
Cost of Electrical Jobbing	257,739.16	254,603.32	270,694.00	251,220.00
Loss on Sale of Asset	-	247,899.86	226,610.00	-
PRP Well D Costs	-	707.68	-	-
Non Utility Plant Depreciation Expense	609,936.00	609,936.00	609,936.00	609,935.00
TOTAL DEDUCTIONS FROM INCOME	9,905,707.83	9,837,605.15	10,357,240.00	10,741,155.00
INC. (LOSS) Before Contrib. In Aid of Const.	2,124,477.66	618,772.29	(2,993,538.00)	(150,321.00)
Contribution in Aid of Construction	202,503.37	170,165.72	400,000.00	3,021,000.00
ACCRUAL NET INCOME (LOSS)	2,326,981.03	788,938.01	(2,593,538.00)	2,870,679.00
Add Depreciation	6,303,552.00	4,569,923.41	4,690,029.00	5,348,935.00
Add Interest & Amortization	-			
Change in Accruals	(646,773.00)	3,771,669.45		
Less Capital Improvements	(4,564,247.00)	(14,756,696.00)	(26,546,552.00)	(19,448,689.00)
CASH NET INCOME (LOSS)	3,419,513.03	(5,626,165.13)	(24,450,061.00)	(11,229,075.00)

HASTINGS UTILITIES

Electric Dept Highlights

- Continued success in offering 5 generating units to support grid demands
  - HU Electric Production units trend ahead of industry averages for reliability.
  - Maintaining reliable units will be crucial for proposed SPP resource accreditation rules

- Instituting a Performance Monitoring Program
  - Goal to identify operational deviations early, enhance safety, and optimize plant efficiency

- Maximizing Staffing Efficiency
  - Challenging supervisors to identify staffing efficiencies

Electric Dept Highlights cont.

- Renewable strategy continues with solar Phase 2
- Finish Capacity upgrades to 3 substations for new customer, additional capacity, aging infrastructure
- Finish High-Capacity Substation Tie Line. Adding System reliability to supply 2 largest customers and potential expansion
- Spare transformer for 115KV/13.8 System. Current units have been in service over 30 years. Replacement/Rewind times in excess of 100 weeks
- Continuation of AMI conversion, increase of 5th terminal 12 S network meters to support new Apartment complexes.

HASTINGS UTILITIES

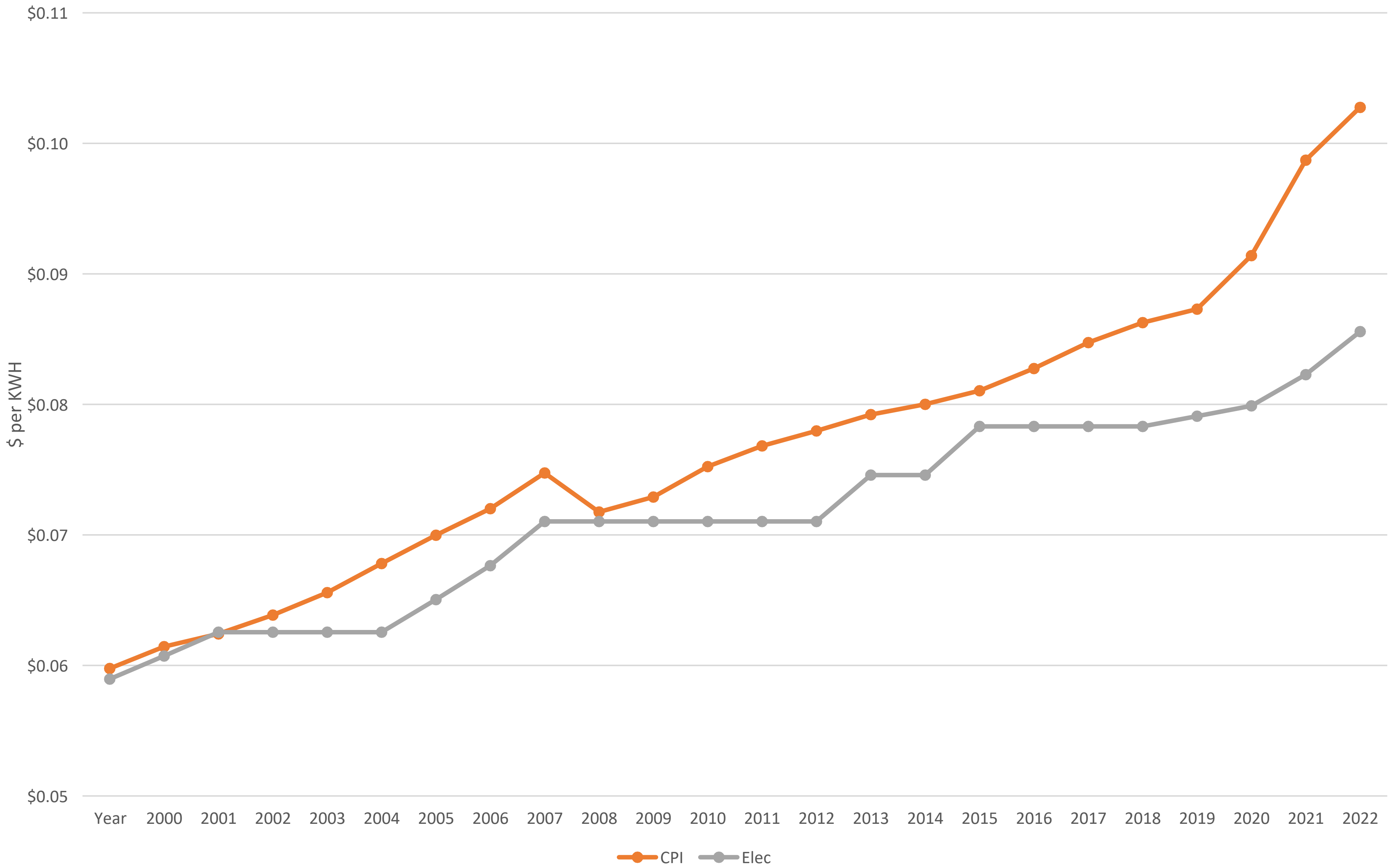
Average Bill Comparison - Electric

	Summer 2024		
	500 kWh	**1,000 kWh**	**2,500 kWh**
Grand Island 6%	70.41	124.71	287.59
Hastings 5%	70.99	120.27	268.09
North Platte	76.65	135.18	310.78
Fremont	85.42	151.59	350.08
LES	88.47	127.03	242.70
OPPD	90.38	148.66	323.49
Kearney (NPPD)	91.88	154.43	342.11

	Winter 2024		
	500 kWh	**1,000 kWh**	**2,500 kWh**
Fremont	64.57	109.89	245.83
Grand Island 6%	64.75	106.36	219.20
North Platte	65.20	108.59	229.67
Hastings 5%	70.99	117.83	236.25
OPPD	75.47	117.59	234.97
LES	78.87	107.83	194.70
Kearney (NPPD)	79.36	127.61	260.83

HASTINGS UTILITIES

Electric Rate Increases Compared to CPI from 2000



HASTINGS UTILITIES

Critical Capital Planning – Combined Depts

	NEW BUDGET
Gas Dept	$1.86M
• Distribution Additions	$1.44M
Water Dept	$6.92M
• ASR Additions	$900K
• New Mains & Developer Projects	$3.29M
• Main Replacement Program	$2.35M
Pollution Control Dept / Sewer	$6.04M
• Plant Additions	$4.58M
• Collections	$1.47M

CITY OF HASTINGS - UTILITIES
GAS DEPARTMENT BUDGET - FORECAST
FISCAL YEAR ENDING 9-30-25

	9/30/2025 BUDGETED	9/30/2026 FORECAST	9/30/2027 FORECAST	9/30/2028 FORECAST
Revenues:				
Operating	7,951,600	8,532,067	9,154,908	9,246,457
PGA	2,328,000	2,400,000	2,400,000	2,400,000
Supplemental Rate Increase	-	-	-	-
Total Operating Revenue	**10,279,600**	**10,932,067**	**11,554,908**	**11,646,457**
Contribution in Aid of Construction	70,000	680,000	-	-
Interest and Other	211,166	213,278	215,411	217,565
Total Revenues	10,560,766	11,825,345	11,770,319	11,864,022
Expenditures:				
Total Operating Expenses	**10,913,373**	**11,240,774**	**11,577,997**	**11,925,337**
Capital Improvements	1,540,870	838,934	672,107	751,833
Other	30,000	30,900	31,827	32,782
Total Expenditures	12,484,243	12,110,608	12,281,931	12,709,952
Subtotal: Revenues Less Expenditures	(1,923,477)	(285,263)	(511,612)	(845,930)
Accrual Reconciliation	-	-	-	-
Increase or (Dec.) in Unencumbered Cash	(1,923,477)	(285,263)	(511,612)	(845,930)
Cash & Investments Balance Beginning of Year	11,439,310	9,515,833	9,230,570	8,718,958
Cash & Investments Balance End of Year	9,515,833	9,230,570	8,718,958	7,873,027
Gas Fund:				
Unencumbered Cash	5,183,052	3,750,000	3,860,000	3,970,000
Rate Stabilization	3,800,781	4,948,570	4,326,958	3,371,027
Economic Development				
Health Insurance Claims				
Insurance	532,000	532,000	532,000	532,000
Cash & Investments Balance End of Year	9,515,833	9,230,570	8,718,958	7,873,027

HASTINGS UTILITIES

CITY OF HASTINGS - UTILITIES
GAS DEPARTMENT BUDGET - ACCRUAL
FISCAL YEAR ENDING 9-30-25

	9/30/22 ACTUAL	9/30/23 ACTUAL	9/30/24 FORECAST	9/30/25 BUDGETED
Operating Revenue	6,724,295.14	8,271,063.46	7,517,015.00	7,951,600.00
PGA	2,743,649.61	4,443,760.96	1,800,000.00	2,328,000.00
Projected Rate Increase Revenue				-
TOTAL OPERATING REVENUE	9,467,944.75	12,714,824.42	9,317,015.00	10,279,600.00
OPERATING EXPENSES				
Production:				
Natural Gas Purchased	6,622,610.24	9,714,563.38	6,077,589.00	6,650,000.00
Gas Sold for Elec Generation	(317,099.34)	(417,238.89)	(568,029.00)	(425,000.00)
Peak Shaving Plant Expense	59,744.18	242,019.68	114,192.00	239,164.00
Distribution Expense	1,152,720.20	1,280,117.46	1,140,987.00	1,303,048.00
Administrative & General				
Direct	1,007,963.01	1,229,157.03	1,266,044.00	1,666,396.00
Indirect	794,148.26	829,570.82	662,818.00	811,591.00
Cash Payment in Lieu of Taxes	378,718.00	507,949.00	605,606.00	668,174.00
Transfer to General Fund Resolution 1344	239,476.00	326,576.00	-	-
Intra-City Services	25,625.19	2,300.23	(26,602.00)	-
TOTAL OPERATING EXPENSES	9,963,905.74	13,715,014.71	9,272,605.00	10,913,373.00
OPERATING INCOME BEFORE DEPREC.	(495,960.99)	(1,000,190.29)	44,410.00	(633,773.00)
LESS - DEPRECIATION	1,662,045.00	78,311.77	94,415.00	140,000.00
OPERATING INCOME	(2,158,005.99)	(1,078,502.06)	(50,005.00)	(773,773.00)
ADDITIONS TO INCOME				
Gas Jobbing Sales	20,416.45	30,523.90	28,930.00	30,000.00
Interest Revenue	-	-	406,535.00	131,660.00
Allocation of Engin. Dept. Revenue	102,549.34	333,853.37	73,082.00	49,506.00
TOTAL ADDITIONS TO INCOME	122,965.79	364,377.27	508,547.00	211,166.00
DEDUCTIONS FROM INCOME				
Cost of Gas Jobbing Sales	56,594.68	32,527.44	30,750.00	30,000.00
Loss On Sale of Asset	-	71,036.56	-	-
TOTAL DEDUCTIONS FROM INCOME	56,594.68	103,564.00	30,750.00	30,000.00
INC. (LOSS) before Contrib. in Aid of Const.	(2,091,634.88)	(817,688.79)	427,792.00	(592,607.00)
Contribution in Aid of Construction	-	-	-	70,000.00
ACCRUAL NET INCOME (LOSS)	(2,091,634.88)	(817,688.79)	427,792.00	(522,607.00)
Add Depreciation	1,662,045.00	78,311.77	94,415.00	140,000.00
Add Interest & Amortization	-			
Rate Stabilization funds used	-	(2,000,000.00)		
Change in Accruals	2,456,492.00	(2,429,081.10)		
Debt Borrowing	-			
Less Capital Improvements	(1,320,748.00)	(1,439,364.00)	(1,164,041.04)	(1,926,087.00)
Less Debt Service	-			
CASH NET INCOME (LOSS)	706,154.12	(6,607,822.12)	(641,834.04)	(2,308,694.00)

Gas Dept Highlights

- Gas Relocation for NDOT Hastings Southeast Project $850,000.
- Replace 2008 Directional Drilling Machine due to age, condition, and tech upgrade $275,000.
- Downtown Low Pressure System Replacement Phase 2 (Lincoln Ave. to Hastings Ave) $50,000.
- Peak Shaving Expense increase. Ran plant 3 out of last 4 years so budgeting to run, plus propane refill forwarding pump rebuild kits & level indicators $234,000.

HASTINGS UTILITIES

Average Bill Comparison - Gas

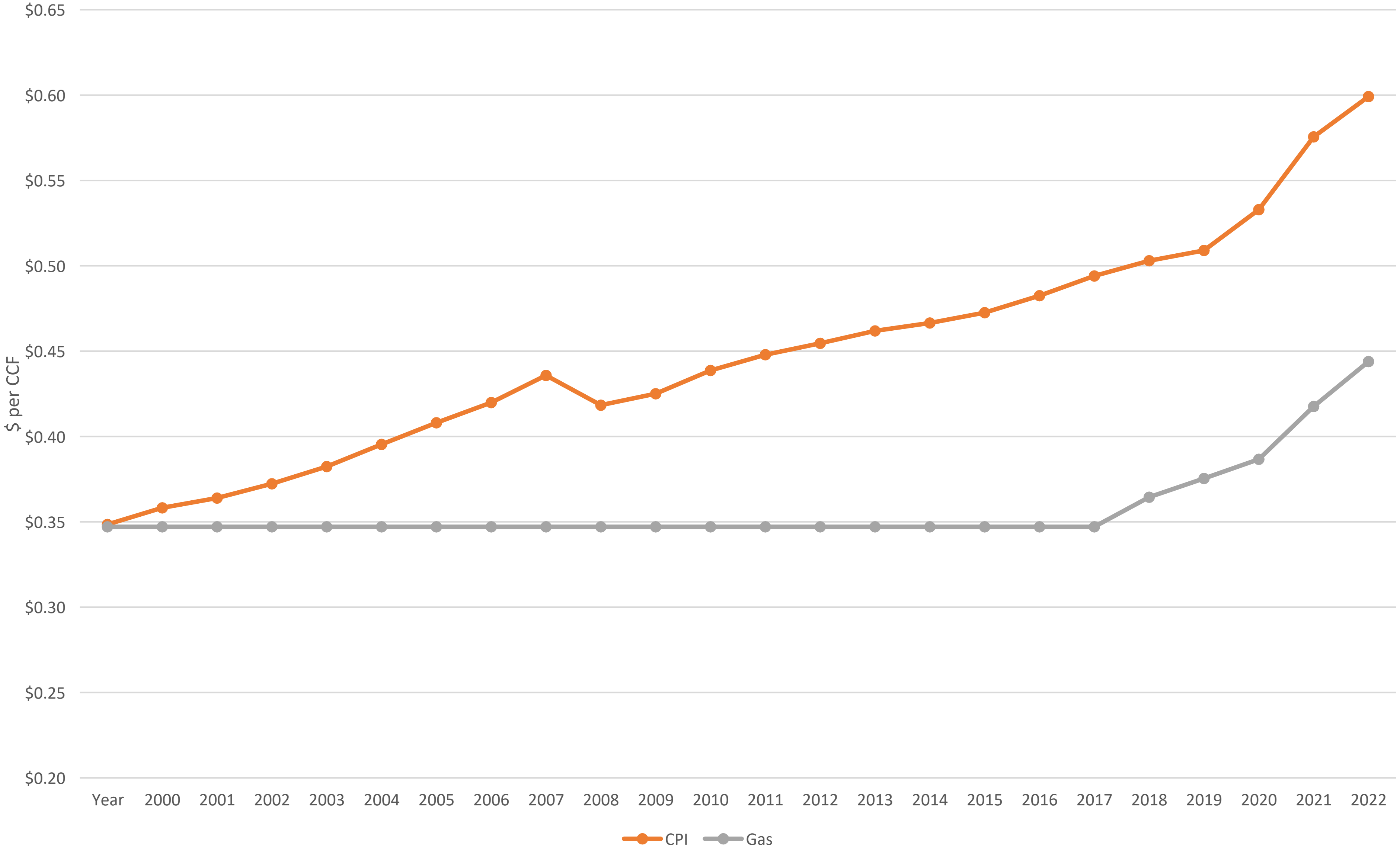
Summer 2024 - 20 therms (19 ccf)

Fremont	$ 20.59
Hastings	**$ 21.96**
Grand Island	$ 22.22
Kearney	$ 22.32
Omaha	$ 27.63
Lincoln	$ 47.56

Winter 2024 140 therms (130 ccf)

Omaha	$ 98.81
Fremont	$ 101.46
Hastings	**$ 116.03**
Grand Island	$ 128.06
Kearney	$ 128.56
Lincoln	$ 149.15

Gas Rate Increases Compared to CPI from 2000



HASTINGS UTILITIES

CITY OF HASTINGS - UTILITIES
WATER DEPARTMENT BUDGET - FORECAST
FISCAL YEAR ENDING 9-30-25

	9/30/2025 BUDGETED	9/30/2026 FORECAST	9/30/2027 FORECAST	9/30/2028 FORECAST
Revenues:				
Operating	7,751,574	8,216,668	8,298,835	8,381,823
Infrastructure Fee	860,056	860,056	860,056	860,056
Supplemental Rate Increase	-	-	-	-
Industrial Potential Growth		525,000	525,000	525,000
Total Operating Revenue	**8,611,630**	**9,601,724**	**9,683,891**	**9,766,879**
Contribution in Aid of Construction	210,000	1,600,000	1,120,000	-
Interest and Other	366,284	369,947	373,646	377,382
Total Revenues	9,187,914	11,571,671	11,177,537	10,144,261
Expenditures:				
Total Operating Expenses	**5,512,778**	**5,678,161**	**5,848,506**	**6,023,961**
Capital Improvements	5,737,919	4,367,601	3,643,774	3,677,206
Debt service- SRF loan	138,382	176,000	174,000	172,000
Other	34,636	35,675	36,745	37,847
Total Expenditures	11,423,715	10,257,437	9,703,025	9,911,014
Subtotal: Revenues Less Expenditures	(2,235,801)	1,314,234	1,474,512	233,247
Accrual Reconciliation	-	-	-	-
Increase or (Dec.) in Unencumbered Cash	(2,235,801)	1,314,234	1,474,512	233,247
Cash & Investments Balance Beginning of Year	2,927,926	692,125	2,006,359	3,480,871
Cash & Investments Balance End of Year	692,125	2,006,359	3,480,871	3,714,118
Unencumbered Cash	390,125	1,704,359	1,950,000	2,010,000
Rate Stabilization	-	-	1,228,871	1,402,118
Insurance	302,000	302,000	302,000	302,000
Customer Deposits				
Cash & Investments Balance End of Year	692,125	2,006,359	3,480,871	3,714,118

CITY OF HASTINGS - UTILITIES
WATER DEPARTMENT BUDGET - ACCRUAL
FISCAL YEAR ENDING 9-30-25

	9/30/22 ACTUAL	9/30/23 ACTUAL	9/30/24 FORECAST	9/30/25 BUDGETED
OPERATING REVENUE				
Operating Revenue	7,533,986.25	7,615,240.96	7,887,910.00	7,751,574.00
Infrastructure Fee	-	278,000.06	548,594.00	860,056.00
Projected Rate Increase Revenue				-
TOTAL OPERATING REVENUE	7,533,986.25	7,893,241.02	8,436,504.00	8,611,630.00
OPERATING EXPENSE				
Production:				
Other	744,208.35	777,764.62	791,212.00	779,707.00
Aquifer Storage and Restoration	675,402.98	745,568.63	809,638.00	804,913.00
Transmission & Distribution	1,059,046.39	1,222,688.90	1,011,978.00	1,101,245.00
Administrative & General				
Direct	1,004,119.74	1,203,828.39	1,157,040.00	1,220,149.00
Indirect	934,804.61	1,010,784.79	815,776.00	947,835.00
Cash Payment in Lieu of Taxes	387,247.00	402,216.00	644,549.00	657,929.00
Transfer to General Fund Resolution 1344	191,252.00	202,867.00	-	-
Cost of Services to PPGA	3,606.78	925.93	1,302.00	1,000.00
Intra-City Services	-	-	2,460.00	-
TOTAL OPERATING EXPENSES	4,999,687.85	5,566,644.26	5,233,955.00	5,512,778.00
OPERATING INC. BEFORE DEPREC.	2,534,298.40	2,326,596.76	3,202,549.00	3,098,852.00
LESS - DEPRECIATION	944,965.00	741,452.08	763,734.00	924,000.00
OPERATING INCOME	1,589,333.40	1,585,144.68	2,438,815.00	2,174,852.00
ADDITIONS TO INCOME				
Gain on Sale of Asset	-	7,690.00	-	-
Water Jobbing Sales	45,783.13	49,603.93	50,000.00	45,000.00
Reimbursement from PPGA	3,606.78	925.93	1,302.00	1,000.00
Interest Revenue	-	-	11,731.00	32,060.00
Other Income	8,069.30	9,715.20	9,500.00	9,000.00
Grant Revenue	-	-	296,104.00	248,000.00
Allocation of Administration Dept. Revenue	70,387.39	230,157.67	58,893.00	31,224.00
Allocation of Engin. Dept. Revenue	-	-	-	-
TOTAL ADDITIONS TO INCOME	127,846.60	298,092.73	427,530.00	366,284.00
DEDUCTIONS FROM INCOME				
Interest Expense	12,757.40	10,899.82	10,326.00	9,636.00
Cost of Water Jobbing Sales	23,982.22	30,421.25	20,000.00	25,000.00
Loss on Sale of Asset	-	130,940.46	28,200.00	-
TOTAL DEDUCTIONS TO INCOME	36,739.62	172,261.53	58,526.00	34,636.00
INCOME Before Contrib. in Aid of Const.	1,680,440.38	1,710,975.88	2,807,819.00	2,506,500.00
Contribution in Aid of Construction	68,122.43	56,156.92	-	210,000.00
ACCRUAL NET INCOME (LOSS)	1,748,562.81	1,767,132.80	2,807,819.00	2,716,500.00
Add Depreciation	944,965.00	779,484.74	763,734.00	924,000.00
Add Interest & Amortization	12,757.40	10,899.82		
Change in Accruals	(9,610,013.00)	(948,120.22)		
Debt Borrowing	-			
Less Capital Improvements	(2,411,778.00)	(3,513,108.00)	(4,043,317.00)	(7,172,399.00)
Less Debt Service	(132,814.00)	(137,007.03)	(137,692.82)	(138,382.00)
CASH NET INCOME (LOSS)	(9,448,319.79)	(2,040,717.89)	(609,456.82)	(3,670,281.00)

Water Dept Highlights

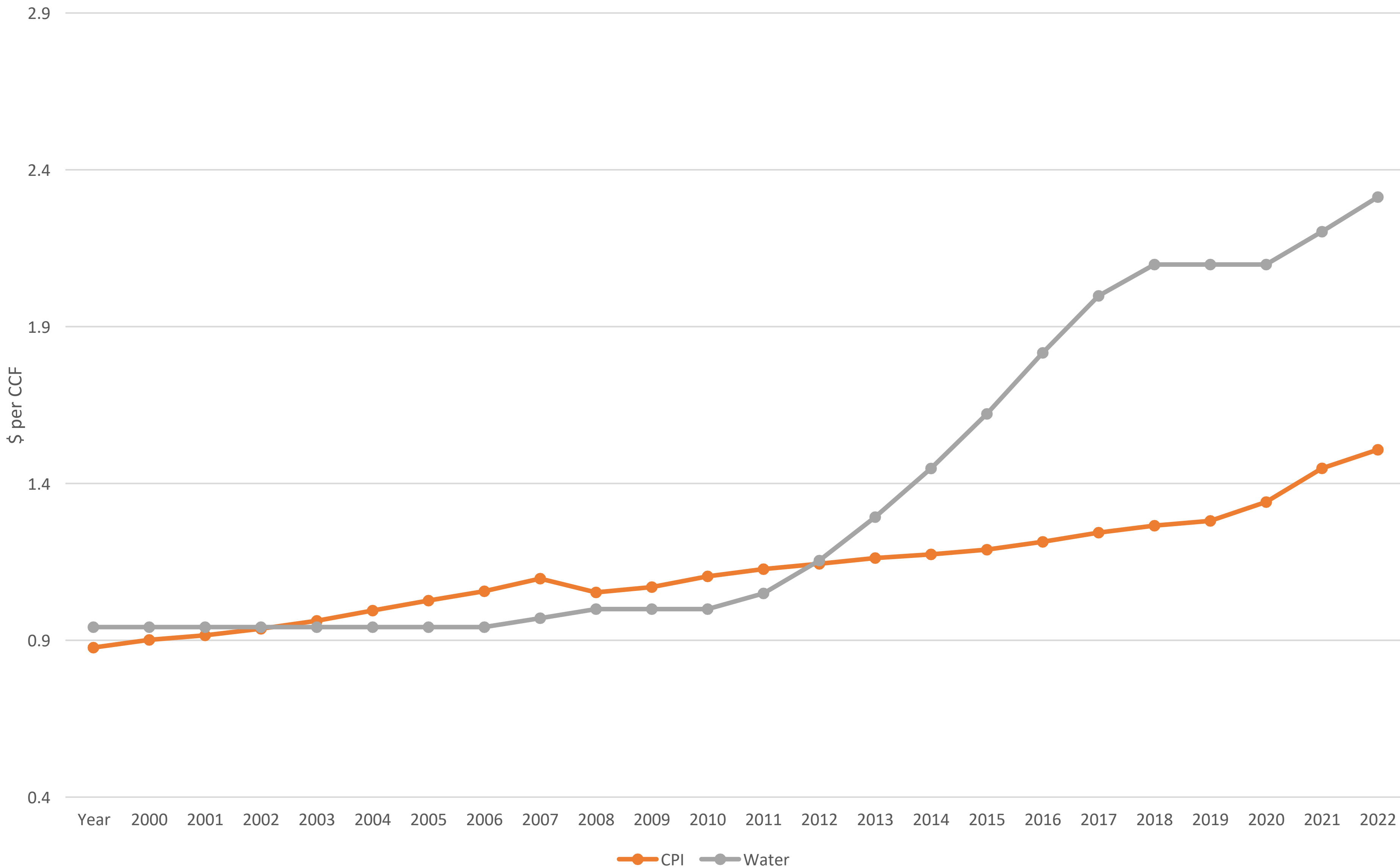
- Piping, Pumps, & Controls to utilize Well 17 as an ASR feed well $900,000.
- Pressure Booster Station Investigation and Implementation to Westbrook. Manage system pressure and increase existing well pumping capacities $300,000.
- Water relocation for NDOT Hastings Southeast Project $2,000,000.
- LSL Main and Lead Service Replacement Program enters year 3. 2.5 miles of main and 140 lead services replaced to date. Up next: Garfield Ave. B St. to E St. & 6th St. E.S. Blvd to 2nd Ave. $1,675,000.

Average Bill Comparison - Water

Water Rate Comparisons (as of 7/9/24)		
5/8" meter		
Utility	**6 CCF**	
Grand Island	$	13.24
Fremont	$	16.61
Lincoln	$	19.98
Kearney	$	20.12
North Platte	$	21.90
Hastings*	**$**	**26.57**
Omaha*	$	29.89

Note: 1 CCF is equivalent to 748 gallons; average bathtub holds 40-70 gallons = could fill bathtub full 15 times to get 1 CCF

Water Rate Increases Compared to CPI from 2000



HASTINGS UTILITIES

CITY OF HASTINGS - UTILITIES
POLLUTION CONTROL DEPARTMENT BUDGET - FORECAST
FISCAL YEAR ENDING 9-30-25

	9/30/2025 BUDGETED	9/30/2026 FORECAST	9/30/2027 FORECAST	9/30/2028 FORECAST
Revenues:				
Operating	7,670,570	7,437,384	7,511,758	7,586,876
Supplemental Rate Increase	(306,823)	-	-	-
Industrial Potential Growth		350,000	350,000	350,000
Total Operating Revenue	**7,363,747**	**7,787,384**	**7,861,758**	**7,936,876**
Contribution in Aid of Construction	320,000	160,000	400,000	-
Interest and Other	96,550	97,516	98,491	99,476
Total Revenues	7,780,297	8,044,900	8,360,249	8,036,352
Expenditures				
Total Operating Expenses	**4,452,013**	**4,585,573**	**4,723,140**	**4,864,834**
Debt Service	730,000	670,000	650,000	630,000
Capital Improvements	5,720,954	2,214,815	1,390,442	1,959,387
Other	89,233	91,910	94,667	97,507
Total Expenditures	10,992,200	7,562,298	6,858,249	7,551,728
Subtotal: Revenues Less Expenditures	(3,211,903)	482,602	1,502,000	484,624
Accrual Reconciliation	-	-	-	-
Increase or (Dec.) in Unencumbered Cash	(3,211,903)	482,602	1,502,000	484,624
Cash & Investments Balance Beginning of Year	4,195,787	983,884	1,466,486	2,968,486
Cash & Investments Balance End of Year	983,884	1,466,486	2,968,486	3,453,110
Unencumbered Cash	(609,773)	1,300,486	1,570,000	1,620,000
Rate Stabilization	1,427,657	-	1,232,486	1,667,110
Insurance	166,000	166,000	166,000	166,000
Debt Service	-	-	-	-
Cash & Investments Balance End of Year	983,884	1,466,486	2,968,486	3,453,110

CITY OF HASTINGS - UTILITIES
POLLUTION CONTROL DEPARTMENT BUDGET - ACCRUAL
FISCAL YEAR ENDING 9-30-25

	9/30/22 ACTUAL	9/30/23 ACTUAL	9/30/24 FORECAST	9/30/25 BUDGETED
Total Operating Revenue	7,541,655.28	7,704,768.54	7,835,237.00	7,670,570.00
Projected Rate Increase Revenue				(306,823.00)
TOTAL OPERATING REVENUE	7,541,655.28	7,704,768.54	7,835,237.00	7,363,747.00
OPERATING EXPENSE				
Sewer Treatment Expense:				
Purchased Power	192,750.80	203,346.33	204,642.00	199,895.00
Other	1,473,845.27	1,620,744.16	1,747,637.00	1,675,503.00
Sewer Line Expense	210,431.33	238,205.11	312,908.00	345,925.00
Pumping Station Expense	72,481.96	150,504.45	124,340.00	125,620.00
Administrative & General Expense				
Direct	812,975.64	1,045,731.40	1,074,290.00	1,183,661.00
Indirect	843,938.11	873,463.52	703,606.00	921,409.00
Cash Payments in Lieu of Taxes	301,666.00	306,214.00	313,409.00	-
Intra-City Services Fund	-	-	-	-
TOTAL OPERATING EXPENSES	3,908,089.11	4,438,208.97	4,480,832.00	4,452,013.00
OPERATING INC. BEFORE DEPREC.	3,633,566.17	3,266,559.57	3,354,405.00	3,218,557.00
LESS - DEPRECIATION	1,945,878.00	1,746,270.27	1,771,323.00	1,883,000.00
OPERATING INCOME (LOSS)	1,687,688.17	1,520,289.30	1,583,082.00	1,335,557.00
ADDITIONS TO INCOME				
Interest Revenue	3,614.53	-	85,669.00	36,280.00
Sewer Jobbing Revenue	8,653.85	9,255.40	5,500.00	10,000.00
Other	29,102.00	27,064.80	18,000.00	20,000.00
Allocation of Administration Dept. Revenue	79,710.06	240,454.84	58,740.00	30,270.00
TOTAL ADDITIONS TO INCOME	121,080.44	276,775.04	167,909.00	96,550.00
DEDUCTIONS FROM INCOME				
Interest	118,313.24	99,781.52	90,214.00	81,233.00
Jobbing Costs	6,130.26	5,543.87	2,300.00	8,000.00
TOTAL DEDUCTIONS FROM INCOME	124,443.50	105,325.39	92,514.00	89,233.00
INC. (LOSS) Before Contrib. in Aid of Const.	1,684,325.11	1,691,738.95	1,658,477.00	1,342,874.00
Contribution in Aid of Construction	47,203.76	14,416.47	-	320,000.00
ACCRUAL NET INCOME (LOSS)	1,731,528.87	1,706,155.42	1,658,477.00	1,662,874.00
Add Depreciation	1,945,878.00	1,746,270.27	1,771,323.00	1,883,000.00
Add Interest & Amortization				
Add Bond Refunding				
Change in Accruals	595,788.00	(462,118.50)		
Less Capital Improvements	(1,669,602.00)	(3,708,897.00)	(2,816,994.00)	(6,356,616.00)
Less Debt Service	(700,000.00)	(710,000.00)	(690,000.00)	(730,000.00)
CASH NET INCOME (LOSS)	1,903,592.87	(1,428,589.81)	(77,194.00)	(3,540,742.00)

PCF/Sewer Dept Highlights

- Year 2 of sewer video inspection plan. Year 1 ≈ 48,000ft inspected, 1,800ft to be relined. Year 2 rough area of Marian Ave. to Burlington Ave. 7th St. to 2nd St, ≈ 51,500ft.

- Activated Sludge West Basin Switch and Startup contract awarded, mobilization in August, $3,500,000.

- Maxon Lagoon Dredging contract awarded, work to begin post harvest, $1,000,000.

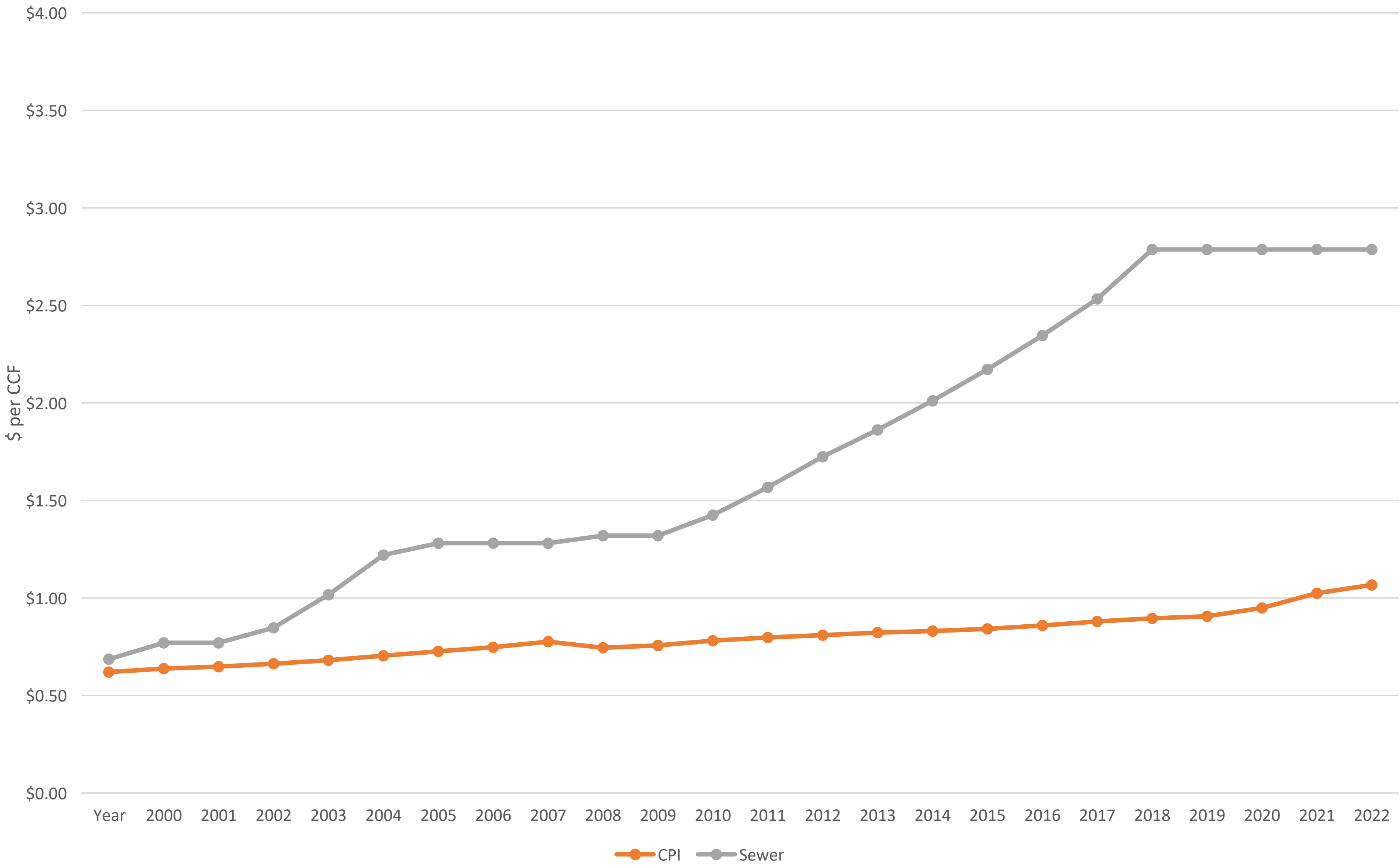
HASTINGS UTILITIES

Average Bill Comparison - Sewer

Sewer Rate Comparisons (as of 7/10/24)	
5/8" meter	
Utility	**6 CCF**
Lincoln	$ 19.40
Kearney	$ 20.38
North Platte	$ 21.32
Fremont	$ 29.97
Hastings	**$ 30.01**
Grand Island	$ 32.90
Omaha	$ 68.00

HASTINGS UTILITIES

Sewer Rate Increases Compared to CPI from 2000



HASTINGS UTILITIES

Administration Highlights

- AMI expansion continues
  - Over 11,500 meters converted by August (80%)
- Billing software implementation
  - Current goal is to implement spring 2025
- Combined Utility and City Safety

CAPITAL

- Administration Dept $1.22M

  Warehouse roof replacement $380K

Rate Changes Proposed

<u>Utility Rate Increases Budgeted</u>:

Electric ('24 COS Study)	*5%*
Gas ('23 COS Study)	*6.3%*
Water ('22 COS Study)	*5%*
Sewer	*-4%*

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

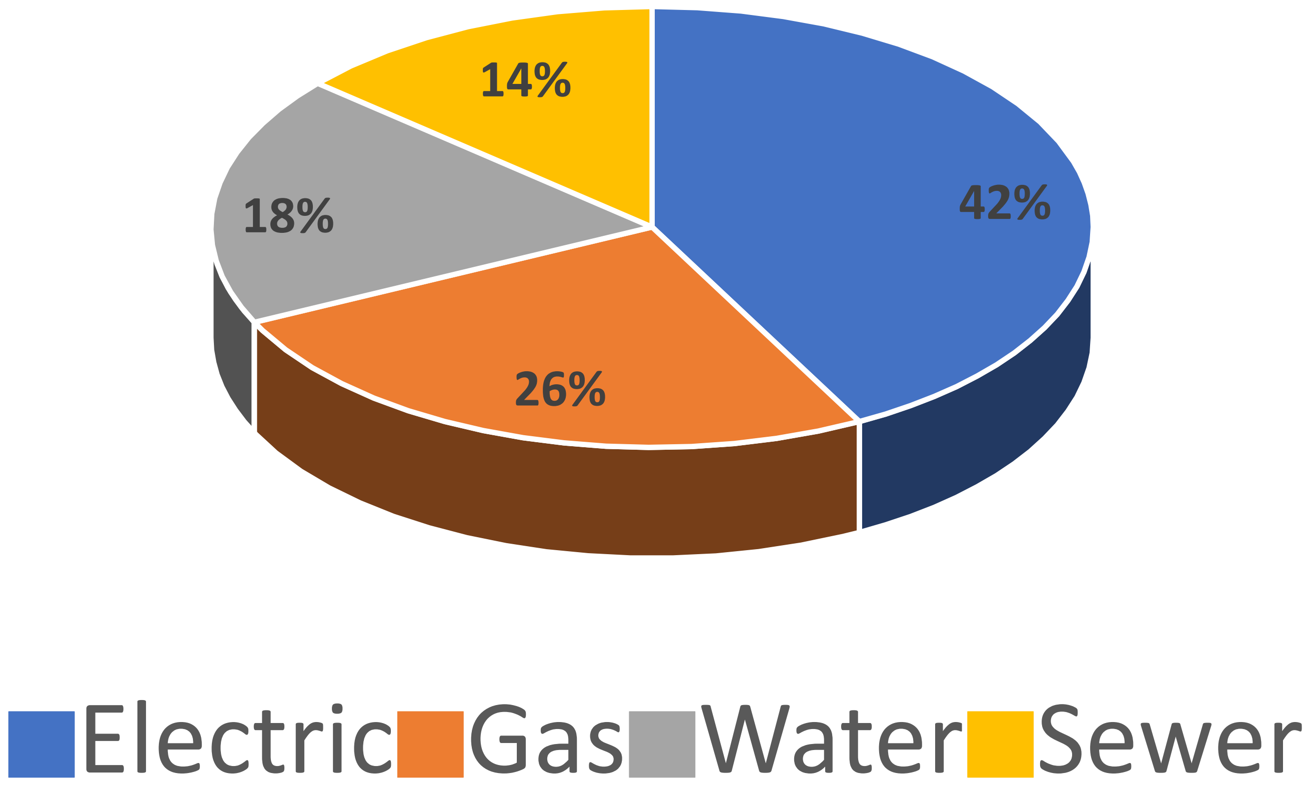
Estimated Rate Change Impact

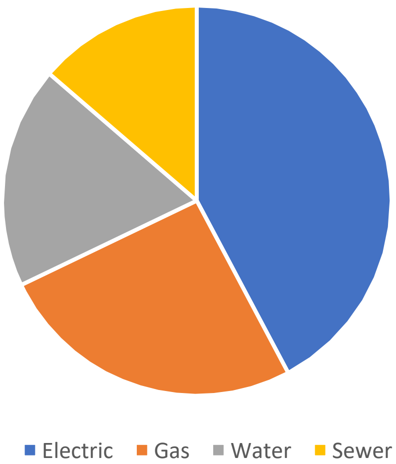
Residential	**Current Ave Monthly Cost**	**FY25**	**FY26**	**FY27**	**FY28**
Electric	88.1	92.51	97.14	102	107.1
Gas	52.89	56.22	59.76	63.52	63.52
Water	38.45	40.37	42.39	42.39	42.39
Sewer	31.25	30	30	30	30
	210.69	219.1	229.29	237.91	243.01
	Rate Chg impact by year	8.41	10.19	8.62	5.1
	Year over Year % Chg	3.99%	4.65%	4.09%	2.42%

Commercial	**Current Ave Monthly Cost**	**FY25**	**FY26**	**FY27**	**FY28**
Electric	346.98	364.33	382.55	401.68	421.76
Gas	168.65	179.27	190.56	202.57	202.57
Water	100.21	105.22	110.48	110.48	110.48
Sewer	159.82	153.43	153.43	153.43	153.43
	775.66	802.25	837.02	868.16	888.24
	Rate Chg impact by year	26.59	34.77	31.14	20.08
	Year over Year % Chg	3.43%	4.33%	3.88%	2.50%

HASTINGS UTILITIES

Average Residential Customers Total Bill




Electric
Gas
Water
Sewer