

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, December 12, 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 December 12, 2024.

ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present: Jeanette Dewalt, Susan Meeske.

With the following in attendance: Derek Zeisler, Erik Nielsen, Kirk Layton, Tony Herrman, Kyle Patten, Larry Fox, Karl Block, Jason Redding, Lee Vrooman, Tyler Waite, Brandan Lubken, Roger Nash, Lori Hartman, Micah McCaffery, Noel Nienhueser, Jesse Oswald.

Absent: Scott Kvols, Mark Hemje, Mark Funkey

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 December 12, 2024 REGULAR MEETING.

Moved by Meeske, Second by Dewalt to adopt the current agenda for the December 12, 2024 regular meeting. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Susan Meeske. Nays: None. Absent: Mark Hemje, Scott Kvols. The motion carried.

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

We have a fairly short agenda today. With the transition of the city council and the city council meeting moved back, we do not have any members with us today. Thank you to the outgoing city council members.

Happy Holidays, Merry Christmas and Happy New Year.

BOARD CHAIRMAN'S COMMUNICATIONS:

Would like to wish everyone a Merry Christmas and Happy New Year. Would like to welcome all the new members in the new year.

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 November 7, 2024.

Moved by Dewalt and seconded by Meeske to approve the minutes for meeting of the November 7, 2024. Roll call: Ayes: Hitesman, Dewalt, Meeske. Nays: None. Absent: Hemje, Kvols.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

- (b) Production

- (c) Operations

- (d) Administration

- i. Contribution in Aid of Construction for Electric

Objectives:

- * Identify up front costs associated with providing new electrical services.

- * Evaluate how other Utilites are handling their Contribution in Aid to Construction (CIAC) fees to ensure that any HU proposals maintain a competitive and compatible market for development.

- * Ensure that we meet our "Duty to Serve" requirements while safeguarding rate payer dollars.

Hastings Utilities - Current CIAC

- * Currently, HU bears the full cost of engineering services and electric system extensions for all electric services.

- * HU provides, installs, and maintains ownership of the entire primary portion (including infrastructure if necessary)

- * Commercial/Industrial customer install primary and secondary conduit and our concrete transformer pad.

- * Residential customers/developers are responsible for the installation and ownership of the secondary portion of the service.

Hastings Utilities CIAC - Contacts

- * The following companies were contacted to compare: Fremont, Loup Power, Lincoln Electric System (LES), NPPD, Grand Island (Indirect), OPPD (No response).

- *Note that all contacted companies require CIAC to be paid up front.

- Fremont

- *Prices quoted upon request

- *Residential - Costs generally covered by developer agreement fees and meter install charge.

- *Overhead Versus Underground - Cost differential charge of 50% or total difference between the two

- *Commercial/Industrial - Customer installs primary and secondary conduits, transformer pads, and bases for switching cabinets/pull boxes based on Fremont Utilities design. Fremont installs and terminates the primary conductor. No CIAC.

- *Large demand/Redundant Supply Customers - Services that require substantial infrastructure upgrades require a development agreement to pay for the portion of the demand/capacity upgrades they will use.

- Loup Power

- * Loup Power requires a 50% cost share for all new services, as well as requests for additional power needs.

- * For removal of old services, or any service relocation without a load increase, the cost is 100% borne by the customer.

- * For underground services, the customer must install the transformer pad and conduit between the transformer pad and customer owned switchgear.

- Lincoln Electric System (LES)

- * LES utilizes the same formula to calculate all Contribution in Aid of Construction charges. The formula is (CIAC = Billable Facilities minus Applicable Credits).

- * Anticipated Revenue Credit - Equals 2.5 years of estimated anticipated rate revenue generated by the service.

- * Used Life Credit - Credit for both new services and service relocations. Encourages system turnover and retirement of overhead lines. Credit is for the LOST life value of any facilities requiring removal or abandonment and is calculated based on FERC/NERC prescribed life.

- * Salvage Credit - Credit for any materials they expect to reclaim as part of the requested work. Most relevant for transformers on temporary services as the entire value is claimed when removed

- NPPD

- *Residential Development

- Subdivisions: Contribution is 50% of the cost.

- Single Residence: \$2,200 AIL (Allowable Investment Limit) per service, CIAC is all above that

- *Commercial Development

- Subdivisions: 50% of the planned electrical infrastructure project costs within the subdivision

- Demand/Non-Demand: Margin calculation applied to estimated annual kWh used over a 3-year period to calculate the AIL. CIAC would equal the Total Extension Investment minus the calculated AIL.

- * Industrial – Aims to recover either 50% of the Total Extension Investment minus the same 3-year calculated AIL, or 100% of the non-recoverable construction costs of the infrastructure, whichever is greater.

- * Rate margin calculation varies by customer type

- * To mitigate risk, NPPD may implement MMF (Minimum Monthly Facilities) Charges or ESA (Extension Security Agreement) contracts prior to construction

- Grand Island - Proposed

- * The City of Grand Island is currently proposing a flat rate investment limit for residential development of \$1,300/lot, and a 2.5 year Estimated Gross Revenue Based Return contribution limit for commercial/industrial.

- * Please note that as of 11-21-2024 this was an “Informational Only” agenda item for the City of Grand Island.

- Hastings - Options

- * No change: Rate payer cost

- * Flat rates: Levels cost but yearly calculation needed

- * Revenue-based recovery: Individual calculation for each project

- * Percentage: Simple

- * Full cost: No cost to rate payers

- * Combination of above options

ii. Low-Income Communities Bonus Credit Program for Hastings Solar

Program Background

- * Energize the second solar field in December

- 4.6MW

- * Initial application submitted in June 2024

- Received notification of approval Nov 2024

- Receive additional \$1.6M of funding for solar field with program implementation

- This is an addition to the ITC direct pay of \$2.4M

- * Low Income Qualifiers: Participation in a needs-based program (Medicaid, LIHEAP, SDNAP, SSI, etc.)

Program Plan

- * Enroll customers that qualify based on the categorical qualifiers

- * According to program requirements, 50% of the energy generated from the solar farm is provided to those enrolled at a 20% discount

- The program will run for five years

- * May utilize local agencies to gather additional customers eligible for enrollment

(e) Other

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

ADJOURN:

Motion to adjourn by Dewalt, seconded by Meeske. Roll call: Ayes: Hitesman, Dewalt, Meeske.
Nays: None. Absent: Hemje, Kvols. Adjourned at 9:38 am.

APPROVED:

Board Secretary