HASTINGS UTILITY BOARD
AGENDA

Airport Conference Room - Hastings Municapal Airport
3300 W. 12th Street
February 13, 2025
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR February 13, 2025 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, February 11, 2025. 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 January 9, 2025.

REGULAR AGENDA:

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

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

    (a) Finance

        i. Presentation of the 23/24 FY Audit

        ii. Monthly Financials Comment

iii. Year End 2023/2024 Financial Report

(b) Production

(c) Operations

i. Water Main & Lead Water Service Replacement

(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, January 9, 2025

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted Airport Conference Room - Hastings Municapal Airport 3300 W. 12th Street, on January 9, 2025.

ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present: Jeanette Dewalt, Mark Hemje, Susan Meeske, Scott Kvols,
Derek Zeisler, Erik Nielsen, Kirk Layton, Jason Redding, Jaci Higgins, Micah McCaffery, Noel Nienhueser, Karl Block, Larry Fox, Kyle Patten, Lori Hartman, Mark Funkey, Jay Beckby, JesseOswald

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 January 9, 2025 REGULAR MEETING.

Moved by Meeske and seconded by Hemje to adopt the current agenda for January 9, 2025. Regular Meeting. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Kvols. Nays: None. Absent: None. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, January 7, 2025. 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 few topics we would like to bring to the boards attention. There will be nothing to vote on. Happy New year.

BOARD CHAIRMAN'S COMMUNICATIONS:

None

BOARD MEMBERS' COMMUNICATIONS:

None

CITIZEN COMMUNICATIONS:

None

CONSENT AGENDA:

1. All Consent Items.

(a) Approval of the minutes of the Hastings Utility Board Meeting of December 12, 2024.

Dewalt, Hemje all yes
Moved by Dewalt and seconded by Hemje to approve the minutes for the meeting of December 12, 2024. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Kvols. Nays: None. Absent: None. Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

(a) Finance

i. EV Grant Status

Jaci to briefly discuss where we are on the Electric Vehicle (EV) Grant Status. We were able to get a little over $70,000.
We are currently in the review process and hoping to get a bid out soon. All of the local dealers are involved as well as others.
Where will the charging stations be? The charging stations will be in the sub station shop.
We tried an electric vehicle in the past. This is a good fit and good time to try this again.

(b) Production

(c) Operations

i. December 18th Outage Review

Had an incident that occurred on December 18th that caused a power outage. Noel goes over standard procedures for emergency response and the time line of this accident.

Automobile Accident 12/18/24.
- Feeder 206 cycled 3 times and locked out at 17:49
- Received a personal call from a NDOR employee who was shopping at 17:53 that the Menards/Walmart area was dark
- While on the phone with the NDS Control Room, 911 called that lines were down on 42nd and 281 on a car with people trapped inside
- 1 Line Crew of 2 was already in on the way to another small issue. They were redirected arriving at 18:00. Another crew of 2 called in along with a Substation's Employee.
- Process for an automobile accident
- Make the scene electrically safe for the victims and First Responders
- Assess the damage
- Plane next steps. Repair/Temporary Fix/Bypass/Combination
- After the initial crew report, and the scene is made safe, 2 more Line Crew were called in.
- A Tail Gate conference was held to create a restoration plan and Address Scene Safety for repair
- The downed area was cut free on both sides, it will need full replacement and new underground to the West
- West broken pole is a major junction. It will be temporarily repaired in place.
- Line Crews made the necessary repairs at the scene
- Substations prepped isolations and back-feed of power from East and South
- Hastings Fire Department stayed on site. Addressing traffic control on 281 and removal of the vehicle. Final 2 Officers left when power was restored.
- Feeder 206 Restored at 20:16. All customers restored at 20:40
- Permanent repairs began Thursday 12/19/25 with 2 poles and pipe
- New underground was installed on 12/23/24
- Area was returned to the "normal" configuration 12/26/24
- Service tickets for call in work, repair labor, and all materials used are compiled and turned over to Accounting for Insurance reimbursement. Approximately 230 regular hours and 30 hour of overtime.

We had 34 poles that were taken out in the year of 2024.

(d) Administration

i. Discussion on Postings and Late Fees

Karl discusses Postings and Late Fees.
Billing Process Timelines
- Bill Produced - Day 1 (customer connect accounts receive notice that their bill has been produced)
- Delinquent Date - 15 Business Days after mailing date
- Delinquent Letter - 3 Business days after delinquent date
- Posting Notice - Day before shut-off
- Shut-off Date - 8 Business days after delinquent date (phone calls are made to accounts if we have contact information)

Let's Talk about Postings
- Final notice provided day before shut-off
- Delivered to the customer's door
- Additional phone calls are made to customers

- No other peer utilities do postings
- Possible new options available
- Timeline for new options

Yearly Stats
- Customer Charge
  * Delinquent notice - $0
  * Posting - $25
  * Shut-off - $75
- Posting charges billed - 2022-24 Average - $128,958
- Shut-off/Limit Charges Billed - 2022-24 Average - $75,125

Late Fee Projection Study
- What is happening around the state in our peer group?
  * Grand Island - 3% of Electric
  * Fremont - 10% ($10 Max)
  * LES - 3% of total bill
  * North Platte - 1.333% of total bill
  * OPPD - 4% of total bill
  * NPPD - 3% of total ($15 minimum)
- Hastings Average Bill Amount - $204.29

How do we go about updating contact information? We are moving forward that we review the information when we have contact with the customer. We now require phone number when setting up services.

For customers that are having difficulties with bills, please contact customer service because we do have ways to help.

(e) Other

i. OMS Update

IT has been working on a system that we are getting close to implementing. Kirk goes over the Outage Management System (OMS).

Survalent OMS
- What is the OMS
- Benefits of the system
-Where are we today

Defining some terms

- **SCADA- Supervisory Control and Data Acquisition**
  - Used for controlling, monitoring, and analyzing our electrical network.
  - Transformers, breakers, switches, etc...
  - This is how our employees monitor our electrical grid.
  - Using this system to make sure power to Hastings is on, stable, and reliable.
  - Does not affect anything inside the customer's home
- **GIS - Geographic Information System**
  - Maps created and maintained by the city that documents the location and connections to our electric, water, gas, and sewer networks.
  - Electric – Information and location of things like
    * Transformers, Switches, Breakers, meters, etc…
    * Documents how all these devices are connected together
    * If a transformer goes down, we can tell what customers would be affected thanks to the GIS map
  - Water, Gas, and Sewer depts have respective maps they utilize as well

* Documenting the location of things like fire hydrants, what pipes are connected to those hydrants, what size of pipe that is connected.
- Critical to the Outage Management System because it uses the data that it provides to pinpoint where electrical outages occur and what is affected by that outage
- It can tell all of that because it has already been mapped out in our GIS.
- **Smart Meters**
- Electric Meters installed at the customers location
- "Smart" function can tell us if that meter is powered on/off, if it's connected or not.
- We can remotely connect or disconnect those meters without having to dispatch a technician to manually do those tasks.

Outage Management System (OMS) What is it?
- Comprehensive solution that helps utilities reduce the scale and duration of outages
- This is done through integrations with our current SCADA, GIS, and Smart meter systems
- Can help pinpoint outages based on info received from those integrated systems.
- Can help coordinate outages more efficiently due to increased visibility in multiple systems
- Will only be utilized for our electric system and customers at this time.

OMS Benefits
•It utilizes the existing systems that are already in place
•Greatly improve response times
•Gives us a better picture of the impact outages have on our customers without having to navigate to multiple systems
•Create tickets and tasks for our line crews to go out and fix devices that have gone down
•Wholistic view of our electrical network
•All the connections have been documented and imported from the GIS
•There will be a new outage portal for our customers
•One stop shop for electrical outages and updates
•Outages will be dynamically displayed on that new outage portal providing citizens with quicker updates
•We can provide short updates to outages on the new outage portal
•Could be ETOR, Truck is on the way, any message we think would benefit the public to know about
•Citizens don’t have to wait on hold for updates on outages from the city
•Allows our technicians to better focus on resolving the outage
•Doesn’t take away to the option to speak to someone about an outage

Where are we at now?
- All systems for the OMS ae currently up and running
- Working through some final touches and training to begin using the system
- Looking to finish testing and fully utilize this system by March 1st.

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

ADJOURN:

Motioned to adjourn by Kvols, seconded by Meeske. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Kvols. Nays: None. Absent: None. Adjourned at 10:01 am.

APPROVED:

Board Secretary

HASTINGS UTILITIES

Utility Board Meeting
February 2025

Financial and Operating Report

Fiscal Year 2024

Post-Audit Year-End Highlights

HASTINGS UTILITIES

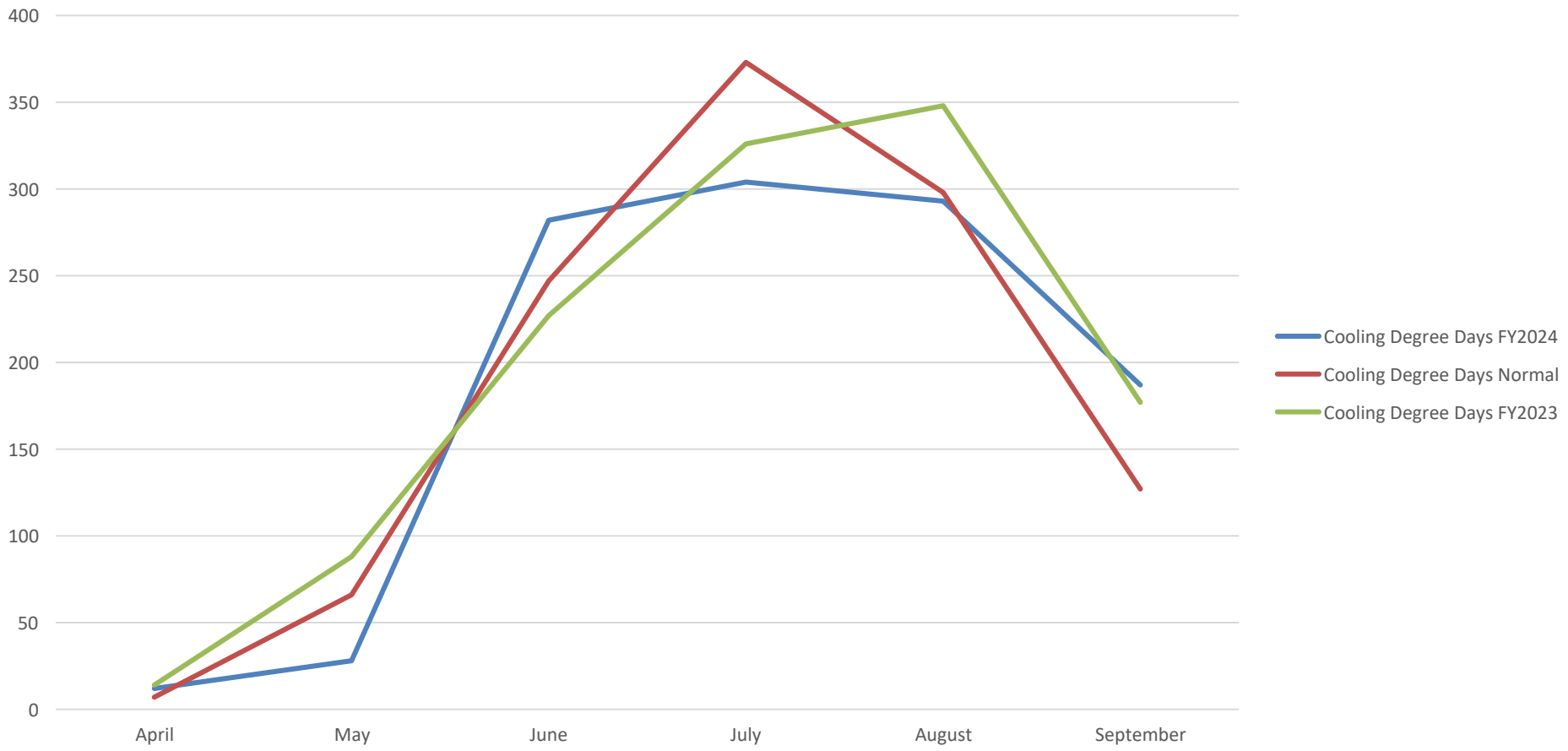
Electric Department

	FY2024	FY2023	FY2024 Budget		$ Difference in Actual from Budget	% Difference in Actual from Budget
Operating Revenue	$52,478,980	$56,018,464	$61,258,513		($8,779,533)	-14%
Operating Expenses	$57,430,923	$59,661,596	$63,099,944		($5,669,021)	-9%
Net change before Other Inc/Exp	($4,951,943)	($ 3,643,132)	($1,841,431)		($3,110,512)	
Net Change in Financial Position	($1,135,218)	$788,938	$2,412,539		($3,547,757)	

- Operating Revenue was lower than expected due to excess generation sold to the market being low as a result of a soft SPP market.
- A soft SPP market also leads to lower Operating Expenses. Running the units less or at lower loads reduces the amount of fuel used, and we were able to purchase power from the market at a lower cost than budgeted.

HASTINGS UTILITIES

Cooling Degree Days



HASTINGS UTILITIES

Electric Capital and Cash

Electric (Millions)		Actual	Budget
WEC1 Bottom Ash System		$2.28	$2.02
Solar Field		$5.06	$7.11
Substations		$9.58	$11.92
Distribution		$4.49	$5.98
Total Electric Capital		$25.65	$32.97
Total Electric Cash FY24 End		$12.18	
Minimum Cash Reserve		$26.67	

HASTINGS UTILITIES

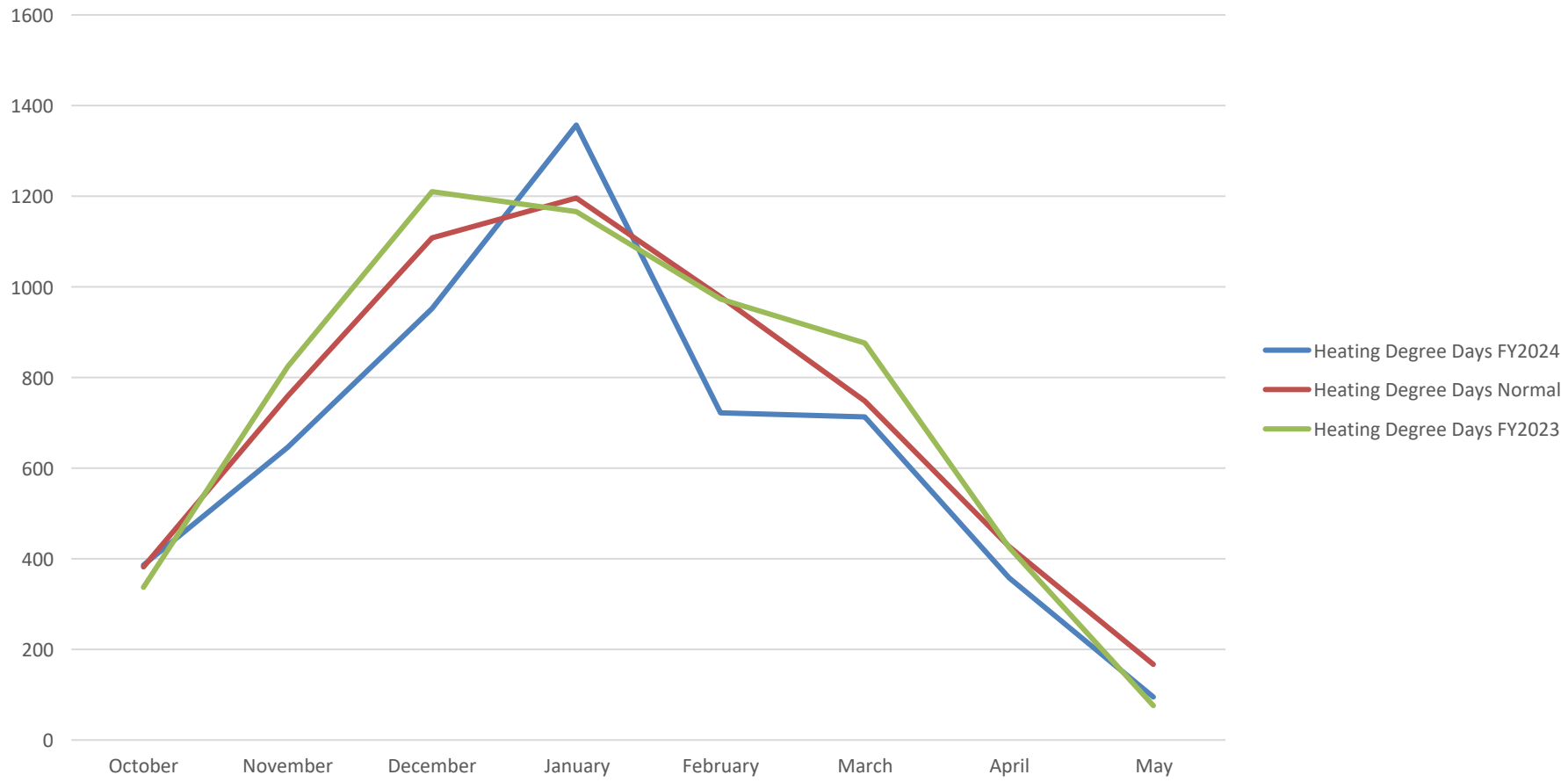
Gas Department

	FY2024	FY2023	FY2024 Budget		$ Difference in Actual from Budget	% Difference in Actual from Budget
Operating Revenue	$10,107,324	$12,714,824	$10,319,350		($212,026)	-2%
Operating Expenses	$9,564,197	$13,793,326	$11,521,405		($1,957,208)	-17%
Net change before Other Inc/Exp	$543,127	($1,078,502)	($1,202,055)		$1,745,182	
Net Change in Financial Position	$1,298,155	($817,689)	($1,043,507)		$2,341,662	

- While budgeting FY2024, we anticipated higher gas pricing that inflated Operating Expenses through the Purchased Gas account. This shows that account under what was budgeted
- Greater electric generation from natural gas, also impacted operating revenue and operating expenses

HASTINGS UTILITIES

Heating Degree Days



HASTINGS UTILITIES

Gas Capital and Cash

Gas (Millions)		Actual	Budget
Purchase of new gas meters		$0.26	$0.22
CCC Phase II and III		$0.26	$0.26
Total Gas Capital		$1.43	$1.42
Total Gas Cash FY24 End		$13.23	
Minimum Cash Reserve		$4.73	

HASTINGS UTILITIES

Water Department

	FY2024	FY2023	FY2024 Budget		$ Difference in Actual from Budget	% Difference in Actual from Budget
Operating Revenue	$7,498,733	$7,893,241	$8,375,550		($876,817)	-10%
Operating Expenses	$6,367,139	$6,307,170	$6,502,776		($135,637)	-2%
Net change before Other Inc/Exp	$1,131,594	$1,586,071	$1,872,774		($741,180)	
Net Change in Financial Position	$1,929,021	$1,767,133	$2,337,937		($408,916)	

- Summer of 2024 was below normal for cooling degree days with above normal rainfall during months of increased cooling degree days

HASTINGS UTILITIES

Water Capital and Cash

Water (Millions)	Actual	Budget
Main Replacement Program	$2.72	$2.79
Total Water Capital	$3.87	$6.21
Total Water Cash FY24 End	$2.80	
Minimum Cash Reserve	$2.79	

HASTINGS UTILITIES

Sewer Department

	FY2024	FY2023	FY2024 Budget		$ Difference in Actual from Budget	% Difference in Actual from Budget
Operating Revenue	$7,774,201	$7,704,769	$7,500,000		$274,201	4%
Operating Expenses	$6,472,873	$6,184,479	$5,920,937		$551,936	9%
Net change before Other Inc/Exp	$1,301,328	$1,520,289	$1,579,063		($277,735)	
Net Change in Financial Position	$1,633,663	$1,706,155	$1,708,693		($75,030)	

- Sewer is typically a constant department with a minimal amount of weather driven impacts. The budget is reflected accordingly.

HASTINGS UTILITIES

Sewer Capital and Cash

Sewer (Millions)	Actual	Budget
Activated Sludge Basin Switch and Startup	$1.02	$2.50
Manhole Improvements	$0.41	$0.40
New Sewer Jet Truck w/Camera	$0.43	$0.45
Total Sewer Capital	$2.72	$5.61
Total Sewer Cash FY24 End	$3.91	
Minimum Cash Reserve	$2.35	

HASTINGS UTILITIES

Projected Cash

Unencumbered & Rate Stab as % of Operating Expense			
	9/30/2025	9/30/2026	9/30/2027
Electric	8.06%	13.96%	24.87%
Gas	81.10%	76.39%	69.92%
Water	3.04%	26.74%	51.79%
Sewer	16.19%	25.47%	55.23%

HASTINGS UTILITIES

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Utility Board Meeting
February 2025

HASTINGS
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Water Main & Lead Water Service Replacement Prioritization, Goals, & Progress

HASTINGS UTILITIES

- Prioritization
- Goal / Schedule
- Progress

HASTINGS UTILITIES

Prioritization

- Break History
  - Age
  - Material
- Size/Fire Flow
- Lead Services

HASTINGS UTILITIES

Prioritization

- Average main breaks per year about 7.5 (1988 to present).
- Main break rate is increasing, up 50% from 2000 to 2020 (10 year rolling average).
- Oldest in use mains are from late 1880s, approaching 140 years old.
- Main age a critical factor in main break rate.

Main constructed in 1920-1939 (20 yrs) represents about 9% of our system but is responsible for about 28% of failures. 1980 to present (45 yrs) represents about 50% of our system, but about 3% of failures.

HASTINGS UTILITIES

Prioritization

- Main material a critical factor in main break rate.

  Main constructed of cast iron represents about 37% of our system but is responsible for about 84% of failures.

- AWWA targets 15 main breaks per year / 100 miles as national goal

- Hastings has about 206 miles of main

  1988-2020 Average Breaks per year / 100 miles = About 3.5

  Last Five Years = About 4.5

- Main break rate increasing, but below industry average, & not primary driver for replacement.

HASTINGS UTILITIES

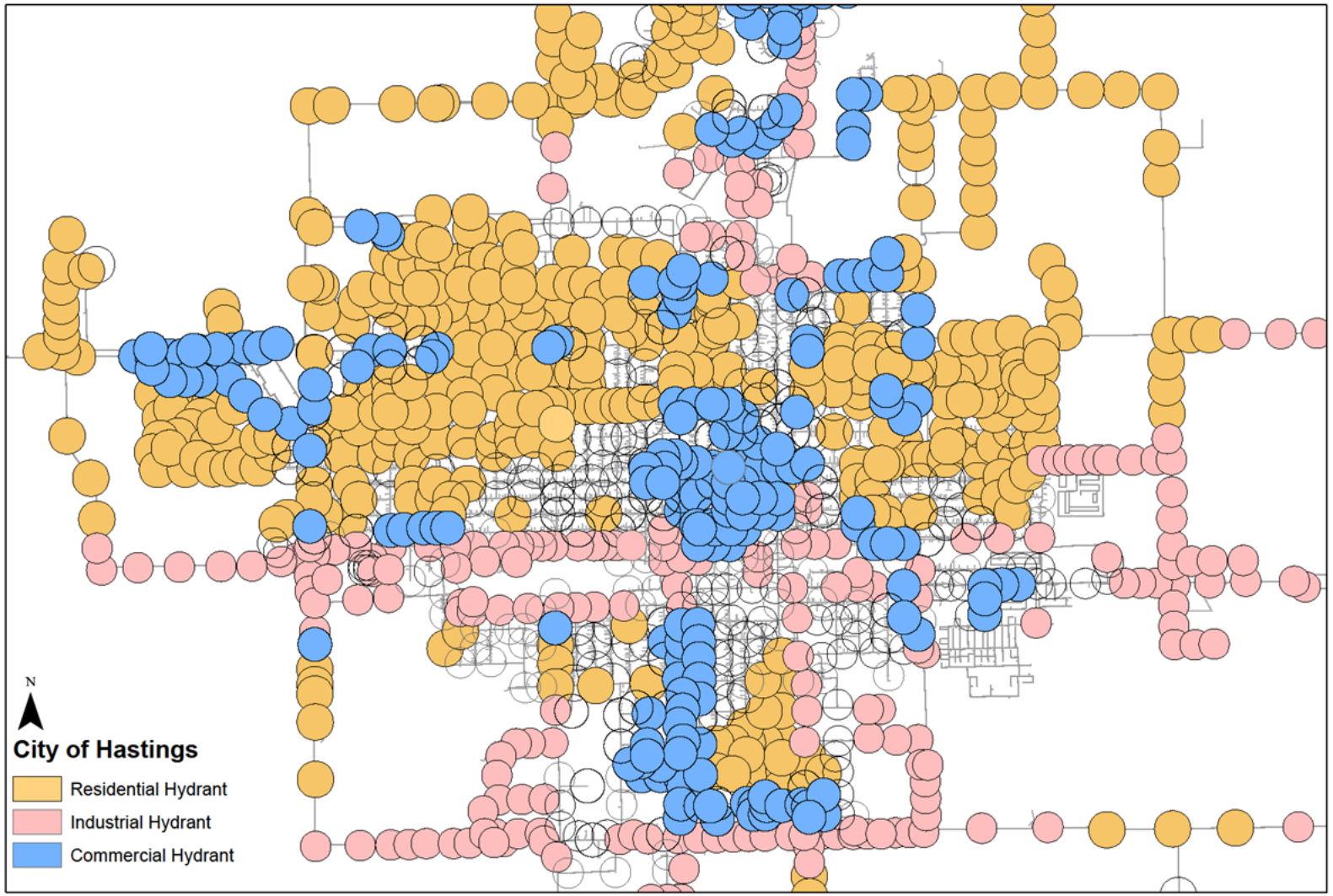
Prioritization

- Hastings' water distribution system contains about 25 miles of 4" water main.
- Current HU engineering standard stipulates all new and replacement residential water mains must be 8" diameter or larger.
- Uniform Fire Code stipulates minimum fire flow of 1500GPM at fire hydrants.
- 4" water mains provide 500 to 1000GPM depending on configuration.

HASTINGS UTILITIES

Prioritization

Fire Hydrant Coverage



HASTINGS UTILITIES

Prioritization

Cast Iron
Tuberculation

As velocity increases, mineral scale increases

HASTINGS UTILITIES

Prioritization

- Committee recognized fire flow as primary driver for replacement

- 83% of our 4” main is over 80 years old and all of it is cast iron (critical factors in our main breaks).

HASTINGS UTILITIES

Prioritization

- Lead & Copper Rule (LCR) and new Lead & Copper Rule Improvements (LCRI) ever tightening.
    - Stricter penalties for violations.
    - Lower limits (10ppb vs. 15ppb).
    - Expanded notification requirements.
- <u>All municipalities/utilities no lead water services in 10 years.</u>
- About 70% of known lead water services are on 4” water mains.

HASTINGS UTILITIES

Goal & Schedule

- Lead Goal: Remove 100% Lead Services by 2040, Revised by 2035.

- Main Goal: 1-1.5 miles per year while we focus on lead and 4” mains, ramping up to 1% system replacement per year by 2040 (*2035*).

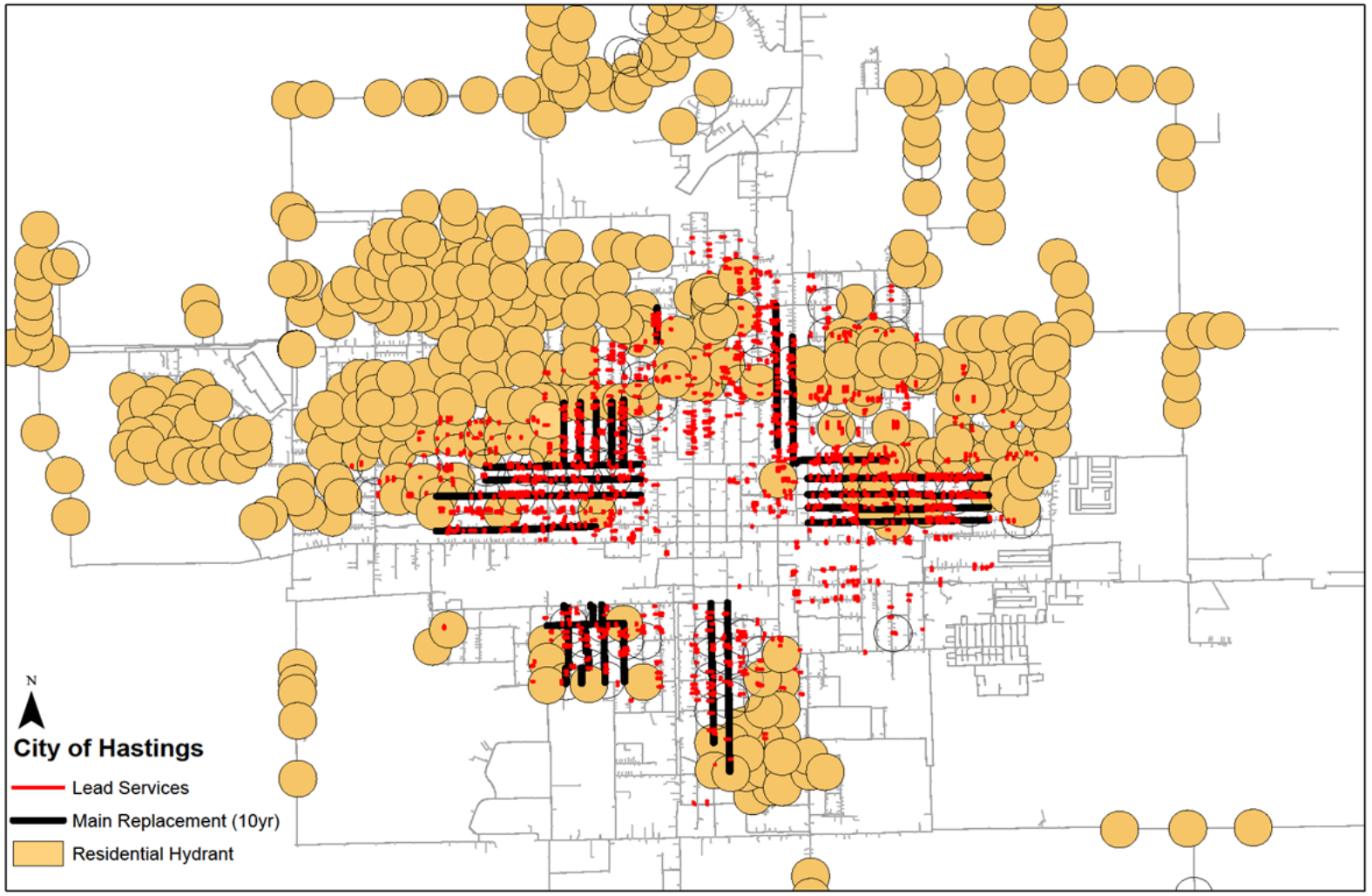
- New main, new service best long-term strategy for customers.

4” water main replacement represents our commitment to system reliability and community safety. Lead water service replacement represents our commitment to regulatory compliance and community health.

HASTINGS UTILITIES

Goal & Schedule

Lead Services, 10 Year Replacement Mains and Residential Hydrants



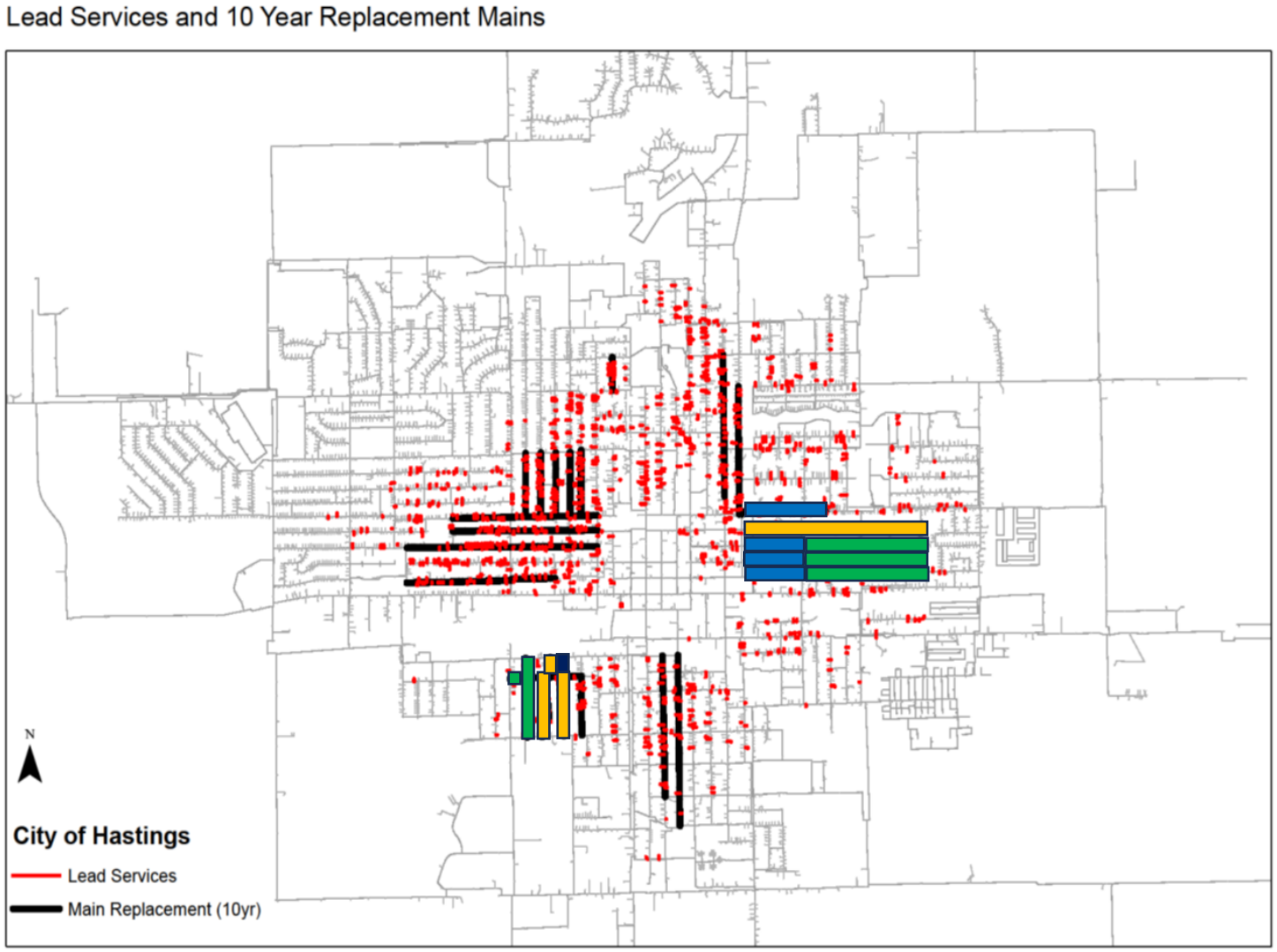
HASTINGS UTILITIES

Progress

Oct 2023: 87 Services

Oct 2024: 173 Services

Oct 2025: ≈ 272 Services



SRF $ to Date: $449,830

≈ 3.25 Miles Water Main To Date

≈ 1.15 Miles Water Main To go 2025 FY

New York A to E

Garfield B to E

6th St. E.S. Blvd. to 2nd Ave.

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