CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, February 13, 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 February 13, 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, Jay Beckby, Steve Huntley, Jesse Oswald, Mark Funkey
Brandan Lubken, Jaci Higgins, Larry Fox, Lee Vrooman, Roger Nash, Keith Miller, Erik Nielsen, Kirk Layton, Tony Herrman, Kyle Patten, Lori Hartman, Marty Stange

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 February 13, 2025 REGULAR MEETING.

Moved by Dewalt, Second by Hemje to adopt the current agenda for the February 13, 2025, regular meeting. Roll call: Ayes: Bill Hitesman, Jeanette Dewalt, Mark Hemje, Susan Meeske, Scott Kvols. Nays: None. Absent: None. The motion carried.

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:

We encourage customers to reach out if they need help. We want everyone to stay warm.

BOARD CHAIRMAN'S COMMUNICATIONS:

Would like to welcome Steve Huntley and Mayor Beckby to our meeting.

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 January 9, 2025.

Moved by Hemje, seconded by Meeske to approve the minutes for the meeting of January 9, 2025. Roll Call: Ayes: Hitesman, Dewalt, Hemje, Meeske, Kvols. Nays: None. Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

(a) Finance

i. Presentation of the 23/24 FY Audit

The audit is complete. Marci Luth with AMGL conducted the audit again this year. She goes over the presentation of the audit for us.

ii. Monthly Financials Comment

iii. Year End 2023/2024 Financial Report

Financial and Operating Report - Fiscal Year 2024. Post-Audit Year-End Highlights
Electric Department
- Operating Revenue was lower then 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.
Gas Department
- 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.
Water Department
- Summer of 2024 was below normal for cooling degree days with above normal rainfall

during months of increased cooling degree days.
Sewer Department
- Sewer is typically a constant department with a minimal amount of weather driven impacts. The budget is reflected accordingly.

(b) Production

(c) Operations

i. Water Main & Lead Water Service Replacement

Water Main & Lead Water Service Replacement Prioritization, Goals, & Progress
Prioritization
* Break History - Age, - Material *Size/Fire Flow *Lead Services
* 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.
* Main material a critical factor in main break rate.
Main constructed of case 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 water distribution system contains about 25 mile 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.
* 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).
* Lead & Copper Rule (LCR) and new Lead & Copper Rule Improvements (LCRI) ever tightening.
- Stricter penalties and violations. - Lower limits (10ppb vs. 15ppb). - Expanded notification requirements.
* All municipalities/utilities no lead water services in 10 years.
* About 70% of know lead water services are on 4" water mains.
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.

(d) Administration

(e) Other

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

ADJOURN:

Motion to adjourn by Dewalt, second by Meeske. Roll Call: Ayes: Hitesman, Dewlt, Hemje, Meeske, Kvols. Nays: None. Adjourned at 10:22 am.

APPROVED:

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Board Secretary