

**HASTINGS UTILITY BOARD
AGENDA**

**Airport Conference Room - Hastings Municipal Airport
3300 W. 12th Street
March 13, 2025
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

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

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

1. Updated Utilities Acronym List

BOARD CHAIRMAN'S COMMUNICATIONS:

BOARD MEMBERS' COMMUNICATIONS:

CITIZEN COMMUNICATIONS:

CONSENT AGENDA:

2. All Consent Items.
 - (a) Approval of the minutes of the Hastings Utility Board Meeting of February 13, 2025.

REGULAR AGENDA:

3. Unfinished Business of Preceding Meeting.
4. General Business.
 - (a) Finance
 - i. City Council Budget Sub-Committee

- ii. 24/25 Q1 Financial Report
 - (b) Production
 - i. Electric Production Overview
 - (c) Operations
 - i. CPEP 2 Extension Resolution Approval
 - (d) Administration
 - (e) Other
5. 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.

ACRONYMS

Hastings Utilities Facilities:	
ASR	Aquifer Storage and Restoration
CMS	Community & Municipal Services Incorporated Service Area
CPILS	CPI Lift Station
CStLS	C St Lift Station
DHPC	Don Henry Power Center
GerLS	Gerhold Lift Station
KAPS	Kansas Avenue Peak Shaver
MALS	Maxon Avenue Lift Station
MPHLS	MPH Lift Station
NDS	North Denver Station
NKLS	North Kansas Lift Station
NTB	North Town Border
PCF	Pollution Control Facility
PPGA	Public Power Generation Agency
SBLS	South Burlington Lift Station
SLS	Sycamore Lift Station
WAPS	West Avenue Peak Shaver
WBLS	Westbrook Lift Station
WEC	Whelan Energy Center
WTB	West Town Border
National & State Organizations:	
AGA	American Gas Association
ANSI	American National Standards Institute
APPA	American Public Power Association
ASCE	American Society of Civil Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
AWWA	American Water Works Association
CISA	Cybersecurity and Infrastructure Security Agency
DOT	Dept of Transportation (natural gas system regulations)
EI	Edison Electric Institute
EIA	United States Energy Information Administration
EPRI	Electric Power Research Institute
FERC	Federal Energy Regulatory Commission
ISO	Insurance Services Office
MEAN	Municipal Energy Agency of Nebraska
NDEE	Nebraska Department of Environment and Energy
NDOT	Nebraska Department of Transportation
NEMA	National Electrical Manufacturers Association
NERC	North America Electric Reliability Corporation
NFPA	National Fire Protection Association
NGDC	Natural Gas Distribution Company
NHHS, NDHHS	Nebraska Department of Health and Human Services

NSFM	Nebraska State Fire Marshal
PHMSA	Pipeline and Hazardous Material Safety Administration
USEPA or EPA	United States Environmental Protection Agency
WAPA	Western Area Power Administration
WRF	Water Research Foundation
Rules Affecting Hastings:	
CCR	Coal Combustion Residual Rule
CPP	Clean Power Plan
CSAPR	Cross State Air Pollution Rule
LCR	Lead and Copper Rule
LCR(I)	Lead and Copper Rule Improvements
MATS	Mercury Air Toxic Standard
SDWA	Safe Drinking Water Act
SWPPP	Stormwater Pollution Prevention Plan
Substances/Measurements:	
BOD	Biochemical Oxygen Demand
CBOD	Carbonaceous Biochemical Oxygen Demand
CCF	Centum Cubic Foot or 100 cu. Ft. of water
CFS, cfs	cubic feet per second
CO	Carbon Monoxide
CO2	Carbon Dioxide
COD	Chemical Oxygen Demand
Cu	Copper
DO	Dissolved Oxygen
FOG	Fats, Oils, and Grease
gpm	gallons per minute
kW	Kilowatt
kWh	Kilowatt Hour
MCL	Maximum Contaminate Level
MGD	million gallons per day
mg/l	milligram per liter (part per million)
mmbtu	Million British Thermo Units
MW	megawatt
NH3	Ammonia
NO2	Nitrite
NO3	Nitrate
NOx	Nitrogen Oxide
Pb	Lead
PFAS	Polyflouroalkyl Substances
PM	Particulate Matter
ppB	part per billion (microgram per liter)
ppm	part per million (milligram per liter)
RAS	Return Activated Sludge
SO2	Sulfur dioxide
SOC/SVOC	Semi-volatile Organic Compound
SS	Suspended Solids

SVI	Sludge Volume Index
TS	Total Solids
TSS	Total Suspended Solids
ug/l	microgram per liter (part per billion)
VOC	Volatile Organic Compound
WAS	Waste Activated Sludge
Industry Terms:	
AEI, USAEI	Air Emission Inventories
AMI	Advanced Metering Infrastructure
AMR	Automated (for automatic) meter reading
AO	Asset Owner
APNode	Aggregate Price Node
ASA	Average Speed of Answer (call center term)
AQCS	Air Quality Control System
BA	Balancing Authority
BSS	Bilateral Settlement Schedule
CAIDI	Customer Average Interruption Duration Index
CEMS	Continuous Emission Monitoring System
C&I	Commercial and Industrial
CIS	Customer Information System
Co-op	Cooperative (a utility, usually with a rural territory, that is owned by its members/customers)
COOP	Continuance Of Operation Plan
COS	Cost of Service
CRM	Customer Relationship Manager
CSA	Customer Service Agent
CSR	Customer Service Representative
CP	Cathodic Protection
DA	Day-Ahead
DA Market	Day-Ahead Market
DCS	Distributed Control System
DG	Distributed Generation
DIMP	Distribution Integrity Management Program
DRL	Demand Response Load
DSM	Demand-Side Management
EE	Energy Efficiency
EEA	Energy Emergency Alert
ERP	Emergency Response Plan
EV	Electric Vehicle
GIS	Geographical Information Systems
GPS	Global Positioning System/Satellite
G&T	Generation and Transmission
I & I	Inflow and Infiltration
ISO	Independent System Operator
IT	Information Technologies
IOU	Investor-Owned Utility
IVR	Interactive Voice Response (aka VRU, voice resp. unit - a call center technology)

JOU	Jointly Owned Resource
KPI	Key Performance Indicator
LEPC	Local Emergency Planning Committee
LMP	Locational Marginal Price
LSE	Load Serving Entity
MAOP	Maximum Allowable Operating Pressure
MCC	Motor Control Center
MCR	Maximum Continuous Rating
MDMS	Meter Data Management System
MP	Market Participant
MSL	Meter Settlement Location
Muni	Municipally owned utility
MW	Megawatt
MWh	Megawatthour
OASIS	Open Access Same-Time Information System
OMS	Outage Management System
OQ	Operator Qualification (Gas)
PCB	Polychlorinated Biphenyl
PUD	Public Utility District
PUHCA	Public Utility Holding Company Act of 1935 - amend
PURPA	Public Utilities Regulatory Policies Act of 1978
PV	Photovoltaic
PWS	Public Water System
REC	Rural Electric Cooperative
RFP	Request for Proposals
RTP	Real-time Pricing
RT	Real-Time
RTBM	Real-Time Balancing Market
RTO	Regional Transmission Organization
RUC	Reliability Unit Commitment
SA	Settlement Area
SAIDI	System Average Interruption Duration Index
SCADA	Supervisory Control and Data Acquisition
SG	Smart Gride
SHRIMP	Simple, Handy, Risk-based Integrity Management Plan
SID	Sanitary Improvement District
SPP Region	Southwest Power Pool Region
STLF	Short-Term Load Forecast
SUS	Secondary Unit Substation
SWPP	Southwest Power Pool Transmission
T & D	Transmission & Distribution
TO	Transmission Owner
TSR	Transmission Service Request
UDC	Utility Distribution Company
UFLS	Under Frequency Load Shedding
VFD	Variable Frequency Drive

VTP	Vertical Turbine Pump
WHP	Wellhead Protection
WHPA	Wellhead Protection Area
WHPP	Wellhead Protection Plan
XFR	Transformer
NFPA Electrical Code Terms:	
AFCI	Arc Fault Circuit Interrupter
AHJ	Authority Having Jurisdiction
ATS	Automatic Transfer Switch
AWG	American Wire Gage
CB	Circuit Breaker
cmil	Circular Mill
CSA	Canadian Standard Association
EGC	Equipment Grounding Conductor
EMF	Electromotive Force
EMT	Electrical Metallic Tubing
ENT	Electrical Nonmetallic Tubing
FLC	Full Load Current
FMC	Flexible Metal Conduit
FMT	Flexible Metal Tubing
GFCI	Ground Fault Circuit Interrupter
GND	Ground
hp	Horsepower
HVAC	Heating Ventilation Air Conditioning
Hz	Hertz
IAEI	International Association of Electrical Inspectors
IEC	International Electrotechnical Commission
IEEE	Institute of Electrical and Electronic Engineers
IMC	Intermediate Metal Conduit
ISB	Intrinsically Safe Barrier
kcmil	One Thousand Circular Mills
kVA	Kilovolt-Amperes
kW	Kilowatts
LED	Light Emitting Diode
LFMC	Liquidtight Flexible Metal Conduit
LFNC	Liquidtight Flexible Nonmetal Conduit
LNG	Liquefied Natural Gas
LP-GAS	Liquefied Petroleum Gas
MW	Mega Watt
NECA	National Electrical Contractors Association
NESC	National Electrical Safety Code
OCPD	Overcurrent Protective Device
PF	Power Factor
PLC	Programmable Logic Controller
PoE	Power Over Ethernet
RMC	Rigid Metallic Conduit

RMS	Root Mean Square
RNC	Rigid Nonmetallic Conduit
RPM	Revolutions Per Minute
RTU	Remote Terminal Unit
SCR	Silicon Controlled Rectifier
SPD	Surge Protection Device
TEFC	Totally Enclosed Fan Cooled
TR	Tamper Resistant
TVSS	Transient Voltage Surge Suppressor
UL	Underwriters Laboratories
USB	Universal Serial Bus
UPS	Uninterruptable Power Source
V	Volts
VA	Volt Amperes
V ac	Volt Alternating Current
V dc	Volts Direct Current
VOM	Volt Ohm Multimeter
W	Watts
W-HR	Watt Hour
WR	Weather Resistant

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 Municipal 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.

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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 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.

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. Possible Closed Session (if necessary or requested).

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:

Board Secretary



HASTINGS UTILITIES

Utility Board Meeting
March 2025



Financial and Operating Report

Fiscal Year 2025 Q1
March 2025

Electric Department

	FY2024 Q1	FY2025 Q1	FY2025 Budget		Percent of Budget
Operating Revenue	\$10,658,974	\$13,471,840	\$59,902,397		22%
Operating Expenses	\$11,728,854	\$11,422,261	\$57,704,609		20%
Net change before Other Inc/Exp	(\$2,087,817)	\$984,004	(\$2,541,212)		
Net Change in Financial Position	(\$1,106,071)	\$2,258,692	\$3,201,833		

- Electric is a seasonal department with its largest revenue quarter typically in Q4
- Comparing FY2024 to FY2025, there was a decrease in generation that lowered SPP sales about \$1.5M

Electric Capital and Cash

Electric (Millions)	Actual	Budget
Substation Additions	\$0.20	\$1.00
Solar Field	\$0.10	\$1.50
Total Electric Capital	\$0.60	\$16.80
Total Electric Cash FY25 Q1	\$12.64	
Minimum Cash Reserve	\$28.85	44%

Unencumbered & Rate Stab as % of Operating Expense (Estimate from FY2025 Budget)

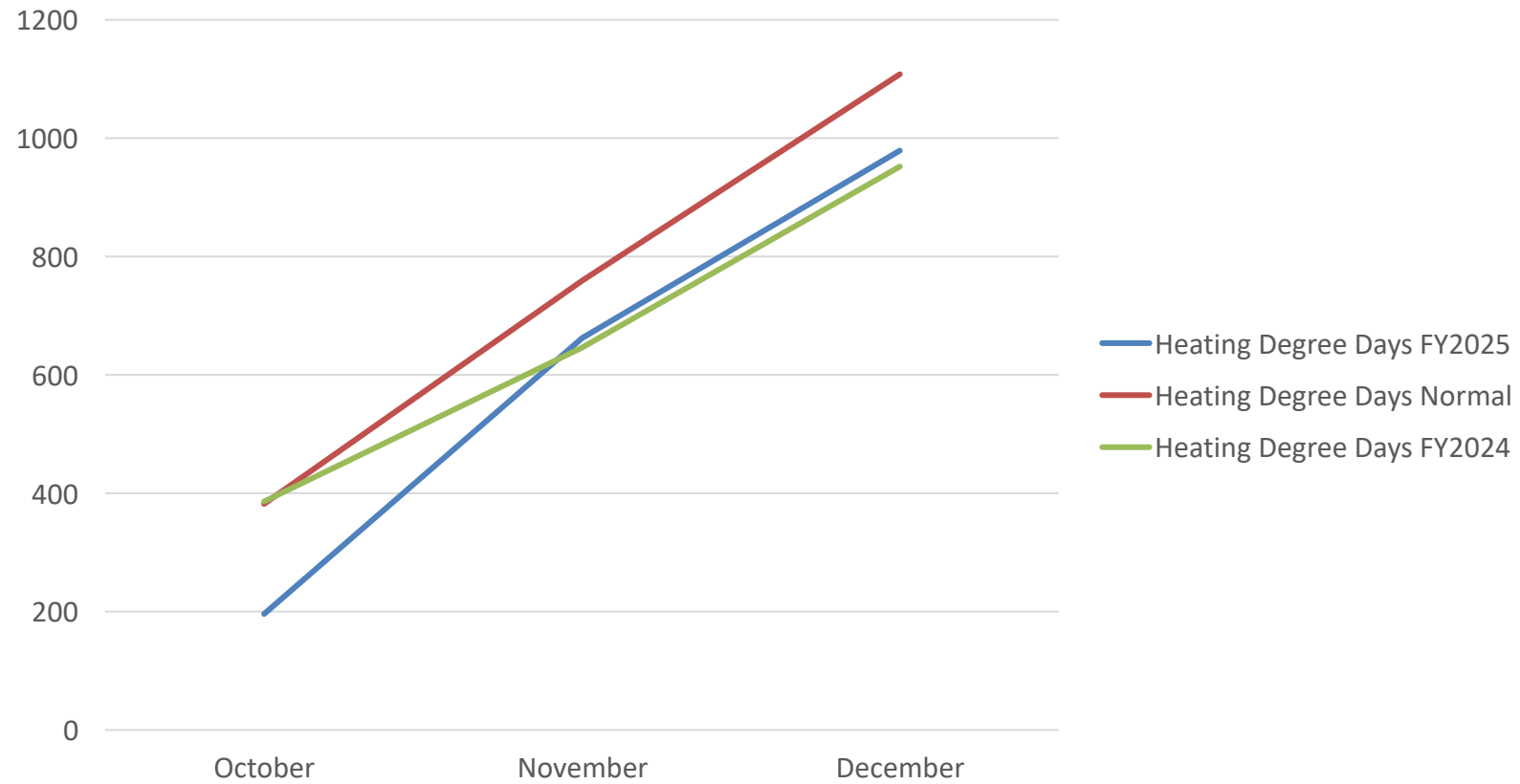
	09/30/2025	09/30/2026	09/30/2027
Electric	8.01%	13.91%	24.82%

Gas Department

	FY2024 Q1	FY2025 Q1	FY2025 Budget	Percent of Budget
Operating Revenue	\$2,069,020	\$2,129,687	\$10,279,600	21%
Operating Expenses	\$2,347,677	\$2,262,394	\$10,894,241	21%
Net change before Other Inc/Exp	(\$301,914)	(\$172,444)	(\$754,641)	
Net Change in Financial Position	(\$241,180)	(\$20,504)	(\$503,475)	

- Mild start to the quarter with a decrease in heating degree days; chart to follow
- Seasonal department: majority of revenue comes in Q1 and Q2

Heating Degree Days



Gas Capital and Cash

Gas (Millions)	Actual	Budget
Low Pressure System	\$0.03	\$0.05
Total Gas Capital	\$0.30	\$2.00
Total Gas Cash FY25 Q1	\$12.94	
Minimum Cash Reserve	\$5.44	238%

Unencumbered & Rate Stab as % of Operating Expense (Estimate from FY2025 Budget)

	09/30/2025	09/30/2026	09/30/2027
Gas	81.10%	76.39%	69.92%

Water Department

	FY2024 Q1	FY2025 Q1	FY2025 Budget		Percent of Budget
Operating Revenue	\$1,793,214	\$2,055,940	\$8,611,630		24%
Operating Expenses	\$1,230,588	\$1,139,160	\$5,485,525		21%
Net change before Other Inc/Exp	\$373,462	\$691,846	\$2,202,105		
Net Change in Financial Position	\$429,446	\$737,988	\$2,742,753		

- With a warmer Oct 2024 than Oct 2023, there was still lawn watering in Oct 2024 leading to an increase in revenue but not an increase in expenses

Water Capital and Cash

Water (Millions)	Actual	Budget
New York Ave Upgrade	\$0.20	\$0.30
Total Water Capital	\$0.20	\$7.20
Total Water Cash FY25 Q1	\$3.98	
Minimum Cash Reserve	\$2.74	145%

Unencumbered & Rate Stab as % of Operating Expense (Estimate from FY2025 Budget)

	09/30/2025	09/30/2026	09/30/2027
Water	3.04%	26.74%	51.79%

Sewer Department

	FY2024 Q1	FY2025 Q1	FY2025 Budget	Percent of Budget
Operating Revenue	\$1,880,449	\$1,775,338	\$7,363,747	24%
Operating Expenses	\$950,949	\$1,061,824	\$4,424,545	24%
Net change before Other Inc/Exp	\$487,369	\$254,150	\$1,056,202	
Net Change in Financial Position	\$551,415	\$282,874	\$1,383,519	

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

Sewer Capital and Cash

Sewer (Millions)		Actual	Budget
Activated Sludge Basin Switch and Startup		\$1.30	\$3.50
Maxon Lagoon Dredging		\$0.50	\$1.00
Total Sewer Capital		\$2.72	\$5.61
Total Sewer Cash FY25 Q1		\$2.49	
Minimum Cash Reserve		\$2.21	113%
Unencumbered & Rate Stab as % of Operating Expense (Estimate from FY2025 Budget)			
	09/30/2025	09/30/2026	09/30/2027
Sewer	16.19%	25.47%	55.23%



Electric Production Updates

- Generating Unit Status
- NDS 4 & 5 Fuel Oil Project
- Don Henry Recontrol Project
- WEC 2 Dual Fuel Conversion

Electric Production Updates

- WEC 1 is self committed to the market and online.
 - WEC 1 Spring outage will run from March 22nd to April 11th. The major outage items are air heater basket replacement, electrostatic precipitator repairs, safety testing and repairs, and circulating water makeup line repairs.
- WEC 2 is in reliability status, offline, and available.
 - WEC 2 Spring outage will run from April 6th to May 13th. The major outage items are extensive coal pulverizer overhauls, burner replacement, and electrostatic precipitator repairs.
- NDS 4 and 5 are in reliability status, offline, and available.
 - NDS 5 is finishing a short 3-day outage today.
- DHPC is in market status, offline, and available.

Electric Production

NDS 4 & 5 Fuel Oil

- History
- Why
- Progress



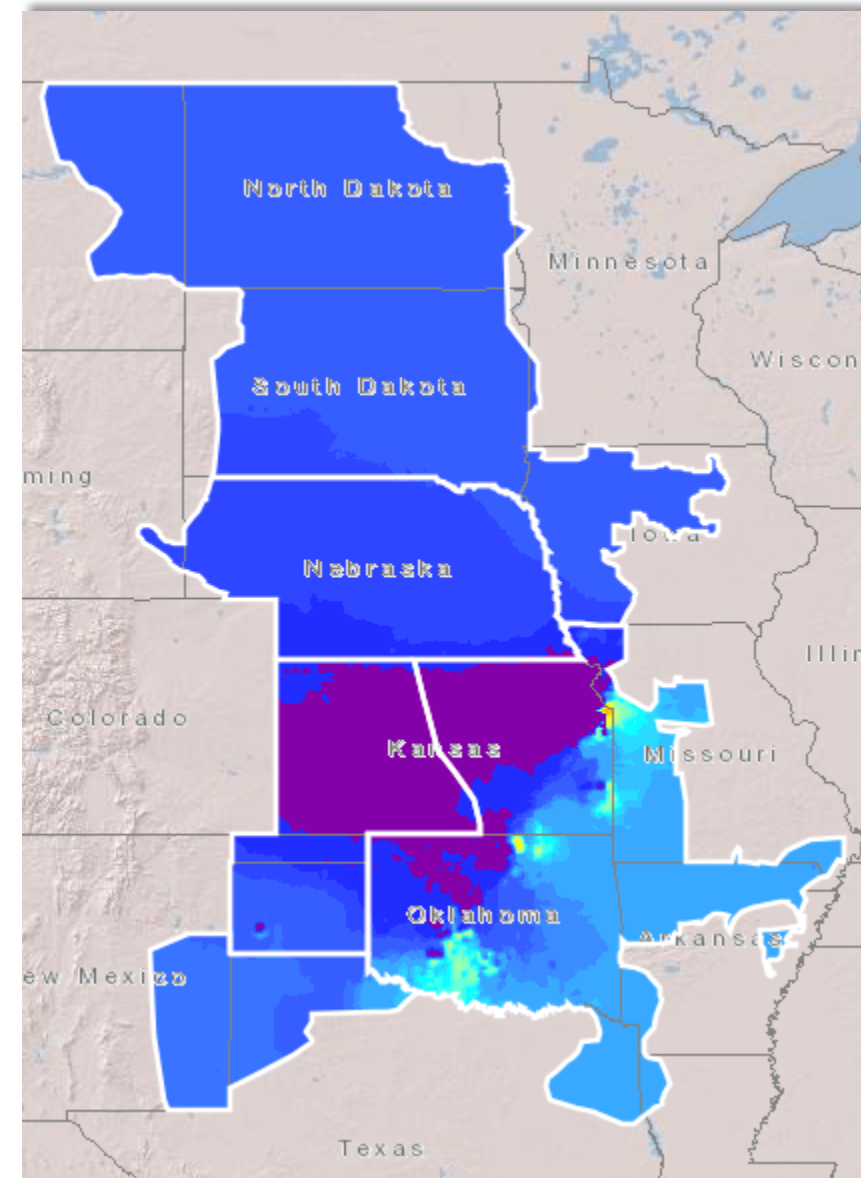
Electric Production

- History
 - NDS 4 & 5 were originally designed to operate on fuel oil or natural gas.
 - The units ran primarily on natural gas but operated for extended periods on fuel oil due to natural gas supply constraints.
 - After the commissioning of WEC 1, NDS 4 & 5 operation significantly decreased and were operated primarily during the WEC 1 outages.
 - Work was done 1998 to repair underground fuel oil and steam lines.
 - NDS 4 & 5 have not operated on fuel oil since 2001.



Electric Production

- Why
 - Reliability:
 - During the winter months, NDS 4&5 are more likely to be dispatched during the coldest periods when natural gas availability is low.
 - Allows us to earnestly participate in the market and offer the NDS units throughout the year regardless of natural gas supply constraints.
 - Pricing:
 - Hedge against spiking natural gas prices.
 - Ability to purchase and store fuel when prices are low.
 - Capacity:
 - Southwest Power Pool (SPP), and other regional transmission organizations (RTOs) have been developing policies aimed at improving grid reliability.
 - SPP has introduced performance-based capacity accreditation policies for 2026 to incentivize reliable generation.
 - Part of that policy focuses on reliability of generating units during the highest risk hours of winter months.



Electric Production

- The policy will assess a reduction in a plants accreditation when those resources are not available in the top 3% of load hours during the winter months.
- EFORd
 - Equivalent Forced Outage Rate: a reliability metric that represents the probability of unit being unable to generate at full capacity during a specific period.
- EFOF
 - Equivalent Forced Outage Factor: measures the proportion of time a generating unit is unavailable due to forced outages compared to the total time it could have been available.

WINTER ACCREDITED CAPACITY EXAMPLE 100 MW UNIT

NGC = Net Generating Capability
ACAP = Accredited Capacity

$$Unit\ ACAP = NGC * \left(1 - \left(EFORd\% + EFOF\% * \frac{\text{Incremental Outage Impact}}{\text{Sum of EFOF capacity from all units}} \right) \right)$$

$$Unit\ ACAP = 100 * \left(1 - \left(10\% + 20\% * \frac{4,102}{7,100} \right) \right) = 78.4\ MW$$

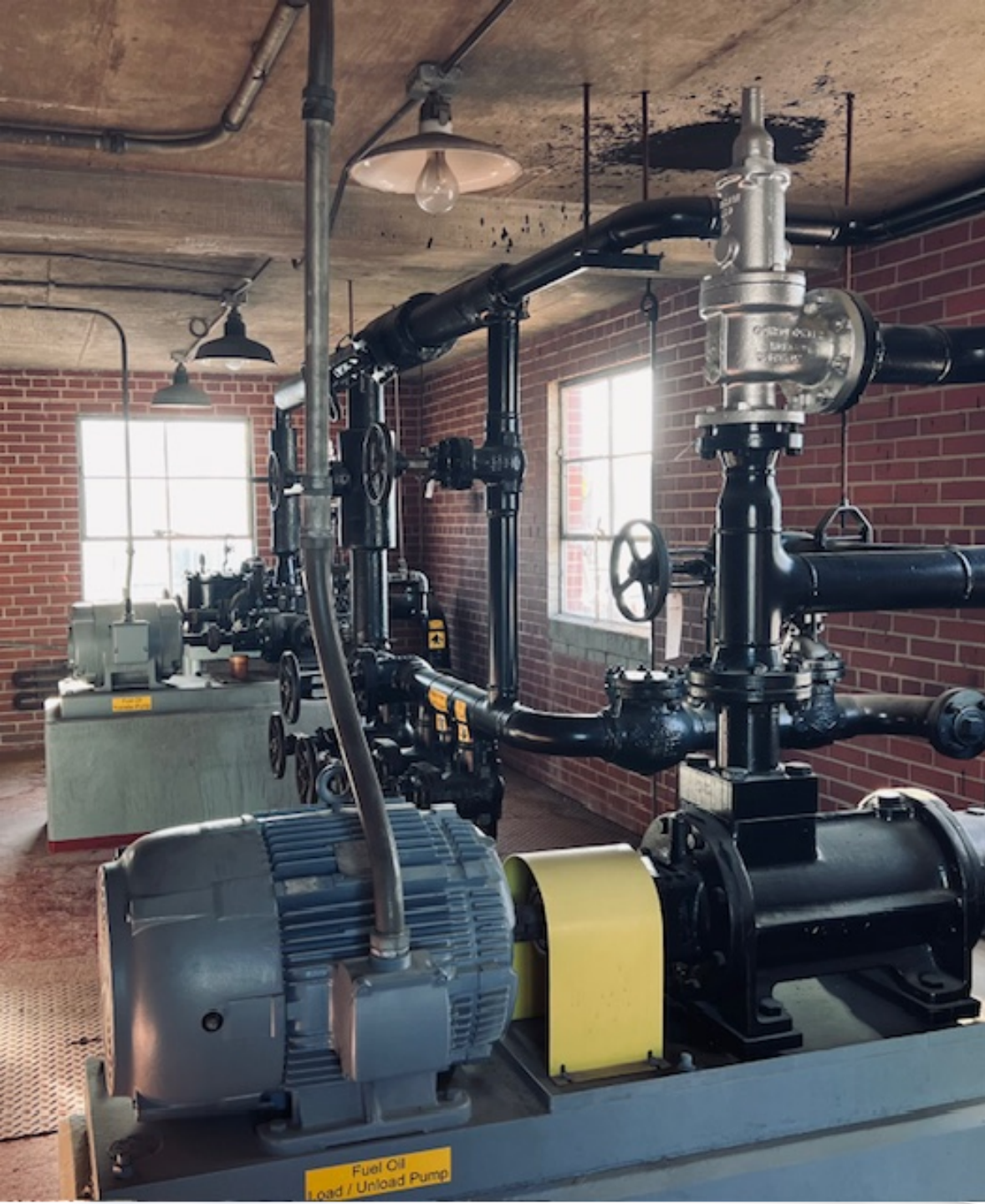


Electric Production

Progress and Action Items

- Tank Inspection and Repairs
 - 500,000-gallon tank that can provide 5 days of fuel for NDS 4 & 5 at max continuous rating (MCR).
 - The fuel oil tank has been inspected and overall is in good condition. Requires some work to bring the tank up to code.
- Soot Blowers
 - Soot blowing is the process of using steam to clean ash and soot off the internal boiler walls. Soot blowing isn't required during natural gas operation but will be needed to operate the unit with fuel oil.
 - The original soot blowers are being rebuilt, and the steam lines have been maintained or replaced.





Electric Production

Progress and Action Items

- Fuel Oil Pumps and Lines
 - Fuel oil pumps and lines will be repaired and rebuilt as needed.
- Safety Items
 - Some platforms need to be replaced to provide safe access to critical equipment.
- Boiler and DCS Tuning
 - The boiler and distributed control systems (DCS) have been tuned for natural gas firing.
 - Once the mechanical work is done, 4 & 5's boiler and DCS will be tested and tuned for fuel oil operation.

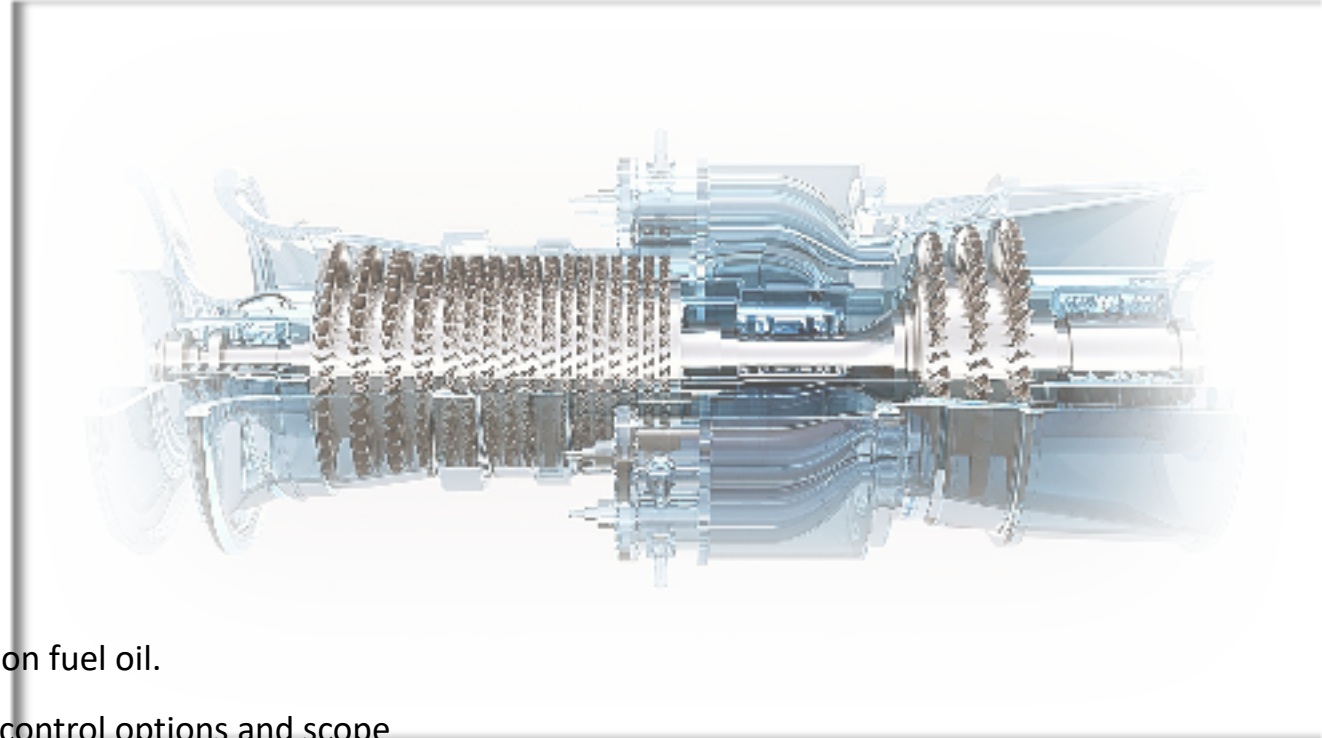
Electric Production

Don Henry Recontrol

- DHPC was last recontrolled in 2000.
- Current controls are outdated and present reliability concerns.
- Dual Fuel
 - Originally operated on fuel oil.
 - Recontrolled for dual fuel in the early 90's.
 - Experienced increased required maintenance when operating on fuel oil.
- Recontrol scheduled to be completed in 2027. Currently exploring recontrol options and scope of work.

WEC 2 Natural Gas Conversion Study

- PPGA is exploring natural gas as an alternative fuel for WEC 2.
 - Driven by the Clean Air Act.
 - EPA set stringent carbon emission standards for natural gas and coal-fired power plants.



RESOLUTION OF THE CITY OF HASTINGS, NEBRASKA, D/B/A HASTING UTILITIES (“HASTINGS”), AUTHORIZING HASTINGS TO PROCEED WITH AN AMENDMENT TO ITS GAS SUPPLY AGREEMENT WITH CENTRAL PLAINS ENERGY PROJECT (“CPEP”) IN CONNECTION WITH THE RESET OF THE AVAILABLE DISCOUNT IN CPEP GAS PREPAYMENT PROJECT NO. 2 (“PROJECT NO. 2”) WITH ROYAL BANK OF CANADA (“RBC”); AND RELATED MATTERS

WHEREAS, Hastings is a Member of the Central Plains Energy Project (“CPEP”) and is a Project Participant in CPEP’s Project No. 2, its gas prepayment transaction with RBC, in connection with which Hastings purchases supplies of natural gas from CPEP at a discount to market prices; and

WHEREAS, Project No. 2 began in 2009, at which time Hastings and CPEP entered into that certain Gas Supply Agreement dated as of July 1, 2009, for the sale and purchase of gas supplies from Project No. 2; and

WHEREAS, Project No. 2 was restructured in 2014, at which time Hastings entered into an Amendment to the Gas Supply Agreement providing for the periodic re-calculation of the Available Discount under the Gas Supply Agreement pursuant to parameters set forth in a Re-Pricing Agreement between CPEP and RBC and a resetting of the period during which the Available Discount would be in effect (the “Reset Period”); and

WHEREAS, in connection with the first such Reset Period, CPEP and Hastings entered into that certain Second Amendment to Gas Supply Agreement, dated December 1, 2019; and

WHEREAS, CPEP is currently in discussions with RBC in connection with the optimal approach to structuring the Reset Period for gas flows commencing July 1, 2025, and is considering different options for determining the Available Discount for the Reset Period, including different options for the term, volumes, and discount to be available during the Reset Period; and

WHEREAS, certain of those options may require an amendment to the existing Gas Supply Agreement, as amended, between CPEP and Hastings, while others may not.

NOW, THEREFORE, be it hereby resolved by the City Council of the City of Hastings, Nebraska, d/b/a Hastings Utilities, that:

1. The Mayor of the City and the Manager of Hastings Utilities are hereby authorized to enter into a Third Amendment to the Gas Supply Agreement between Hastings and CPEP, if necessary and appropriate, and to structure the best resolution in the interest of Hastings of the Reset Period options that may be available to CPEP and its Members.

2. The Mayor and the Manager of Hastings Utilities are hereby delegated full authority to determine the best option for the City and Hastings Utilities for the Reset Period from among those that are available, including but not limited to (i) resetting the Available Discount for a term to be determined without making structural changes in Project No. 2 or any amendment to the Gas Supply Agreement, as amended; (ii) purchasing additional supplies of gas for a portion of the remaining term of the Gas Supply Agreement; and (iii) extending the term of the Gas Supply Agreement.

3. The Mayor and the Manager of Hastings Utilities are hereby authorized to execute and deliver any closing documents or certificates which may be required in connection with the execution and delivery of the Third Amendment to the Gas Supply Agreement or otherwise necessary in connection with the establishment of a new Reset Period.

4. This Resolution shall take effect immediately upon its adoption and shall be effective for all negotiations and decisions that may be made for the Reset Period commencing on July 1, 2025, under the Gas Supply Agreement between Hastings and CPEP, and for the

finalization of any amendments to the Gas Supply Agreement in order to effectuate the refunding of CPEP's Project No. 2 bonds for the upcoming Reset Period.

5. All Resolutions or portions thereof inconsistent with this Resolution are hereby repealed and superseded.

Dated this ____ day of _____, 2025.

CITY OF HASTINGS, NEBRASKA
A Municipal Corporation

By: _____
George J.J. Beckby, Mayor

ATTEST:

Tyler Ficken, City Clerk

Approved as to Form: _____
Jesse Oswald, City Attorney



Central Plains Energy Project (CPEP)
Gas Prepayment Project 2 Reset

Central Plains Energy Project (CPEP)

Created in 2006 - Members include

- Metropolitan Utilities District of Omaha (MUD)
- Municipal Gas Utility of Cedar Falls, Iowa
- City of Hastings

CPEP prepaid gas deals provide cost savings for Municipalities, locked-in discounts for long periods of time historically 30 years.

61% of Hastings baseload gas purchases are in CPEP prepaid gas transactions

Prepaid Natural Gas Explained

When a Municipality pays a natural gas supplier for a long term set amount of natural gas in exchange for a discount on the price.

This transaction is funded by issuing tax exempt bonds that are backed by a bank.

The municipality receives a discounted price on the gas for the term of the contract.

The monthly prepaid gas payment goes directly to paying the tax exempt bonds.

CPEP Historical Savings

2009 CPEP Project 2	\$1,151,656
2019 CPEP Project 4	\$605,730
2023 CPEP Project 5	\$21,627
Total Savings	\$1,779,013

Risks

- Volumes cannot exceed what Hastings consumes
- CPEP structures look in periods so we have options every 5-7 years
- Spread CPEP Projects out so they don't fall on the same year

CPEP 2 Reset Target Discount and Savings

- CPEP 2 Volume - 399,900 Dth per year
- Current Discount is \$0.13 per Dth - \$51,987 per year
- \$0.35 - \$0.40 per Dth \$139,965 - \$159,960 per year
- \$0.35 over 5 yrs \$699,825 - over 7 yrs \$979,755
- \$0.40 over 5 yrs \$799,800 - over 7 yrs \$1,119,720

Additional savings of approximately **\$108,000** per year

CPEP Project 2 Resolution Approval

Ask that Utility Advisory Board recommend approval to City Council.

Questions?