

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, May 8, 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 May 8, 2025.

ROLL CALL:

The meeting was called to order at 9:00 a.m. in regular session by Bill Hitesman with the following members present: Mark Hemje, Susan Meeske, Scott Kvols. Derek Zeisler, Tony Herrman, Erik Nielsen, Larry Fox, Micah McCaffery, Jason Redding, Marty Stange, Jaci Higgins, Noel Nienhueser, Brandan Lubken, Roger Nash, Lee Vrooman, Lori Hartman, Karl Block, Jesse Oswald, Mark Funkey, Jay Beckby
Absent: Jeanette Dewalt, Steve Huntley, Larry Consbruck

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 May 8, 2025 REGULAR MEETING.

Moved by Kvols and seconded by Hemje to adopt the current agenda for the May 8, 2025, regular meeting. Roll Call: Ayes: Hitesman, Hemje, Meeske, Kvols. Nays: None. Absent: Dewalt. The motion carried.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, May 6, 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:

Wanted to give a shout out to Utilities Electric department who received a certificate of excellence for reliability award from APPA. This award is done off our averages of reliability averages over five years. This is the second year in a row we have received this award. Really appreciate what these crew do and getting out there.
Thank you Tony for Keeping things up on Facebook and other social medias. Congratulations.

BOARD CHAIRMAN'S COMMUNICATIONS:

Congratulations on the award.
This is Marty's last official meeting as he is retiring at the end of the month. We appreciate your time and service.

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 April 10, 2025.

Hemje moved, Meeske second. Roll Call: Ayes: Hitesman, Hemje, Meeske, Kvols.
Nays: None. Absent: Dewlat.
Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

- i. Budget Process

Jaci to discuss the budget process, where we are and we we are heading. Lately we have been putting together a lot of the data for the budgeting. Next week we will start getting together with the department heads. July 14th through July 23rd will be the dates for the individualized meetings. First draft will go to City council on July 28th. We have had a consultant doing a review on contribution in construction and development share. Waiting to get results on the electric. There have been discussions on the payment in lieu of tax. Moving over to a dividend fee. This is just conversation at the moment, but this could impact the budget and how our rates are capturing our expenses.

- ii. Monthly Financial Comments

Larry and his team are close with the March financials. This will give us our six month data so we can start putting that in projections for next year. So far we have tracking strong. Electric and water can be impacted over the summer, especially if it is dry and hot.

(b) Production

i. PPGA Update - Aux Boiler Project

Micah to give an update on PPGA and the aux boiler project.

- The Public Power Generation Association (PPGA) is an interlocal agency established in 2005 with the sole purpose of constructing and operating Whelan Energy Center Unit 2 (WEC2).

- Hastings was selected as the site for WEC2 and as the Project Operating Agent.

- WEC2 is a 220MW coal fired power located approximately 3 miles east of Hastings and connected to WEC1.

- Operational in 2001, WEC2 created 25 new jobs for Hastings Utilities.

- In the operating agreements with PPGA, Hastings WEC1 provides auxiliary steam for the primary purpose of assisting WEC2 during unit startups.

- Several years ago, PPGA began having conversations around the need for WEC2 to be able to produce startup aux steam independent from WEC1.

- In 2022, the PPGA Board approved funds to engineer and construct an Auxiliary Boiler. Engineering began in 2023.

- 2023-25 bids were awarded for the boiler supply, civil, mechanical, and electrical construction.

PPGA WEC2 Auxiliary Boiler

- The aux boiler supply contract was awarded to Clever Brooks.

- The Clever Brooks boiler will be operated on fuel oil and will provide WEC2 with up to 48,000 lb/hr of steam at 360 degrees Fahrenheit and 150psig.

- Located south of WEC2, the aux boiler will be located inside a 60'x50' building.

- Underground tie-in work to existing systems began in 2023.

- The location of the boiler required moving the truck scale in 2024.

- The boiler was received at the beginning of 2025.

- Much of the underground work and the pad were completed this year.

- The boiler was mounted in April.

- The exterior building construction began this week.

- The remaining electrical, controls, fire protection, and mechanical work will continue through this summer and into the 2025 WEC2 Fall outage.

- Commissioning is anticipated to take place after the Fall Outage.

Will it change any of the operational costs? It shouldn't change how we operate. It will have some maintenance costs.

(c) Operations

i. Water Discussion - ASR/Nitrates

Marty Stange gave a detailed discussion with his PowerPoint that was presented.

Please enjoy his discussion through the video. He discusses a lot and gives very good information.

What are your recommendations for the immediate short term things that we could do that would be the most impactful? Make sure that you keep that ASR operating fully and address the changes that you see in the aquifer. Make sure there is somebody on staff that is going to take this on and go to the meetings. This is a long term thing.

Want to assure our customers that we are going through great measures, we are doing a lot of testing, we are making sure we are providing them the safest water we can provide. The issue is that it is getting more and more expensive. This is some concerning stuff that is going to take some time.

What education is being provided to the farmers themselves? This is a great presentation, how many farmers have actually seen this? Has been to NRD meetings, have had open houses, done this at the community college, and attended town hall meetings. Farmers are required to do nitrate management training. NRD meetings stating that what they do is impacting other people. Not everyone pays attention at those meetings.

For years the utilities has provided conservation packets for 4th grade classrooms all throughout Hastings and Adams Central. Any chance we get to educate the next generation.

ii. Highway 6 Project and Impact to Utilities

Lee gives an update on the Southeast Project/Highway 6 Project. Thanks engineering, operations, and finance staff for their diligent work so far.

Hastings SE Project

Council Approvals

- Agreement for 5-Lane project - Approved July 11, 2016 - 80% paid by NDOT, 20% paid by City
- Resolution of Support for 3-Lane Project with Roundabout - Approved April 10, 2023
- Supplemental Agreement No.1 - Approved February 10, 2025 - Updated project scope to 3-Lane project
- Project to be bid fall 2025 with construction 2026-2027
- Phase 1 - 2026
 - J Street, Elm Ave, Roundabout at Elm Ave and South St, 5th Ave
- Phase 2 - 2027
 - South Street, Showboat Blvd intersection

Utility Relocation Work

- Phase 1 area completed by January 1, 2026
 - Phase 2 completed by January 1, 2027
 - Utility relocation due to conflicts with: Storm Sewer, Drainage, Roadway realignment, Age of manholes.
 - Electric: -Work has begun on Park Street/ Duncan Field area -Overhead line on South St will be underground -Contractor for all duct installation
 - Gas: -Work has begun in South St and Elm area, along with 5th Avenue area - Relocation of 8" beltlike on J Street and 5th Avenue.
 - Water: -Two phases of water construction all by contractor -Bidding Phase 1 out now.
 - Sewer: -Bosselman's area by a contractor -Most of sewer work is part of NDOT contract.
 - Betterment is something that will not be reimbursed. This is for the water department. We have a 10" pipe and upgrading to a 12" pipe.
- We have tried to use our staff as much as we can, with all the other projects that get budgeted into a year, trying to find a nice blend of what we can do and contractors need to do.

(d) Administration

i. Posting Elimination Update

Karl gives an update on the changes that will be happening in June. The new system will help us to communicate better with customers.

May is the last month that utilities will be doing postings on your front door to notify shut off. We have been spreading the word and letting as many customers as possible know about the changes.

Will be going on party line to update everyone. Have been posting updates on social media and as many places as possible to let everyone know of the changes coming. Will continue to work with service agencies.

There is a slight modification of the budget billing. Talked about this in the last meeting. This is an optional thing to do, it is not mandatory. It does help to make monthly payments the same and spread costs out evenly throughout the year. If a customer ends up with a large credit balance or balance owed, and they feel like things are going in the wrong direction, they can always contact customer service. If the credit has accumulated, they do have options to get that credit refunded. We can make decisions to see if budget billing is for them or if it needs to be adjusted.

Switching from current billing software to the new one does require a little bit of downtime. May 28th will be the last day that we enter anything into our system. After that, IT will be importing everything to the new system. Credit card payments will not be available at the time.

Derek would like to thank Karl and his team. They have done a great job with reducing shut offs. Would also like to thank Andy with the Tribune and Tony to help getting the word out through the paper and social media.

(e) Other

i. Utility Board Meeting Date Change for June and July.

Wanting to change the June utility board meeting from the 12th to the 19th and July's meeting from the 10th to the 24th.

Would like a recommendation from the board to make these changes.

Recommended by: Kvals seconded by: Meeske

Roll Call. Ayes: Hitesman, Hemje, Meeske, Kvals. Nays: None. Absent: Dewalt

It has been approved to move those meetings.

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

ADJOURN:

Moved by Meeske seconded by Kvals, there being no further business to adjourn at 10:54 am.

Roll Call: Ayes: Bill Hitesman, Mark Hemje, Susan Meeske, Scott Kvals. Nays: None. Absent: Jeanette Dewalt. Meeting Adjourned.

APPROVED:

Board Secretary