

**HASTINGS UTILITY BOARD
AGENDA**

**Airport Conference Room - Hastings Municipal Airport
3300 W. 12th Street
June 19, 2025
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR June 19, 2025 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, June 17, 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. All Consent Items.
 - (a) Approval of the minutes of the Hastings Utility Board Meeting of May 8, 2025.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.
3. General Business.
 - (a) Finance
 - i. High Level Utilities Budget Presentation
 - (b) Production

- (c) Operations
- (d) Administration
 - i. Utility Billing Update
- (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, 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: Kvols seconded by: Meeske

Roll Call. Ayes: Hitesman, Hemje, Meeske, Kvols. 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 Kvols, there being no further business to adjourn at 10:54 am.

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

APPROVED:

Board Secretary



City Council Work Session
June 2025



Line Extension Policy

Fiscal Year 2026 Proposal

Potential Methodologies for Assessing
Contribution in Aid of Construction (CIAOC)

Overview

- Analysis being performed with JK Energy Consulting
- Have broken down customers into four categories
 - Residential
 - General service, which includes all non-residential units except irrigation and large power customers
 - Irrigation
 - Large power (> 1,000 kW annual peak demand)
- Many different methods discussed, narrowed down to the following
- Would like City Council to opine on direction for budget

Residential

Simple Payback Analysis Residential CIAOC Options

Line		Total Cost (\$/lot)	HU Share (\$/lot)	Customer Share (\$/lot)	Annual Margin (\$)	Simple Payback (yrs)
1	<u>Residential</u>					
2	Existing	\$ 7,500	\$ 7,500	\$ -	\$ 378	19.9
3	10% Cost Share	6,750	6,750	750	378	17.9
4	25% Cost Share	5,625	5,625	1,875	378	14.9
5	40% Cost Share	4,500	4,500	3,000	378	11.9
6	50% Cost Share	3,750	3,750	3,750	378	9.9

Commercial

Calculation of Required Contribution Commercial CIAC - Customer A

		Capital Cost	AIL	Customer Cost (\$)	Utility Cost (\$)
1	Hastings - Existing	\$ 23,194	\$ 23,194	\$ -	\$ 23,194
2	Hastings - 1.5 year	23,194	11,807	11,387	11,807
3	Hastings - 2.0 year	23,194	15,743	7,451	15,743
4	Hastings - 2.5 year	23,194	19,679	3,515	19,679
5	Grand Island Proposed	23,194	15,743	7,451	15,743
6	NPPD	23,194	9,568	13,626	9,568
7	OPPD	23,194		4,005	19,189
8	Lincoln Electric System	23,194	19,679	3,515	19,679
9	Southern PD	23,194	15,979	7,215	15,979
10	Fremont	23,194			
11	North Platte	23,194	8,740	14,454	8,740

Commercial
Payback ~ 8
years

Irrigation

Although it is unlikely there will be a large number of future irrigation line extension requests, it is appropriate to have a rate in place. Given the volatile nature of irrigation service, it is proposed to provide an ALL of approximately \$74 per horsepower of installed capacity. This provides HU with a one-year payback period and protects other customers against adverse impacts associated with the uncertain nature of irrigation loads.

Large Power

Large power customers (>1,000 kW) provide special challenges in terms of calculating projected margins and payback periods. Expected margins can vary based on expected load factors, interconnection voltage and seasonal usage factors (summer vs. winter loads). Some utilities provide that large customer line extension costs will be calculated on a case-by-case basis. It is recommended that HU include in its line extension policy a provision to complete a customer-specific payback analysis and require a CIAOC based on a payback period approved by the City Council.

Payment in Lieu of Tax

Fiscal Year 2026 Proposal

Public Power Pays Back

- * Public power utilities provide affordable, reliable electricity to the customers they serve. These community-owned utilities are not beholden to any shareholders and are driven only by the mission to serve customers and the community.

In addition to affordable electricity, public power utilities provide a direct benefit to their communities in the form of payments and contributions to state and local government. These contributions come in many forms — property-like taxes, payments in lieu of taxes, transfers to the general fund, and free or reduced cost services provided to states and cities. The total value of these contributions is not always recognized.

- * Public Power Contributes More. In 2022, public power utility respondents making contributions to state and/or local governments contributed \$1.476 billion, or a median of 5.1% of electric operating revenues back to the communities they serve. In comparison, investor owned utilities paid a median of 4.7% of electric operating revenues in taxes and fees to state and/or local governments in 2022.



Electric PILOT Comparisons

Line	Utility	Franchise Fee / PILOT %
1	Electric - No Free Services	
2	Omaha Public Power District (1)	5.0%
3	Lincoln Electric System	5.0%
4	NPPD - Gross Receipts Tax (1,2)	5.0%
5	Average	5.0%
6	Median	5.0%
7	Electric (3)	
8	Beatrice (4)	4.4%
9	Fremont (4)	5.5%
10	Grand Island	5.0%
11	Holdrege	5.0%
12	Nebraska City	5.0%
13	North Platte (4)	6.5%
14	South Sioux City	4.0%
15	Average	5.2%
16	Median	5.0%

- PILOT study performed by John Krajewski with JK Consulting
- PILOT % shown is a calculated amount based on actual transfer and retail revenue for 2021.
- (1) 5% gross receipts tax paid to the treasurer and distributed to all taxing entities, including schools.
- (2) Does not include lease payments, which are applicable to large number of municipalities where NPPD provides service (Kearney, Norfolk, Columbus.)
- (3) These utilities may provide free or discounted services to municipal accounts or in-kind labor.
- (4) These cities transfer a fixed amount.

(Numbers from PILOT Discussion with City Council November 2023)

Current PILOT Plan in Place

5 Year Phase-In

	FY23	FY24	FY25	FY26	FY27
Current PILOT %	6.1%	5.9%	5.7%	5.4%	5.2%

- Currently Electric is at 5.7%
 - Stepping back to 5.2% by FY27, Resolution 2023-39 and 2023-40
 - FY 2025 Forecasted total to City is \$2,502,700

Gas PILOT Comparisons

Table 1 Comparison of Natural Gas Franchise Fees / PILOT Peer Group of Select Nebraska Utilities		
Community	Gas Supplier	Franchise Fee / PILOT
Beatrice	Black Hills Energy	5.00%
Fremont	City	1.47%
Grand Island	Northwestern	2.67%
Kearney	Northwestern	4.00%
Lincoln	Black Hills Energy	3.00%
Nebraska City	City	6.50%
North Platte	Northwestern	3.00%
South Sioux City	MidAmerican Energy	3.50%
Hastings		6.50%
Median of Peer Group		3.25%
Average of Peer Group		3.64%

Notes:

Grand Island: \$0.03/therm for retail, transport gas is assessed a franchise fee of \$0.01 per therm. Calculation of equivalent fee is based on Hastings usage profile.

Kearney: \$0.045 per therm. Converted to 4% based on current rates.

Northwestern: All Northwestern customers are assessed \$0.00254/therm charge for economic development. This amount is not included.

Nebraska City: -1.25% Development, -1.25 drops off after 2 years

Current PILOT Plan in Place

- Gas Pilot is Currently at 6.5%
 - Includes rolling Res 1344 2.5% into PILOT, Res 2024-31
 - FY 2025 forecasted total to City is \$702,410

Water PILOT Comparisons

Table 2
Comparison of Water Franchise Fees / PILOT
Peer Group of Select Nebraska Utilities

Community	Water PILOT
Beatrice	0.00%
Fremont	5.88%
Grand Island	1.10%
Kearney	8.52%
Lincoln	1.70%
Nebraska City	0.00%
North Platte	6.48%
South Sioux City	3.73%
Hastings	7.64%
Median of Peer Group	2.72%
Average of Peer Group	3.43%

Notes:

Kearney: Not a set PILOT, but a transfer to general fund pursuant to appropriations in approved budget. Does not include \$848,030 transfer to airport fund.

Lincoln: City billed water system \$832,000 for Administrative Service (approximately 1.7% of annual revenue).

Current PILOT Plan in Place

- Water 7.64%
 - Includes rolling Res 1344 2.5% into PILOT, Res 2024-31
 - Also Includes 1.14% Agreement with Parks Department
 - FY 2025 forecasted total to City is \$676,851

Electric, Water, and Gas PILOT FY25 Forecasted Total is \$3,881,961

Proposal

Convert the current PILOT to a City Dividend for Utility Ownership.

- PILOT would be pulled out of rates and replaced by the Dividend
- City Dividend would be set in the Fee Schedule by Council
- Would list Gas, Water, and Electric as separate Dividend rates
- Follows model from other City owned Utilities (GI,LES)

Utilities Admin

- Cost of Service Studies scheduled for Water and Sewer
 - Last studies for both done in 2022
- Moving City Building Maintenance Department to NDS
 - Utilities funding the move, will benefit all City Departments
- Future planning for Yost building/evaluating needs
 - Currently housing Development Services, Vehicle Maintenance, and Highway 6 project material overflow.
- Working with Streets/City to fill Vehicle Maintenance Shop needs
 - Pending sale of Yost

Utilities Headcount

2025-26 Personnel Authorization Schedule

Utilities

- No new headcount additions requested in budget.
- Continue to evaluate all open positions

Utilites Department - Divison	FT	PT	Total
Electric			
Distribution, Substation, and Metering	22	0	22
North Denver Station	6	0	6
Whelan Energy Center	74	1	75
Electric Totals	102	1	103
Gas	18	0	18
Water	15	0	15
Pollution Control Facility	11	0	11
Engineering	25	1	26
General Administrative			
Administration	4	0	4
Customer Service	10	0	10
Maintenance and Mechanic	5	0	5
Marketing and Energy Supply	5	0	5
Warehouse	4	0	4
General Administrative Totals	28	0	28
Grand Total	199	2	201

Utility Billing is LIVE

The screenshot shows a web browser window with the URL `municipalonlinepayments.com/cityofhastingsne/utilities`. The browser's address bar and tabs are visible at the top. The website header includes the Hastings Utilities logo and the text "Utility Billing". Below the header is a large aerial photograph of a city street scene with a brick building and residential houses. Overlaid on the right side of the photo is the text "Hastings, NE" and "Utility Billing".

The main content area features two primary action buttons:

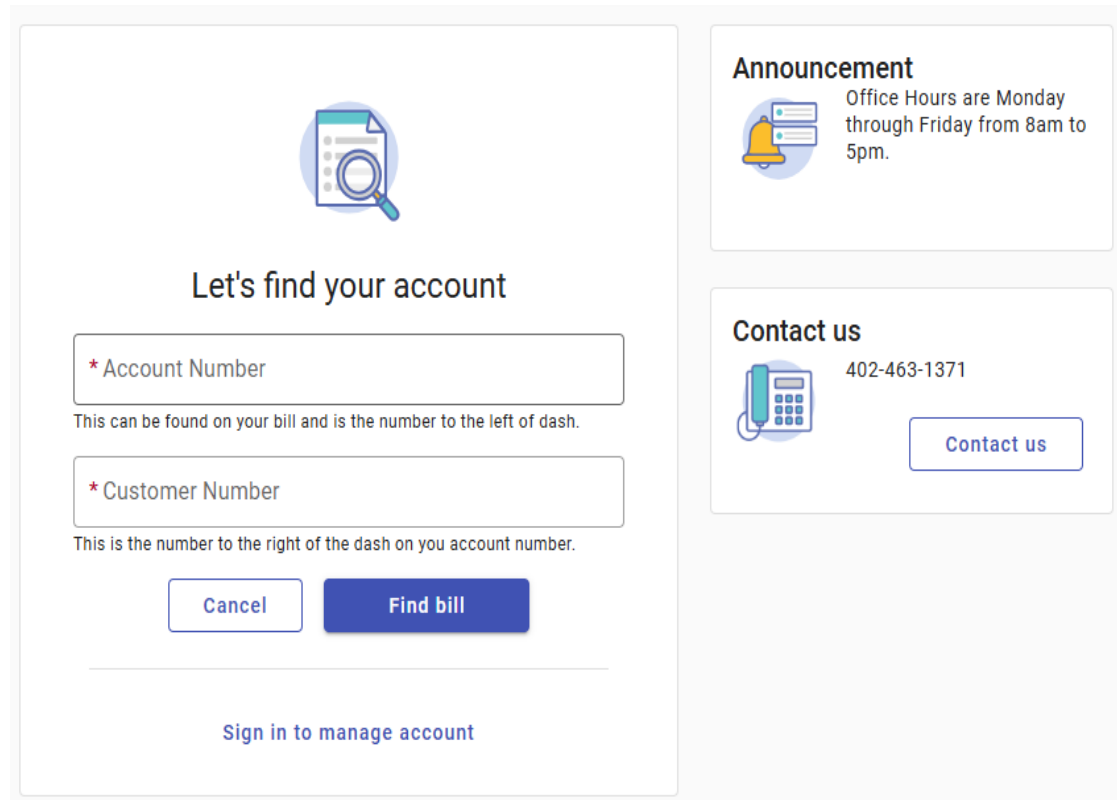
- Quick pay**: Accompanied by a credit card icon. Text: "Just need to pay your bill? Click quick pay below. You'll need your account number. No login necessary." Button: "Quick pay".
- Sign in or sign up**: Accompanied by a user profile icon. Text: "Create an account to view details, manage single & multi-accounts, multi-bill pay, and e-billing." Button: "Sign in or sign up".

Below these are three informational sections:

- Announcement**: Includes a bell icon and text: "Office Hours are Monday through Friday from 8am to 5pm."
- Accepted payment methods**: Displays logos for VISA, Mastercard, DISCOVER, and check.
- Contact us**: Includes a telephone icon, the phone number "402-463-1371", and a "Contact us" button.

New Features and Changes

- New Login Page
 - Need CID
- No Longer Charging Posting
 - Customer Saves \$25
- Updated Communication
 - Customer Receive (Text, Email, Phone)
 - Will receive at the same time as Delinquent Letters are produced.
- HU Savings
 - Not Rolling Vehicles for Postings
 - No need to pull in additional staff for larger posting days



The screenshot shows a user interface for finding an account. At the top, there is a magnifying glass icon over a document. Below this is the heading "Let's find your account". There are two input fields: the first is labeled "* Account Number" with a note "This can be found on your bill and is the number to the left of dash."; the second is labeled "* Customer Number" with a note "This is the number to the right of the dash on you account number." Below the input fields are two buttons: "Cancel" and "Find bill". At the bottom of the form is a link "Sign in to manage account". To the right of the main form are two side panels. The top panel is titled "Announcement" and contains a bell icon and the text "Office Hours are Monday through Friday from 8am to 5pm." The bottom panel is titled "Contact us" and contains a telephone icon, the number "402-463-1371", and a "Contact us" button.



Late Fee Projection Study

What is Happening Around the State in our Peer Group?

Grand Island – 3% of Electric

Fremont – 10% (\$10.00 Max)

LES – 3% of Total Bill

North Platte – 1.333% of Total Bill

OPPD – 4% of Total Bill

NPPD – 3% of Total (\$15.00 Minimum)

Southern Power – 2% of Total (\$10.00 Minimum)

Hastings Average Bill Amount – \$204.29

	Single Bill Delinquent Fee	Total Delinquents Jan-Dec 2024
Projected 3% Fee	\$6.13	\$145,317.61

Bill Amount		Delinquent Fee
\$100	3%	\$3
\$200	3%	\$6
\$300	3%	\$9
\$500	3%	\$15

Water Distribution Budget Highlights

- 10-year Lead water service replacement mandate initiated on Oct 8, 2024. Need to increase annual replacement to about 130 per year from about 90. Moved W/S Service vacancy headcount to these efforts.

- Finish 6th St. Eastside Blvd to 2nd Ave. 3900 Ft of Main & 69 Lead Services
- 5th St. Woodland Ave. to Bellevue Ave. 4,450 Ft of Main & 51 Lead Services
- 6th St. Oswego Ave. to Bellevue Ave. 3,350 Ft of Main & 36 Lead Services

- NDOT Hastings Southeast Project water work spend mostly carried over to 25/26 (\$3,300,000). All utility work 80% reimbursed by State.

Water Production Budget Highlights

- Projected budget shows two new wells and two old well rehabilitations \$2,350,000 total.
 - Municipal well capacity currently at about 1,000,000 Gallons per Hour .
 - Average daily water use about 300,000 Gallons per Hour.
 - Peak hour approaching capacity at 850,000 Gallons per Hour. Peak hour potential in summer Mon, Wed, Fri, 7am (yard irrigation).

Do we build and maintain more wells to accommodate yard irrigation preferences, or do we work to adjust behaviors? 25% decrease in production capacity could yield an annual O&M savings of \$300,000 per year and slash capital costs.

Water Production Budget Highlights

- Projected budget shows about \$3,000,000 in capital costs due to current and future contaminant management: ASR, Future Uranium Treatment (Design Only). Annualized O&M costs approaching \$1,000,000 per year.
 - ASR Feed wells expanded to increase umbrella of aquifer protection.
 - Realtime Nitrate analyses in wells expanded from 2 wells to 4.
 - Wastewater discharge of ASR may end up being too high in Uranium to send to PCF, requiring site specific treatment. Plant/s would require SRF Funding.
- PFAS/PFOS Class Action litigation: look to win about \$500,000 in damages for the city from companies that produce the chemicals (Well 8 Impacted). Award likely by end of 2025 FY.

Sewer Budget Highlights

- 2025 FY a big capital execution year, \$5,400,000 projected spend. 2026 FY to be much less significant financially at about \$1,500,000.
- New generator at PCF to replace original \$275,000 & Highway Project \$500,000 (\$200,000 carry over) represent the largest pieces.
- 3rd year of contracted sewer video inspection, targeting (roughly) 17th Street to 7th Street, between Bellevue Avenue to Minnesota Avenue (9.6 miles).
- Bacteria treatment design and implementation starting 2028 FY (UV Treatment of Effluent).
- Other potential regulatory compliance issues: PFAS in Biosolids, Nitrate and Phosphorus limits in wastewater, Uranium loading. May require SRF Funding.

Gas Distribution Budget Highlights

- Gas work on Highway Project looks to be completed in full this fiscal year.
- Downtown low-pressure system fully replaced 2026 FY. Hastings Ave. to St. Joeseph Ave (alley between 1st & 2nd St.).
- Projected budget for main replacement targets areas installed prior to cathodic protection, qualified welders, and possible mechanical fittings.
- Directional Drill Over Budget this year, re-budgeted 2026 FY (\$325,000).
- Gas Extension Districts look to save current customer about \$75,000 per year.

Gas Distribution Budget Highlights

- Gas Beltline Maximum Allowable Operating Pressure (MAOP) adjustment up from 100 psi To 120 psi.
 - Store more natural gas in system for winter weather event supply.
 - Run all gas supply from West Town Border during winter events so we can peak shave more.

Gas Production Budget Highlights

- Peak Shaver West electrical wiring upgrades \$200,000 2026 FY, about \$100,000 equipment repairs 2025 FY.
- Move North Kansas Storage Facility out of town \$100,000 2026 FY (Initial Planning/Design Only).

Natural Gas Agreements & CPEP

Evaluating Natural Gas Agreements to maximize potential.

CPEP Project 2 (2009)	\$1,151,656	Repricing
CPEP Project 4 (2019)	\$605,730	
<u>CPEP Project 5 (2023)</u>	<u>\$21,627</u>	
Total Savings	\$1,779,013	

Outage Management System (OMS)

One last meeting with Survalent and IT for final clean up of the system.

IT will provide training for Dispatchers, Line Crews, and Customer Service in the next few weeks.

Plan to go live with new OMS July 15th.

Critical Capital Planning – Electric Production WEC1

Project	Status	Project Completion	2025/2026 Spend	Project Total
Bottom Ash Recirc and Blowdown Line Reroute	New	2025/2026	\$1.125M	\$1.125M
DCS Evergreen Upgrade	New	2026/2027	\$200k	\$800K
MCC 1G Retrofit	New	2025/2026	\$150k	\$150K
Platform for Dust Collector 2	New	2025/2026	\$30k	\$35K
Fly Ash Silo System	In Progress	2025/2026	\$700k	\$3.1M
Bottom Ash Bunker Enclosure	In Progress	2025/2026	\$175k	\$300K
Reheat Desuperheater	In Progress	2025/2026	\$85K	\$120K

Total WEC1 2025/2026 Capital

\$2.565M

Critical Capital Planning – Electric Production NDS

Project	Status	Project Completion	2025/2026 Spend	Project Total
Turbine Room MCC Retrofit	New	2025/2026	\$90k	\$90k
Replace NDS 5 480V Switchgear	In Progress	2025/2026	\$845k	\$845k
DCS Room HVAC Replacement	In Progress	2025/2026	\$200k	\$200k
Replace NDS 4 Steam Driven Boiler Feed Pump	In Progress	2025/2026	\$120k	\$150
Fuel Oil Polishing Skid	In Progress	2025/2026	\$100k	\$125K

Total NDS 2025/2026 Capital

\$1.355M

Critical Capital Planning – Electric Production DHPC and Other

Project	Status	Project Completion	2025/2026 Spend	Project Total
Turbine Performance Enhancement	New	2026/2027	\$400k	\$2M
MCC Replacement	New	2026/2027	\$200k	\$800K
DCS, Mechanical, & Dual Fuel Recontrol	In Progress	2026/2027	\$100k	\$2.1M

Total DHPC 2025/2026 Capital \$700k

- New Generation Study \$300k

Total Electric Production Capital \$4.92M

Large O&M Planning – Electric Production

WEC 1

- Turbine, Control Valve, & Stop Valve Overhaul \$1.5M
- Replace Coal Burners \$250k
- Conveyor 3 \$70k
- Condenser Tube Cleaning \$20k

NDS

- Chemical Feed System Replacements (Shared) \$30k
- NDS 5 Turbine Trip Solenoid \$25k

Southwest Power Pool (SPP)

Market Changes for Reliability

SPP is implementing new policies to help increase the reliability of the region. These policies underscore the need for our generation units to be as reliable as possible in the summer and the winter.

- Seasonal Capacity Accreditation
 - Historically, generation units were required to test only in their peak demand season (summer or winter) to hold capacity for the entire year. Starting in 2026, testing will be required for both seasons.
 - We started testing all of our units in both seasons starting in winter of 2023, so no major impact to Hastings Utilities.

- Performance Based Accreditation (PBA) and Fuel Assurance
 - Set to begin for summer and winter 2026 seasons.
 - Summer accreditation is based solely on unit specific Equivalent Forced Outage Rate on Demand (EFORd)
 - Winter accreditation is based on unit specific EFORd and Equivalent Forced Outage Factor (EFOF), as well as Fuel Assurance Incremental Outage Impact (IOI) for the entire SPP region.
 - Impact of these new policies for Hastings Utilities:
 - While the majority of our generation EFORd's are less than half of the class averages, we have still forecasted an approximate MW capacity accreditation reduction of 12MW (7.6%) in summer of 2026, and 28MW (10%) in winter of 2026 based upon the latest data from SPP.
 - Fortunately, even with these expected reductions, we are still able to meet our current capacity needs and market some excess capacity to entities in need.

Substation Infrastructure Upgrades Completed in 24/25

- New WEC Substation with 28.8 MVA Base rating. 12MW for Heartwell. Direct tie to Feeder 273. Direct tie to Feeder 244.
- 7th St Additional 28.8 MVA Base rating. High capacity bus tie to WEC. Bus tie to Existing 7th St. Direct tie to feeder 241.
- B St Upgraded from 12 MVA Base to 28.8 MVA Base rating. Direct tie to feeder 255. Direct Tie to Feeder 244. Replacement of 1970 Magna Blast Equipment and Relay upgrade.

Continued Capital Expense

- 25/26 area #4 of 4 tree trimming zones which is Juniata and Rural areas.
- 25/26 year 4 of fiber optic upgrades. Installation of duct and fiber from 12th and Crane to Don Henry and from NDS to the City Building.
- 25/26 Year 1 of 2 Engineering and contracts for Don Henry Replace 1970 Magna Blast Breakers and mechanic relaying. 15 MVA Base transformer was re-wound and installed in 2024 after failure

Priority Projects

- Year 1 of 2 for NDOR Hwy 6. Park Street conversion, South and Elm Round-a-bout, East to 6th Ave and South to J St.
- Upgrade overhead conductor size on 12th St from Showboat to 6th Ave to distribute additional power from 7th St.
- Changes from load growth to Feeders 291, 293, 244, 253, 255, 273 to reduce exposure, improve reliability, and restoration times.

Future projects and priorities

- 4160 Conversion. Equipment continues to age.
- Crane Substation utilizing small 12MVA Spare from Crane for a few 13.8 Feeders to relieve congestion at NDS and cover 4160 conversion.
- Cross Tie Feeder 291 and 294 North of 26th for redundancy
- Cross Tie Feeder 206 to 208 on 42nd from 281 to Baltimore, Poles are in place.
- Run Feeder 292 North up Columbine to relive congestion on 294. Poles are in place.

Utilities Budget Summary

- No added headcount
- No new proposed rate increases
- Move to City Dividend to offer City financial flexibility
- Implement CAIC to ease rate pressure from new developments
- Focus on Hastings future in Electrical Generation
- Strategy for continuing to address our nitrate legacy issue

Utility Billing is LIVE

The screenshot shows a web browser at the URL municipalonlinepayments.com/cityofhastingsne/utilities. The page features a header with the Hastings Utilities logo and the text "Utility Billing". Below the header is a large aerial photograph of a city street scene with a brick building and a white chimney. The text "Hastings, NE" and "Utility Billing" is overlaid on the right side of the image. The main content area is divided into several sections:

- Quick pay:** A card with a credit card icon. Text: "Just need to pay your bill? Click quick pay below. You'll need your account number. No login necessary." A blue button labeled "Quick pay".
- Sign in or sign up:** A card with a person icon. Text: "Create an account to view details, manage single & multi-accounts, multi-bill pay, and e-Billing." A blue button labeled "Sign in or sign up".
- Announcement:** A card with a bell icon. Text: "Office Hours are Monday through Friday from 8am to 5pm."
- Accepted payment methods:** A card showing logos for VISA, MasterCard, DISCOVER, and check.
- Contact us:** A card with a phone icon. Text: "402-463-1371" and a button labeled "Contact us".

New Features and Changes

- New Login Page
 - Need CID
- No Longer Charging Posting
 - Customer Saves \$25
- Updated Communication
 - Customer Receive (Text, Email, Phone)
 - Will receive at the same time as Delinquent Letters are produced.
- HU Savings
 - Not Rolling Vehicles for Postings
 - No need to pull in additional staff for larger posting days

Let's find your account

* Account Number
This can be found on your bill and is the number to the left of dash.

* Customer Number
This is the number to the right of the dash on you account number.

Cancel Find bill

Sign in to manage account

Announcement
Office Hours are Monday through Friday from 8am to 5pm.

Contact us
402-463-1371
Contact us



Proposed Update (Late Fee)

Late Fee Projection Study

What is Happening Around the State in our Peer Group?

Grand Island – 3% of Electric

Fremont – 10% (\$10.00 Max)

LES – 3% of Total Bill

North Platte – 1.333% of Total Bill

OPPD – 4% of Total Bill

NPPD – 3% of Total (\$15.00 Minimum)

Southern Power – 2% of Total (\$10.00 Minimum)

Hastings Average Bill Amount – \$204.29

	Single Bill Delinquent Fee	Total Delinquents Jan-Dec 2024
Projected 3% Fee	\$6.13	\$145,317.61

Bill Amount		Delinquent Fee
\$100	3%	\$3
\$200	3%	\$6
\$300	3%	\$9
\$500	3%	\$15



Additional Questions?