

**HASTINGS UTILITY BOARD
AGENDA**

**Airport Conference Room - Hastings Municipal Airport
3300 W. 12th Street
September 11, 2025
9:00 AM**

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR September 11, 2025 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, MONTH DAY, 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 August 14, 2025.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.
3. General Business.
 - (a) Other
 - i. FNIC Insurance Presentation
 - (b) Finance

- i. PILOT to City Dividend Fee
 - (c) Production
 - i. AGP Coal Contract Amendment
 - (d) Operations
 - i. Main Break at NDS
 - (e) Administration
 - i. Utility Billing Update
- 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, August 14, 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 August 14, 2025.

ROLL CALL:

The meeting was called to order at 9:00 am by Bill Hitesman with the following members present: Mark Hemje, Susan Meeske, Scott Kvals
Derek Zeisler, Erik Nielsen, Tony Herrman, Larry Fox, Karl Block, Lee Vrooman, Noel Nienhueser, Brandan Lubkin, Roger Nash, Steve Huntley, Larry Consbruck, Jaci Higgins, Kyle Patten, Shane Stone, Jason Redding, Lori Hartman, Micah McCaffery, Jesse Oswald
Absent: Jeanette Dewalt, Jay Beckby, Mark Funkey

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 August 14, 2025 REGULAR MEETING.

Recommended to move the the Utility Budget approval to after the City Dividend Ordance.

Approved

Moved by Kvals and seconded by Hemje to adopt the current agenda for the August 14, 2025 Regular Meeting. Roll Call: Ayes: Hitesman, Hemje, Meeske, Kvals. Nays: None. Absent: Dewalt The motion carried.

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MANAGER'S COMMUNICATIONS:

Want to remind everyone that if you need help with bills, contact customer service.
Thank you to all staff. Appreciate board and everyone
Today is Mark's last day as a board member. Thank you for everything that you have brought.

BOARD CHAIRMAN'S COMMUNICATIONS:

Appricaiite Mark's time and everything that he has brought.

BOARD MEMBERS' COMMUNICATIONS:

Mark thanks everyone for the opportunity. Glad he could helped where he could.

CITIZEN COMMUNICATIONS:

Willis Hunt speaks about his thoughts on the budget. He also thinks that we need a new industrial park.

CONSENT AGENDA:

1. All Consent Items.

- (a) Approval of the minutes of the Hastings Utility Board Meeting of July 24, 2025.

Moved by Hemje and seconded by Meeske to approve the minutes for the meeting of July 24, 2025. Roll Call: Ayes: Hitesman, Hemje, Meeske, Kvols. Nays: None. Absent: Dewalt. Approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

i. Fee Schedule Changes

Jaci and Kyle go over the Fee Schedule Changes.

- Disconnect Fee - Current Fee: \$75 - Proposed Fee: \$50

- Pedestal Installation (Underground Conversion) - Current Fee: \$600 - Proposed Fee: \$1000

- Pedestal Installation (Single Phase to 3-Phase Conversion) - Current Fee: \$350 - Proposed Fee \$750

- Water Tap prices will change slightly, but will be billed at actual costs (Time and Material)

These changes are not to make money, they are to cover the cost of labor and material. These are the only ones that we are requesting changes for. There are many that are not changing at all.

Kvols motions to approve this to be moved on to City Council. Second by Meeske. Roll Call. Ayes: Hitesman, Hemje, Meeske, Kvols. Nays: None. Absent: Dewalt
Approved.

ii. Utility Budget Update

Larry to go over the changes on the budget before it is approved to go to City Council.

iii. Utility Budget Approval

Motion to approve the 2025/2026 fiscal year budget to move to City Council.
Request for recommendation for approval of the 25/26 Utilities Budget.
The recommendation to approve moving on to City Council was moved by Kvolts and seconded by Meeske. Roll Call Ayes: Hitesman, Hemje, Meeske, Kvolts. Nays: None. Absent: Dewalt

(b) Production

(c) Operations

i. Line Extension Ordinance

Kyle and Jaci go over the Line Extension Policy (Electric)
- JK Energy Consulting performed analysis.
- Recommended developer contribution defined by category.
1. Residential - 25% of estimated project cost as Developer contribution
2. General Service (All Non-Residential except Irrigation and Large Light and Power) - 2-year estimated revenue credit as Hastings Utilities contribution.
3. Irrigation - \$74 per horsepower as Hastings Utilities contribution
4. Large Light and Power (>1,000 kW Annual Peak Demand) _ Open-ended with required agreement to keep all options at City Council's discretion after situational analysis results.
Asking for a recommendation for this to move to City Council.
Hemje motions to approve Ordinance 4774 to be moved on to City Council. Second by Kvolts. Roll Call. Ayes: Hitesman, Hemje, Meeske, Kvolts. Nays: None. Absent: Dewalt Approved.

ii. City Dividend Ordinance

Jaci and Kyle go over the Payment in Lieu of Taxes (PILOT) moving over to the dividend fee.
- Payment in Lieu of Taxes (PILOT)
- Move to dividend fee
- Has been removed from utility revenue and expense
- PILOT Expense line has been decreased to zero, while the operating revenue has been decreased by the same amount.
- Electric, Gas, and Water rate ordinances have been updated with the PILOT percentage approved.
Hemje motions to approve Ordinance 4742 & 4743 to be moved on to City Council. Second by Kvolts. Roll Call. Ayes: Hitesman, Hemje, Meeske, Kvolts. Nays: None. Absent: Dewalt Approved.

(d) Administration

i. Utility Billing Status Update

Karl gives an update on the Utility Billing. He thanks everyone for being patient and understanding after we have changed systems. We have had a few hiccups, but we have been working through those issues.

(e) Other

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

ADJOURN:

Motioned to adjourn by Meeske, seconded by Hemje. Roll Call: Ayes: Hitesman, Hemje, Meeske, Kvals. Nays: None. Absent: Dewalt. Adjourned at 9:53 am.

APPROVED:

Board Secretary

Utility Advisory Board Meeting September 11th, 2025

Utility Bill With
Embedded PILOT



Total \$242.48

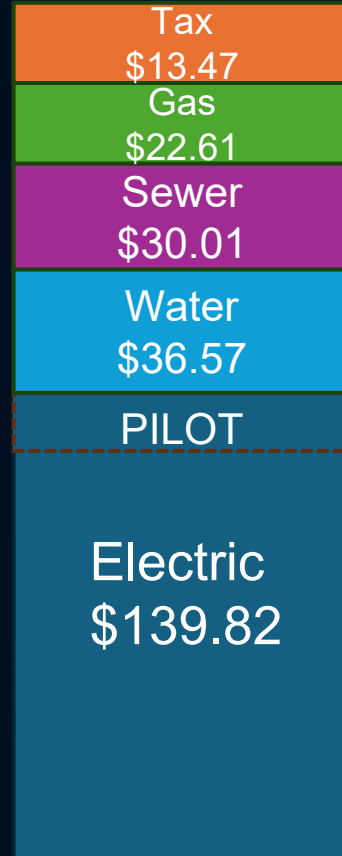
Utility Bill With
Dividend
(Extracted PILOT)



Total \$242.48

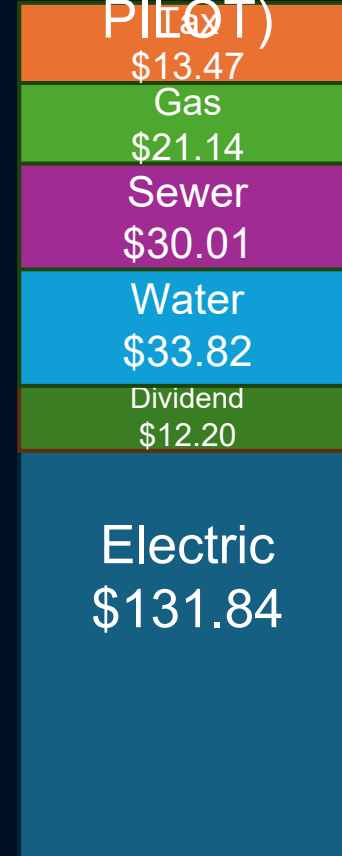
*Calculated with rates
effective Oct 1, 2025*

Utility Bill With Embedded PILOT



Total \$242.48

Utility Bill With Dividend (Extracted PILOT)



Total \$242.48

Calculated with rates effective Oct 1, 2025

Amendment #4 to Coal Supply Agreement with Ag Processing Inc.

Revisions to the following sections of the Agreement:

- 4: Quantity, Scheduling, and Use of Coal
- 6: Additional Coal
- 15: Invoices and Payment
- 20: Penalties

**AMENDMENT #4 TO
COAL SUPPLY AGREEMENT**

THIS AMENDMENT #4 TO COAL SUPPLY AGREEMENT is made and entered into as of the ____ day of October, 2025, by and between Hastings Utilities, a proprietary function of the City of Hastings, a municipal corporation of the State of Nebraska (“HU”), and Ag Processing Inc a cooperative, an Iowa cooperative corporation (“AGP”).

WHEREAS, HU and AGP previously entered into a Coal Supply Agreement with a commencement date of April 1, 2007 and which was executed by AGP on or about November 28, 2006 and by HU on or about December 15, 2006, including Amendment #1 dated March 22, 2007, Amendment #2 dated May 17, 2012, and Amendment #3 dated May 15, 2014 to the original Coal Supply Agreement, a true and correct copy of which is attached hereto as Exhibit “A” and incorporated herein by this reference (the “Agreement”); and

WHEREAS, due to market changes and the parties’ business needs, HU and AGP desire to change and amend certain provisions of the Agreement relating to AGP’s coal purchases from HU, including but not limited to AGP’s annual coal purchase requirement and the penalty associated with a failure to meet such requirement, effective as of January 1, 2026 and as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and in the original Agreement, the parties agree to modify and amend the Agreement effective as of January 1, 2026, as follows:

1. Section 4 of the Agreement, as previously amended, shall be, and hereby is, deleted in its entirety and replaced with the following:

4. QUANTITY, SCHEDULING AND USE OF COAL. AGP agrees that it will buy its requirements for coal for its facility located at Hastings, Nebraska from HU. Effective January 1, 2026, the minimum will be not less than 60,000 tons per year and not to exceed 150,000 tons per calendar year (a ton shall mean a short ton of 2,000 pounds avoirdupois weight). If coal is not available from HU, AGP has the option to purchase coal from other suppliers. The purchased coal from HU shall be loaded by AGP utilizing the Truck Loadout Facility and AGP may deliver the same to its own site. Any coal required while the Truck Loadout Facility is not in service or during any period the Truck Loadout Facility is inoperable shall be loaded and delivered by AGP from an HU designated location in the HU coal storage pile. The parties shall cooperate in every reasonable way possible in arranging a proper schedule for pickup, delivery and a proper routing of delivery vehicles while on HU’s site. Such cooperation shall serve the best interest of HU in its function of generating electricity and shall serve the best interests of AGP in containing coal cost. AGP shall notify HU by September 10th of each year of the anticipated tons of coal to be purchased in the next Calendar Year by month. AGP may revise this schedule in May and/or August of each Calendar Year for the rest

of that Calendar Year so long as AGP's notice containing such revisions is received by HU by May 15th and/or by August 15th of the applicable Calendar Year. Notification requirements may change from time to time to be consistent with HU's coal and rail contract requirements. Coal purchased under this Agreement may be used by AGP for any purpose except for generation of electricity or resale to a third party.

2. Section 6 of the Agreement shall be, and hereby is, deleted in its entirety and replaced with the following:

6. ADDITIONAL COAL. AGP may buy additional coal if HU deems that the coal is available beyond AGP's scheduled tonnage (See Section 4). AGP may also buy coal beyond AGP's maximum take of 150,000 tons per calendar year as set forth in Section 4 ("Excess Coal"). In the event AGP purchases Excess Coal in any calendar year (to the extent that it causes HU to exceed its contracted maximum coal and rail tonnage): (i) the price for each ton of Excess Coal purchased by AGP shall (notwithstanding Section 14) be the Powder River Basin Coal Commodity Spot Price at the time of such purchase and (ii) AGP shall pay a commercially reasonable rail transportation cost, to be negotiated by HU, for transporting such Excess Coal via rail from the Powder River Basin to Hastings Utilities. These costs will be used in place of the average coal inventory price for the Excess Coal tonnage in the invoice.

3. Section 15 of the Agreement shall be, and hereby is, deleted in its entirety and replaced with the following:

15. INVOICES AND PAYMENT. Each month, HU shall invoice AGP as follows:

(i) For the actual coal picked up by AGP during the previous calendar month measured in tons and fractions thereof multiplied by the Adjustment for Shrinkage. (Section 13)

(ii) Invoice price shall be actual tonnage adjusted by shrinkage multiplied by the price per ton as determined in Section 14 of this Agreement. For Excess Coal, (to the extent that it causes HU to exceed its contracted maximum coal and rail tonnage) invoice price shall be the actual tonnage of Excess Coal, adjusted by shrinkage multiplied by the price per ton as set forth in Section 6 of this Agreement, plus rail transportation cost as set forth in Section 6.

(iii) AGP shall pay each invoice within 15 days of its receipt. Payments received after this time period will be considered delinquent.

(iv) If AGP, in good faith, disputes the amount of any invoice or any part thereof, AGP will pay HU such amount as it concedes to be correct. AGP and HU will work together to resolve the amount in dispute within 30 days.

(v) See Sample Invoice in Exhibit “3”.

4. Section 20 of the Agreement, as previously amended, shall be, and hereby is, deleted in its entirety and replaced with the following:

20. PENALTIES. If AGP fails or neglects to pay any undisputed invoices as provided for in Sections 15 and 16 on or before the due date, then AGP shall be charged and pay interest as a penalty for such failure or neglect of eighteen percent (18%) per annum of the said amount in default and due to HU from the original due date until paid. If AGP fails or refuses to pay any undisputed accounts due as specified herein, HU shall have, in addition to all of the rights and remedies at law, the right to cancel this Agreement and to refuse further delivery or sale of coal to AGP, provided that such cancellation shall not be effective unless HU shall first give notice of such delinquency and cancellation by certified mail to AGP. AGP shall have fifteen (15) days after the date of posting the certified mail to clear all delinquency, and in the event all accounts are paid within the said 15 day period, HU shall not cancel this Agreement.

HU and AGP acknowledge and agree that AGP met its minimum annual coal purchase requirement for calendar year 2025 and all preceding years, and no penalty is or shall be due or payable by AGP for said years. Effective January 1, 2026, for each ton of coal AGP fails to purchase of the 60,000 ton minimum per calendar year required as provided for by Section 4 of this Agreement, AGP shall pay a penalty amount equal to the average coal inventory price for the calendar year in which the minimum annual coal purchase requirement was not met. In lieu of paying the foregoing penalty, if AGP’s coal purchases fall below 60,000 tons during any calendar year for any reason, AGP may elect to carryover up to 20,000 tons of the 60,000 tons per calendar year minimum to the next succeeding year, so that in any two year period beginning January 1, 2026 AGP shall take and pay for an absolute minimum of 120,000 tons or be subject to the penalty set forth above. This penalty will not be applied if limitations provided for in Sections 7 and 17 of this Agreement prevent AGP from purchasing the 60,000 tons annually required.

5. The individuals signing below warrant and represent they are properly authorized and have the power to execute this Amendment #4 on behalf of their respective entities and to deliver this Amendment #4 and to perform the respective obligations under this Amendment #4 and that all necessary action to authorize such execution, delivery and performance has occurred.

6. The parties do hereby jointly and severally confirm and acknowledge that the Agreement remains in full force and effect and acknowledge that the Agreement is binding as to each of them, as amended hereby. The parties further agree that to the extent the provisions of this Amendment #4 conflict in any manner with the Agreement or any prior Amendment, the terms of this Amendment #4 shall control. In all other respects the Agreement, as previously amended, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment #4 to be duly executed in duplicate as of the day and year set forth below.

Signed at Hastings, Nebraska this ___ day of _____, 2025.

HASTINGS UTILITIES

By _____

Printed Name _____

Title _____

Signed at Omaha, Nebraska this 29 day of August, 2025.

AG PROCESSING INC A COOPERATIVE

By Lou Rickers

Printed Name Lou Rickers

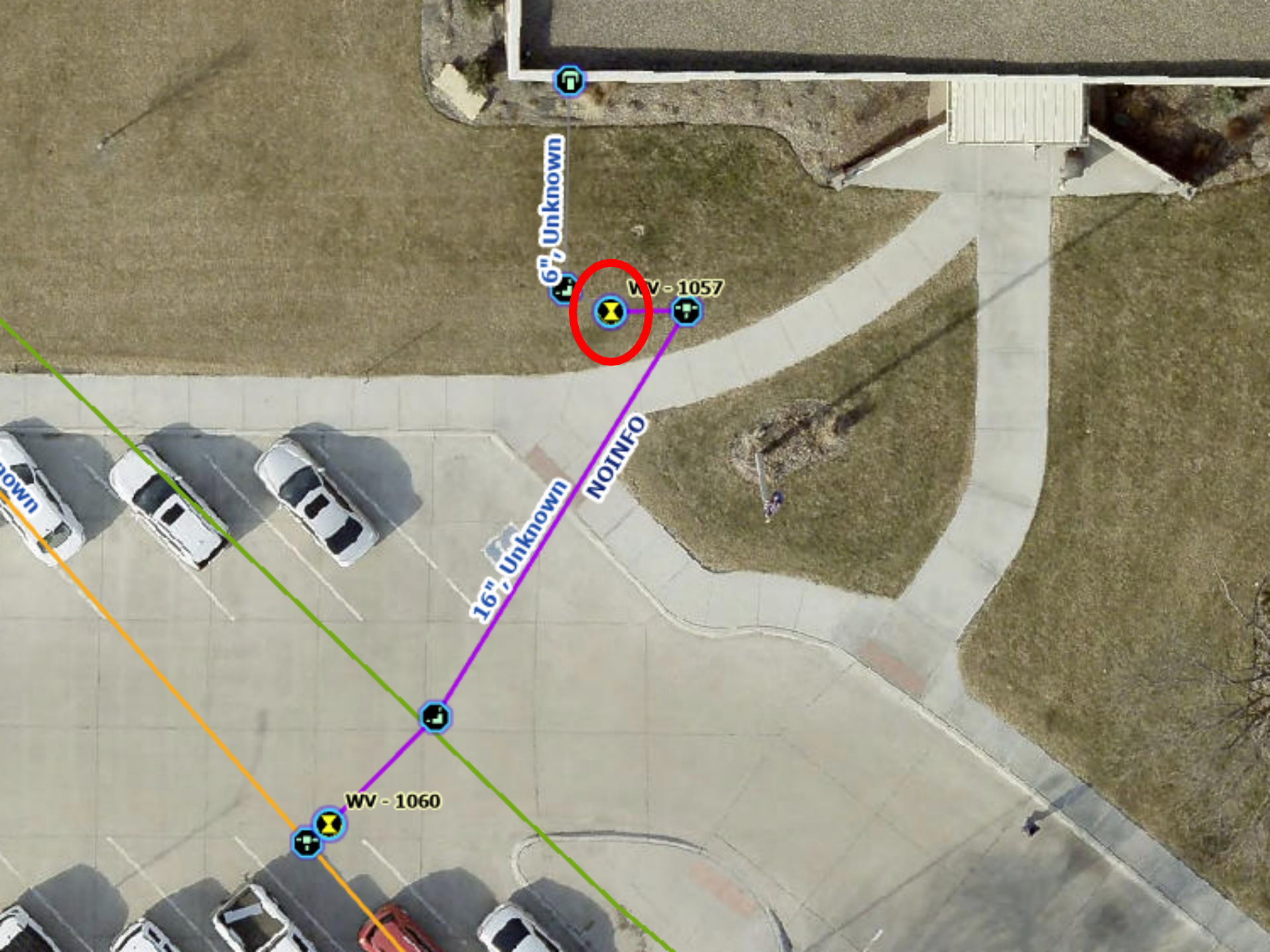
Title Chief Operations Officer





Utility Board Meeting
September, 2025





6", Unknown

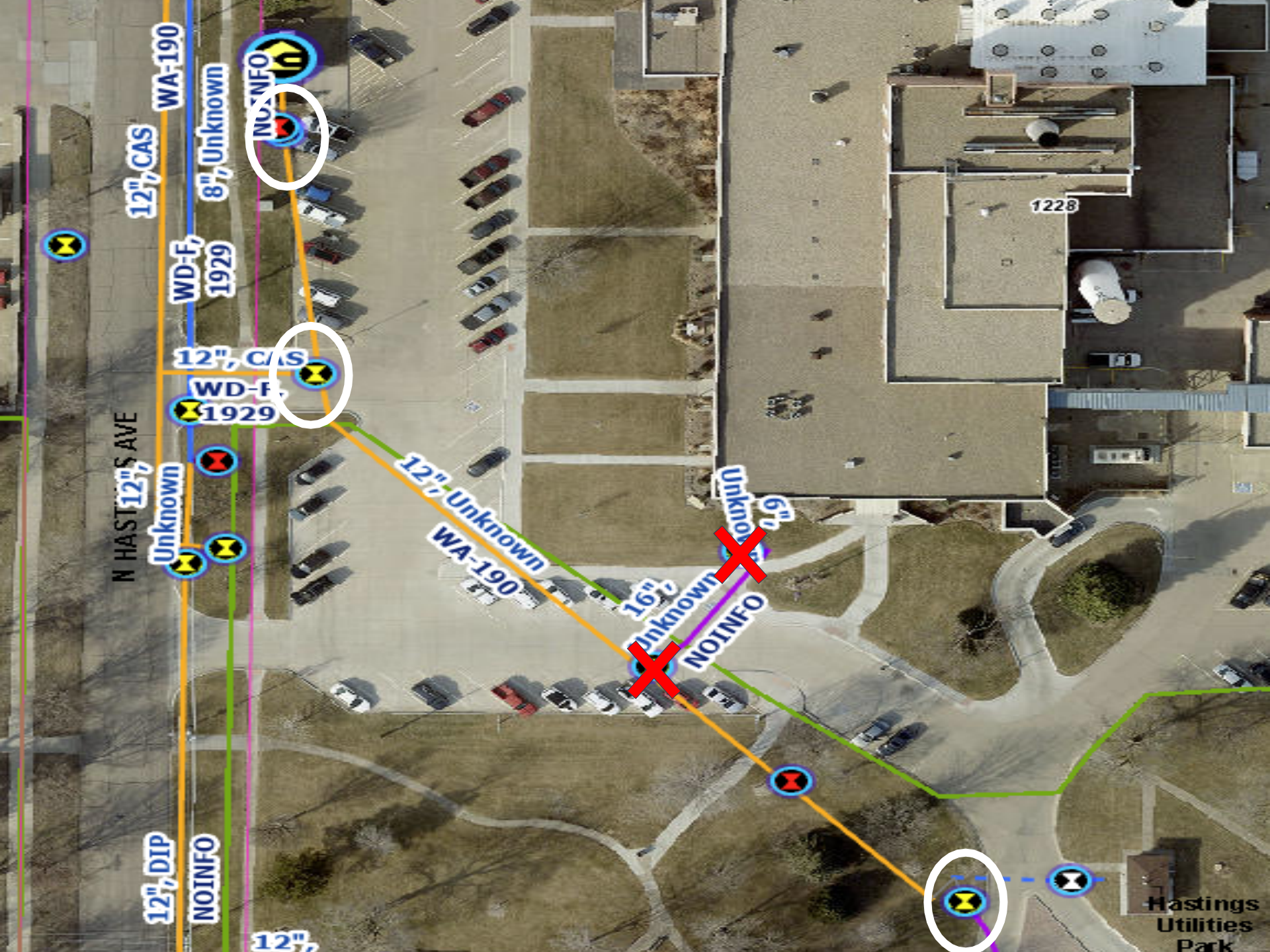
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8" Unknown
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12" CAS
WD-F, 1929

Unknown

12" DIP
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12"

12" Unknown
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16" Unknown
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Unknown
6"

1228

Hastings
Utilities
Park







HASTINGS UTILITIES