

**HASTINGS UTILITY BOARD  
AGENDA**

**Airport Conference Room - Hastings Municipal Airport  
3300 W 12th Street  
June 11, 2026  
9:00 AM**

**ROLL CALL:**

**PLEDGE OF ALLEGIANCE:**

**MOTION TO ADOPT CURRENT AGENDA FOR June 11, 2026 REGULAR MEETING.**

**PUBLIC NOTICE** - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, June 9, 2026. 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 Council Chambers. Also, a current copy of the Nebraska Open Meetings Act is posted on the south wall of the Council Chambers 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 14, 2026

**REGULAR AGENDA:**

2. Unfinished Business of Preceding Meeting.
3. General Business.
  - (a) Finance
    - i. Financial Update (Q2)
    - ii. Budget Update and Schedule

- (b) Production
- (c) Operations
- (d) Administration
  - i. Cost of Service Water and Sewer Update and Recommendation for Budget
- (e) Other
  - i. Propose to move July 9th meeting to July 23rd.

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 14, 2026

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 14, 2026.

**ROLL CALL:**

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

**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 14, 2026 REGULAR MEETING.**

Moved by Dewalt and seconded by Meeske to adopt the current agenda for the May 14, 2026, regular meeting. Roll Call: Ayes: Hitesman, Dewalt, Meeske, Rutt Nays: None. Absent: Kvolts. The motion carried.

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**MANAGER'S COMMUNICATIONS:**

Appreciate Tony Herrman and all that he does for Social Media. We received the Excellence and Reliability Award from APPA. This is three years running now. Thank you staff. NPPD had a webinar to give a status update on the NextGen Nuclear Study. This will be Phase II. Final report before the end of the month. More information by June.

**BOARD CHAIRMAN'S COMMUNICATIONS:**

Thank you to the staff for reliability for the third year in a row.  
On the nuclear side; Are they still talking about community meetings? Community meetings were done between phase 1 and 2.

**BOARD MEMBERS' COMMUNICATIONS:**

Susan received 3 phone calls about the payments for the accrued costs.

## **CITIZEN COMMUNICATIONS:**

Charles Humblebirg, a landlord, talked about how he was working on an apartment and the utilities came on when they were supposed to be off. Complaints about utility bill being high and is not happy how the utilities are being operated.

## **CONSENT AGENDA:**

### 1. All Consent Items.

- (a) Approval of the minutes of the Hastings Utility Board Meeting of April 9, 2026.

Meeske moved, Rutt second. Roll Call: Ayes: Hitesman, Dewalt, Meeske, Rutt. Nays: None. Absent: Kvols.  
Approved.

## **REGULAR AGENDA:**

### 2. Unfinished Business of Preceding Meeting.

### 3. General Business.

- (a) Finance

- (b) Production

- (c) Administration

- i. Utility Billing Update

Finance, Customer Service, and staff continue to work with Tyler/Munis. Sewer distribution billing has been corrected. All customers have been notified. 50% of charges have been received. Adding additional audit procedures. Continued updates will be provided. Derek explained why it took so long to catch. We have started the appropriate measures so it will hopefully not happen again.

- ii. Share the Warmth/Give Hastings Day Update

Tony wanted to thank all of our donors on Share the Warmth through the Give Hastings Day.  
Amazed at the support the community has for Share the Warmth. Donations are accepted year round.  
We have been averaging about \$7000 a year.

(d) Operations

i. Consumer Confidence Report/Lead Copper Rule

2025 Consumer Confidence Report (CCR)

- CCR due every year by July 1st. Submitted to customers via bill stuffer, website and made available in public areas.
- Report includes three items that might draw questions.
  - 1) Coliform: 3 positive system samples.
    - Not regarded by the state as a violation as source was found quickly and isolated.
    - Source: Well 15, was chlorinated, pump replaced, and sanitary seal improved at surface.
    - Well 15 has passed 3 consecutive bacteria samplings and is back in service.
  - 2) Copper: 1.44ppm, MCL 1.3ppm. Lead and Copper Rule revision mandates more sampling and corrosion control study.
    - Lead and copper sample frequency up to 30 sites every 3 years to 60 sites every 6 months.
    - 1st 6-month sampling period underway. Staff taking more control of process.
    - 1 year (2 samplings) compliance, we can cease corrosion control study.
  - Copper is an essential nutrient, multivitamins contain between 0.5 and 2.2mg. mg/L= ppm
  - 3) Nitrate: 11ppm, MCL=10ppm.
    - Well 26 regular state sampling resulted in an 11ppm for nitrate.
    - Internal sampling below MCL, confirmation sample to state was 8.3ppm.
    - State required us to keep 11ppm on CCR.
    - Real-time nitrate analyzer set as Well 26, all looks good.
- CCR will be disbursed to customers through June.

ii. Google Grant

Google Grant and Well 17

- August 2025: HDR Engineering emailed HU about the grant.
- Funds available via Google to offset water usage of data centers.
- Well 17 piping and two pump system was already planned in FY26 budget (\$900,000) and met criteria of the grant.
- Communications between Google, 3rd party consultants for Google, and staff September 2025 to present.
- Grant won April 2, 2026. \$1,261,500 includes all capital costs and 10 years estimated O&M costs.
- Currently finalizing terms, modest annual reporting of volumes and containment mitigation for 10 years.
- Winning this grant should set us up for future consideration from Google on funding for other ASR related capital projects.

iii. Conservation Plan Update

Water Conservation Plan Update

- 28 of 30 smart sprinkler controllers deployed. 17 to residences, 11 to parks.
- 8 at NDS grounds already seeing benefits.
- Tiered water rates for residential customers under construction. Proposal should come this month.
- Lake Hastings consideration.

iv. Natural Gas Public Awareness Survey

Folks should be seeing in their bill this month, a natural gas awareness survey. This is required every 3 years. It provides information on natural gas and what to do if you smell gas. Will definitely need to look back and retype this.

Branad will be joining on party line to talk about this next week.

News letters got out in every bill. They are in English and spansih.

Last time there were 68 responses and we are already at 15 responses this year.

If you see it, please fill it out. It is available online. There are links through the social media post.

(e) Other

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

**ADJOURN:**

Moved by Dewalt seconded by Meeske, there being no further business to adjourn at 9:57 am.

Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Susan Meeske, Regg Rutt. Nays: None.

Absent: Scott Kvolts. Meeting Adjourned.

APPROVED:

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Board Secretary



Utility Board Meeting  
May 2026

# 2025 Consumer Confidence Report (CCR)

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# 2025 Consumer Confidence Report (CCR)

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- 1 year (2 samplings) compliance, we can cease corrosion control study.
- Copper is an essential nutrient, multivitamins contain between 0.5 and 2.2mg. mg/L = ppm.....

# 2025 Consumer Confidence Report (CCR)

## 3) Nitrate: 11ppm, MCL = 10ppm.

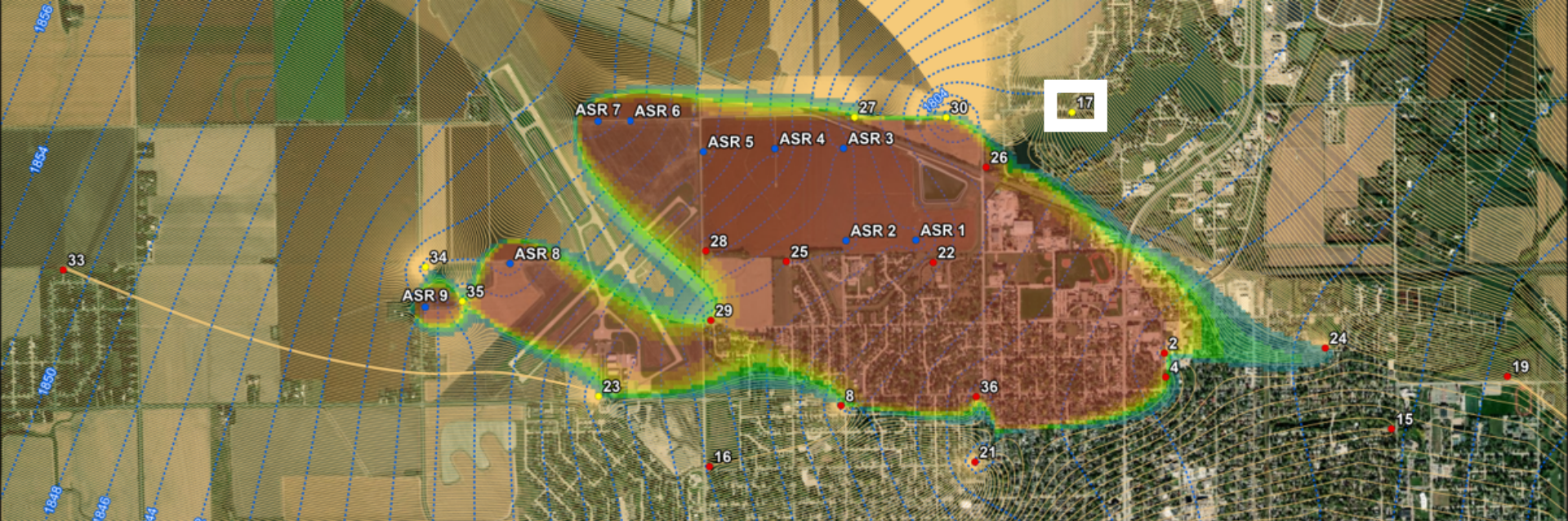
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- 
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# Google Grant and Well 17

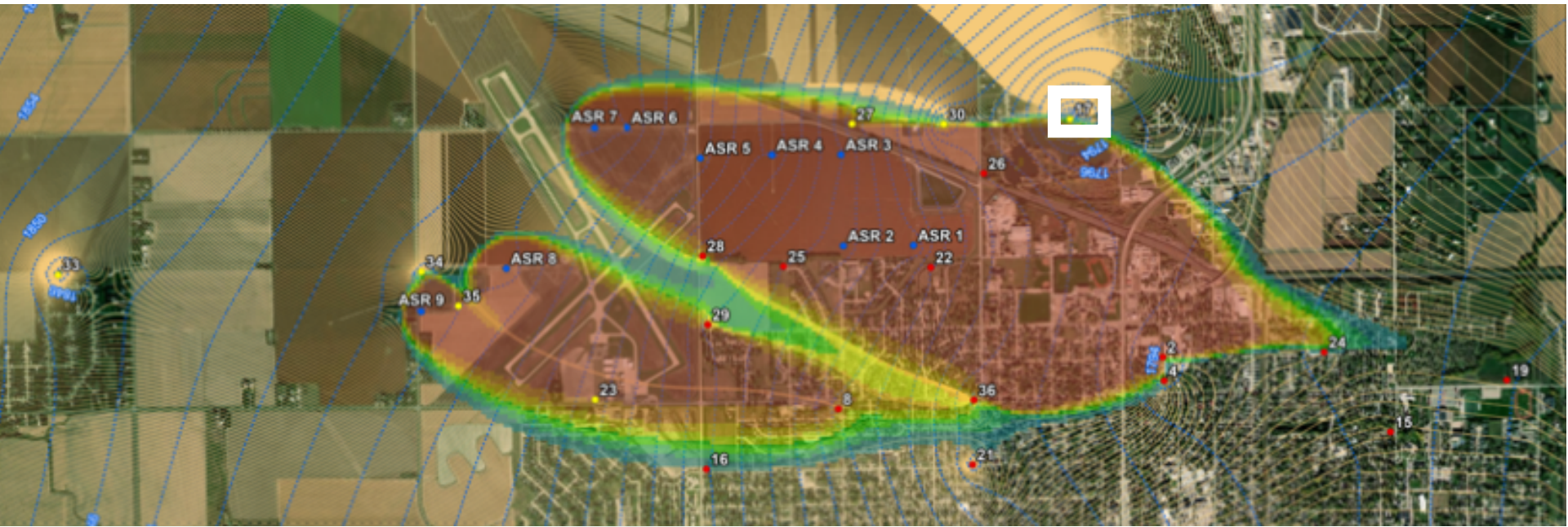
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# Google Grant and Well 17

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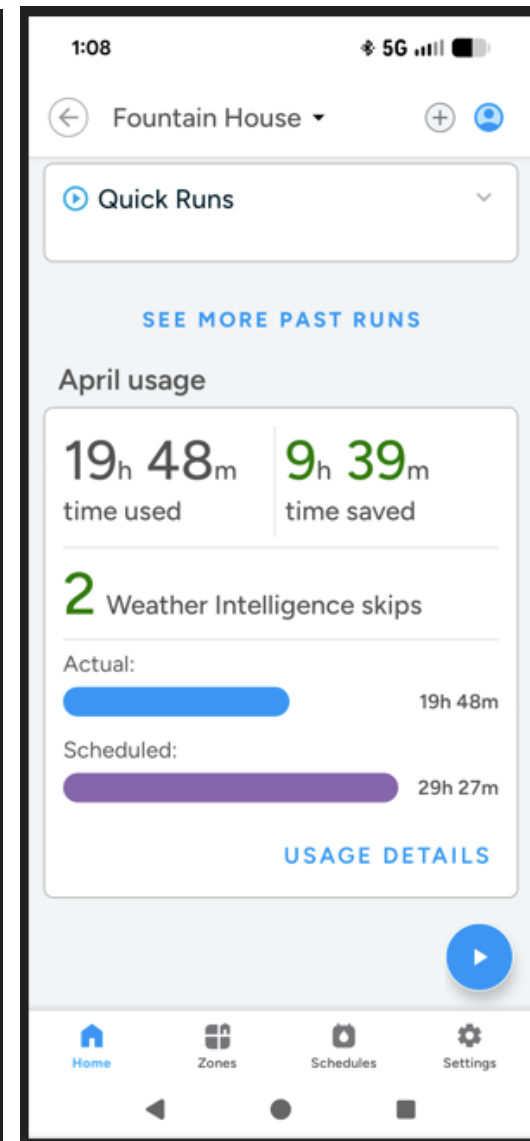
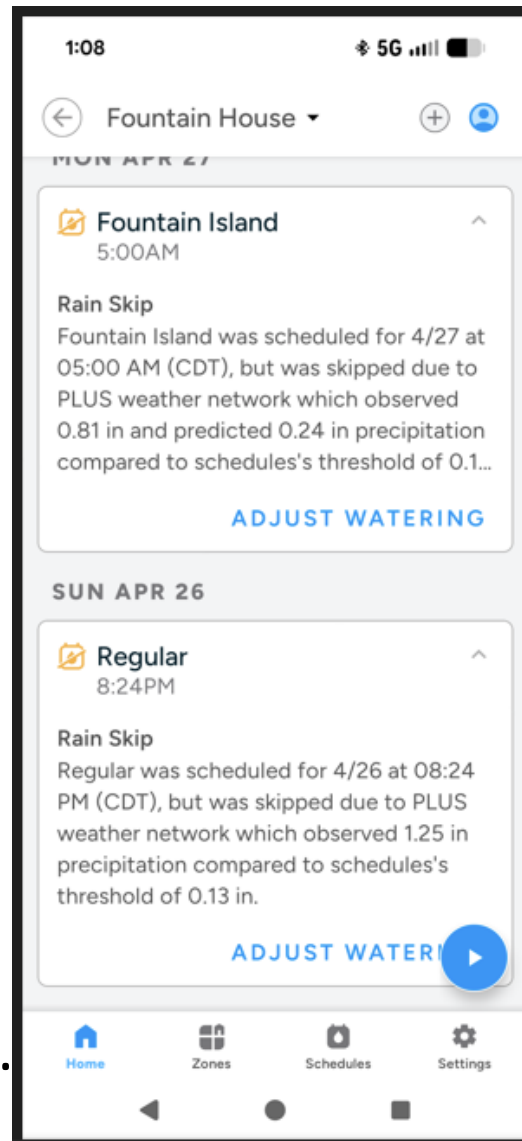


ASR Water Modeling, 20-year aquifer travel of treated water. 3-year average (top),  
Well 17 Addition and altered pumping strategy (Bottom).



# Water Conservation Plan Update

- 28 of 30 smart sprinkler controllers deployed. 17 to Residences 11 to parks.
- 8 at NDS grounds already seeing benefits!
- Tiered water rates for residential customers under construction. Proposal should come this month.
- Lake Hastings consideration.





# HASTINGS UTILITIES



Utility Board Meeting  
June 2026



# Financial and Operating Report

Fiscal Year 2026 Q2

June 2026

# Electric Department

	FY2025 Q2	FY2026 Q2	FY2026 Budget	Percent of Budget
Operating Revenue	\$28,215,762	\$29,973,169	\$58,613,646	51%
Operating Expenses	\$24,284,501	\$24,854,246	\$55,100,447	45%
Net change before Other Inc/Exp	\$1,799,180	\$2,890,256	(\$845,692)	
Net Change in Financial Position	\$3,596,094	\$6,063,499	\$11,226,787	

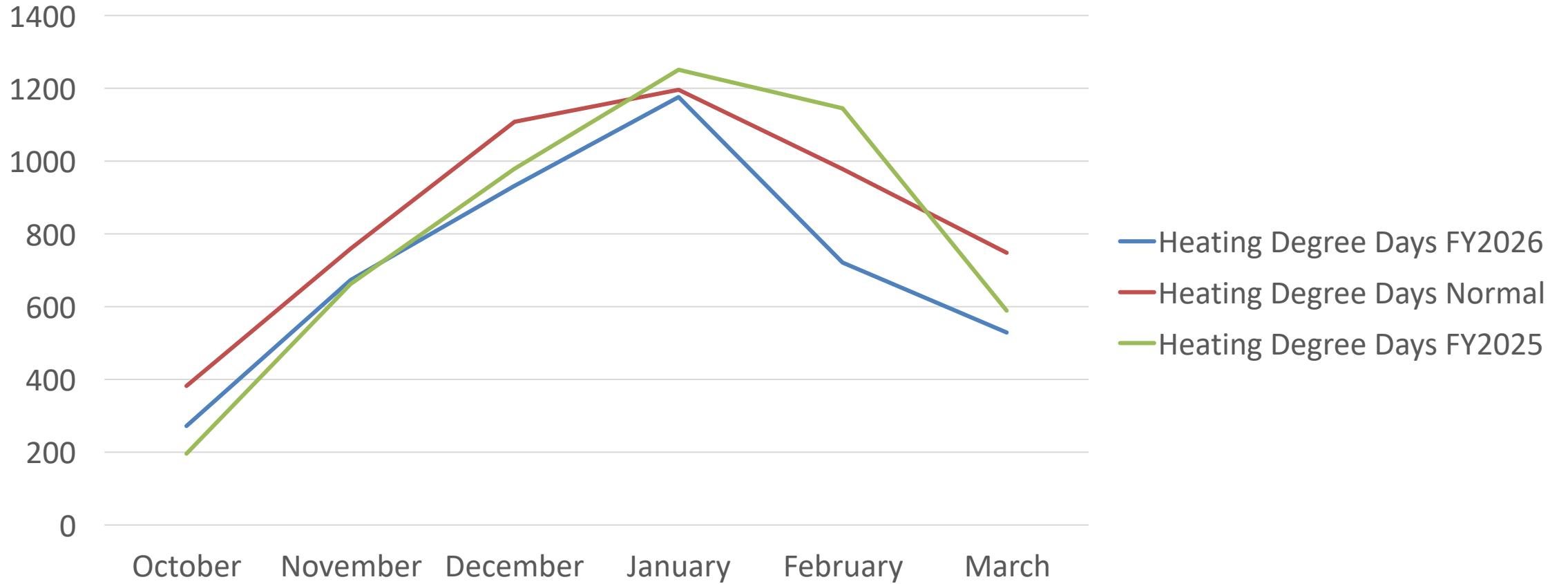
- Very strong January market, inflating the revenue and expenses
- Trending towards budget but will wrap up the spring outage in Q3 and will enter an unknown pricing market for city load purchases and generation revenue in Q4

# Gas Department

	FY2025 Q2	FY2026 Q2	FY2026 Budget	Percent of Budget
Operating Revenue	\$7,656,016	\$6,495,441	\$11,326,415	57%
Operating Expenses	\$6,634,057	\$6,521,603	\$10,418,556	63%
Net change before Other Inc/Exp	\$941,451	(\$121,031)	\$735,859	
Net Change in Financial Position	\$1,454,361	\$1,357,775	\$1,608,257	

- Extremely mild fall and winter, impacting gas revenue
- The Gas department would be well behind budget, but the monthly Transportation Credit is just over \$1.2M for October through March. Transportation Credits are market driven and fall under Other Income and do not fall under Operating Revenue. This is an exceptionally unique year for Transportation Credits.

# Heating Degree Days



# Water Department

	FY2025 Q2	FY2026 Q2	FY2026 Budget	Percent of Budget
Operating Revenue	\$3,608,095	\$3,254,106	\$8,066,086	40%
Operating Expenses	\$2,411,389	\$1,981,609	\$5,189,869	38%
Net change before Other Inc/Exp	\$747,174	\$800,913	\$1,963,217	
Net Change in Financial Position	\$945,309	\$1,007,994	\$3,769,734	

- October through March is not a typical watering season as shown in lower revenues and expenses
- With the dry spring, will likely see an increase in water usage for Q3

# Sewer Department

	<b>FY2025 Q2</b>	<b>FY2026 Q2</b>	<b>FY2026 Budget</b>		<b>Percent of Budget</b>
Operating Revenue	\$3,459,114	\$2,872,159	\$7,035,380		41%
Operating Expenses	\$2,138,936	\$1,973,376	\$4,594,424		43%
Net change before Other Inc/Exp	\$401,595	(\$88,595)	\$387,956		
Net Change in Financial Position	\$464,921	(\$30,265)	\$888,175		

- Operating revenue lower than the prior year due to the unbilled sewer usage. The unbilled revenue will be captured in Q3

# Cash Update

	<b>FY25 Sept 30 Actual</b>	<b>FY26 Mar 31 Actual</b>
Electric	\$13,517,300	\$13,603,293
Gas	\$13,603,418	\$14,000,365
Water	\$4,301,053	\$4,777,401
Sewer	\$1,238,257	\$793,151



# Cost of Service / Rate Design Studies

## Water and Wastewater Utilities

Utility Advisory Board  
June 11, 2026

Presented by:  
John A. Krajewski, P.E.

# Overview of Presentation

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- Introduction
- For each utility
  - Projected Financial Results
  - Cost of Service
  - Rate Design
  - Comparison to HU's Peer Group
  - Recommendations

# Background

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- Last water and wastewater rate updates were in 2022
- Implemented Infrastructure Fee in water rates due to significant capital expenditures in long-term budget

# Purpose of Studies

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- Review financial performance of the water and wastewater utilities
- Develop rates that reflect the cost of service and accomplish other goals established by HU
  - Long-term financial integrity
  - Fair, reasonable and non-discriminatory rates
  - Competitive rates compared to HU's peer group
  - Recognize cost of service for each rate class

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# Water COS/RDS Results

# Projected Financial Results

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- Operating deficits begin to occur in FY 2029
- Implementing small rate increases now can maintain cash reserves and prevent larger rate increase later

# Proposed Rate Plan

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- Implement 1.5% annual rate increases in FY 2027 through FY 2030
- Avoids implementing a large rate increase in FY 2030 and helps maintain adequate cash reserve
- Proposed rate schedules in report implement rate increases through FY 2029
- Future rate changes can be assessed in next rate study

# Cost of Service

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- Findings

- For all customers, except CMS, rate increases were within small bandwidth around overall 1.5% rate change
- CMS rates would need to increase more than 100% for revenue to approach the cost of service
  - Low customer density results in higher operating costs per customer
  - Much larger investment per customer due to lower customer density

# Rate Design

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- All rate classes, except CMS, proposed to increase rates approximately 1.5% annually for next three years
  - Some changes are not exactly 1.5% based on desire to keep rates rounded to nearest \$0.01 per ccf
- CMS rates proposed to increase 10% annually for next three years
  - Even with series of three 10% rate increase, revenues still well below the cost of service

# Rate Design

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- Inclining block rate proposed for Residential rate classes
  - First 5 ccf: \$1.79/ccf
    - \$0.20 decrease compared to existing
  - Next 25 ccf: \$2.09/ccf
    - \$0.10 increase compared to existing
  - Excess: \$2.42/ccf
    - \$0.43 increase compared to existing
- Rate is designed to encourage conservation, particularly for discretionary usage
- Users with less than 15 ccf of consumption pay less under new rates

# Typical Residential Water Bill

- Proposed rates would increase typical monthly Residential water bill \$0.53/month in FY 2027, \$0.53/month in FY 2028 and \$0.61/month in FY 2029

Monthly Usage (ccf)	Monthly Bill		Increase / Decrease (\$)
	Existing (\$)	Proposed (\$)	
5.0	\$ 23.87	\$ 22.87	\$ (1.00)
15.0	43.77	43.77	-
25.0	63.67	64.67	1.00
35.0	83.57	87.22	3.65

# Typical Water Bill Comparison

- Residential 5/8” Meter, Summer Season

Utility	500 cf	700 cf	1,000 cf
Grand Island	\$12.84	\$15.58	\$19.69
Columbus	15.53	18.18	22.15
Fremont	20.82	23.12	26.76
Lincoln	20.01	24.05	31.83
Kearney	22.15	25.91	31.55
<b>Hastings</b>	<b>22.87</b>	<b>27.05</b>	<b>33.32</b>
Norfolk	25.23	28.27	32.38
Omaha	29.56	34.18	42.03

Note: Typical bill sorted based on 700 cf usage.

# Conclusions

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- Series of 1.5% rate increases in FY 2027 through FY 2030 would ensure adequate cash flow and avoid larger rate increase later
- CMS rates would need to increase more than 100% to cover the cost of service
- Implementing inclining block rate for residential customers would encourage conservation
- With proposed rate changes, retail rates are near the median compared to peer group

# Recommendations

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- Implement rate schedule included as Appendix A to report
  - 1.5% annual rate increases for FY 2027, FY 2028 and FY 2029 for all rate classes except CMS
  - 10% annual rate increases for FY 2027, FY 2028 and FY 2029 for CMS
- HU should review rates again in 2029 or sooner if an unexpected expense or change in usage occurs

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# Wastewater COS/RDS Results

# Projected Financial Results

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- Adequate revenue to cover operating expenses and capital improvement needs throughout study period
- No need to raise rates on a system-wide basis

# Cost of Service

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- CMS rates would need to increase more than 100% to cover the cost of service
  - Low customer density
  - Higher investment per customer
  - Higher operating costs per customer
- Revenues for all other customers are reasonable compared to the cost of service

# Rate Design

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- Increase Rate Class S-3 rate 10% annually in FY 2027, FY 2028 and FY 2029

# Typical Wastewater Bill Comparison

- S-1 Urban

Utility	3 ccf	5 ccf	7 ccf
Lincoln	\$13.14	\$18.64	\$24.13
<b>Hastings</b>	<b>22.88</b>	<b>28.46</b>	<b>34.04</b>
Fremont	25.99	30.25	34.51
Columbus	22.85	31.23	39.60
Grand Island	23.12	32.36	41.60
Norfolk	34.72	37.68	43.60
Omaha	58.22	66.14	74.06

Note: Typical bill sorted based on 5 ccf usage.

# Conclusions

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- Except for Rate Class S-3 (CMS), existing rates are adequate and no overall rate change is necessary
- Rates for CMS customers would need to increase more than 100% to cover the cost of service

# Recommendations

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- Implement rate schedule in Appendix A
  - Only change to rates is increasing Rate Class S-3 rate by 10% annually in FY 2027, FY 2028 and FY 2029
- HU should review rates on a regular basis, especially if there is a change to the system, including capital improvements or operating expense increases

# Contact Information

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