HASTINGS UTILITY BOARD
AGENDA

Airport Conference Room - Hastings Municipal Airport
3300 W 12th Street
July 23, 2026
9:00 AM

ROLL CALL:

PLEDGE OF ALLEGIANCE:

MOTION TO ADOPT CURRENT AGENDA FOR July 23, 2026 REGULAR MEETING.

PUBLIC NOTICE - Official Notice of the Regular Meeting was published in the Hastings Tribune on Tuesday, July 21, 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 June 11, 2026.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

    (a) Finance

    (b) Production

        i. WEC Unit 1 Update

    (c) Other

i. Solar Phase II Update

ii. Proposed Ordinance No. 4837

(d) Operations

(e) Administration

i. Utilities Budget Presentation

4. <u>Possible Closed Session (if necessary or requested).</u>

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, June 11, 2026

Pursuant to due call and notice thereof, a Regular Meeting of the Utility Board of Hastings, Nebraska was conducted Airport Conference Room - Hastings Municapal Airport
3300 W 12th Street, on June 11, 2026.

ROLL CALL:

The meeting was called to order at 9:00 am in regular session by Bill Hitesman with the following members present: Jeanette Dewalt, Scott Kvols. Absent: Susan Meeske, Regg Rutt. Derek Zeisler, Erik Nielsen, Tony Herrman, Jaci Higgins, Jeanne Espina, Larry Fox, Shane Stone, Noel Nienhueser, Larry Consbruck, Mark Funkey, Steve Huntley, Karl Block, Kyle Patten, Jason Redding, Brandan Lubken, Leen Vrooman, Lori Hartman.
Absent: Jay Beckby, Jesse Oswald

PLEDGE OF ALLEGIANCE:

Bill Hitesman led the group in the recital of the Pledge of Allegiance to the United Sates of America.

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

Moved by Kvols and seconded by Dewalt to adopt the current agenda for the June 11, 2026, Regular Meeting. Roll Call: Ayes: Hitesman, Dewalt, Kvols. Nays: None. Absent: Meeske, Rutt. The motion carried.

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:

We are fortunate that the storm moved north of us. We had one pole that was hit, and we were able to get that repaired.
This is Bill Hitesman's last meeting. Thank you, Bill, for your leadership. We appreciate what you have done for the utilities and our staff. We would like to present you with a plaque as a thank you for your service. Thank you for your service and your time.

BOARD CHAIRMAN'S COMMUNICATIONS:

It has been a pleasure and I will miss working with all of you. It is the people that make it work. The utilities have been outstanding at what they do. We need to find a way to find money to help our community.

BOARD MEMBERS' COMMUNICATIONS:

Thank you for being on the board. We will miss your leadership and timeliness.

CITIZEN COMMUNICATIONS:

None

CONSENT AGENDA:

1. All Consent Items.

(a) Approval of the minutes of the Hastings Utility Board Meeting of May 14, 2026

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

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

(3.) Administration

a Cost of Service Water and Sewer Update and Recommendation for Budget

Cost of Service/Rate Design Studies for Water and Wastewater Utilities presented by John Krajewski.
Background: - Last water and wastewater rate updates were in 2022. - Implemented Infrastructure Fee in water rates due in significant capital expenditures in long-term budget.
Purpose of Studies: - 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.
Water COS/RDS Results
Projected Financial Results: - Operating deficits begin to occur in fiscal year (FY) 2029 - Implementing small rate increases now can maintain cash reserves and prevent larger rate increase later.
Proposed Rate Plan: - 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 schedule in report implement rate increases through FY 2029. - Future rate changes can be assessed in the next rate study.
Cost of Service: - Findings *For all customers, except CMS, rate increases were within

small bandwidth around overall 1.5% rate change *CMS rates would need to increases 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: - All rate classes, except CMS, proposed to increase rates approximately 1.5% annually for the next three years *Some changes are not exactly 1.5% based on desire to keep rates rounded to nearest $.0.01 per ccf. - CMC rates proposed to increase 10% annually for next three years *Even with series of three 10% rate increase,l revenues still well below the cost of service. - Inclining block rate proposed for Residential rate classes *First ccf: $1.79/ccf ($0.20 decreases 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.
Typical Water Bill Comparison: Residential 5/8" Meter, Summer Season
Conclusions: - 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: - 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.
Wastewater COS/RDS Results
Projected Financial Results: - Adequate revenue to cover operating expenses and capital improvements needs throughout study period. - No need to raise rates on a system-wide basis.
Cost of Service: - CMS rates would need to increase more than 100% to cover the cost of service. *low customer density *higher investment per customer *higher operating cost per customer - Revenues for all other customers are reasonable compared to the cost of service.
Rate Design: Increase Rate Class S-3 rate 10% annually in FY 2027, FY 2028 and FY 2029
Conclusions: - Except 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% ro cover the cost of service.
Recommendations: - Implement rate schedule in Appendix A *Only change 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.
We need a recommendation to move the Cost of Service for Water and Sewer to move on to City Council. Dewalt moves to approve a recommendation to move this to the city council for the water and sewer rates for 2027-2029 per John's recommendation. Second by Kvols.
Role Call: Ayes: Hitesman, Dewalt, Kvols. Nays: None. Absent: Meeske, Rutt. Approved to move to City Council.

4. <u>General Business.</u>

(a) Finance

i. Financial Update (Q2)

Financial and Operating Report Fiscal Year (FY) 2026 Q2
Electric Department: - 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: - 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.
Water Department: - 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: - Operating revenue lower than the prior year due to the unbilled sewer usage. The unbilled revenue will be captured in Q3.

ii. Budget Update and Schedule

Jaci gives everyone an update on the budget. Reach out to her to schedule a meeting and see what time works best for you. Everything is progressing very well. Larry let's everyone know that there will be some changes on how you see things.

(b) Production

(c) Operations

(d) Other

i. Propose to move July 9th meeting to July 23rd.

All present board members are okay to move the July 9th meeting to July 23rd.

5. <u>Possible Closed Session (if necessary or requested).</u>

ADJOURN:

Moved by Dewalt seconded by Kvols with there being no further business to adjourn at 10:00 am. Roll Call: Ayes: Bill Hitesman, Jeanette Dewalt, Scott Kvols. Nays: None. Absent: Meeske, Rutt. Meeting Adjourned.

APPROVED:

____

Board Secretary

ORDINANCE NO. 4837

AN ORDINANCE OF THE CITY OF HASTINGS, NEBRASKA ESTABLISHING A NATURAL GAS RATE SCHEDULE FOR SALES TO LARGE VOLUME INDUSTRIAL CUSTOMERS

WHEREAS, the City of Hastings, Nebraska ("Hastings" or the "City") is undertaking a marketing program for sales to large volume industrial users of natural gas located in its service area;

NOW, THEREFORE, BE IT ORDAINED by the City of Hastings, Nebraska that a new rate schedule, entitled the Large Volume Industrial User Rate Schedule (the "Rate Schedule"), shall be adopted, to be effective upon approval by the City, as follows:

1. The City may enter into natural gas sales contracts with Large Volume Industrial Users, as defined in this Ordinance, on the following terms:

   (a) The term shall not be less than two (2) years, taking into consideration renewal provisions.

   (b) The contracts shall be requirements contracts, providing for the sale of gas to serve an eligible customer's requirements for gas up to stated maximum quantities.

   (c) The facilities of the industrial customer must be located in the City's service area or in an area contiguous to such area where gas distribution service is not otherwise being provided.

2. Large Volume Industrial Users eligible for service under this Rate Schedule shall be those that (i) will purchase a monthly average of not less than [1,000] MMBtu per day from the City and (ii) elect to enter into a contract with the City for the purchase of gas under this Rate Schedule.

3. Any contract between the City and a Large Volume Industrial User pursuant to this Rate Schedule shall be in the form of a North American Energy Standards Board ("NAESB") Base Contract for the Sale and Purchase of Natural Gas, with such Special Conditions and commercial terms set forth in a Transaction Confirmation thereto, as shall be established by the Utilities Manager, or designee.

4. The commodity price per MMBtu for service under this Rate Schedule shall be based on a market index price agreed to in a contract between the City and the Large Volume Industrial User, less, in certain circumstances, a discount of not greater than 50% of the net discount available to the City for the gas acquired by the City for sale to the Large Volume Industrial Customer.

5. The City may sell gas to the eligible customer under this Rate Schedule at the plant gate or into a transportation contract held by the eligible customer. The City may combine sales service of commodity gas supply under this Rate Schedule with transportation service to the City's gate

station and then across the City's system so as to provide a delivered service at the Large Volume Industrial Customer's premises. In such circumstances, the delivered price to the customer shall include a transportation service component or components in addition to the price, as described in paragraph 4 above, for the commodity gas supply under this Rate Schedule.

6. The City shall serve customers under this Rate Schedule from prepaid gas supplies acquired by the City for this purpose. The City shall not be obligated to supply any new eligible customer under this Rate Schedule, or supply any portion of such quantity requested by such customer, if it does not have sufficient long-term, firm prepaid gas supplies available to it for sale and delivery to such new customer.

Any ordinance passed and approved prior to the passage, approval and publication or posting of this ordinance and in conflict with its provisions is repealed.

This Ordinance shall be published in the manner and form provided by law and shall take effect and be in full force from and after its due passage, approval, and publication in electronic form.

The provisions of this ordinance are separable, and the invalidity of any phrase, clause or part of this ordinance shall not affect the validity or effectiveness of the remainder of the ordinance.

PASSED AND APPROVED this ____ day of _________, 2026.

CITY OF HASTINGS, NEBRASKA

By:____________________________
Jay Beckby, Mayor

ATTEST:

____
Tyler Ficken, City Clerk

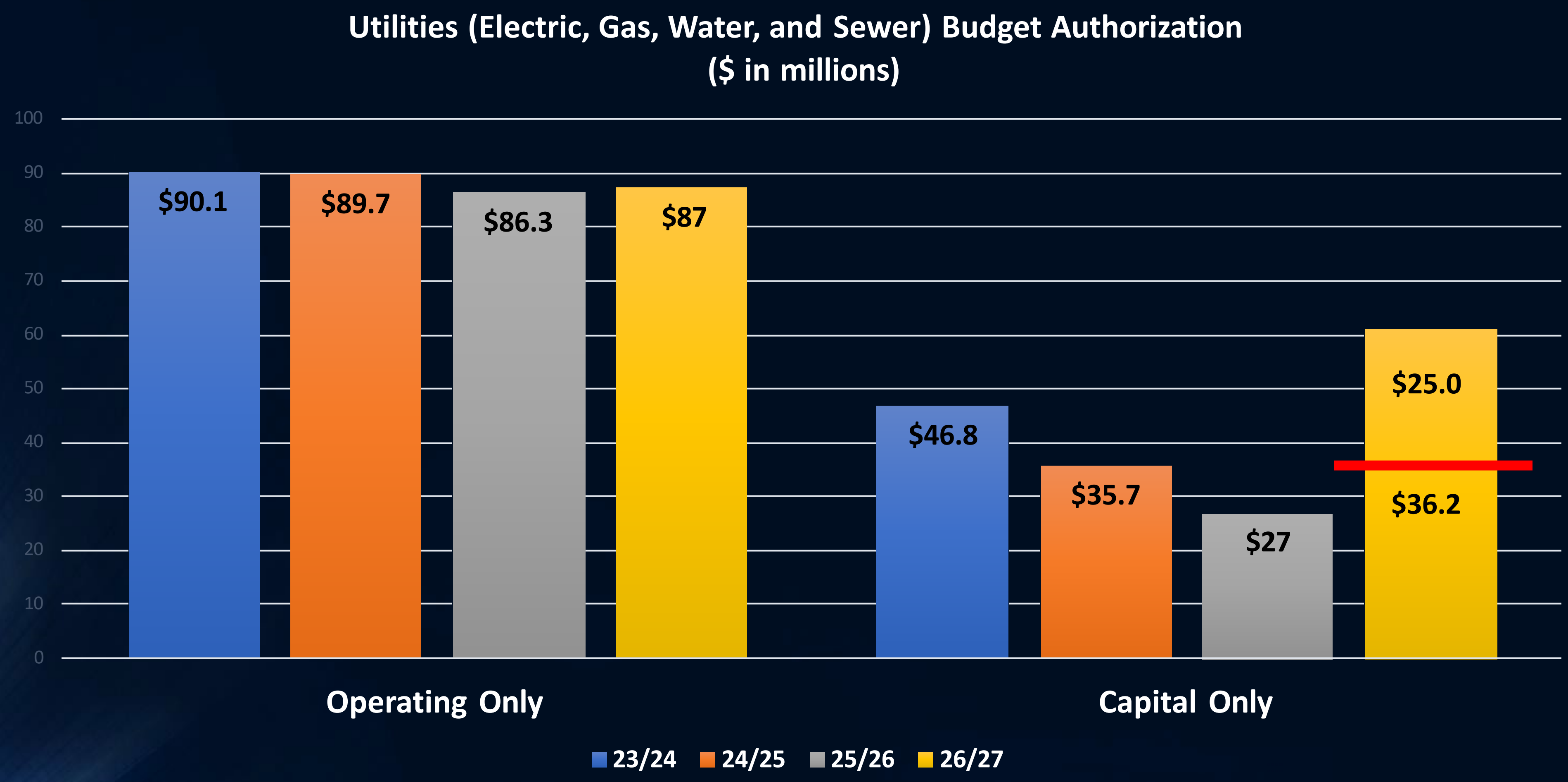
APPROVED AS TO FORM AND LEGALITY:

____
Jessee Oswald, City Attorney

FY2027 Hastings Utilities Proposed Budget

JULY 2026

Budget Authorization Comparison



HASTINGS UTILITIES

Budget Assumptions

Cost of Service Study Results Utilized	• Electric (5%), Gas (6.3%) Water(1.5%)
Material Inflation	• 3%
Economic Impacts Budgeted	• Payroll 3%
Forecasted Revenue Growth (Non-Rate)	• 1%
Forecasted Expense Inflation (Forecast)	• 3%
Target for Unencumbered Cash & Rate Stabilization (% of Operating Expense)	• > 50%

Utilities Dept Staffing

- No change in total headcount

- Engineering and Maintenance and Mechanic cost have not changed but where the headcount is has changed

2026-27 Personnel Authorization Schedule
Utilities

Utilities Department - Division	FY27	FY26	FY25
Electric			
Distribution, Substation, and Metering	22	22	22
North Denver Station	6	6	6
Whelan Energy Center	77	75	74
Electric Totals	**105**	**103**	**102**
Gas	**18**	**18**	**19**
Water	**15**	**15**	**15**
Pollution Control Facility	**11**	**11**	**11**
General Administrative			
Administration	5	4	5
Customer Service	10	10	10
Marketing and Energy Supply	5	5	4
Warehouse	4	4	4
General Administrative Totals	**24**	**23**	**23**
Engineering	**22**	**25**	**25**
Maintenance and Mechanic	**5**	**5**	**5**
Grand Total	**200**	**200**	**200**

HASTINGS UTILITIES

Additional Staffing

- Environmental Engineering is no longer with Engineering

- Percentages are an actual allocation
- HU's share has not changed

	#	% SPLIT	HUShare
ENGINEERING	22	70%	15.4
FINANCE	9		7.5
HR	5	45%	2.3
IT	11	45%	5.0
SAFETY	2		1.0
	50		**31.2**

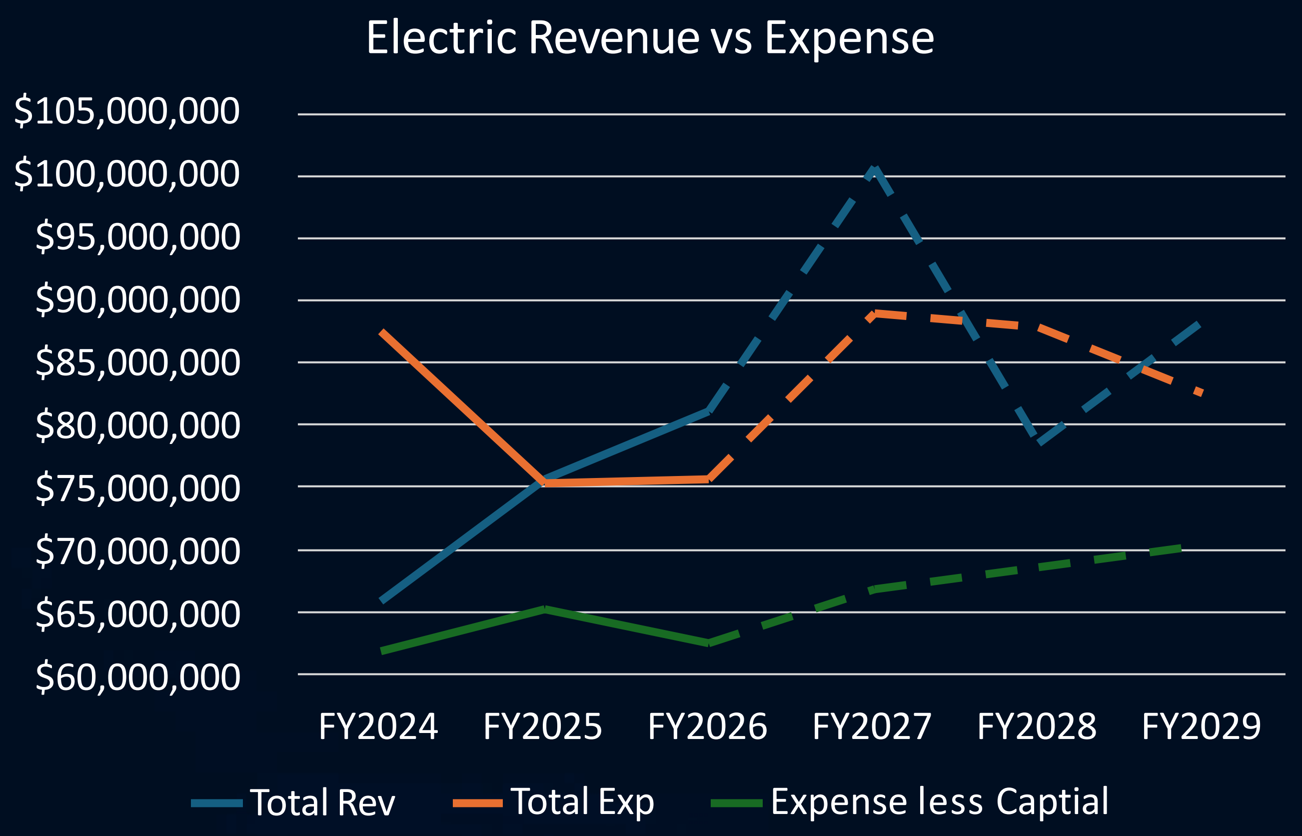
HASTINGS UTILITIES

Electric Dept Budget

- Electric Revenue (and Expense) Impacts
  - SPP Market
  - Weather

- Cost of Service Study completed and implemented in FY2025 for four years with an average 5% revenue increase through rates each year

- Highway 6 project deferred expenses in FY2026

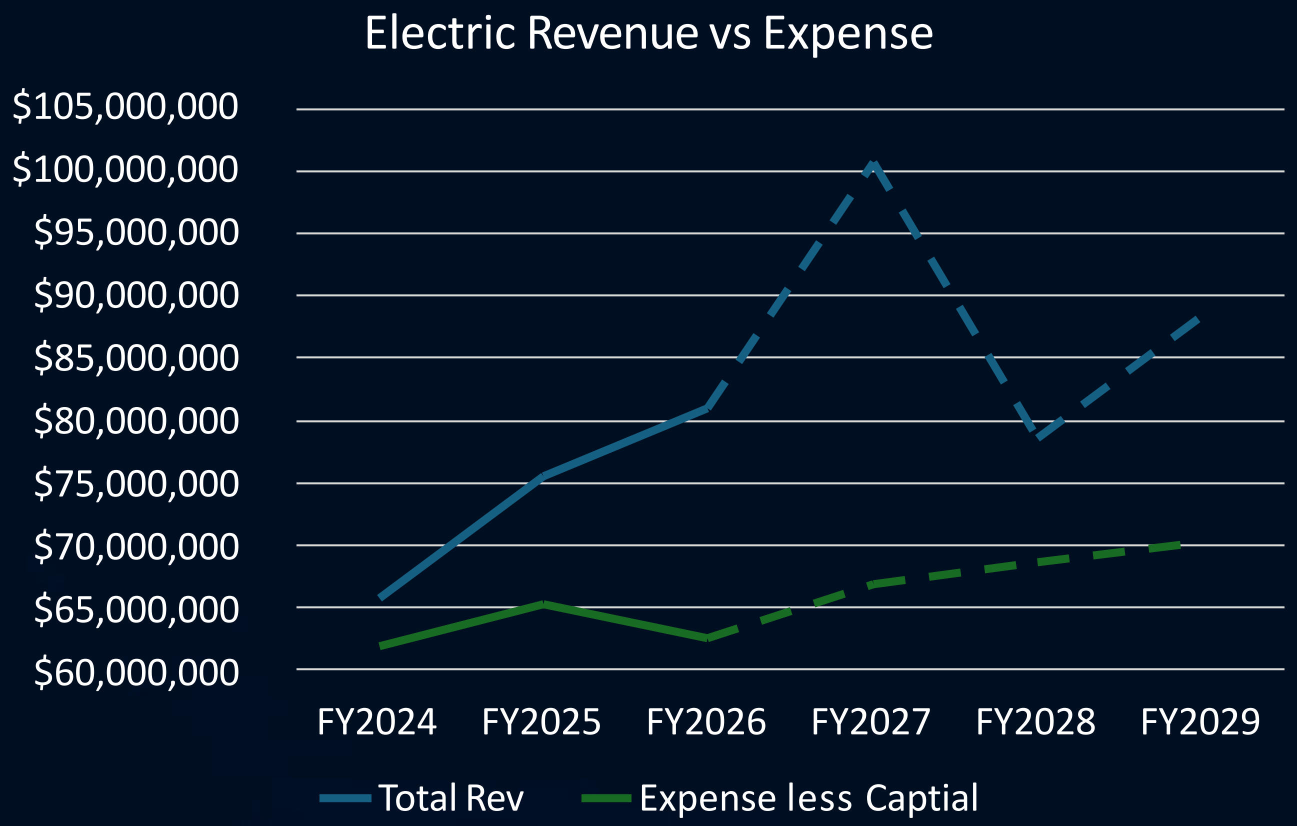


Electric Dept Budget

- APPA Reliability
  - Recognized for 5 consecutive years in the top 25% of utilities nationwide for the System Average Interruption Duration Index

- System wide tree trimming was divided into 5 areas. In 26/27 the process will be restarting in the 1st area.

- Transformer #250 from B street which was upgraded with a larger unit will be sent out for a refresh and rewind.

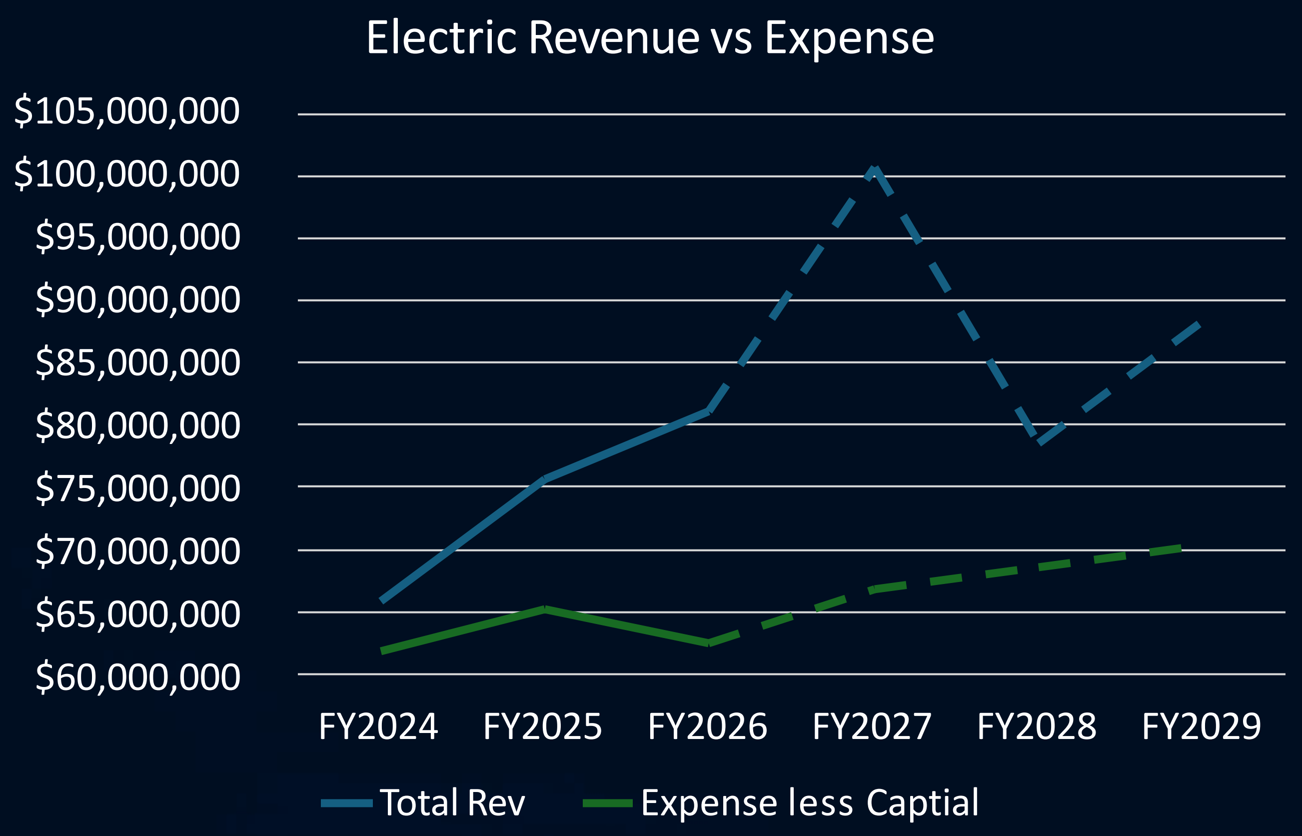


Electric Dept Budget

- NDS4 soot blowing upgrades
- Shared electrical repairs

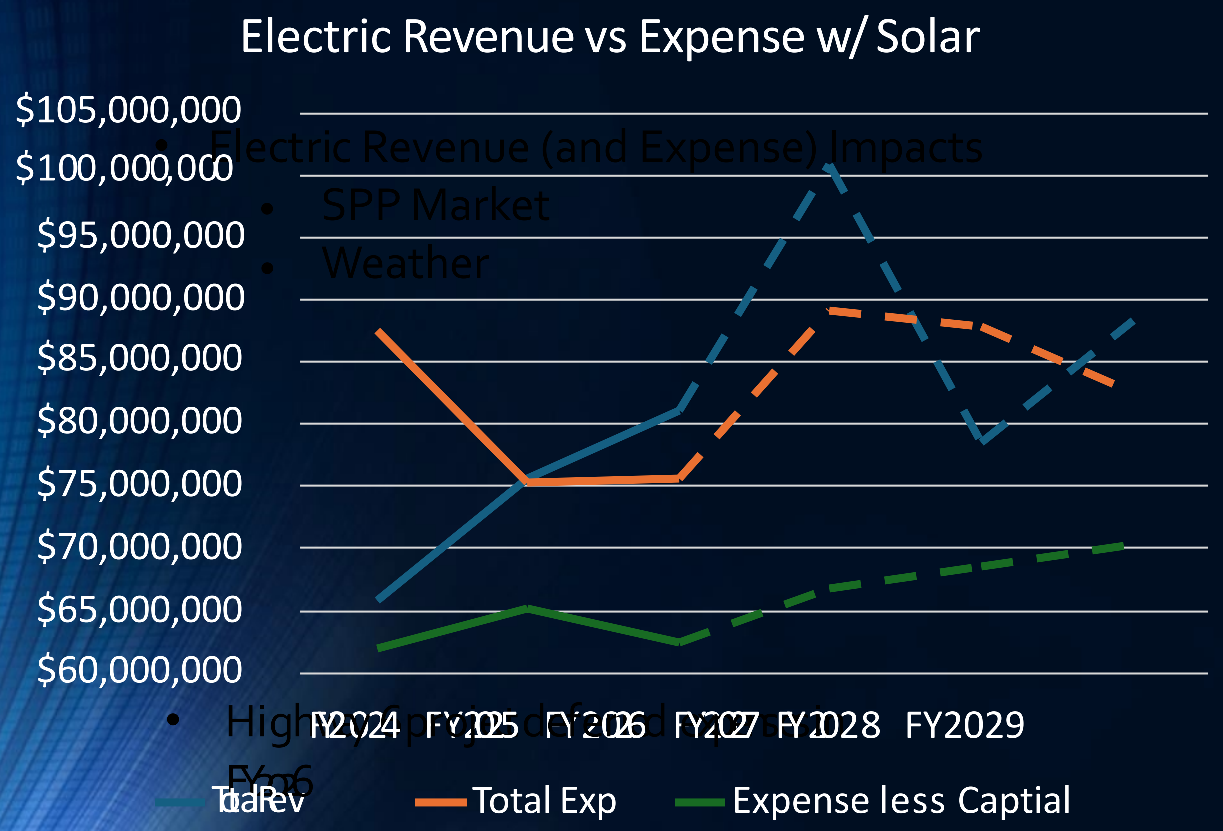
- Auxiliary boiler retube
- Turbine and control valve overhaul parts restock
- Coal pulverizer and piping repairs

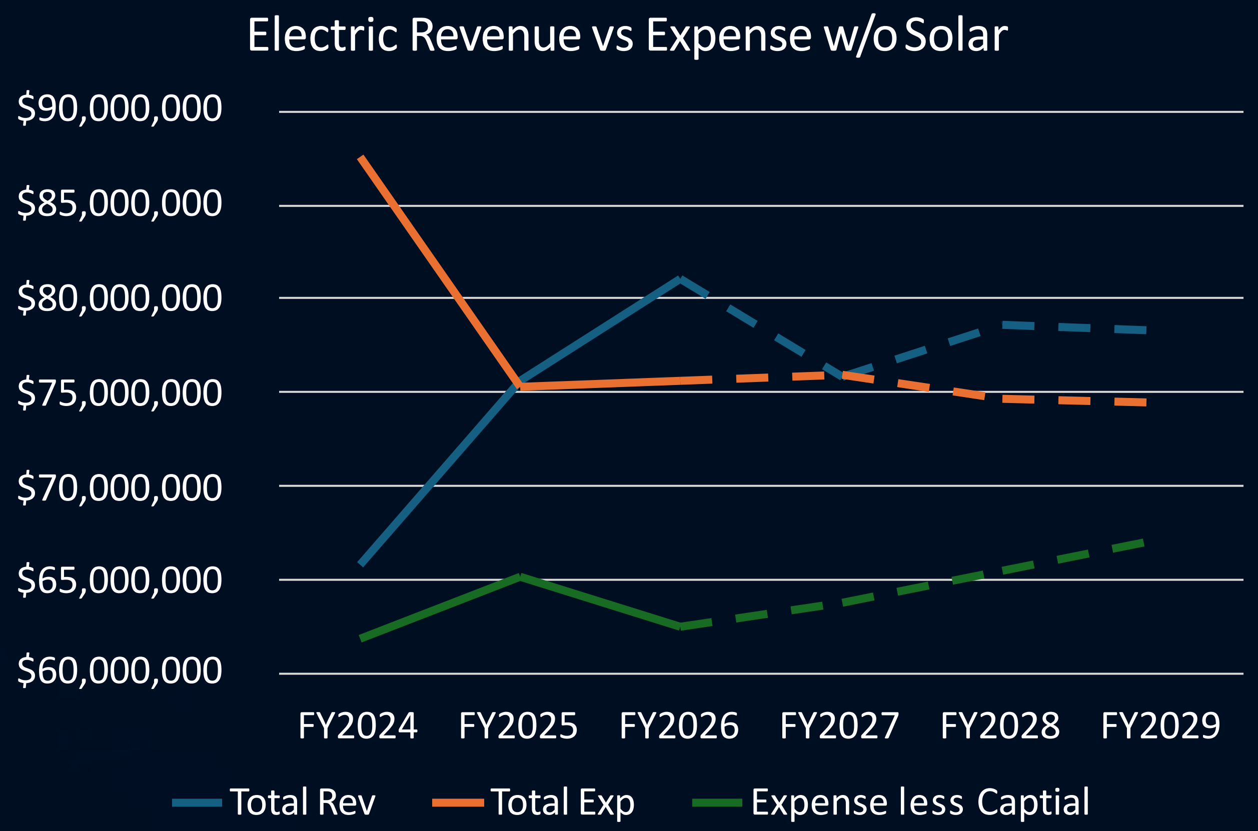
- DHPC Performance Enhancement



Electric Dept Budget

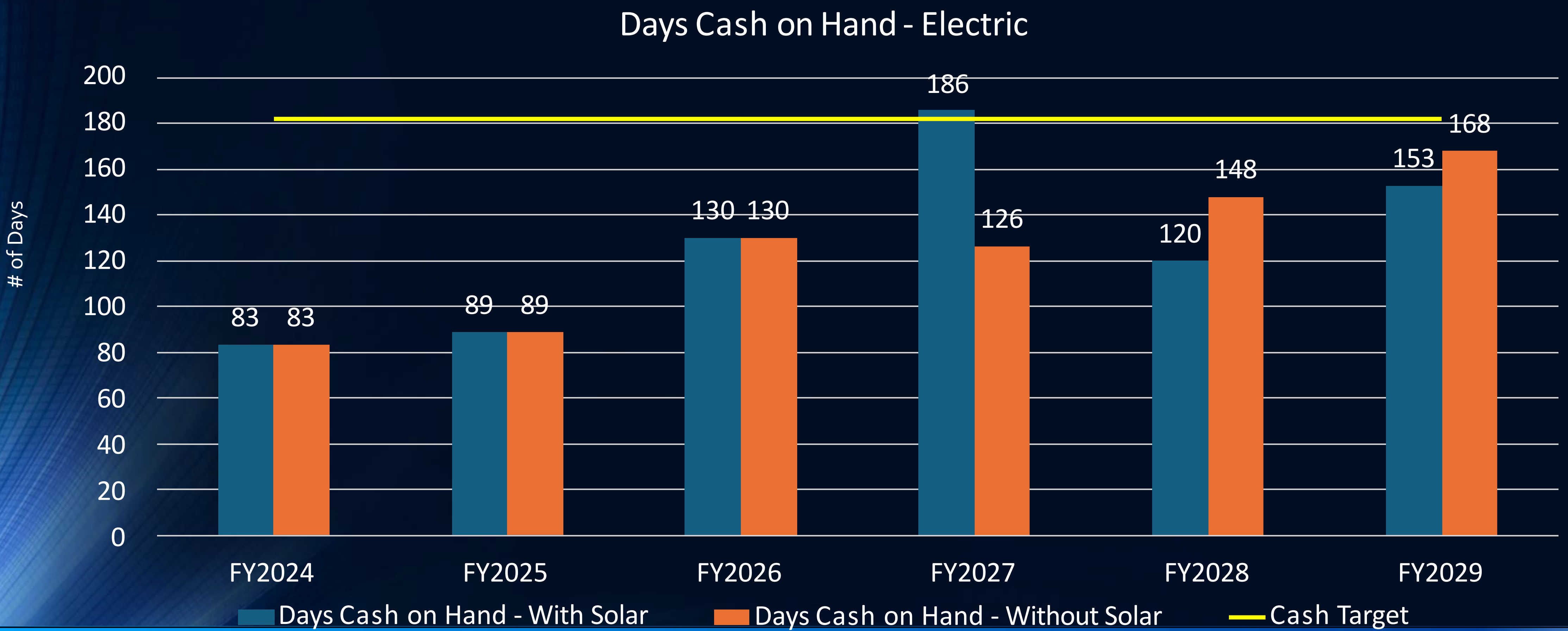
- Electric Revenue (and Expense) Impacts
  - SPP Market
  - Weather





Electric Cash on Hand

- As recommended by audit staff and cost of service consultants, 180 days of cash on hand would allow for the electric department to operate with no revenue



Changes to Capital Budget Format

- Budget year, Asset/Project Amount & Total Project Exp/Rev as of 7/10/26

Budget Year	B.I.#	Project #	PROJECT	Round to Zero Asset/Project Amount	Total Project Exp/Rev as of: 7/10/2026	BUDGET 2026/2027
			PLANT ADDITIONS			
2026	4.05	SW-387	Influent Pump (Shafted Pump) VFD	125,000	2,782	122,218.00
2026	4.06	SW-388	Generator Replacment and Controls	275,000	1,830	273,170.00
2027			Server Upgrade	100,000	-	100,000.00
			Admin HVAC Replacement		-	-

- Sheet showing changes to Prior Year Capital Budget

Budget Year	B.I.#	Work Order #	Project Description	2025/2026 Asset/Project Amount	New Estimated Amount	Change	Comments	2026/2027 Asset/Project Amount
			Electric					
2026	2.02	PL-642	MCC-1G Retrofit	150,000	357,000	207,000	Increase - additional requirements identified beyond original estimate	357,000
2026	2.03		Platform for Dust Collector 2	30,000	75,000	45,000	Increase budget after getting quotes	75,000
2026	2.05	PL-646	DCS Evergreen Upgrade WEC1	960,000	860,000	(100,000)	Decrease budget after getting bids	860,000

- Capital Annual sheet showing single year projects

Budget Year	B.I.#	Asset Type	Work Order #	ANNUAL WORK ORDERS	BUDGET 2026/2027
2027	2.40	CAPITAL ASSET		Meters, Sockets, and Equipment	200,000.00
2027	2.41	CAPITAL ASSET	EL-296	New Small Additions	150,000.00
2027	2.42	CAPITAL ASSET	EL-323,EL-327	Ordinary Overhead Construction Additions	200,000.00

Hastings SE Project

- All Utility Work will be completed this budget year.
- Total utility costs for relocation $8,725,000
- 80% Reimbursement from NDOT $6,988,000
- Received $2,819,000 as of July

Electric Dept. Capital - $47.15 million

WEC – DCS Evergreen Upgrade

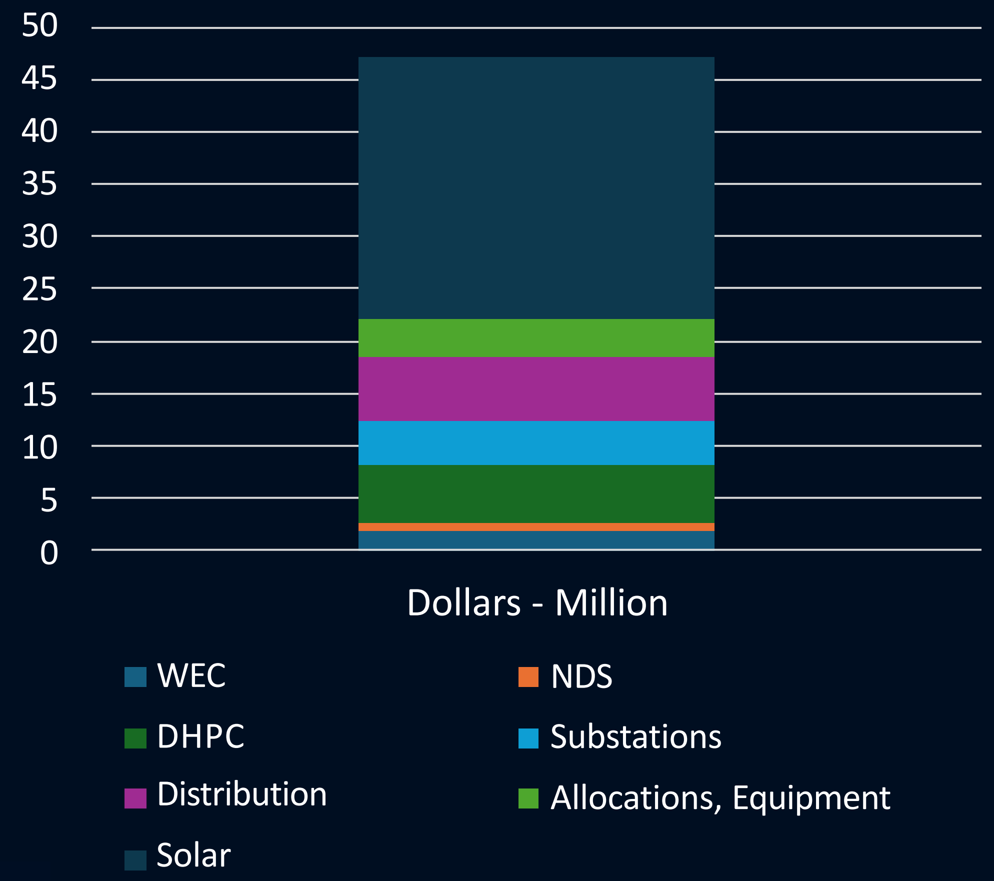
NDS – Continued improvements for reliability (Excitation field breaker, fire protection system upgrades)

DHPC – Turbine recontrol, MCC replacement and Performance upgrades

Solar Phase III

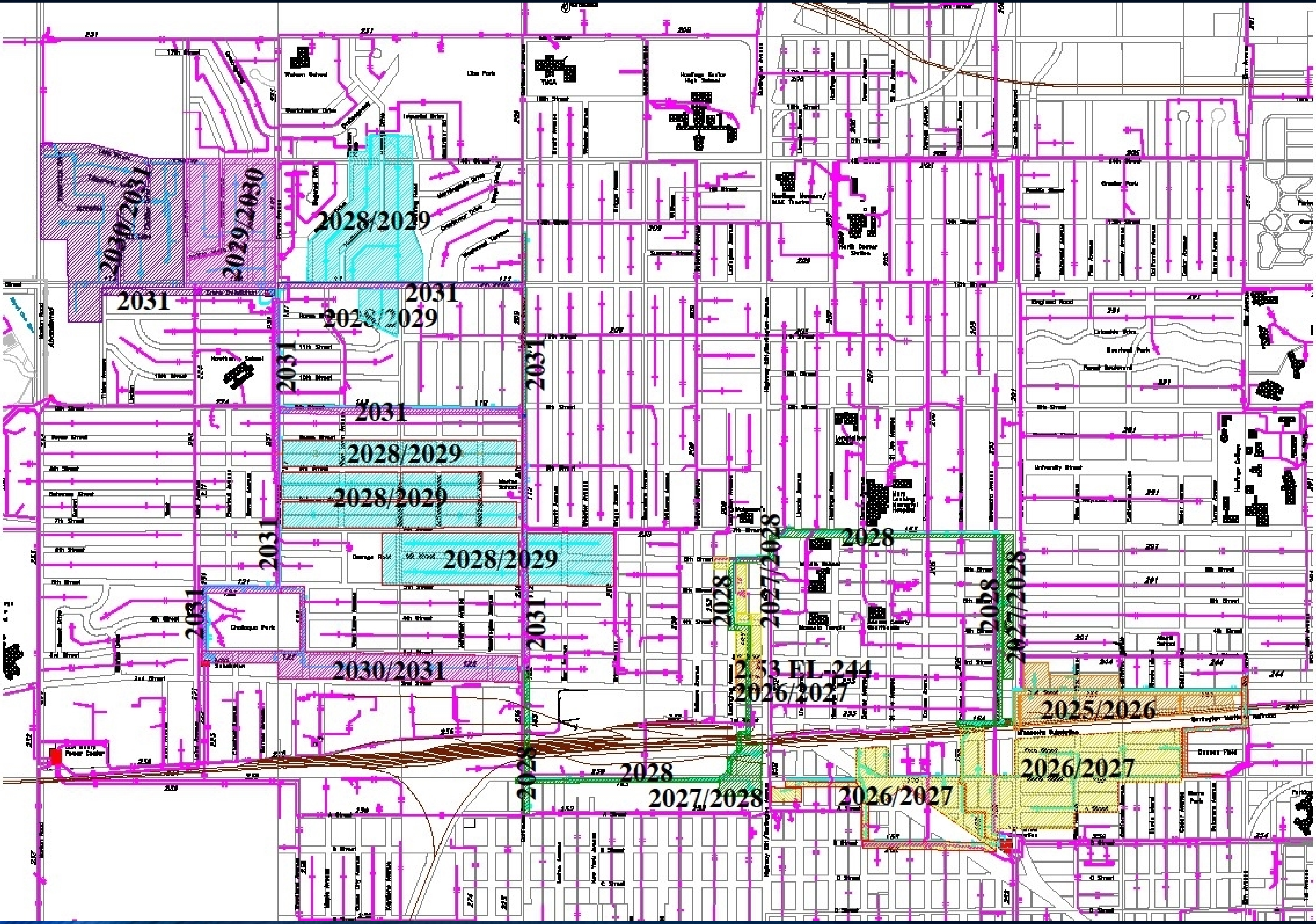
Substations – Don Henry Substation upgrade

Distribution – 4.16 to 13.8 KV conversions



HASTINGS UTILITIES

1460 to 13.8 KV Conversion Area Map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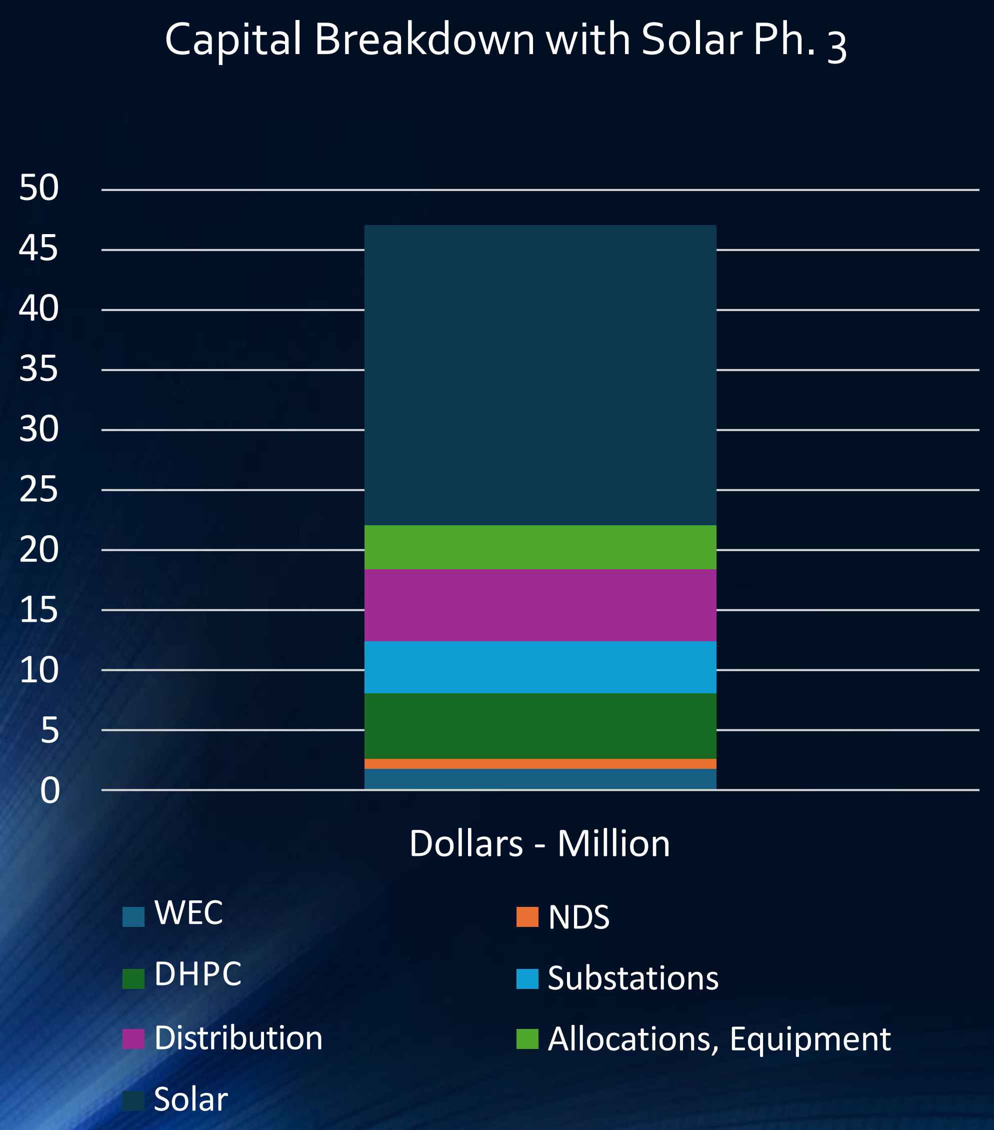
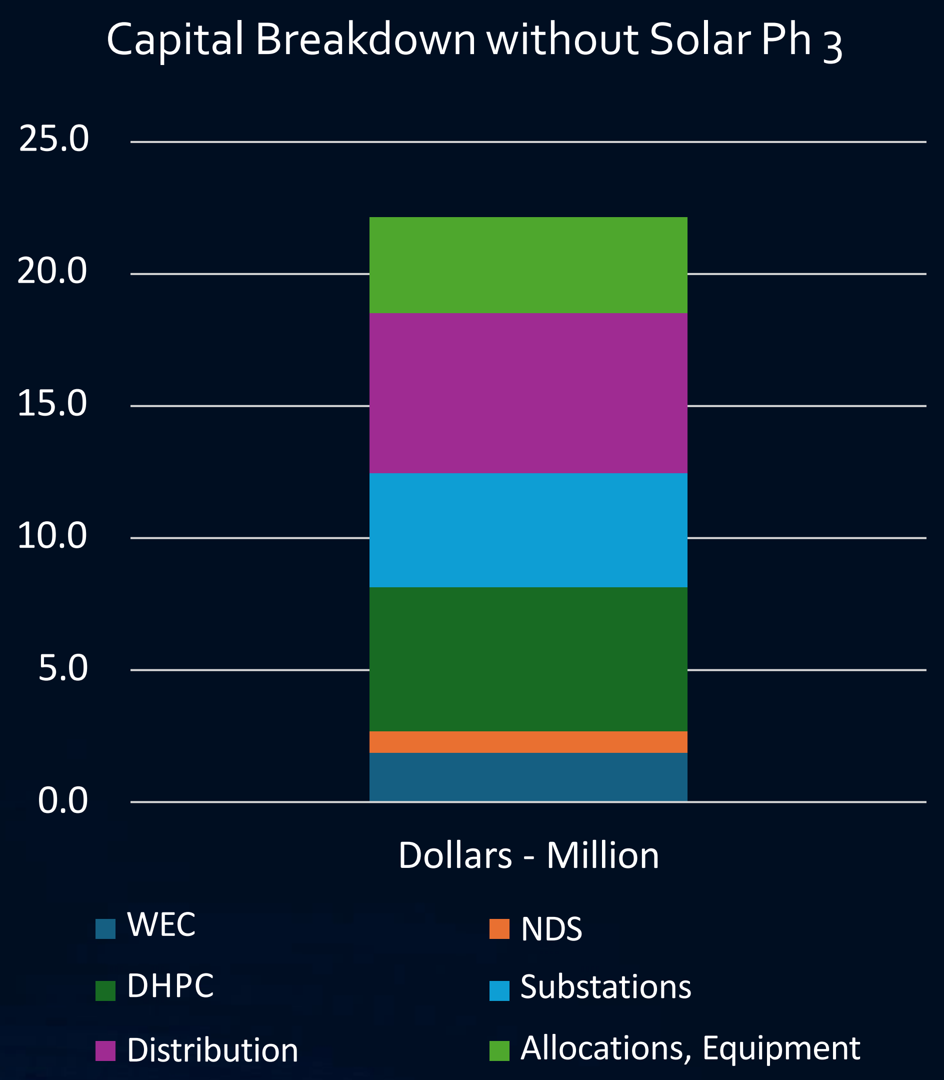
Electric Dept. Capital - $22.15 million w/o Solar





Generation Considerations

Age of Generation Fleet		
NDS 4	1957	16MW
NDS 5	1967	25MW
DHPC	1971	18-24MW
WEC 1	1981	77MW
WEC 2	2011	35MW
Additional Generation		
Solar Farm Phase 1 and 2		6MW
CCC Wind Turbine (PPA)		1.7MW
WAPA Hydro (PPA)		6-12MW

72% of Hastings' generating capacity is over 40 years old with O&M costs increasing as plants age.

SOLAR Phase III
9.8 MW

City Load Peak
90.6 MW

DON HENRY
18 +7 MW Natural Gas Power Plant

Additional Capacity Available
62 MW

HASTINGS UTILITIES

Budgeted Project

SOLAR
Phase III

COST:	$31.82M
VALUE:	
City Load Savings(yr):	$ 643,068
Transmission Savings(yr):	$ 23,168
Capacity Savings(yr):	$ 207,760
Tax Credit (total)	$10M

Payback
20-30 years

Budgeted Project

DON HENRY
Natural Gas Power Plant

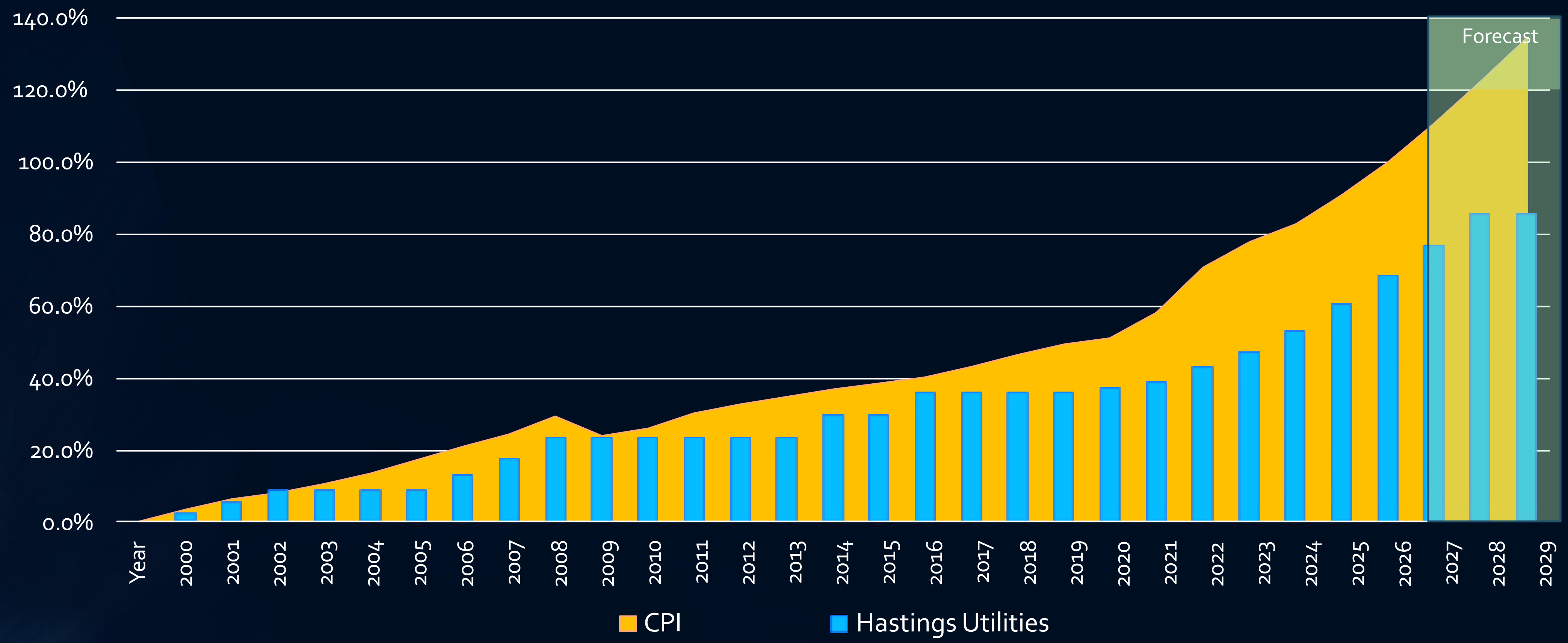
COST: $2.55M

VALUE:

Capacity Savings: $ 324,000

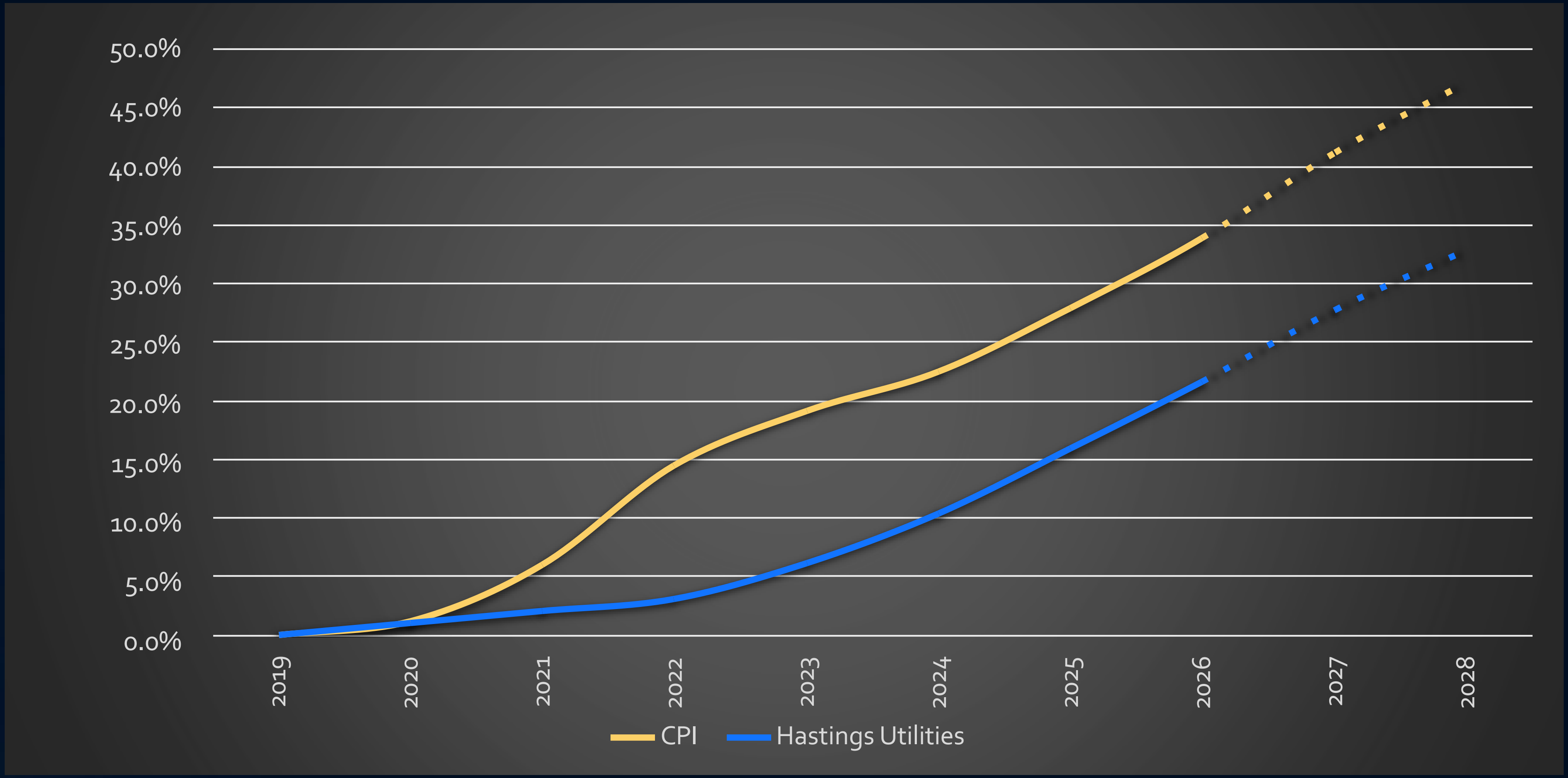
Payback
Approximately **8 Years**

Electric Rate Increases – CPI vs Hastings



*Cumulative Percentage Change from Base Year (2000)

Electric Rate Changes – CPI vs Hastings Utilities



* Cumulative Percentage Change by Year - 2019 Baseline

* *Assumed 5.5% CPI Increase for Forecasts (Goldman Sachs)

HASTINGS UTILITIES

Average Residential Electric Bill Comparison

- Hastings (After Approved Increase) includes an estimated 5% Cost Of Service addition to total revenue

- All other totals are based on current rates without factoring any upcoming adjustments

- Bill factored for Urban Residential Customer (Street Lighting Removed from All)

Location	Average Monthly Bill
Grand Island	$85.26
Hastings (Current)	$88.22
Hastings (After Approved Increase)	$93.88
Lincoln Electric System	$99.07
Fremont	$102.15
Kearney (NPPD)	$105.21
Omaha (OPPD)	$112.63

*Assuming 960 KWH Summer (4 Months) and 640 KWH Winter (8 Months) Consumption

HASTINGS UTILITIES

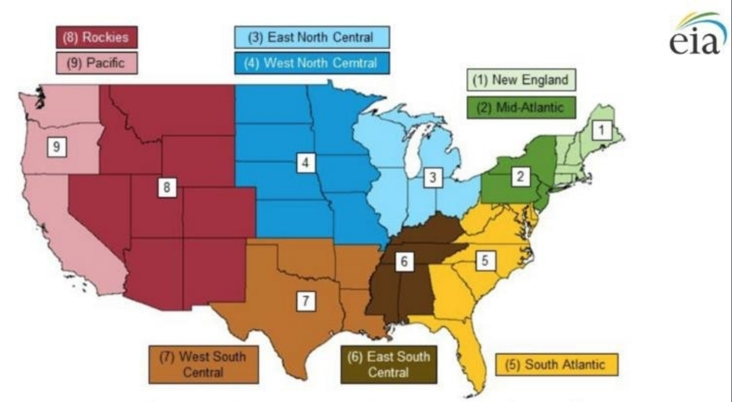
How Hastings Utilities Compares - Residential

Location	Energy Cost (Cents Per kWh)
Hastings Utilities	11.79¢
Nebraska Average	13.28¢
Regional Average	14.62¢
National Average	18.83¢

*Hastings Utilities Rate Based on All-In Costs Estimated at 1,000 kWh per Month

**Residential Rate Data from U.S. Energy Information Administration – April 2026

***Nebraska Resides in the West North Central Region of EIA Reporting. This also Includes Iowa, Kansas, Minnesota, Missouri, North Dakota and South Dakota



Source: U.S. Energy Information Administration, *Annual Energy Outlook 2022* (AEO2022)

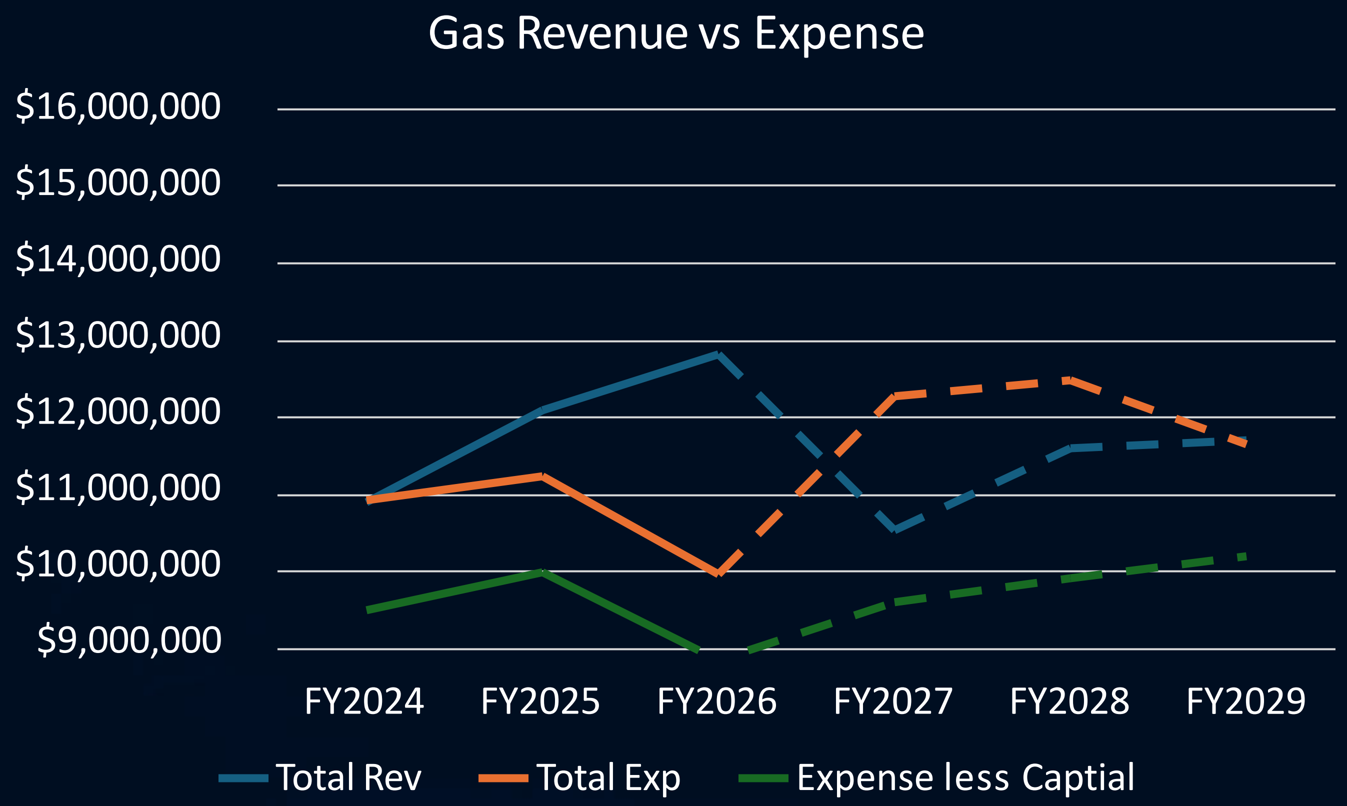
HASTINGS UTILITIES

Gas Dept Budget

- Gas Revenue (and Expense) Impacts
  - Gas Market
  - Transportation Credit
  - Weather

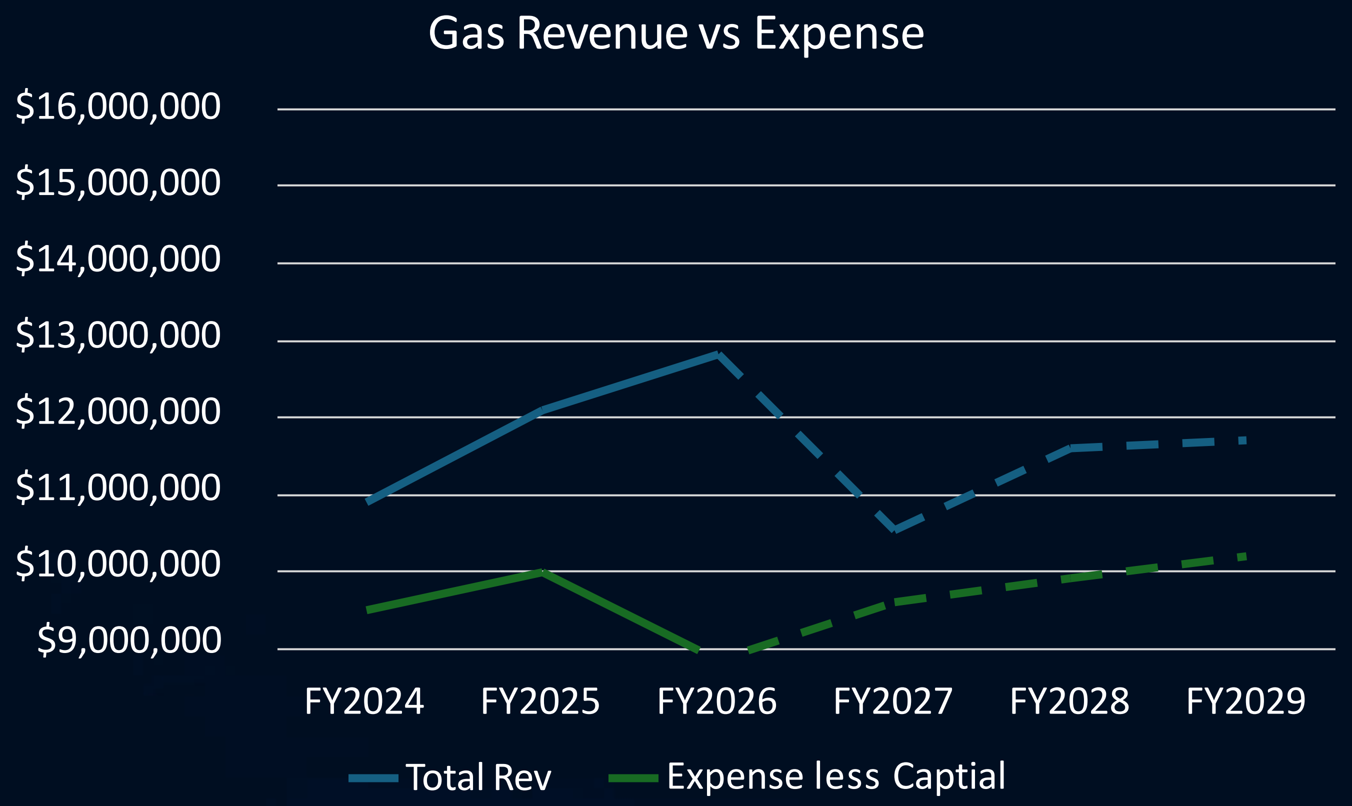
- Cost of Service Study completed and implemented in FY2024 for four years with an average 6.3% revenue increase through rates each year

- Changed Natural Gas Supplier – 5 Year Agreement
- FY2027 – Cost of Service Study & Rate Stabilization Fund Discussion



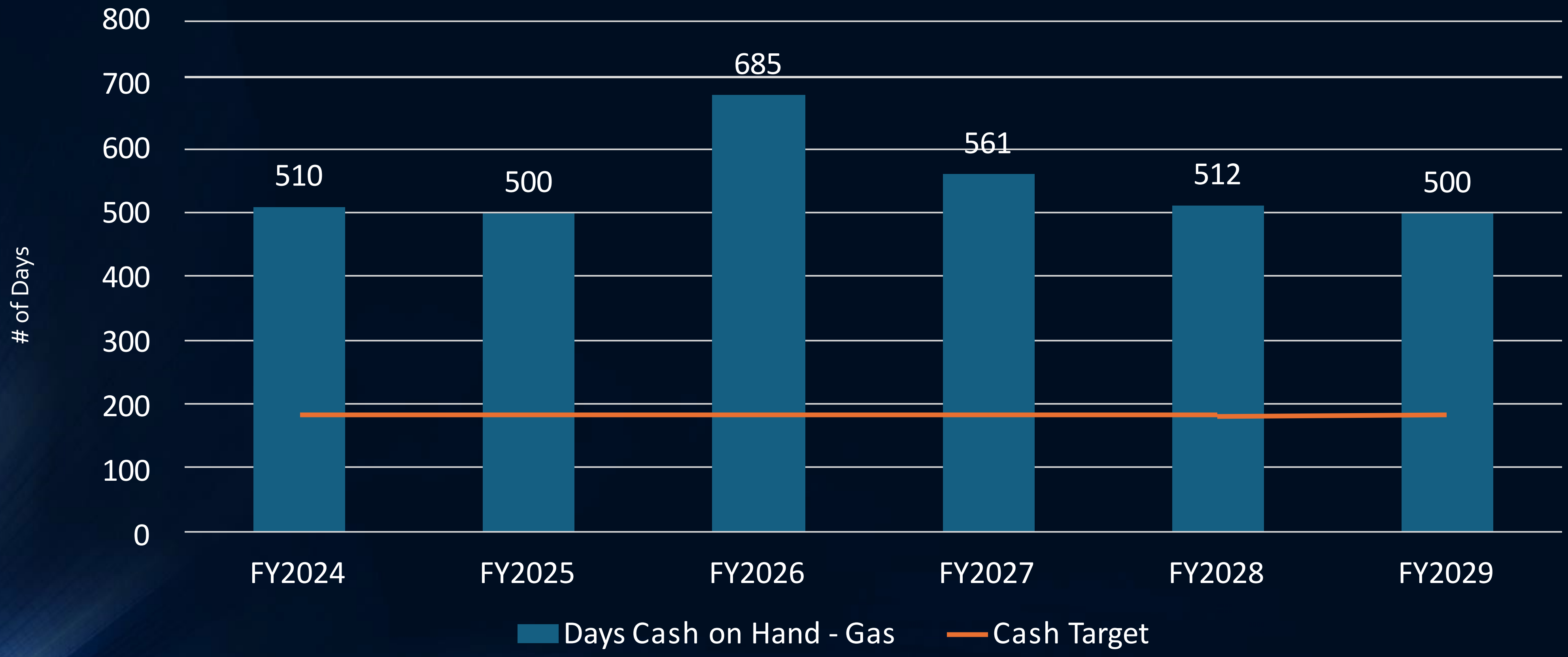
Gas Dept Budget

- Citywide Gas Leak Survey
- AMI Meter Replacement Efforts
- Budgeting to Run Peak Shaver West



Gas Cash on Hand

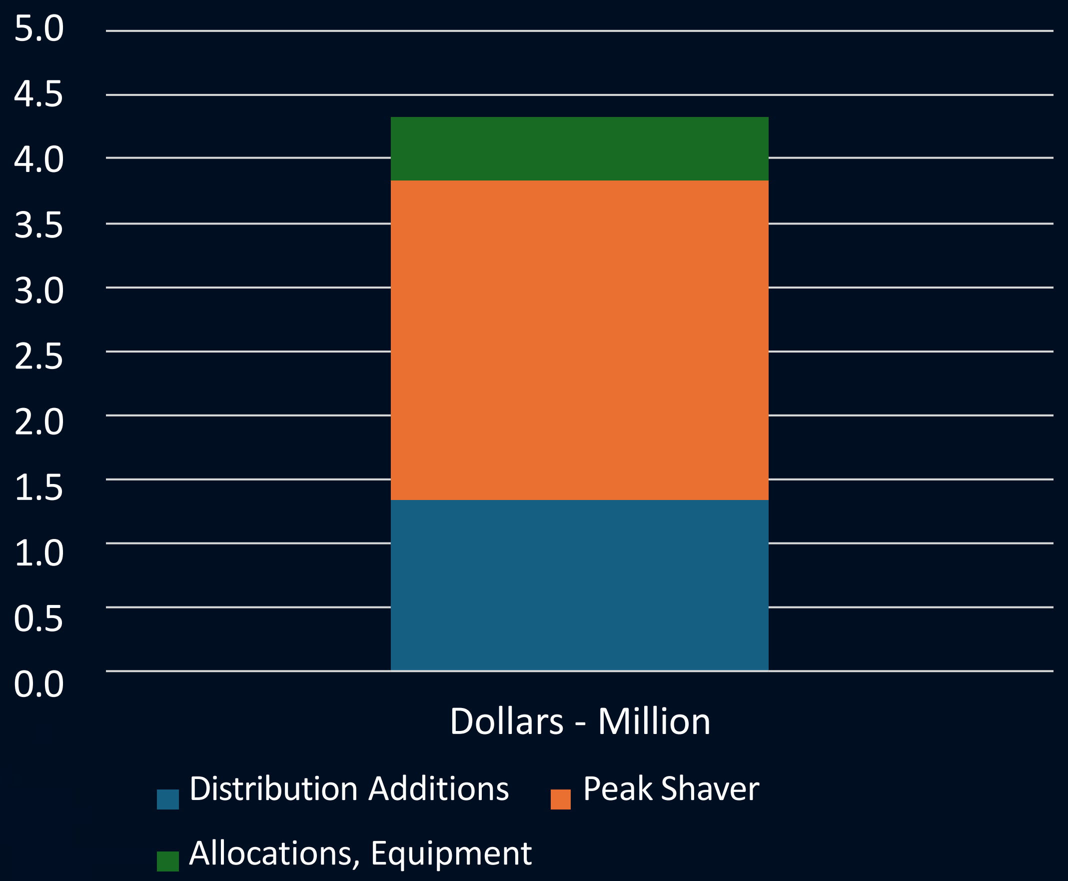
- As recommended by audit staff and cost of service consultants, 180 days of cash on hand would allow for the gas department to operate with no revenue



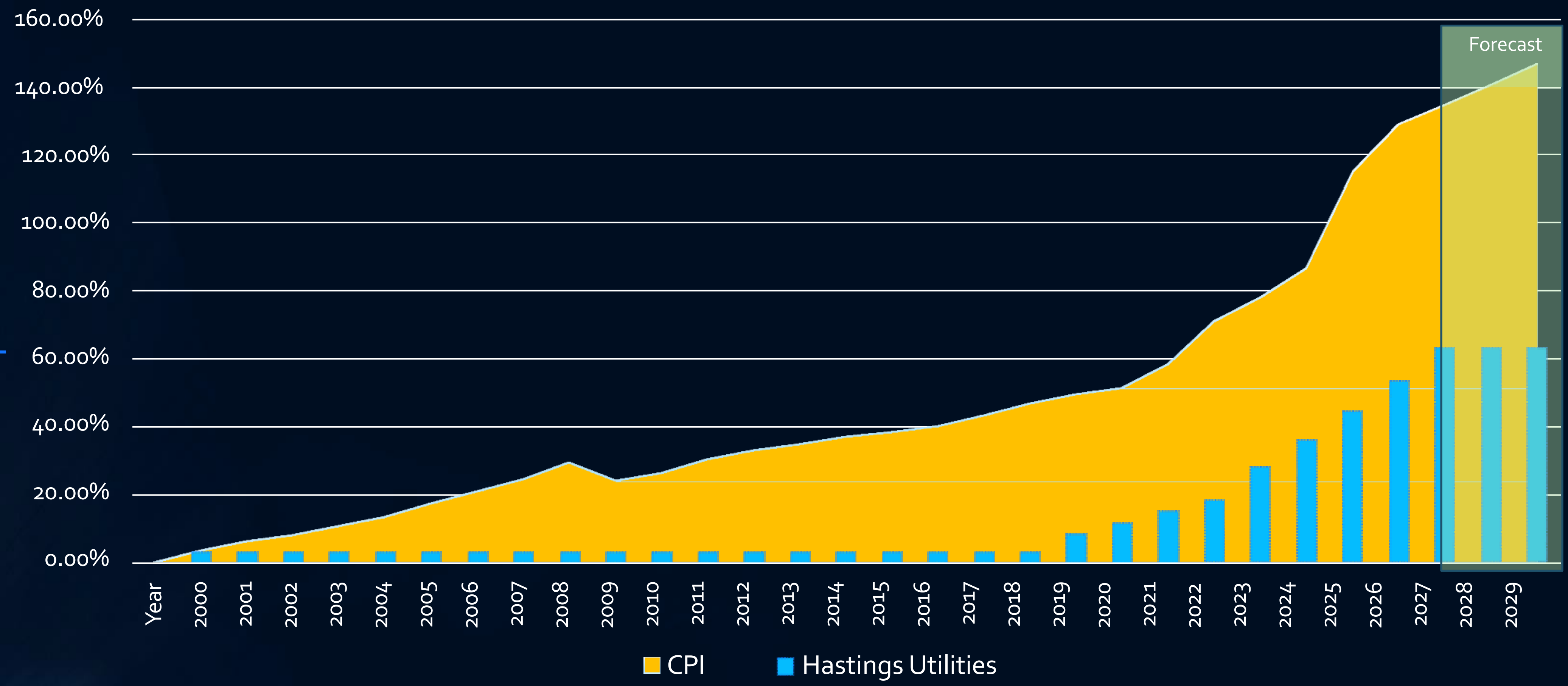
HASTINGS UTILITIES

Gas Dept Capital - $4.32 million

- Distribution Additions
  - Finish Downtown low pressure
  - Finish CCC system replacement
  - Theatre District area main replacements
- Peak Shaver Improvements
  - Move and upgrade North Kansas tanks

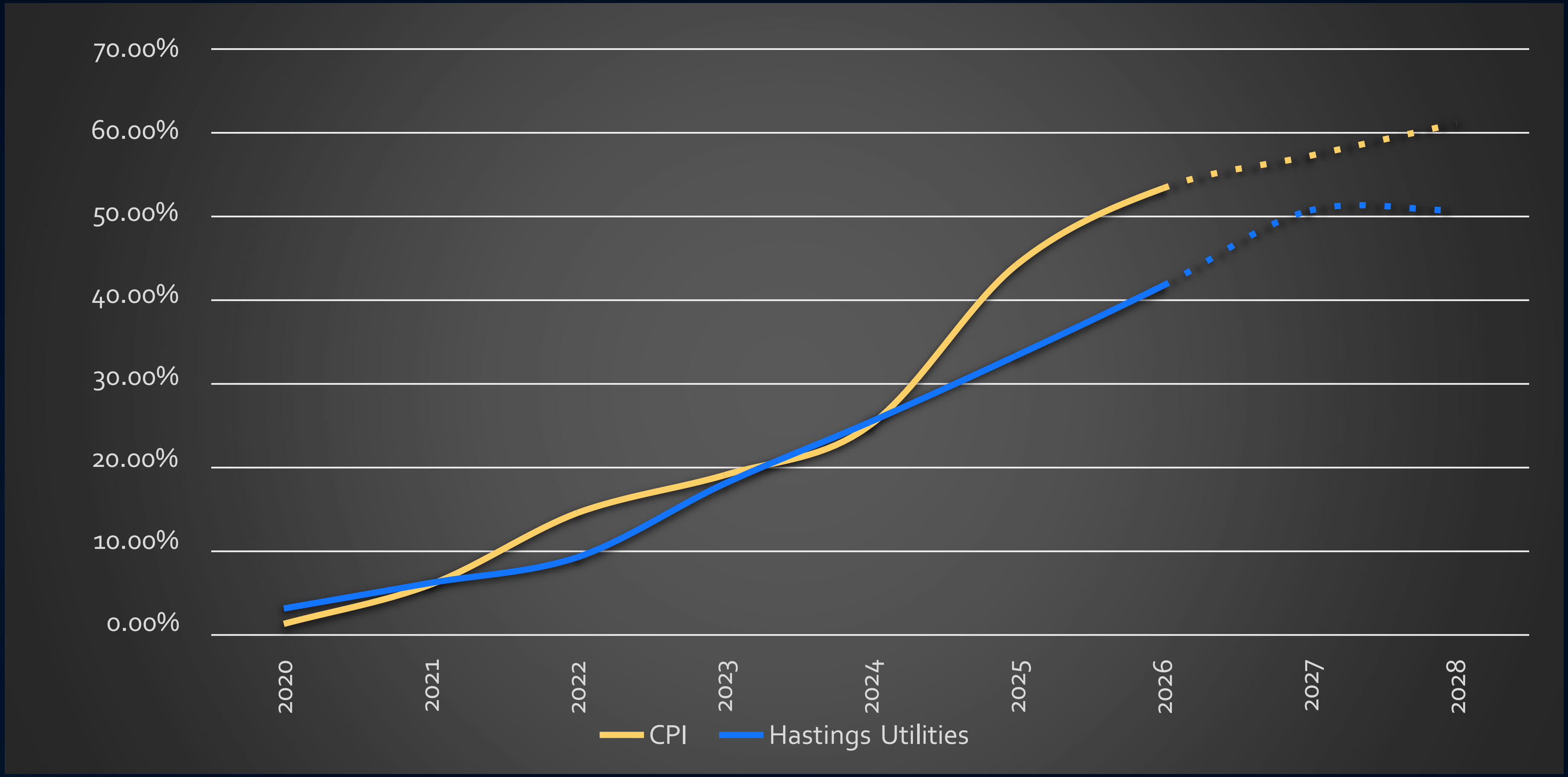


Gas Rate Changes – CPI vs Hastings Utilities



*Cumulative Percentage Change by Year – 2000 Baseline

Gas Rate Changes – CPI vs Hastings Utilities



* Cumulative Percentage Change by Year - 2019 Baseline

* *Assumed 2.5% CPI Increase for Forecasts (Averaged Historical)

Average Residential Gas Bill Comparison

- Hastings (After Approved Increase) includes an estimated 6.3% Cost Of Service addition to total revenue

- All other totals are based on current rates without factoring any upcoming adjustments

- Bill factored as an annualized average

Location	Current Bill
Hastings (Current)	$43.69
Hastings (After Approved Increase)	$48.16
Fremont	$49.89
MUD (Omaha)	$55.53
Northwestern (Grand Island & Kearney)	$57.60
Black Hills (Lincoln)	$77.52

*Assuming 13 CCF Summer (4 Months) and 75 CCF Winter (8 Months) Consumption

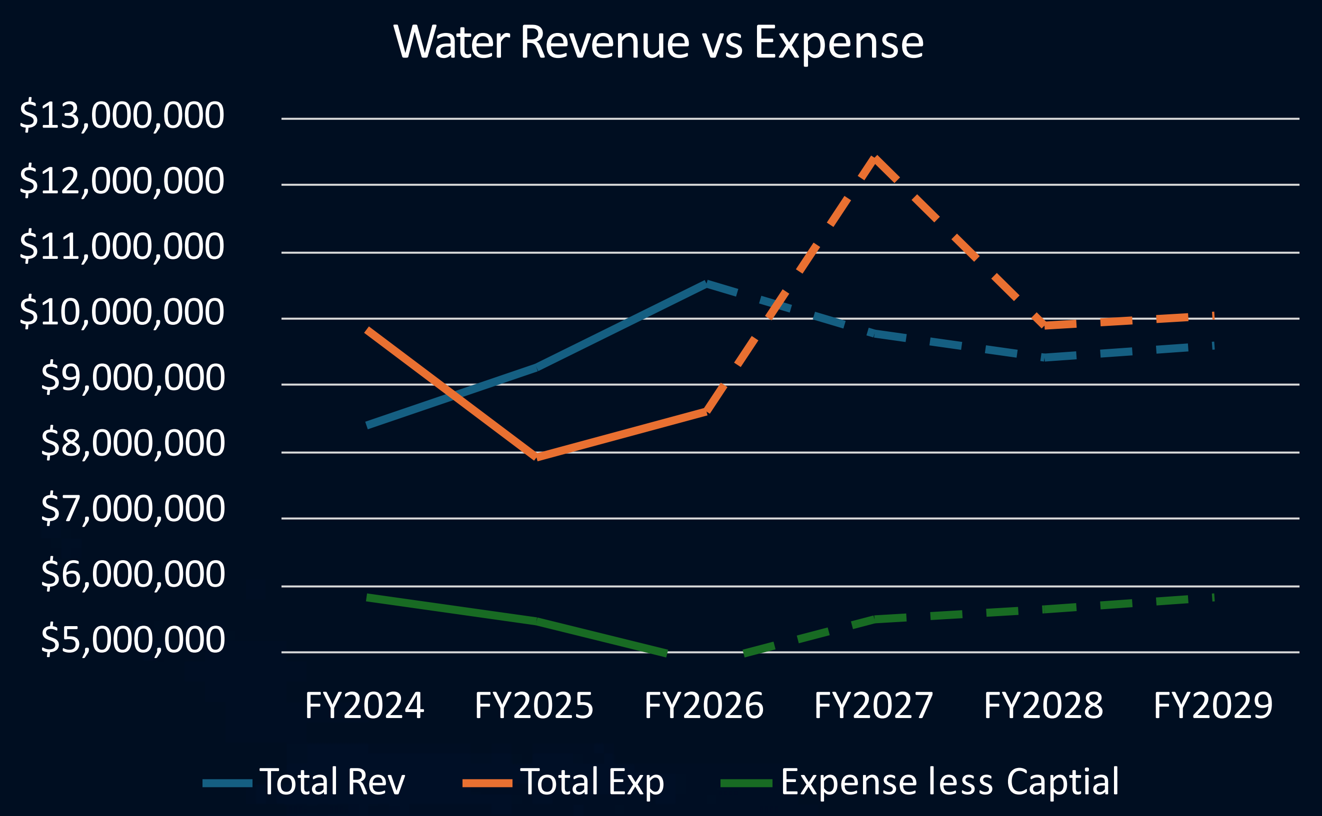
HASTINGS UTILITIES

Water Dept Budget

- Cost of Service Study 2026
  - New Inclining Block Rate Structure for Residential (3-Tiers)
  - Encourages residential irrigation conservation

- Cost of Service Study 2026 (Cont'd.) –
  - 1.5% Overall Increase per Year Recommended for 3 Years
  - 10% Increase per Year Recommended for CMS Rates

- Water Revenue Impacts
  - Weather



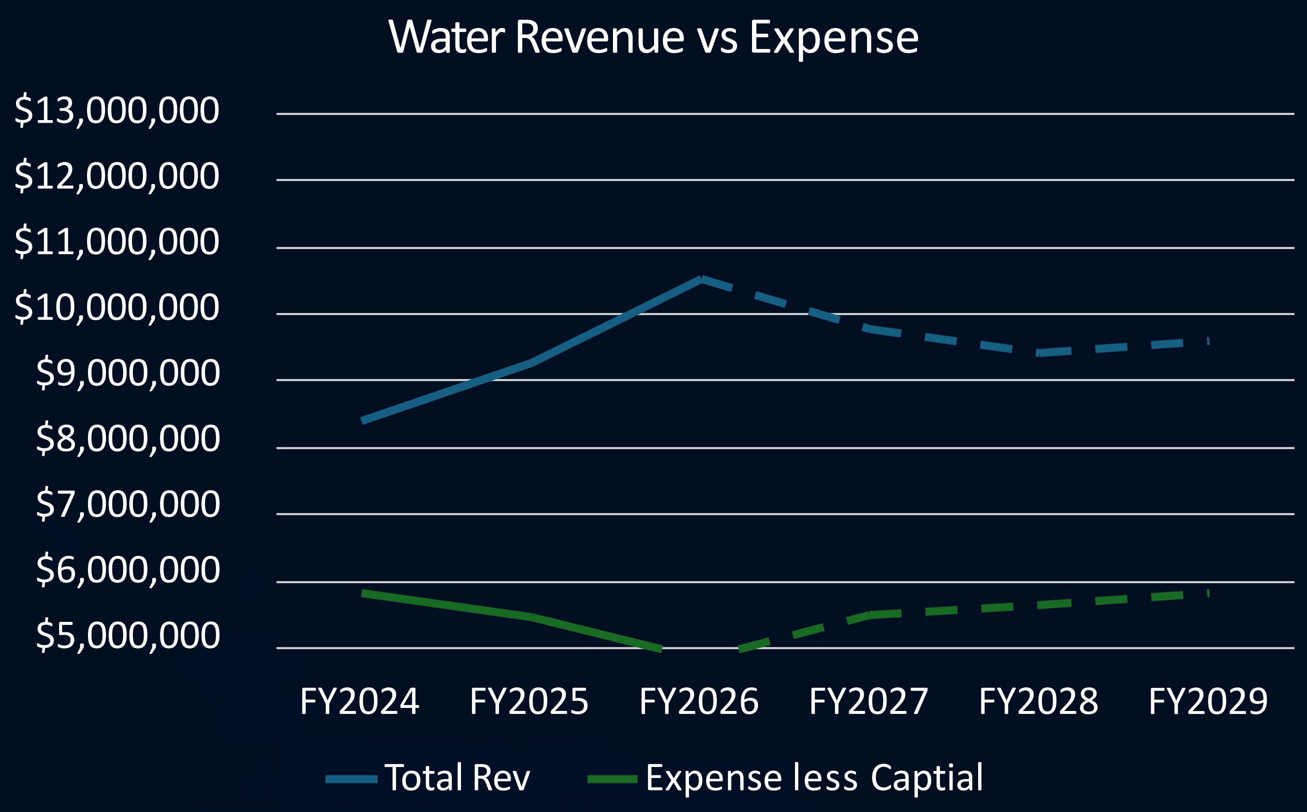
HASTINGS UTILITIES

Water Dept Budget

- Verification of Lead Water Services
- Corrosion Control Study, Centralization Study

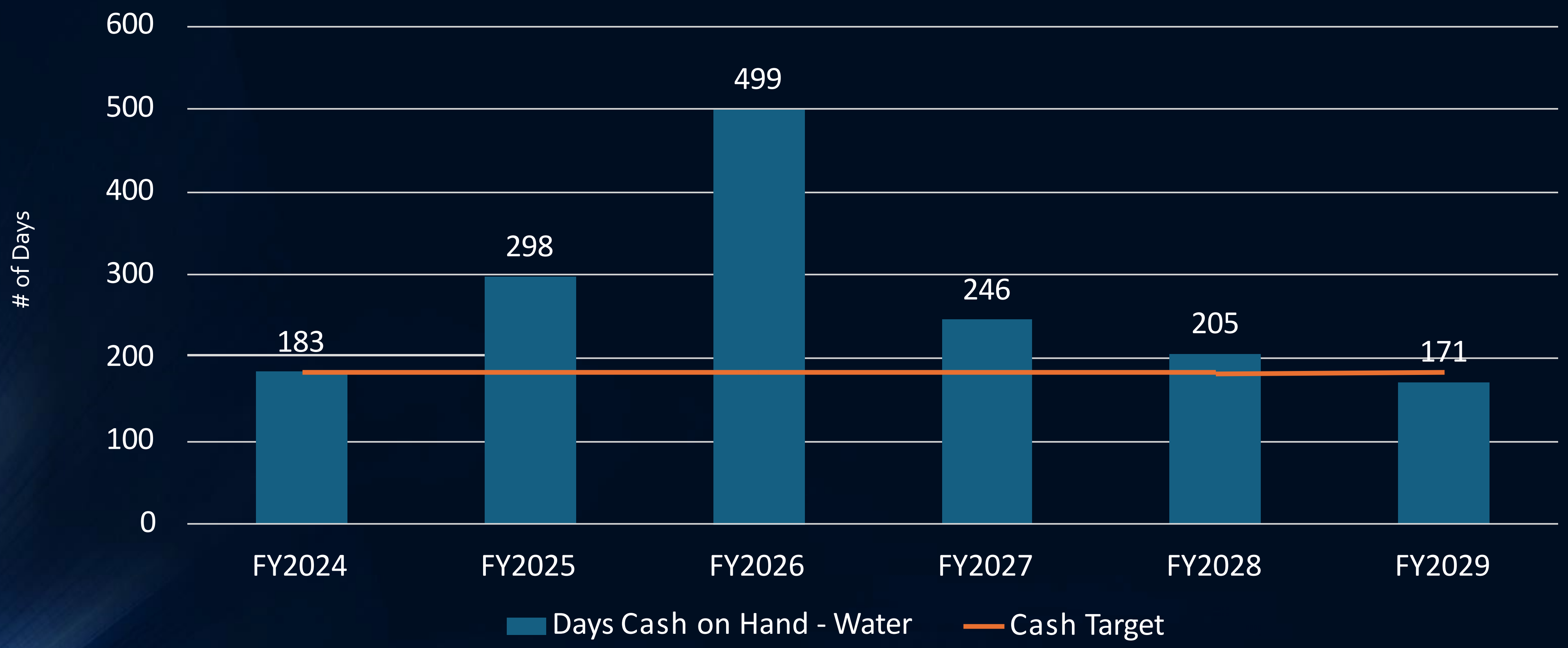
- ASR Injection Well 6 Rehabilitation

- Water Conservation Plan – Smart Sprinkler Controller Incentive Go-Live



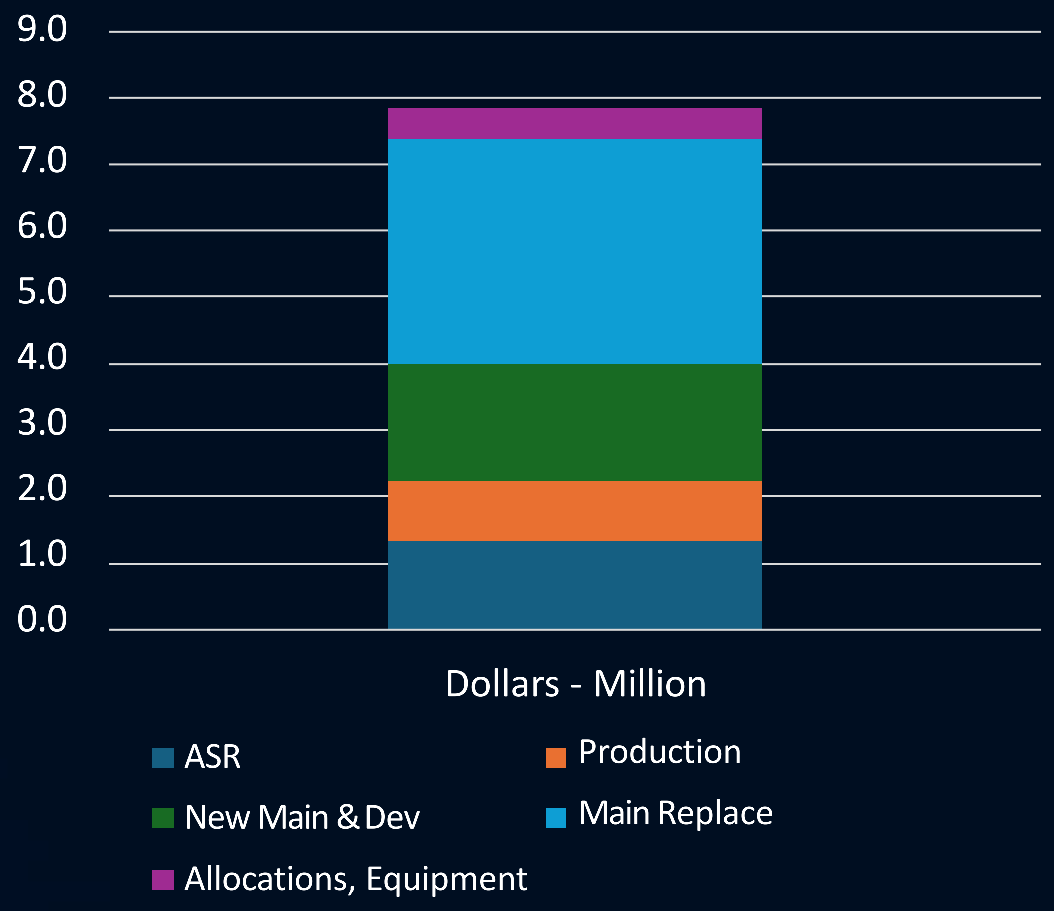
Water Cash on Hand

- As recommended by audit staff and cost of service consultants, 180 days of cash on hand would allow for the water department to operate with no revenue



Water Dept Capital - $7.84 million

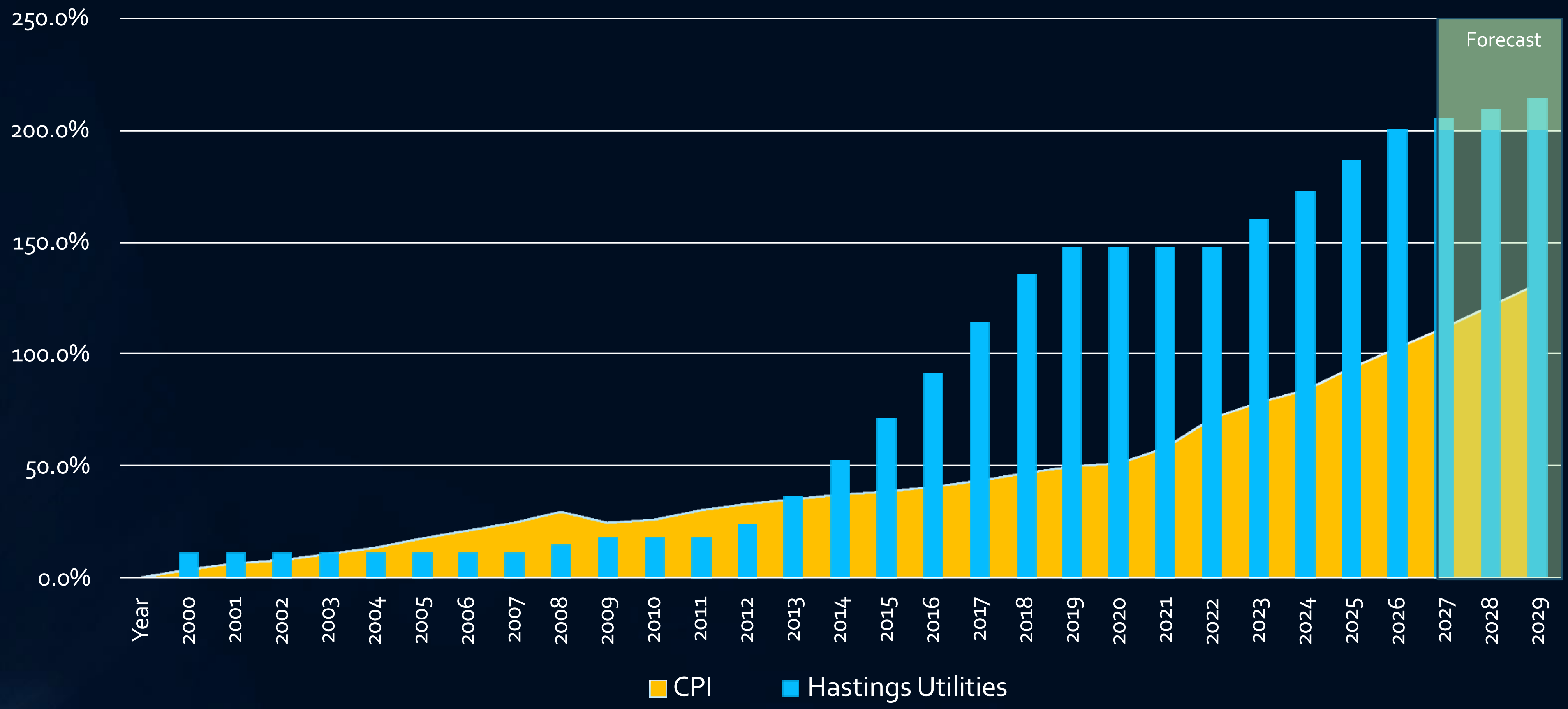
- ASR additions
  - Well 17 connection
  - Google Grant
- Production
  - Well 37
- LSL Main Replacement Program
  - 6th St, Bellevue to Oswego
  - 5th St, Bellevue to Woodland
  - 7th St, Bellevue to Oswego



Water Main Breaks

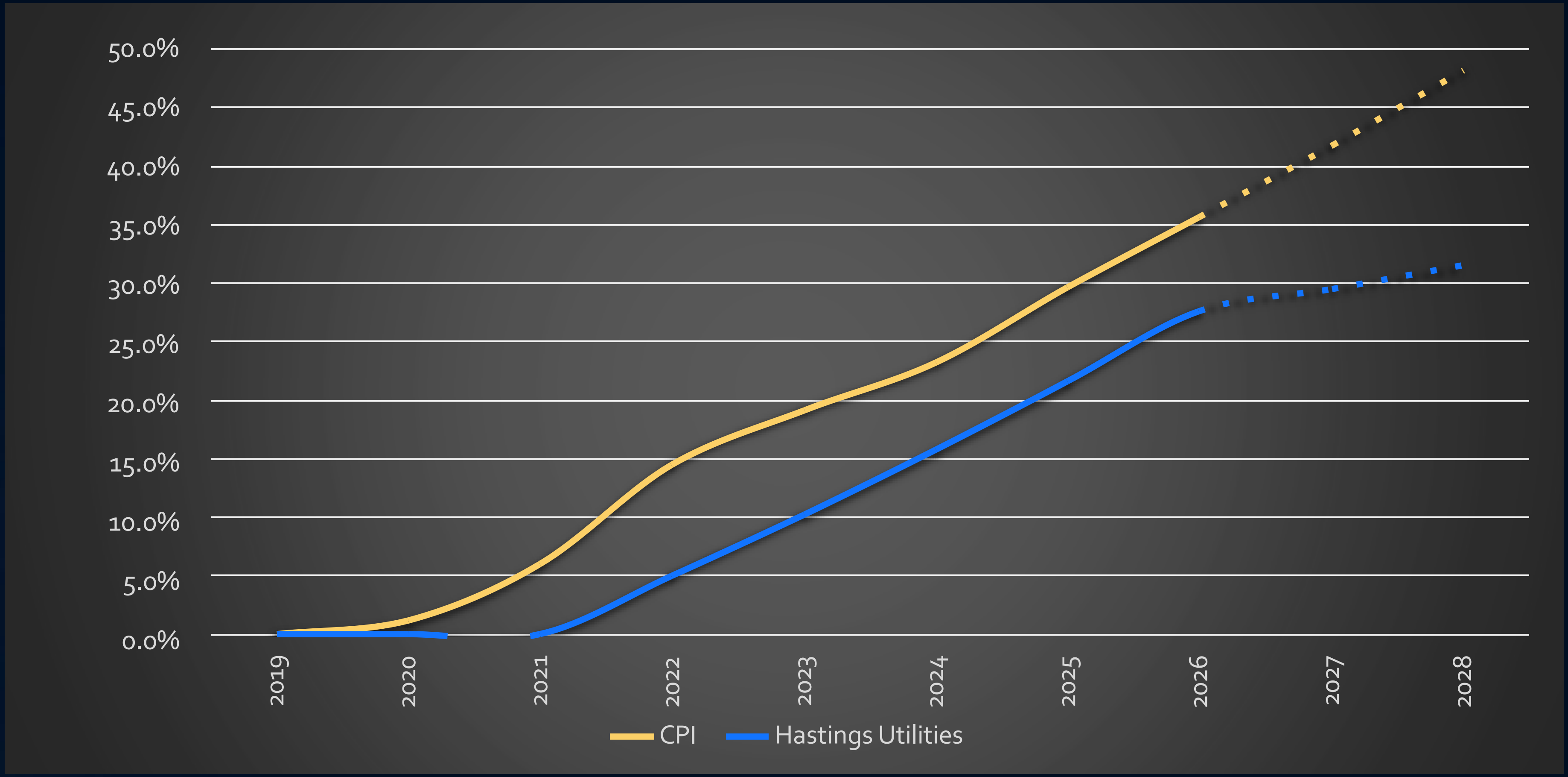
- AWWA Goal is Under 15 Main Breaks per Year, per 100 Miles of Water Main
- Hastings Has 11 This Year with 205 Miles of Water Main
- Currently at ~5.5 Breaks per 100 Miles

Water Rate Changes – CPI vs Hastings Utilities



*Cumulative Percentage Change by Year – 2000 Baseline

Water Rate Changes – CPI vs Hastings Utilities



* Cumulative Percentage Change by Year - 2019 Baseline

* *Assumed 4.5% CPI Increase for 2027+ Forecasts (Bluefield Research)

HASTINGS UTILITIES

Average Residential Water Bill Comparison

- Hastings (After COS Tiered) includes implementing the 3-tiered rate structure from 2026 Cost of Service Study

- All other totals are based on current rates without factoring any upcoming adjustments

- Bill factored for Urban Residential Customer – Excluding lawn irrigation

Location	Current Bill
Grand Island	$13.32
Fremont	$21.97
Lincoln	$22.03
Kearney	$24.03
Hastings (After COS Tiered)	$24.96
Hastings (Current)	$25.86
Omaha	$31.87

*Based on an Average Consumption of 6 CCF

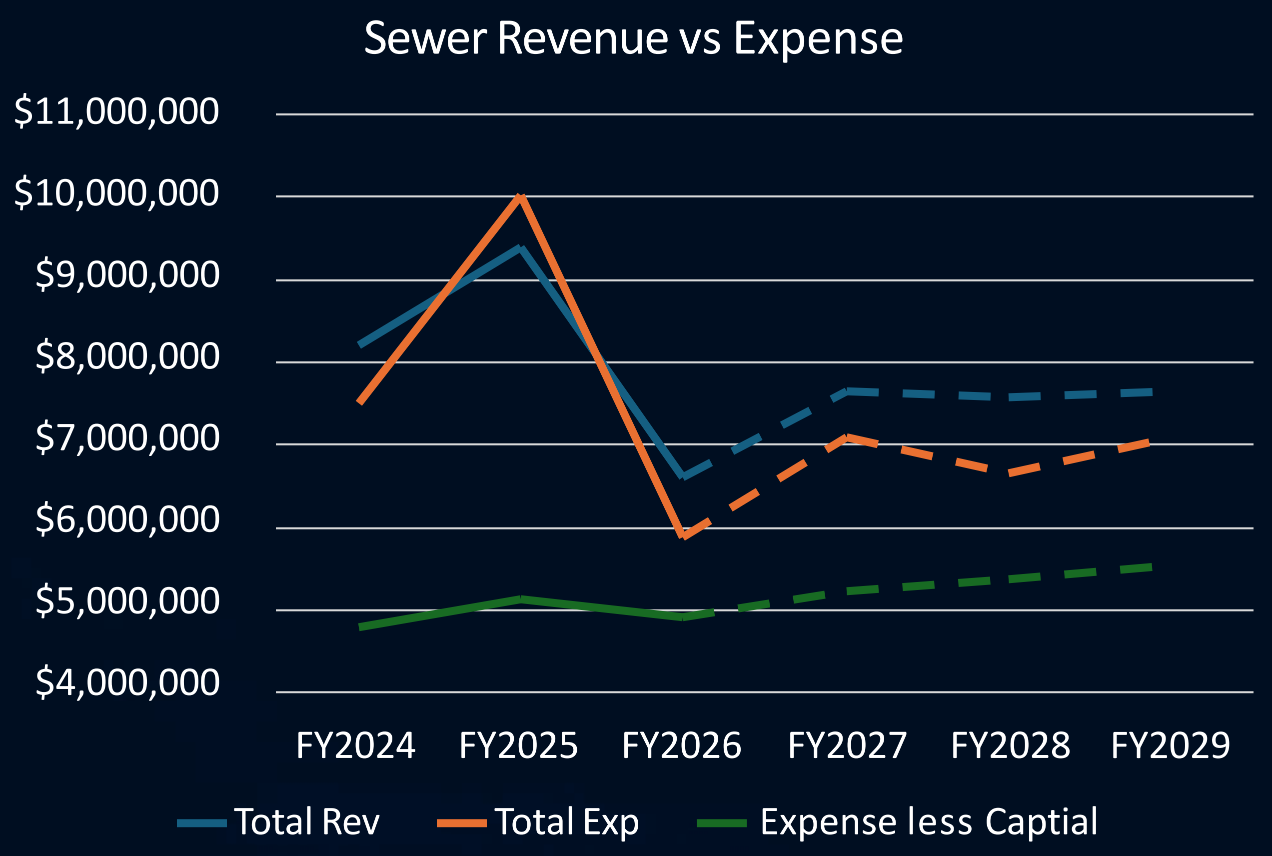
**One CCF of Water is 748 Gallons

Sewer Dept Budget

- No real market or weather impacts year to year

- Cost of Service Study 2026 – No System-Wide Change Recommended (Except S-3 - CMS)

- Compare "Clean and Dry" Practices from Other Communities to Establish a Policy to Handle Sewer Backups

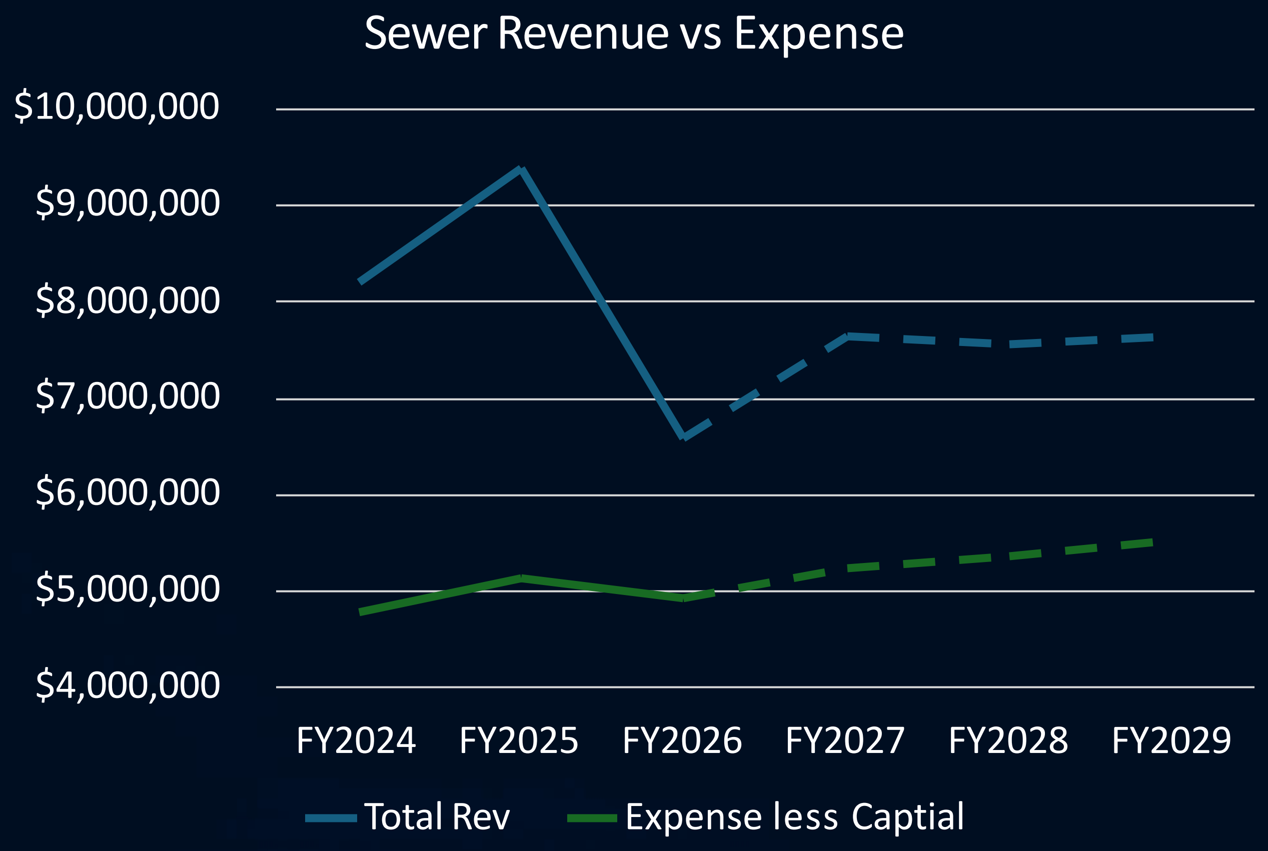


Sewer Dept Budget

- Two New HVAC Units at PCF

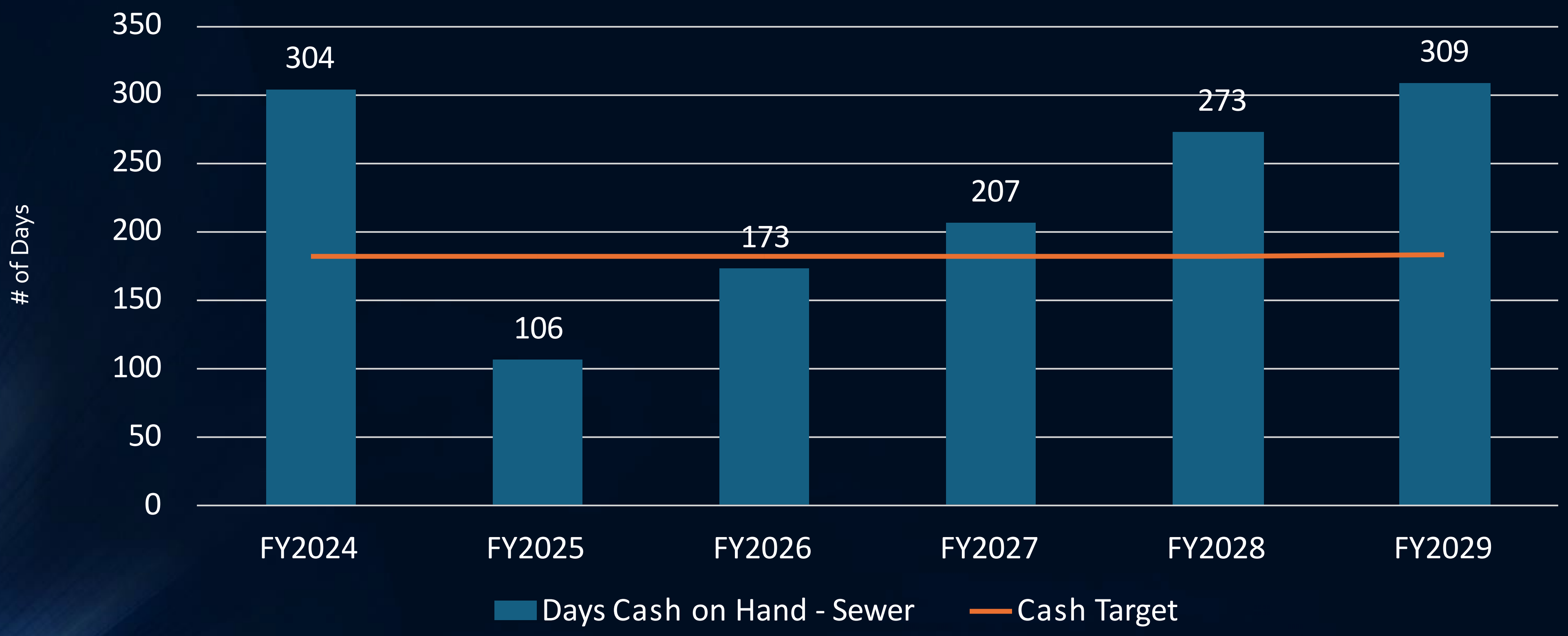
- Tuckpointing (Brick and Mortar Repair) and Door Replacement at PCF

- Phase 4 Sewer Inspection – Boarders (Roughly) North: 14th St. to Bellevue Ave East: Bellevue Ave South: Bateman St. West: Crane Ave – 8.7 Miles



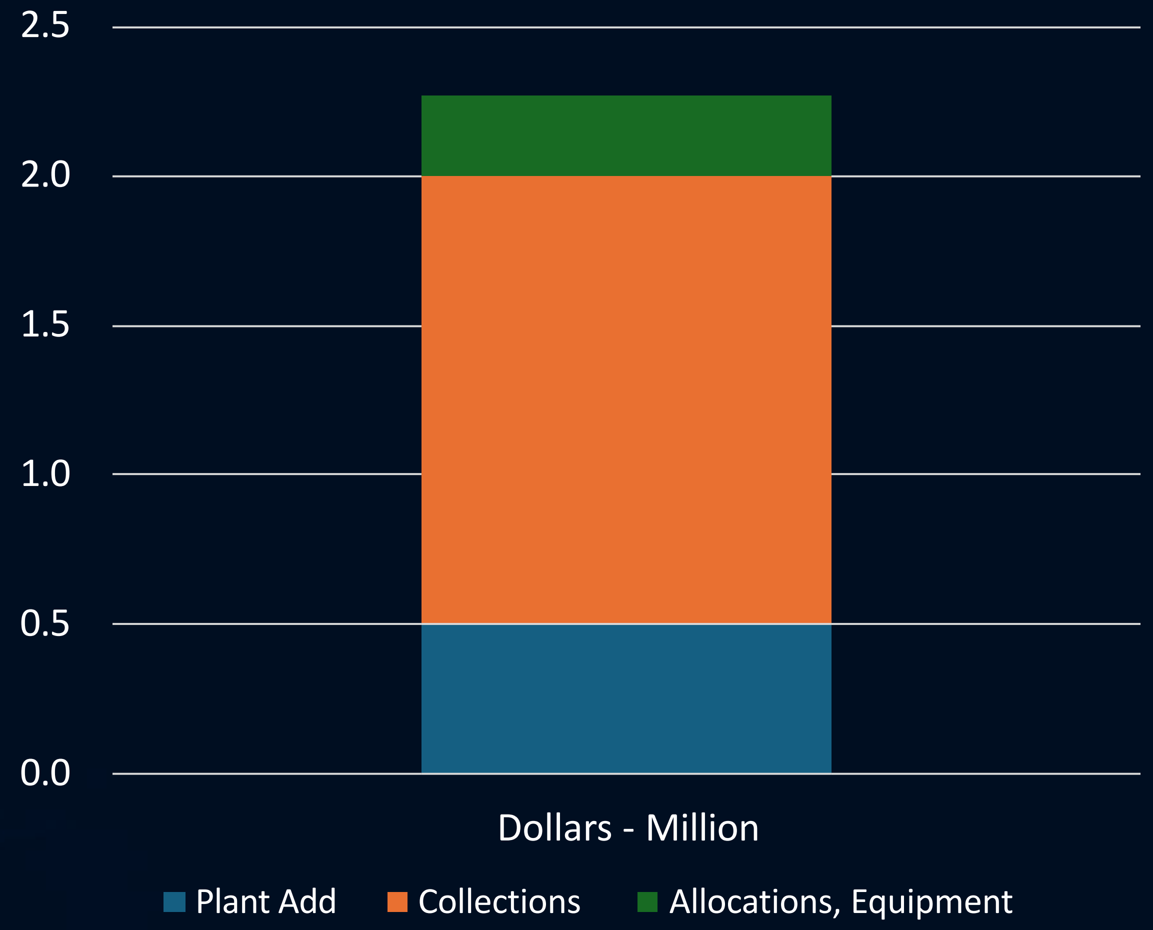
Sewer Cash on Hand

- As recommended by audit staff and cost of service consultants, 180 days of cash on hand would allow for the sewer department to operate with no revenue



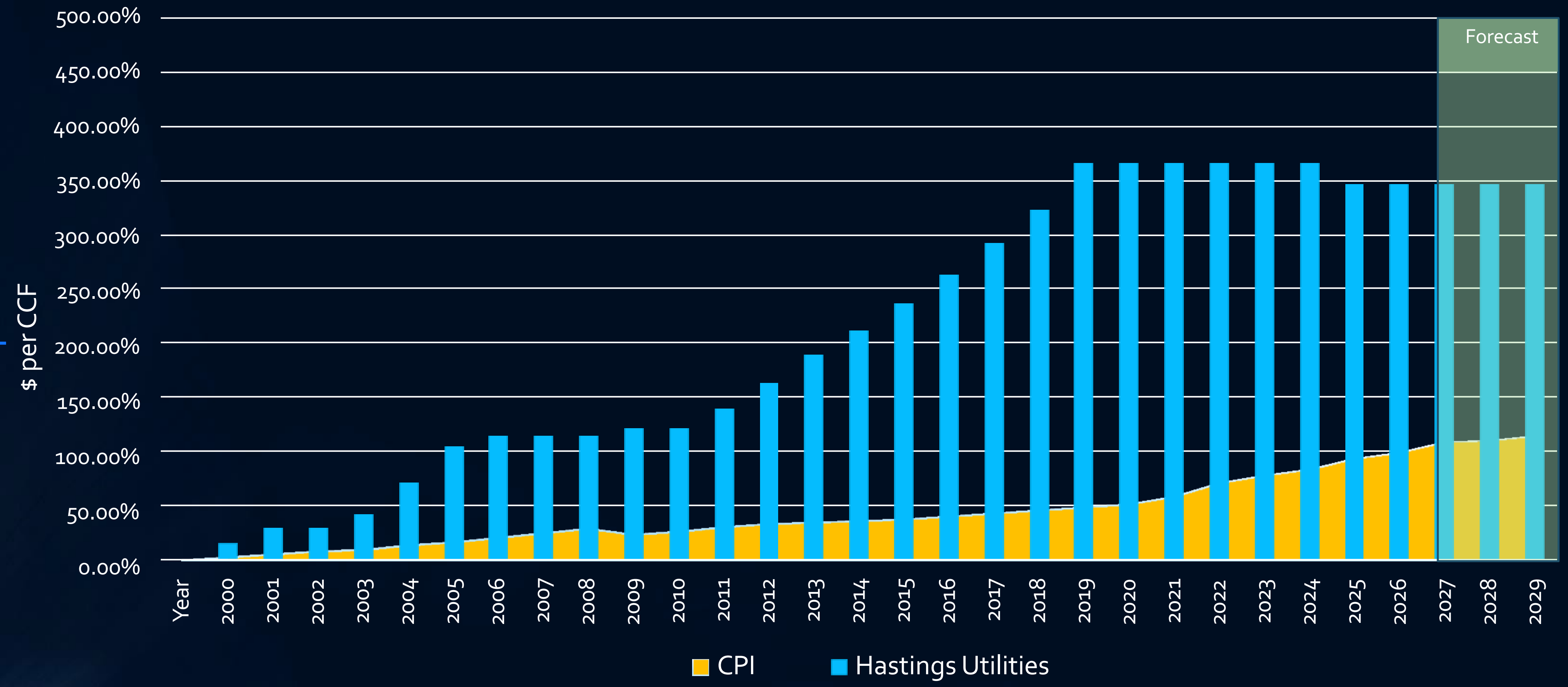
Sewer Dept Capital - $2.27 million

- Plant Additions
  - Finished major upgrades – Aeration Basin
  - Generator replacement
- Collections
  - Relining Projects
    - Burlington Ave, 9th to 14th Streets



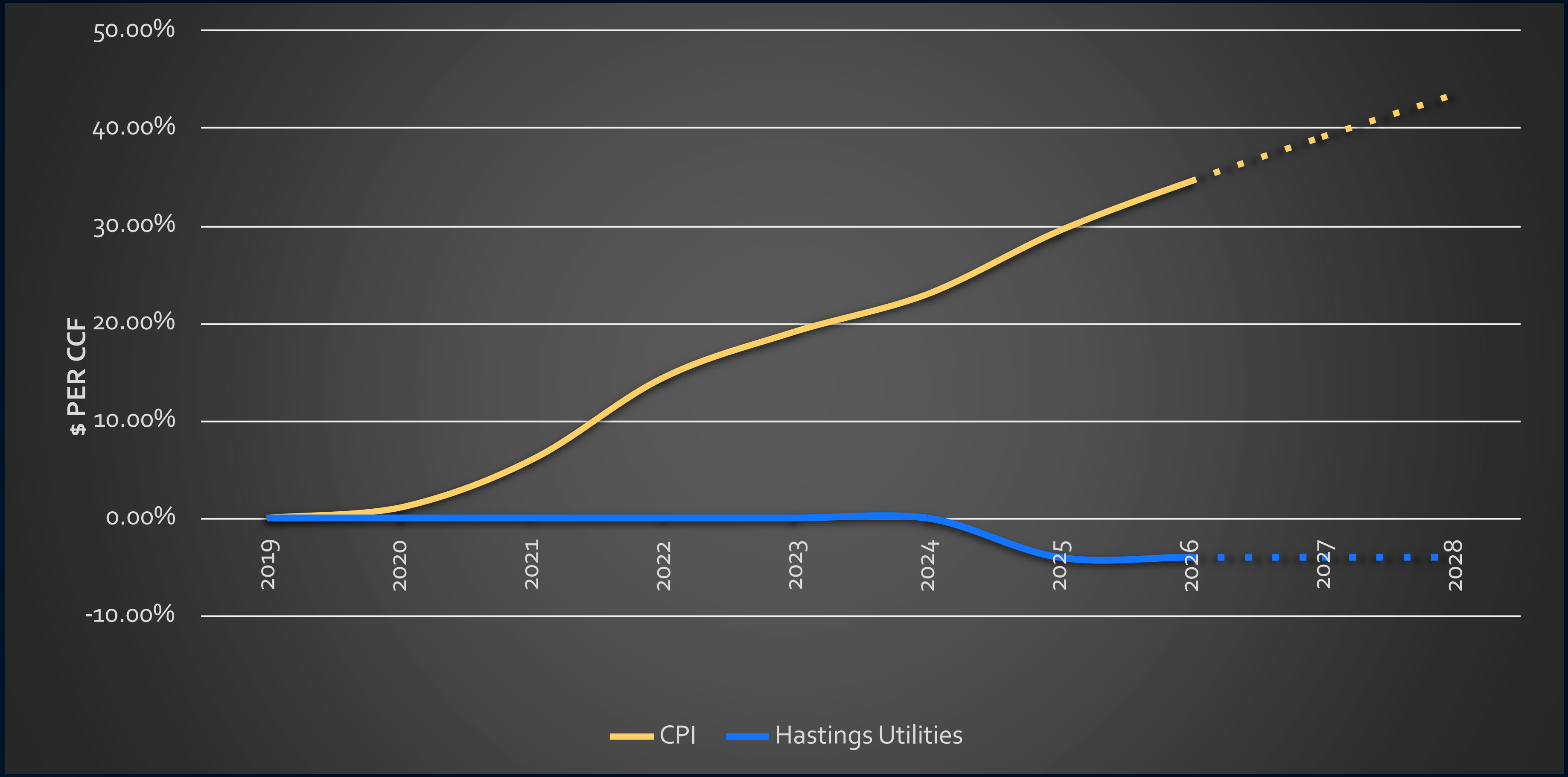
HASTINGS UTILITIES

Sewer Rate Changes – CPI vs Hastings Utilities



*Cumulative Percentage Change by Year – 2000 Baseline

Sewer Rate Changes – CPI vs Hastings Utilities



* Cumulative Percentage Change by Year - 2019 Baseline

* *Assumed 4.5% CPI Increase for 2027+ Forecasts (Bluefield Research)

Average Residential Sewer Bill Comparison

- Hastings does not currently have any scheduled system-wide rate increases for sewer (Except S-3 CMS)

- All other totals are based on current rates without factoring any upcoming adjustments

- Individual sewer rates are reflective of water consumption for the months of December, January, and February

Location	Current Bill
Lincoln	$21.38
Kearney	$23.57
Hastings	$30.01
Fremont	$32.38
Grand Island	$36.98
Omaha	$70.10

*Average of 6 CCF used for calculation

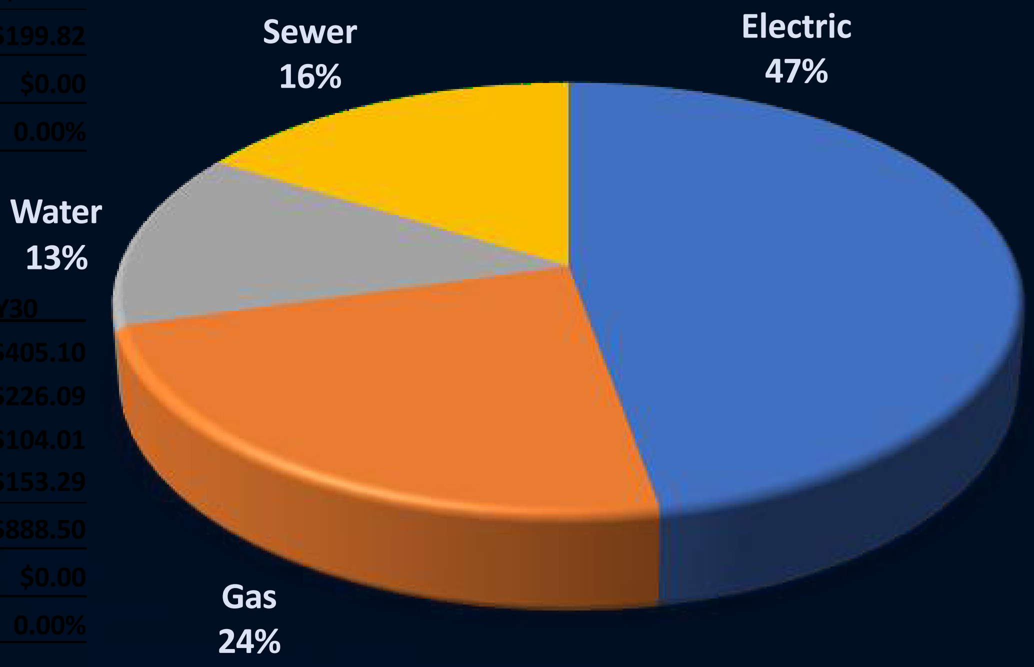
HASTINGS UTILITIES

Estimated Rate Change Impact

Residential	Current Ave Monthly Cost	FY27	FY28	FY29	FY30
Electric	$88.22	$92.63	$97.26	$97.26	$97.26
Gas	$43.69	$46.44	$46.44	$46.44	$46.44
Water	$24.96	$25.33	$25.71	$26.10	$26.10
Sewer	$30.01	$30.01	$30.01	$30.01	$30.01
	$186.88	$194.42	$199.43	$199.82	$199.82
Rate Chg impact by year		$7.54	$5.01	$0.39	$0.00
Year over Year % Chg		4.03%	2.58%	0.19%	0.00%

Commercial	Current Ave Monthly Cost	FY27	FY28	FY29	FY30
Electric	$367.44	$385.81	$405.10	$405.10	$405.10
Gas	$212.69	$226.09	$226.09	$226.09	$226.09
Water	$99.47	$100.96	$102.48	$104.01	$104.01
Sewer	$153.29	$153.29	$153.29	$153.29	$153.29
	$832.89	$866.15	$886.96	$888.50	$888.50
Rate Chg impact by year		$33.26	$20.81	$1.54	$0.00
Year over Year % Chg		3.99%	2.40%	0.17%	0.00%

AVERAGE RESIDENTIAL BILL BREAKDOWN



Estimated Rate Change Impact

	Electric	Gas	Water	Sewer	Avg Monthly Bill
Hastings (Current)	$88.22	$43.69	$25.86	$30.01	$187.78
Grand Island	$85.26	$57.60	$13.32	$36.98	$193.16
Hastings (New)	$93.88	$48.16	$24.96	$30.01	$197.01
Fremont	$102.15	$49.89	$21.97	$32.38	$206.39
Kearney	$105.21	$57.60	$24.03	$23.57	$210.41
Lincoln	$99.07	$77.52	$22.03	$21.38	$220.00
Omaha	$112.63	$55.53	$31.87	$70.10	$270.13

*Cities other than Hastings do not reflect any rate increases taking place after 7-1-2026
**Hastings (New) rates include proposed Water rate changes pending approval and will take effect 10-1-2026

HASTINGS UTILITIES

Unencumbered & Rate Stab as % of Operating Expense

without approved and proposed rate increases

	9/30/2027	9/30/2028	9/30/2029	9/30/2030	9/30/2031	9/302032	Target
Electric	48.03%	23.70%	29.08%	19.12%	13.72%	8.78%	50.00%
Gas	150.62%	134.27%	127.99%	118.60%	111.20%	100.31%	50.00%
Water	65.44%	50.52%	35.47%	9.02%	-2.68%	1.56%	50.00%
Sewer	56.58%	74.74%	84.56%	87.94%	97.07%	101.10%	50.00%

HASTINGS UTILITIES

Unencumbered & Rate Stab as % of Operating Expense

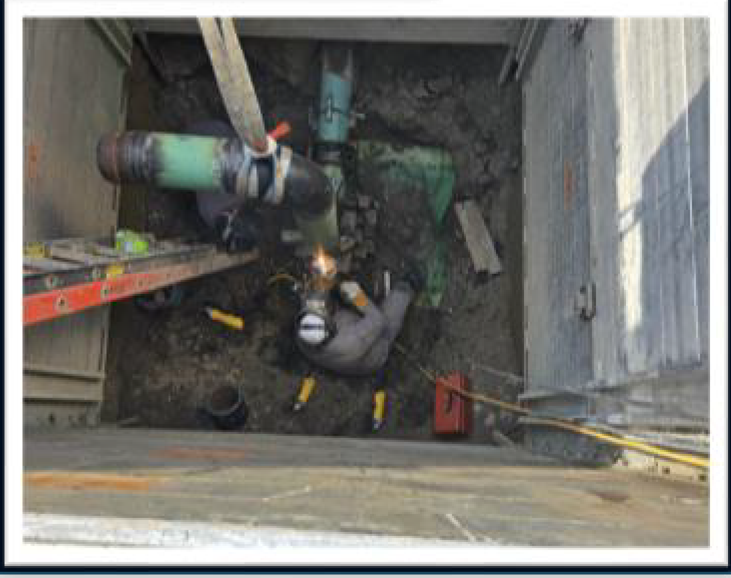
with approved rate increases

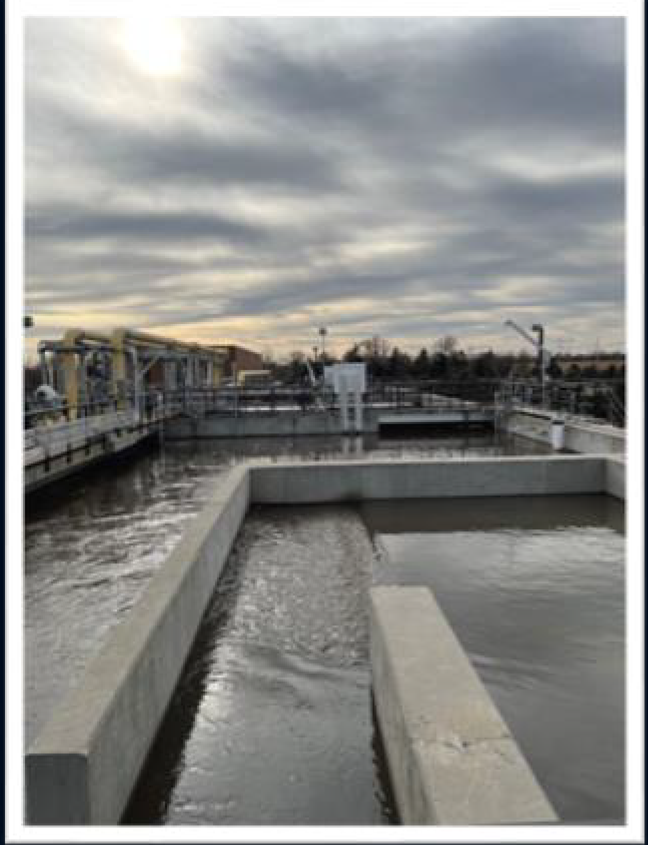
	9/30/2027	9/30/2028	9/30/2029	9/30/2030	9/30/2031	9/302032	Target
Electric	50.87%	32.86%	41.86%	37.68%	37.78%	38.05%	50.00%
Gas	153.76%	140.40%	136.95%	130.26%	125.42%	116.95%	50.00%
Water	67.40%	56.27%	46.91%	25.87%	19.31%	28.44%	50.00%
Sewer	56.58%	74.74%	84.56%	87.94%	97.07%	101.10%	50.00%

HASTINGS
UTILITIES

Budget Highlights

- Received $4.3M Solar Phase II Rebate (FY26)
- Water Department was Awarded $1.26M Grant (FY26)
- Highway 6 project will be complete from HU side
- Water Cost of Service Study introducing tiered rate design for Residential





- FY2026 City Dividend (Formerly PILOT) Projected Total: $3,566,178.00.
- FY2027 City Dividend Budgeted Amount: $3,883,437.00