

CITY OF HASTINGS, NEBRASKA
MINUTES OF UTILITY BOARD REGULAR MEETING
Thursday, July 23, 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 July 23, 2026.

ROLL CALL:

The meeting was called to order at 9:00 am by Jeanette Dewalt with the following members present: Susan Meeske, Regg Rutt, Pat Mertens
Derek Zeisler, Erik Nielsen, Tony Herrman, Jaci Higgins, Jeanne Espina, Steve Huntley, Micah McCaffery, Shane Stone, Noel Nienhueser, Kyle Patten, Larry Fox, Lee Vrooman, Brandan Lubken, Jason Redding, Roger Nash.
Absent: Scott Kvols, Jesse Oswald, Mark Funkey, Jay Beckby, Larry Consbruck

PLEDGE OF ALLEGIANCE:

Jeanette Dewalt led the group in the recital of the Pleadage of Allegiance to the United States of America.

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

Moved by Meeske and seconded by Rutt to adopt the current agenda for the July 23, 2026 regular meeting. Roll Call: Ayes:Dewalt, Meeske, Rutt, Mertens. Nays: None. Absent: Kvols. The motion carried.

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:

Would like to Welcom Pat to the Utility Board meetings. Thank you to the board for taking the time on reviewing the budget and we are excited to show everyone where we are out.

BOARD CHAIRMAN'S COMMUNICATIONS:

None.

BOARD MEMBERS' COMMUNICATIONS:

Welcome Pat.

CITIZEN COMMUNICATIONS:

None.

CONSENT AGENDA:

1. All Consent Items.

- (a) Approval of the minutes of the Hastings Utility Board Meeting of June 11, 2026.

Moved by Meeske and seconded by Mertens to approve the minutes for the June, 11, 2026, meeting. Roll Call: Ayes: Dewalt, Meeske, Rutt, Mertens. Nays: None. Absent: Kvols. Minutes approved.

REGULAR AGENDA:

2. Unfinished Business of Preceding Meeting.

3. General Business.

- (a) Finance

- (b) Production

- i. WEC Unit 1 Update

Micah updates everyone on the unit one outages. Had to push back the outage a few weeks due to parts being delayed.

- (c) Other

- i. Solar Phase II Update

Will have more on this as we move further along. We have submitted all the paperwork to get the credit. Will discuss the potential of phase III with the budget.

- ii. Proposed Ordinance No. 4837

Shane discusses the ordinance that is proposed. We currently do not have anything like this in place. Will be putting together volume and pricing for the city council. This will give us the opportunity to serve more gas users.

Meeske recommends approval of Ordinance No. 4837 to move forward to city council.

Rutt seconds. Roll call: Ayes: Dewalt, Meeske, Rutt, Mertens. Nays: None. Absent: Kvals. This has been approved to move on to city council.

(d) Operations

(e) Administration

i. FY 26-27 Utilities Budget Presentation

Staff goes over the budget slides that are presented.

FY 2027 Hastings Utilities Proposed Budget.

Utilities Dept. Staffing: * No change in total headcount. Engineering and Maintenance and Mechanic cost have not changed but where the headcount has changed.

Additional Staffing: * Environmental Engineering is no longer with Engineering. *

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

Electric Dept Budget: * Electric Revenue (and Expense) Impacts SPP Market and Weather. * Cot of Service study (COS) completed and implemented in FY 2025 for four years with an average 5% revenue increase through rates each year. * Highway 6 project deferred expenses in FY 2026. * 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. * 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. *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.

Hastings Southeast Project: *All utility work will be completed this budget year. *Total utility cost 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 - 4.016 to 13.8 KV conversions.

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 customers (street lighting removed from all).

Gas Dept. Budget: *Gas revenue (and expense) impacts gas market, transportation credit, and 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. *Citywide gas leak survey. *AMI meter replacement efforts. *Budgeting to run peak shaver west. *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. *Distribution Additions : Finish downtown low pressure, finish CCC system replacement, Theatre District area main replacements. *Peak Shave Improvements, move and upgrade North Kansas tanks.

Average Residential Gas Bill Comparison: *Hastings (After approved increase) includes an estimated 6.3% COS addition to total revenue. *All other totals are based on current rates without factoring any upcoming adjustments. *Bill factored as an annualized average.

Water Dept. Budget: *Cost of Service Study (COS) 2026 -New inclining block rate structure for residential (3-tiers) -Encourages residential irrigation conservation. - 1.5% overall increase per year recommended for 3 years. - 10% increase per year recommended for CMS rates. -Water revenue impacts weather. *Verification of Lead water services. *Corrosion control study, centralization study. *ASR injection well 6 rehabilitation. *Water conservation plan - smart sprinkler controller incentive go live. *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.

Water Dept. Capital - \$7.84 million: *ASR additions -Well 17 connection -Goggle 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.

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.

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 •Two New HVAC Units at PCF •Tuck pointing (Brick and Mortar Repair) and Door Replacement at PCF •Phase 4 Sewer Inspection – Borders (Roughly) North: 14th St. to Bellevue Ave East: Bellevue Ave South: Bateman St. West: Crane Ave – 8.7 Miles *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.

Sewer Dept. Capital - \$2.27 million •Plant Additions -Finished major upgrades – Aeration Basin -Generator replacement •Collections -Relining Projects -Burlington Ave, 9th to 14th Streets

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

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

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

ADJOURN:

Moved by Susan Meeske, seconded by Pat Mertens, there being no further business to adjourn at 10:48 am. Roll Call: Ayes: Dewalt, Meeske, Rutt, Mertens. Nays: None. Absent: Kvols. Meeting Adjourned.

APPROVED:

Board Secretary