

Kimball Board of Public Works  
Regular Meeting  
April 26, 2016

A regular meeting of the Board of Public Works was convened in open and public session at 4:15 p.m. on April 26, 2016 at the City Council Chambers. Board members Cederburg, Porter, Fossand, Rowley, and Robinson were present. Also present were City Administrator Ortiz, Electric Superintendent Hinton, Power Plant Superintendent Terrill, Water Superintendent Sisk, Landfill Superintendent Schulte, City Treasurer Sisk and City Clerk Russell. The public was represented.

Notice of the meeting was given in advance by publication in the Western Nebraska Observer. Notice of the meeting was given to the members and a copy of their acknowledgement of receipt of notice and the agenda is on record at the office of the City Clerk. Availability of the agenda was communicated in advance notice and in the notice to the members. All proceedings hereafter shown were taken while the convened meeting was open to the attendance of the public.

Chairperson Cederburg called the meeting to order at 4:15 p.m. and acknowledged the posted Open Meetings Act.

The Board of Public Works reviewed the following items under the consent agenda:

1. Minutes from the regular meeting of February 25, 2016 and special meeting of March 15, 2016
2. Claims;
3. Treasurer's Report from February and March 2016; and
4. Financial Reports from February and March 2016.

After discussion, Robinson moved and Porter seconded to approve the consent agenda with the exception of the MEAN minutes, as they were not included in the packet. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, Rowley, and Robinson. Nay: None. Absent: None. Motion passed.

Mike Mansour and Tom Ghidossi, Exponential Engineering, presented the City of Kimball Electric Utility Maintenance and Improvements Priority List and Ortiz reviewed the list.

Item #1. Power Plant control panel wiring – troubleshoot and trace existing wiring and controls. Ortiz indicated when working on the south substation, the Power Plant was generating. While trying to get the Power Plant on-line, it was determined that there were some electrical issues. Terrill is retracing the wiring. Ortiz said it is hoped that the issue is as simple as a relay issue. Ghidossi said they are anticipating a day or two to get

through it and make sure they get one of the units up and running to verify the problem is solved.

Items #2, #3, and #4. Kimball Wind Farm - update wheeling rate, upgrade the west side 34.5kV overhead, power factor improvements. Ortiz indicated the wheeling rate has not changed since it was first established many years ago. A review and update of the wheeling rates will be done based on system configuration and current costs. The 34.5kV transmission line will be upgraded from 1/0 ACSR to 336 ACSR. This upgrade would be necessary if MEAN increases the capacity of the Wind Farm. Ortiz commented that there now exists a possibility for private individuals to develop wind farms without the fear of a public utility taking over. Kimball may have the opportunity to say it is not in the City's best interest to continue the wind farm. Ortiz commented on the wheeling rates and what the true cost is that affects Kimball's system and whether the system is capable of sustaining that.

The power factor improvements are the effect that the wind farm has on Kimball's system itself. Ortiz said the wind farm affects the City quite substantially. Robinson inquired if Kimball is maintaining the power factor and Hinton said that the wind farm costs Kimball 16 to 20% more.

Item #5. Upgrade the east side 34.5kV overhead. This is the line that runs down County Road 43. The distribution system will be upgraded from 1/0 ACSR to 336 ACSR including the poles and the 12.47kV distribution under-build.

Item #6. Arc Flash study. Ortiz said there is a group of communities in the Panhandle working on an Arc Flash study. The study will include: working distance, personal protective equipment (PPE), available fault current analysis; labels for indoor and padmount equipment; and possible mitigation methods to reduce hazard levels.

Item #7. Resolve issues at east substation and energize both feeders. The regulator settings need to be evaluated with the voltage.

Item #8. Update the distribution system map showing additional information. Ortiz indicated this needs to be done with the Water system as well. The utility maps are outdated and need to be updated to provide greater details.

Item #9. Perform an overall distribution system coordination/sectionalizing study. Ortiz said this is essentially performing an analysis of the system to better segment different parts of the system.

Item #10. Create a 10 year long range plan. Ortiz commented on growing and expanding to the east interchange and the golf course.

Item #11. Modifications to 12.5kV distribution system associated with grain elevators. The grain elevators are 3 phase current. Hinton commented that putting it back in causes variations on amps and it doesn't just affect the grain elevators, it affects the meters in town.

Cederburg opened discussion on providing electricity to the County Weed Shop and Mike Brown's property east of the water tower. Ortiz explained that Mike Brown approached the City about extending electrical service to his property east of the water tower. There is currently no service there and it is outside of the City's corporate boundary. Ortiz said this would be contingent on whether High West Energy wants to retain that area. Because it is outside of the City limits, this would require the Board's approval and there are some considerations that need to be taken into account. Ortiz commented on the fee to one single customer. The City would draft a separate agreement with Mr. Brown that would entail the City recouping some of physical costs and energy costs. Porter inquired about annexation and Ortiz said that Kimball City Code allows the City to provide services outside the corporate boundaries without annexation with the Board's approval.

Currently there are no utilities at that site however Mr. Brown had indicated he will install a water well and possibly build a residence. Ortiz has informed Mr. Brown that he would be responsible for securing rights of way and easements and it will not be cheap for him. Rowley said that High West should deal with this. Robinson said as long as the City can recoup the costs he doesn't have a problem looking at providing the service. Porter inquired about the time line and Ortiz said it would depend on the rate assessed and how quickly the City wants to recoup the costs. Hinton indicated that the City of Sidney usually figures that it will be three years.

Discussion was held on the maintenance and Ortiz said it is something that can be discussed. Hinton commented that it will be a long, extensive project and discussion was held on sub-contracting the project out.

With regard to the County Weed Shop, Ortiz indicated they currently do not have water in their shop and the County approached the City about installing a water service. The shop is on a private road. Sisk has provided them an initial estimate and indicated it would be a 1,000 foot service line. The meter pit would be installed on Myrtle Street and the County would be responsible to run the line into the meter pit.

Ortiz said the County has not decided whether they are going to do this or look into installing a well. Sisk said there should be adequate pressure. The County is trying to figure out the best way to do this and the County Commissioners are trying to determine a total cost. Sisk said they store their weed spray chemicals in that shop and want to have a bathroom and eye wash station. Sisk said they would also have to have backflow protection.

Robinson doesn't have a problem with this and it is up to the County to decide if they want to spend that type of money. Sisk quoted the County \$3,400 and commented on special orders for special built meter pits. The County is trying to figure out if this is cost-effective. Sisk said the best method would be to tap into the main line and if there is boring to be done, call a boring company. Cederburg agreed with Robinson that the City can work with the County but it is ultimately the County's decision.

There being no further discussion, Robinson moved and Porter seconded to continue to explore providing service to the County Weed Shop and Mike Brown's property east of the water tower and if the County approves this project, give permission for the City to go ahead with the County project and that the City continue to work with Mr. Brown. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, Rowley, and Robinson. Nay: None. Absent: None. Motion passed.

Cederburg opened discussion on donating utilities for the Goodhand Theater. Jo Caskey, Friends of the Goodhand Theater, said they have been making quite a bit of progress on the Goodhand Theater. The new floor has been installed and there has been quite a bit of donated time and money. Caskey asked if the Board would approve continuing to donate the utilities until the end of the year. Keith Prunty, Friends of the Goodhand Theater, provided a spreadsheet of the donations received and bills paid.

There being no further discussion, Robinson moved to extend donating the utilities to the Goodhand Theater for six months from May 31<sup>st</sup>. Ortiz suggested that this be in conjunction with the fiscal year and Robinson amended his motion to donate the utilities to the Goodhand Theater through September 2016. Seconded by Fossand. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, Rowley, and Robinson. Nay: None. Absent: None. Motion passed.

Ortiz provided an update on Water Planning and Integrated Management. This is facilitated by the Natural Resources Districts who determined in 2004 that the Platte River Basin was overappropriated. They were required to develop a basin-wide plan for the appropriated area of the Platte Basin. The first increment basin-wide plan was adopted in fall 2009. The second increment planning meeting will begin on June 16, 2016 and the NRD's have asked that potential stakeholders attend. There are a number of stakeholders including municipalities. Ortiz said Carson Sisk is the primary representative for Kimball and Ortiz is the alternate. Kimball has three water wells and two at the golf course.

Ortiz explained the Rural Economic Development Loan and Grant Program (REDLG). Ortiz attended a Brownsfield conference in Scottsbluff. Marla Marx, USDA Business Programs Specialist, provided information to Ortiz and suggested that City of Kimball Electric Department seek eligibility under the Rural Economic Development Loan and Grant Program (REDLG) to receive an insured or direct loan under the Rural Electrification Act. Kimball has submitted a letter seeking eligibility and received

confirmation of eligibility to become a borrower and apply for assistance under the Rural Utilities Service (RUS) Electric Program for projects that serve rural areas.

Ortiz provided an update on the City's Utilities GIS. The City's system information and data is outdated. Sisk has had to pencil in changes and modifications to a map and has been in talks with Susan Myers, M.C. Schaff. She suggested GPS units to identify specific locations and would get that information loaded. Kimball would be able to utilize a tablet and the cost would be between \$1,000 to \$1,500. Ortiz said there are two or three sets of maps that don't have the same information. This will be something to incorporate as part of the budget process to get a tablet to share between the electric and water systems.

Cederburg opened discussion on the rate study. A summary of the rate study was included in the packets and Ortiz indicated that he would like to have the rate increases for the next meeting. With regard to the Landfill rates, the City is required to give the County a notice for a period of time before any changes can be made in the rates. With regard to water and sewer, the expenses are exceeding the revenues. Ortiz said the City needs to do what they can to ensure that the utilities are paying for themselves. Ortiz suggested incrementally increasing the rates.

Robinson said it is apparent that the City needs to do something with the rates and the Board needs to concentrate on figuring out a way to implement those rates in a staggered fashion. He suggested phasing in over time to try to get the rates where they need to be. Porter agreed with phasing them in but added that there needs to be an end date. If the rates are raised, when are they going to stop? Ortiz commented on consumption and charges and the different categories and reducing the categories. Cederburg agreed that the City needs to do something with the rates and commented that it was recommended to increase \$15 to \$20 per residence. He said he would not be comfortable with that increase and he likes the concept of reducing the number of categories. Cederburg said it is not a simple two-week process but the City does need to move forward diligently.

Ortiz said the process will be tedious and requires a lot of analytical research. He asked if any Board member would be willing to spend some time within the next few weeks to review the rate study. Cederburg and Porter volunteered to assist. Cederburg said he likes the idea of increasing the base rate to a fixed figure and Robinson agreed.

Ortiz reported that the sales tax revenue has declined and the effects will be seen on the utility side as well. The Compensation Committee met and considered a recommendation for wage increases because there hasn't been an increase since October 2014. After reviewing the finances further, the City Council held off on the wage increases for now. The City Council has, however, agreed to open the lineman position and Ortiz commented on the time frame for hiring.

Ortiz reported that there are surplus items that will be brought to the Board next month for approval to auction or sell. Ortiz commented on creating an on-line account for an auction which may help to get more money for the sale of the garbage truck.

After discussion, the next meeting will be held on Wednesday, May 18, 2016 at 4:15 p.m.

There being no further business to come before the Board of Public Works, Robinson moved and Rowley seconded to adjourn the meeting at 5:28 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, Rowley, and Robinson. Nay: None. Absent: None. Motion passed.

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Chairperson

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City Clerk

City of Kimball-Board of Public Works-Utility Claims-April 26, 2016-Baker & Associates-Rate Study-5,784.00; Centurylink Communications, Inc.-Long Distance-84.70; City of Kimball-Group Health Allocation-12,485.42; City of Kimball-Occupation Tax-11,518.16; City of Kimball-Transfer-211.86; City of Kimball-Transfer-1,158.27; Combined Utilities-Utilities-163.49; Credit Management Services, Inc.-Charges-20.00; Culligan-Rental-32.20; Department of Health & Human Services-License-150.00; FEDEX-Shipping-136.71; Floyd's Sales & Service-Parts-137.63; Frenchman Valley Coop-Diesel- 431.70; Golder Associates-Professional Services-939.32; Hasler-TotalFunds-Postage-2,000.00; High West Energy-Utilities-6,092.00; Hometown Hardware-Supplies-667.01; Ideal Linen Supply, Inc.-Supplies-50.70; Kimball Auto Parts-Parts-740.89; Kimball Insurance-Premum-2,079.00; Kimball Service Center-Repairs-256.11; Kriz-Davis Company-Parts-614.85; Linn Machine Works-Part-30.00; LorRon Department Store-Uniform-85.59; MEAN-Mean Bill-143,196.15; MEAN-Installment-1,048.87; MailFinance, Inc.-Lease-615.00; Danielle Martinez-Service Deposit-49.18; Napa Auto Parts-Parts-127.74; Nebraska Municipal Power Pool-Registration-440.00; Nebraska Municipal Power Pool-Distribution- 1,980.00; Nebraska Public Health Enviro Lab-Water Samples-46.00; Nebraska Safety & Fire Equipment, Inc.-Supplies- 413.95; Nebraska Safety & Fire Equipment, Inc.-Inspection-63.00; Nebraska Safety & Fire Equipment, Inc.-Inspection-140.00; One Call Concepts-Locates-10.59; Panhandle Coop-Oil-1,838.66; Panhandle Coop Association-Supplies-97.53; Perfection Door Company-Repairs-60.00; Premier Truck Group of Amarillo-Sanitation Truck-165,200.00; Prestige MFG.- Repairs-67.20; Keith Prunty-Mileage-162.00; Recovery Systems Co., Inc.-Parts-5,644.83; Respond First Aid Systems-Supplies-189.17; Jim Schulte-Reimbursement-21.39; SourceGas, LLC/Black Hills Energy-Gas Service-3,224.59; Staples-Office Supplies-91.99; State Industrial Products-Supplies-211.02; The Right Impression-Decals-125.00; USA Blue Book-Supplies-356.15; Union Bank & Trust Company-Bonds-48,231.25; Water Environment Federation- Membership-124.00; Wesco Distribution Receivables Corp.-Supplies-97.91; Natoria Wheelock-Service Deposit-18.02; Credit Management Services, Inc.-Charges-259.10; GreatAmerica Financial Services-Lease-365.00; Hach Company- Supplies-678.00; Kimball Auto Parts-Parts-24.47; Napa Auto Parts-Supplies-

116.10; SourceGas, LLC/Black Hills Energy- Gas Service-117.24; U.S. Treasury-Retirement-270.00; Payroll Fund-Payroll Transfer-39,292.58; Payroll Fund-Payroll Transfer-37,856.15; Amazon-Shipping-12.65; CenturyLink-Telephone-646.24; CenturyLink-Long Distance-159.01; Charter Communications-Internet-215.25; Connecting Point-Copy Usage-471.25; Eagles Aerie-Meals-322.00; Hasler-TotalFunds-Fees-64.54; High West Energy-Utilities-6,885.00; Kimball Insurance-Audit-3,350.97; Safetyline Consultants, Inc.-Safety Training-750.00; Simmons Olsen Law Firm, P.C.-Professional Services-697.50; Viaero-Cell Phone-123.09; Visa-Firstier Bank-Charges-306.41; Western Nebraska Observer-Meeting Notices-115.16; Centurylink Communications, Inc.-Long Distance-159.01; City of Kimball-Transfer Funds-13,191.04; City of Kimball-Occupation Tax-10,303.17; City of Kimball- Transfer-1,830.00; City of Kimball-Transfer-1,929.23; Combined Utilities-Utilities-171.88; Comfort Inn-Lodging-393.93; Country Printer-Printing-50.00; Creative Displays, Inc.-Supplies-1,236.00; Crescent Electric Supply Co.-Parts-2,199.00; Croell Redi-Mix-Concrete-177.00; Culligan-Softener Rental-128.28; Department of Health & Human Services-License-10.00; EMC National Life Company-Premium-332.39; ERA-Environmental Resource Associates-Supplies-786.62; Enterprise Car Rental-Car Rental-275.81; Farm Plan-Parts-10.15; Frenchman Valley Coop- Bulk Diesel-786.88; Glen Cichy and Kristine Carr-Service Deposit Refund-5.40; Golder Associates-Emissions-3,543.75; HD Supply Waterworks, Ltd.-Meters-3,209.08; William Hinton-Reimbursement-57.50; Holiday Inn Midtown-Lodging-719.60; Hometown Hardware-Supplies-1,595.19; Ideal Linen Supply, Inc.-Supplies-50.95; Intralinks, Inc.-Computer Support-125.00; Kimball Auto Parts-Parts-691.66; Kimball Event Center-Supplies-42.60; Kimball Service Center-Vehicle Maintenance-766.21; Kriz-Davis Company-Parts-397.43; League of NE Municipalities-Safety Training-1,134.00; MEAN- MEAN Billing-138,508.36; MEAN-Installment-1,048.87; Midwest Laboratories, Inc.-Supplies-268.76; Municipal Pipe Services Inc.-Parts-642.71; NE DOL/Boiler Inspection Program-Inspection-18.00; Napa Auto Parts-Parts-452.07; Nebraska Dept. of Environmental Quality-Disposal Fee-682.50; Nebraska Municipal Power Pool-Membership-1,131.40; Nebraska Municipal Power Pool-Air Emissions-20.00; Nebraska Public Health Enviro Lab-Water Samples-132.00; Nebraska Rural Water Association-Conference-375.00; One Call Concepts-Locates-41.94; Panhandle Coop Association-Supplies-40.45; Powerplan-Parts-326.83; Prestige MFG.-Flat Steel-95.31; Scottsbluff Screenprinting-Sweatshirts-64.00; Shopko Stores Operating Co.-Supplies-88.19; SourceGas, LLC/Black Hills Energy-Gas Service-3,292.26; Spec-Tech-Sales-Parts-558.31; Staples-Charges-63.36; Star-Herald Newspaper-Meeting Notice-10.68; Vince's Corner-Fuel-85.83; Wesco Distribution Receivables Corp.-Supplies-535.00; Wolf Automotive Center, Inc.-Vehicle Maintenance-108.88.