

Kimball Board of Public Work
Regular Meeting
July 26, 2016

A regular meeting of the Board of Public Works was convened in open and public session at 4:15 p.m. on July 26, 2016 at the City Council Chambers. Board members Cederburg, Porter, Fossand, and Robinson were present. Rowley was absent. Also present were City Administrator Ortiz, Water Superintendent Sisk, 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 June 28 2016;
2. Claims;
3. Treasurer's Report from June 2016; and
4. Financial Reports from June 2016.

Robinson moved and Fossand seconded to remove the minutes from the consent agenda. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed. It was indicated that Ortiz and Rowley, not Ortiz and Cederburg, will meet with Newell. Robinson moved and Porter seconded to approve the minutes as corrected. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed. Robinson moved and Fossand seconded to approve the remainder of the consent agenda items. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed.

Cederburg opened discussion on continuing to donate utilities to the Visitor's Center and receive information on the County's three-year plan to make the building more energy efficient. Jo Caskey, Tourism Director, thanked the Board members for capping the utility amount at \$500 a month and donating the amount over the \$500. It has been a big help and is greatly appreciated. Two different companies have been at the Visitor's Center to perform an analysis of the energy consumption. The work and billing will be broken down into a three year period of time. The first year will focus on the

HVAC. The four HVAC units on top of the building heat or cool different sections of the building. The building does not need four units and both companies have recommended to disconnect two units. The disconnected units will remain on the roof and be used for parts. The ductwork will have to be re-routed and the four thermostats will be replaced with two programmable thermostats. Another recommendation is to remove the three hood vents and cap off at the roof where the hood vents are.

The cost of this project will be figured into the Visitor's Center budget and Caskey asked the Board members to give them a couple extra months for the capping of the utility bills.

The second year will focus on replacing the ceiling tiles and insulation. The insulation is made from recycled newspaper and will be blown in. This phase is the most expensive phase.

The third year's focus will be to remove all the fluorescent lighting and change over to LED lighting. The windows will be resealed and new sweeps will be installed on the doors.

With all the aforementioned changes, the energy consumption should be reduced significantly and it is hoped that the Visitor's Center can then pay the entire utility bill without assistance.

There being no further discussion, Robinson moved and Porter seconded to extend the agreement with the Visitor's Center to donate utilities over \$500 per month through December 2016. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed.

Cederburg thanked Caskey for all she is doing.

Cederburg opened discussion on requiring deposits or suspending customers who default on Wastewater Treatment Plant and/or Landfill charges. Ortiz indicated this primarily applies toward the Landfill gate fees. Currently with the utility bills, the delinquent customer gets their utilities shut off and the utilities are not connected until the customer pays off the balance that is owed. There is no policy in place for the Landfill gate fees or the Wastewater Treatment Plant dumping. Since January 2014, there has been \$32,000 written off in unpaid bills. Some has been recouped when sent to collections. Cederburg indicated this puts the City in an awkward position but it does make sense to have some recourse. Porter inquired about the deposit currently collected and Ortiz indicated the aforementioned pertains to larger customers. The easiest way to look at it is if there is a customer and they default one time, the next time they want to use the Landfill or Wastewater Treatment Plant, a deposit is given or they are suspended until they pay the bill. Porter inquired what the deposit would be based on and Ortiz stated perhaps a percentage of what the past-due bill was.

Further discussion was held and Robinson indicated he can see lots of pitfalls and commented on making the deposit equitable for both parties. Porter commented on the example presented by Ortiz and indicated that the individual would pay the deposit based on the amount not paid and that would make it more equitable.

Cederburg agrees that more consideration needs to be done. Robinson indicated there are a lot of moving parts in this that need to be thought through to think about how to make it work. Cederburg said there is plenty of notification on what is owed. Discussion was held on establishing a fee to be collected for administrative services as well.

There being no further discussion, Robinson moved and Porter seconded to table the discussion and action on requiring deposits or suspending customers who default on Wastewater Treatment Plant and/or Landfill charges until the August meeting for further research. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed.

Cederburg opened discussion on dumping fees at the Wastewater Treatment Plant. Jerry Brown, #1 Maple Circle, had requested this item be on the agenda. He started a commercial pumping business approximately six years ago. The City has been kind in letting him dump in the WWTF pond. He dumps in Bridgeport, Chappell, Kimball and Gering. With the new dumping fee rate of \$.10 per gallon, his fee will double. The options he will have will be to land applicate. He does have several landowners that will let him dump on their land.

Brown requested to bring the rates in line with Bridgeport and Gering at \$.027 a gallon. Currently, Kimball is \$.05 per gallon. Brown requested to set the rates to \$.03 per gallon to make him more competitive. If the rates go up to \$.10, he will be forced to land applicate. Brown again requested to consider lowering the rates to \$.03 a gallon instead of raising them to \$.10 per gallon.

Discussion was held on the lagoon and Brown indicated the City pumps sludge and he dumps in the corner of the lagoon. He dumps approximately 10,000 to 20,000 a month in the summer months. It is not a lot of business and is a sideline for him where he installs septic tanks. Sidney does not accept sewage and Brown has dumped at Kimball's WWTP for six years and it has worked very well. Brown commented more on Sidney's procedures and Cheyenne's charges. The only places that have real septic dumping plants for the trucks are Gering and Kimball.

Ortiz indicated that when the rates were reviewed, the overall rates in terms of revenue and expenses were reviewed. The WWTP has struggled. The dumping process is on an honor system and it is not monitored or metered. Every 12 to 18 months, the Street Department scrapes off part of the sewage in the lagoon that has accumulated and then it is taken to the Landfill and treated as waste and buried. The lagoons have to be mowed periodically and the noxious weeds treated. When the WWTP was originally

designed, there was a manhole cover that was put in closer to the clarifier with the intent of dumping directly into the line. When the dumping first started, this was a time-consuming process to open the line and dump.

Discussion was held on the immediate needs of the WWTP and Ortiz indicated that fencing for the perimeter security will need to be erected in three to five years. The control panel in the building also needs to be done and the sewer line that takes the treated sewage will have to be replaced or upgraded at some point. The cost of the WWTP has never been separated from the cost of the sewer system as a whole. WWTP Superintendent Quicke has had to upgrade his testing equipment due to some changes in regulations. Porter inquired about funding opportunities and Ortiz indicated that the USDA offers some funding for WWTP and sewer systems and commented on grants and low interest loans. He has spoken with the Mitchell City Administrator with regard to operating a lagoon system and having to come into compliance with some of the NDEQ regulations. There have been preliminary discussions on further regulating dumping into tributaries at some point.

Ortiz reminded the Board members that the resolution would have to come back next month if they wish to change the figure that was in the initial resolution. Discussion was held on the amount of dumping between Brown's business and one other business.

Kim Baliman, 704 Marion Street, commented on the \$.10 and losing Brown's business. She commented on doubling the rates and making nothing versus leaving it the same and making money. Fossand said the Board wants to work with the local businesses as much as they can but at the same time there is a shortfall. Robinson said he would be in favor of going back to the \$.05 but not lower than what it has been for the last 10 years. Ortiz explained the lagoons are more of an overflow for the plant. Quicke has to flip a switch on occasion and it is a little bit of an administrative hassle because Quicke does have to file some paperwork.

Robinson said in this instance, there has been enough proof that the rate should revert back to \$.05 per gallon and directed staff to prepare a resolution for approval next month. Cederburg indicated the City does need the additional revenue but they also need to support the local business.

Cederburg opened discussion on the private commercial waste hauler rates at the Landfill. Conrad Morris, Pack Rat Disposal, inquired why the City is charging for this when they charge their customers. Ortiz indicated that currently the City does not charge the private haulers to dump municipal solid waste. Cederburg said there is good evidence that not all the trash being brought in is coming from Kimball County, therefore, that is the reason for this charge. Morris commented on the route they took last week and indicated they brought three loads out of the County. If his business is going to get charged, he would like a scale at the Landfill and would like the City to stop charging the residents of Kimball County. Morris indicated they have never tried to hide what they bring in and they have also tried to bring as much out as they bring in. It isn't

equal every day, but over a year it evens out. If the City starts charging them, their price is going to go up.

Ortiz indicated the City doesn't directly bill the County customers; that is done by the County or the Villages. The County and the Villages control their own customers and they send the City an invoice on the amount that is owed. It was indicated that there is a fee being charged for the County residents at the County level. Morris said the people from Kimball won't appreciate it that they are charging them. Cederburg indicated this is the first indication of an attempt to try to balance it. Morris commented they have been trying to make the fuel as efficient as possible. They bring in part and they take out part and try to make it as fair as possible. It was indicated that Gering charges \$56 a ton and Morris commented on being able to weigh on the scales during harvest season.

Cristy Rowley, 601 S. Nadine Street, indicated that FVC would most likely not let them weigh on their scales during harvest time. It was indicated that private haulers are picking up the County residents' waste and the City is going to force the private haulers to pay the City for the use of the Landfill. Ortiz indicated the intent is the private haulers don't pay anything and there is no accountability of what is from outside of Kimball County. This was looked at for the purpose of accountability. Morris inquired what the City wants for accountability and Ortiz indicated either a fee or weighing on a scale.

After some discussion, Robinson indicated that he has not heard enough to sway him in either direction. This warrants further research and recommended to delay the increase in the private haulers fee until more facts and figures are put together. Fossand would also like to have more information from Landfill Superintendent Schulte.

Robinson moved and Fossand seconded to delay the implementation of the Landfill private haulers fee until October 1, 2016 to allow for further research and information. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed.

Morris indicated they could cut it back to where they are just Kimball County residents. If the City is going to begin assessing a private haulers fee, they will increase their rates.

Cederburg opened discussion on the Landfill hours of operation. Morris commented on the current hours the Landfill is open and inquired if the Landfill could be open during the lunch hour. Cederburg indicated the hours were changed to accommodate the employees' training and clean up. Cederburg, Robinson and Fossand suggested that staff visit this issue. Morris commented on staggering lunch hours.

Ortiz provided information on the Power Plant and the Urge test. About two weeks ago, the Power Plant ran the Urge test. There were some maintenance items that were visited prior to the Urge test. The day of the test, there was an arc flash resulting in the

Power Plant essentially failing the test. The items that needed to be repaired have been repaired. Ortiz has directed Hinton and Terrill to exercise the engines for a longer run. The Urge test has been rescheduled for August 17th. If the Power Plant fails that, the City will have to appear before the MEAN Board and Ortiz commented on capacity payments.

Ortiz reported the MEAN meeting is on August 17th and 18th and there will be some discussion on RICE compliance. Ortiz indicated he will be appearing before the MEAN Board to reconsider the City's fixed recovery charge. Ortiz spoke about electric revenues declining in relation to the City's load declining. He will have a better idea once he returns from the MEAN meeting.

Ortiz reported the other part to the MEAN meeting will have to do with the Wind Farm. He commented that MEAN is researching the legalities of trying to sell the Wind Farm. Ortiz will ask JEO Consulting to look at the City's electric rates based on the current users as well as the wheeling rate. Ortiz indicated this needs to be done before MEAN makes the determination on whether to sell the Wind Farm.

Ortiz reported Water Superintendent Sisk is working on a plan to replace hydrants and he commented on the ISO rating.

Ortiz reported he will be following up with Mike Brown about extending electrical service and how big of a load he will need among other things. Ortiz said everyone needs to be on the same page and the City will need public right of way access. The property is currently outside of the City's electric distribution boundaries and there will be some expense going before the Power Review Board.

Ortiz reported the City Council will be holding a budget workshop on August 4th and plans to consider the utility budget. However, there will most likely be another budget workshop down the road.

The next meeting will be held on August 23, 2016 at 4:15 p.m.

There being no further business to come before the Board of Public Works, Robinson moved and Fossand seconded to adjourn the meeting at 5:39 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Porter, Fossand, and Robinson. Nay: None. Absent: Rowley. Motion passed.

Chairperson

City Clerk

City of Kimball-Board of Public Works-Utility Claims-Payroll Fund-Payroll Transfer-39,256.02; Centurylink Communications, Inc.-Long Distance-88.08; Charter Communications-Internet Service-215.25; Connecting Point-Copy Usage-690.78;GreatAmerica Financial Services-Lease-365.00; High West Energy-Utilities-11,486.00; Kimball Service Center-Vehicle Maintenance-288.88; NeoFunds-By

Neopost-Postage-2,000.00; Simmons Olsen Law Firm, P.C.-Professional Services-60.00; Western Nebraska Observer-Meeting Notices-287.95; Heather Entingh-Reimbursement-450.00; Visa-Firstier Bank- Charges-1,472.96; Payroll Fund-Payroll Transfer-40,900.72; CenturyLink-Telephone-661.04; Total Backflow Resources-Certification-575.00; Viaero-Cell Phone Usage-123.09; City of Kimball-Transfer-13,191.04; City of Kimball-Occupation Tax- 11,076.21; City of Kimball-General Fund-Transfer-1,412.96; City of Kimball-General Fund-Transfer-1,272.91; City of Kimball-General Fund-Airport Transfer-130.00; Combined Utilities-Utilities-143.15; Credit Management Services, Inc.- Collection Fees-14.00; Crescent Electric Supply Co.-Parts-175.09; Display Sales Company-Supplies-2,316.50; EMC National Life Company-Long Term Disability-332.39; Frenchman Valley Coop-Fuel-1,779.25; Grainger-Supplies-168.99; Hometown Hardware-Supplies-543.80; Ideal Linen Supply, Inc.-Supplies-50.89; Keep Kimball Beautiful-Landfill Fee-4,920.00; Kimball Auto Parts-Parts-779.14; Kriz-Davis Company-Parts-720.96; MEAN-Mean Billing-126,348.75; MEAN-Rita Installment-1,048.87; Napa Auto Parts-Parts-625.64; Nebraska Dept. of Environmental Quality-Solid Waste-Quarterly Fee-628.50; Nebraska Power-Review Board-Annual Assessment-362.62; Nebraska Public Health Enviro Lab-Water Samples-60.00; Norberg Auto & Diesel Inc.-Repairs-2,953.31; One Call Concepts-Locates-25.80; Panhandle Coop-Fuel-863.78; Panhandle Coop Association-Supplies-61.84; Resource Management Company, Inc.-Tire Grant-14,432.22; Safetyline Consultants, Inc.-Supplies-7.10; Shopko Stores Operating Co.-Supplies-88.90; SourceGas, LLC/Black Hills Energy-Gas Service-310.35; Staples-Supplies-63.20; Vince's Corner-Fuel-52.51; WPCI-Screen/Review-30.00; Wehling Construction-Deposit Refund-250.00; Wesco Distribution Receivables Corp.-Parts-684.80.

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