

Kimball Board of Public Works  
Regular Meeting  
February 26, 2015

A regular meeting of the Board of Public Works was convened in open and public session at 4:15 p.m. on February 26, 2015 at the City Council Chambers. Board members Cederburg, Merryfield, Moeser, Fossand, and Robinson were present. Also present were Electric Utilities Superintendent Hinton, Power Plant Supervisor Terrill, Water Superintendent Ford, Mayor Prunty, Council member Schnell, City Administrator Ortiz, City Clerk Russell and City Treasurer Sisk. 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 January 27, 2015
2. Claims;
3. Treasurer's Report from January 2015; and
4. Financial Reports from January 2015.

After discussion, Fossand moved and Merryfield seconded to accept the consent agenda as amended. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Merryfield, Moeser, Fossand, and Robinson. Nay: None. Absent: None. Motion passed.

Cederburg opened discussion on the update on the Power Plant. Larry Wheeler has been working with Lance Terrill and the Electric crew on installing the fuel injector on the Cooper engine. Wheeler gave his background to the Board of Public Works. He starting working for Cooper Engines in 1972. He worked for 11 years in the Field Service Department for Cooper. The last 40+ years he has worked on diesel engines in municipal power plants.

Wheeler said the fuel injector block for the Cooper is now on and the plant personnel are doing all the labor. They are now into the injection timing and hope to have it wrapped up tomorrow morning and hope to do a test run on the engine. Wheeler commented on putting it on gas and making sure it will run on both gas and diesel. He said he has not had a chance to look at the other generators, but plans to do a walk

through tomorrow at the Power Plant. Wheeler said repairs on the units are usually quite costly and most Power Plant employees budget accordingly.

Merryfield said he toured the Power Plant a few weeks ago and in the future he will recommend hiring more help.

Discussion was held on the gas pressure issues. Wheeler said he will have to review past reports. The gas pressure may be an issue with the Superior engines as well. Schnell inquired about the current status at the Power Plant and Terrill said they could run and generate. Ortiz said when they did run, the Superiors ran for about four hours, 80% at 1,000 kw. Since it wasn't running on natural gas, it used over 200 gallons of diesel fuel.

Ortiz inquired about the possibility of water in the engine and Wheeler said when they took the covers off, the first cover they pulled off, they found some sludge, which is when water mixes with oil. There is not a terrible sign of moisture in the engine; however, the oil analysis of the engines did show a little bit of moisture in the engines. The engines seem to be internally in pretty good shape.

Wheeler commented that regular maintenance is very important and it is very important that the oil analysis program is maintained in accordance with NESHAP requirements. Wheeler said his normal maintenance program includes an inspection evaluation of the plant and the units are put in service to make sure they are good. Then the engine is re-evaluated after inspections are done on the operational side. The engines are built and designed to run forever. As long as parts can be found and there is an engineer's support group, these units are capable of lasting forever.

Wheeler said they are actually automating the control units in some other plants to enable them to be started remotely. Wheeler said the standby generation is still a very vital part of the Kimball community. Upgrading makes the engines very viable and brings them up to the standards required by the bigger utilities.

Wheeler said that inspections and evaluations would be one of the first things that should be done, i.e., operating temperatures, voltage control, etc. Wheeler added that he doesn't believe the Cooper has had anything done for over 15 years. Prunty asked if he would have access to a maintenance schedule for the Cooper and Wheeler said it would be hard to put a maintenance schedule together and commented on yearly inspections.

Merryfield said that most companies have a maintenance schedule on their engines and he has suggested Terrill create a maintenance schedule. Wheeler said inspections and evaluations are what find issues. Ortiz commented on the three positions created at the Power Plant and the second new person hired will start next week. The third position is vacant and if the Board feels it needs to be filled, Ortiz will take guidance from the Board. Merryfield recommended filling the third position. He feels it would definitely be a benefit. Ortiz said that currently Hinton and his crew are spending time at the Power

Plant to get cross-trained. There was an issue there this week with the sewer drains and it was discovered they were filled with oil. Preventive maintenance is something that is going to be much higher at the Power Plant.

Schnell inquired about a stand-by injector and Wheeler said there should always be an engine component on the shelf.

Cederburg thanked Wheeler for attending the meeting and said his comments have been very helpful. Wheeler said he will be at the Power Plant tomorrow and can answer any other questions then.

Cederburg opened discussion on Resolution 2015-01, electric rates adjustment. Ortiz said this is not an easy decision to make; the Board has to make the decision to pass it and the City has to put this in motion and City staff gets the brunt of the criticism. Ortiz said the 13% increase was figured into every electric rate.

Cederburg said he didn't expect to talk about a 13% increase last month, but after the meeting he was confident that was what had to be done.

There being no further discussion, Robinson introduced the following resolution and moved its approval.

**RESOLUTION 2015-01**  
**RESOLUTION APPROVING ELECTRIC RATES**  
**FOR THE CITY OF KIMBALL, NEBRASKA**

WHEREAS, the City of Kimball (City), Nebraska, owns and operates an electric distribution system, which provides for the electric power needs of its citizens; and,

WHEREAS, the City must recoup sufficient revenues to pay for goods and services, maintain and upgrade its electric distribution system, and must do so by the collection of fees for electric service; and,

NOW, THEREFORE, BE IT RESOLVED BY the governing body of the City of Kimball, Nebraska, that effective as prescribed herein, the electric fees/rates for the City of Kimball, Nebraska, are hereby established as shown on the attached rate sheets:

- Residential Service
- General Service
- General Service – Rural
- Residential Service - Rural
- Irrigation Service
- General Service Demand
- Street Lighting
- Surge Protectors
- Security Lights

- General Service Demand - Rural

BE IT FURTHER RESOLVED that any ordinance or resolution passed, approved and adopted prior to the passage and approval of this Resolution in conflict with its provisions is repealed as of April 1, 2015.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be in full force from and after its passage and approval as required by law.

BE IT FURTHER RESOLVED that the provisions of this Resolution are separable, and the invalidity of any phase, clause, or part of this Resolution shall not affect the validity or effectiveness of the remainder of this resolution.

PASSED, APPROVED AND ADOPTED THIS 26<sup>TH</sup> DAY OF FEBRUARY, 2015.

/s/Chairman

ATTEST:

/s/City Clerk

Seconded by Moeser. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Merryfield, Moeser, Fossand, and Robinson. Nay: None. Absent: None. Motion passed.

Cederburg opened discussion on the recommendation to the City Council on the Combined Utilities Bond, Series 2015. Ortiz indicated it is anticipated this bond will include utility projects as well as some of the maintenance projects. The goal would be to have the ordinance for the City Council at the first meeting in April and the bond sale would happen in April. The substation project will start next month and the City will start receiving some of the bills in April with the bigger bills in May.

NDEQ has indicated that the City will be required to install a new monitoring well. Golder Associates is working on some of those specifications and the ballpark figure is \$30,000 to \$40,000 for the monitoring well. Ortiz said it would be an option to roll this into the bond as well.

Ortiz also commented that in the Capital Improvement Program, the need for green dumpsters for trash containers was listed in the Landfill's requirements. Landfill personnel have been repairing them; however, many are now beyond repair. Ortiz recommended considering adding that amount on to the bond. He recommended deferring the bond information until the next meeting so he can present the additional figures. Merryfield said he would like to see what the costs would be before he votes on it.

Robinson moved and Merryfield seconded to table the recommendation to the City Council on the Combined Utilities Bond, Series 2015 until next month. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg,

Merryfield, Moeser, Fossand, and Robinson. Nay: None. Absent: None. Motion passed.

Cederburg opened discussion on the rate study request for proposal. Ortiz said the City had rate studies done purely focusing on electric rates but has not done comprehensive studies of all utilities. Generally, enterprise funds should be self-sufficient. The proposal will require a consultant provide recommendations on financial policies as well as rates. Ortiz would like to have it determined if the rate structure is what Kimball needs. Ortiz commented on a unique aspect of the request for proposals is that it states the final rate study model shall be prepared in Microsoft Excel and be made available to Kimball for future internal use. City staff will be trained on the use of the model.

Robinson inquired about a reasonable expectation and Ortiz said the proposer should be able to create a model off of an excel spreadsheet. Ortiz added that this is probably going to be a little more costly than a traditional rate study. He also said that proposals can be rejected as well.

Ortiz said he was looking for feedback and guidance and now it is just a matter of finalizing the draft and having the City Attorney review it.

Ortiz provided an update on the bulk water agreement with ITSI. In 2012, ITSI approached the City on purchasing bulk water to clean out the old missile silo. They want to increase their activity there and their water usage. Ford said they want to put some sort of booster pump station at that location and go from two to three thousand gallons of water to as much as a million gallons a month. That company basically works in the warmer months. Ford thinks this is something the City can handle but if there is a dry month in the summer, perhaps the City cannot handle it then. Ford commented on drawing up some sort of agreement that tells them that they have to stop at some point if the City asks them to. Ford added they are pumping out of the fire hydrant by the Visitor's Center. Ortiz commented that the rules and regulations permits the City to put in water restrictions but doesn't allow the City to single out a single user and commented on a broad policy. Cederburg strongly prefers an individual contract with an individual customer.

Merryfield asked if there was any way to use the Wastewater Treatment Facility and Ortiz said that it is too far away. Ford said that with any water that is dumped into Lodgepole Creek, they are able to take that amount off of what they report.

Discussion was held on a monitoring well. Moeser inquired if the company could speak to the Board and Ortiz said he would ask them. Ortiz commented on the company's past usage history and said the usage has not been on a consistent basis.

Schnell inquired about injection into the soil. Robinson agreed that the City needs to look at a more specific agreement covering certain things and make a call to the South Platte Natural Resources District. The consensus after discussion was that the Board needs more information.

Cederburg opened discussion on an overhead system for bulk water. Ortiz said there has not been any activity on this and recommended this be tabled to June. Moeser moved and Merryfield seconded to table discussion and action on an overhead system for bulk water until the June meeting. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Merryfield, Moeser, Fossand, and Robinson. Nay: None. Absent: None. Motion passed.

Ortiz updated the Board on the substation project. The south substation project is going to start next month. With it being delayed, it pushes back the Power Plant generation date. EEC is hoping to look at a one day generation. Ortiz commented on the cross-training and said he anticipates having a better idea of the condition of the Power Plant by mid-March. He commented on bringing in additional generators and sending out notices if necessary.

Ortiz reported the utility bills now include the number of read days. He will be reviewing some of the City's policies. Last year, a payment plan was instituted and that is going to be revised with a much stricter standard.

Ortiz reported on exploring the options of budget billing to spread out through the year. The City is also exploring on-line bill pay. He said a much more comprehensive overview will be provided at a future meeting.

Ortiz reported on the joint City Council/Board of Public Works meeting. The purpose is to strategize on the equipment needs and the Capital Improvement Program. This will provide a beginning as the City starts tackling the budget process for next year. Cederburg said this will be a great source of communication.

The joint Board of Public Works/City Council meeting will be on March 19, 2015 at 6:00 p.m. The next Board of Public Works meeting is March 24, 2015 at 4:15 p.m.

There being no further business to come before the Board of Public Works, Robinson moved and Moeser seconded to adjourn the meeting at 5:30 p.m. On roll call vote, the following votes were recorded on the electronic voting board. Aye: Cederburg, Merryfield, Moeser, Fossand, and Robinson. Nay: None. Absent: None. Motion passed.

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Chairperson

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City Clerk

Board of Public Works-Utility Claims-February 26, 2015-Payroll Fund-Payroll Transfer-40,856.19; Frenchman Valley Coop -Fuel-1,209.20; GreatAmerica Financial Services-Lease Copier-365.00; JMK Trust-Payment Water Building-15,335.25; Western Nebraska Observer-Meeting Notices-128.50; Charter Communications-Internet-215.25;

Connecting Point-Copy Usage-392.60; High West Energy-Utilities-6,920.00; Kimball Insurance-Premium-104,590.58; Daniel Ortiz-Supplies-32.79; Safetyline Consultants, Inc.-Safety Training-750.00; Viaero-Cell Phone Charges-131.16; Visa-Firstier Bank-Charges- 42.93; WPCI-Screening-30.00; Payroll Fund-Payroll Transfer-41,861.45; CenturyLink-Telephone-639.44; Zacarias Alvarado-Refund-100.00; Amazon/GECRB-Supplies-29.99; City of Kimball-Transfer-12,445.90; City of Kimball-Transfer- 11,733.21; City of Kimball-Occupation Tax-14,008.10; City of Kimball-Transfer-407.95; Combined Utilities-Utilities-164.23; Credit Management Services, Inc.-Collections-53.16; Crescent Electric Supply Co.-Supplies-595.06; Croell Redi-Mix-Concrete-450.00; Croell Redi-Mix-Concrete-167.50; Culligan-Rental-32.20; Electro-Test and Maintenance, Inc.-Services-3,390.00; Enterprise Rac of Mt/Wy-Rental-251.96; Exponential Engineering, Co.-Professional Services-661.25; Fairfield Inn & Suites-Lodging-166.00; Eric Bass and Carmen Freeman-Refund-30.99; Frenchman Valley Coop-Bulk Diesel-967.11; Golder Associates-Professional Services-7,486.16; GreatAmerica Financial Services-Copier Lease-365.00; Hometown Hardware-Supplies-1,444.26; Ideal Linen Supply, Inc.-Mats-53.71; Keep Kimball Beautiful-Landfill Fee-2,558.00; Kimball Auto Parts-Parts-1,446.03; Kimball Service Center-Vehicle Maintenance-57.10; Kriz-Davis Company-Meters-481.50; LorRon Department Store-Foul Weather Gear-106.99; M.C. Schaff & Associates, Inc.-Professional Services-3,300.00; MEAN-Monthly Billing-141,430.39; Napa Auto Parts-Parts-523.68; Nienhueser Const. & Excavating Co.-Contract Labor-1,705.00; Nebraska Dept. of Health & Human Service-Continuing Education-98.00; Nebraska Public Health Enviro Lab-Water Samples-45.00; Northern Safety Co., Inc.-Supplies-76.51; Northwest Pipe Fitting, Inc. of S.B.-Supplies-482.87; One Call Concepts-Locates-8.85; Panhandle Coop-Propane-1,097.82; Panhandle Coop Association-Supplies-30.06; Perfection Door 1997-1999-Overhead Door-2,153.00; Powerplan-Loader Maintenance-2,781.72; Prestige MFG.-Dumpster Hinges-935.39; Respond First Aid Systems-Medical Supplies- 231.82; Revize LLC-Subscription-1,200.00; Buddy & Sidney Rizzuto-Refund-43.69; Robinson Electric-Repairs-1,392.40; Scottsbluff Screenprinting-Uniforms-88.00; Sensus Metering Systems-Repairs-442.58; Shopko Stores Operating Co.-Supplies-145.77; Skarshaug Testing Laboratory-Testing-66.39; Snell Services, Inc.-Heater Replacement-3,106.50; SourceGas, LLC-Gas Service-6,974.51; Star-Herald Newspaper-Advertising-933.00; State Chemical/State Industrial Product-Supplies-370.48; The Right Impression-Sign-30.00; The United States Life Insurance Company-Long Term Disability-548.43; USA Blue Book-Sensor-252.67; Wingate Inn-Lodging-179.90; Z & S Construction Co., Inc.-Dozer Rental - 1,683.50;