

**MINUTES OF THE MEETING OF THE BOARD OF PUBLIC WORKS
OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA
HELD SEPTEMBER 14, 2017**

THE BOARD OF PUBLIC WORKS (BPW) OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA, met in regular session on September 14, 2017 at the regular meeting place of the Board at the hour of 5:30 p.m. This meeting was held in open session as required by Chapter 84, Article 14 of Nebraska State Statutes.

Chairman Knipe announced that this was an open meeting and information about open meetings is posted on the north wall of the Board Room.

Chairman Knipe acknowledged that there were guests present to address the Board.

Chairman Knipe called the meeting to order. Roll call: Members present – Shaw, Buman, Knipe, Wilson and Zaruba.

Lonnie Haynes addressed the Board regarding concerns about his rental properties in town, particularly electrical inspections and where the BPW's jurisdiction begins and ends. The Board thanked Mr. Haynes for his comments.

General Manager (GM) David Hunter introduced Chad Podolak and Todd Swartz from NPPD to update the Board on Wholesale Power and Transmission Costs for 2018. NPPD is proposing to their Board no rate increase for Wholesale Power Purchases and a 5.1% increase in cost for transmission services. NPPD is dedicated to driving their wholesale power costs to less than the 25th percentile of the Cooperative Finance Corporation metric. Since NPPD currently remains outside the 25th percentile, they are not eligible this year to "bank" any performance credits as referenced in the Wholesale Contract Agreement. They retain a strong focus on process improvement and cost control which we expect will pay off in continued rate stability for their customers. Mr. Podolak outlined the NPPD's Public Utility Regulatory Policies Act (PURPA). Due to the increasing requests from developers wanting to put renewable energy on local distribution systems, rules and regulations are in place on what a utility must pay for the energy that the renewable source puts back into the distribution system. NPPD has developed a waiver that if a developer installs a renewable energy system and has it PURPA Certified, the system would transfer to NPPD. Following discussion, Member Wilson motioned to sign the NPPD PURPA Agreement. Member Zaruba seconded the motion. Roll call: those voting aye – Knipe, Wilson, Zaruba and Shaw. Chairman Knipe declared the motion carried. Member Buman abstained from voting on this issue.

BCom Solutions, Inc. representative, Kendall Comstock was on hand to present a preview of the new BPW website. Following the presentation and discussion, Member Zaruba motioned to approve the new website. Member Shaw seconded the motion. Roll call: those voting aye – Wilson, Zaruba, Shaw, Buman and Knipe. Chairman Knipe declared the motion carried.

GM Hunter introduced Garrett Klein from Olsson Assoc. who presented more detail on the Electric System and Power Plant upgrades and proposal costs. This whole project is going to require major coordination with not only our customers but also NPPD and contractors. Following lengthy discussion regarding project components, timelines and costs, Member Zaruba motioned to table this major project for another month to do more research and to better understand this project before making any decision. Member Shaw seconded the motion. Roll call: those voting aye – Zaruba, Shaw, Buman, Knipe and Wilson. Chairman Knipe declared the motion carried.

GM Hunter updated the Board regarding the Power Plant DEQ RICE Certification. Our Power Plant is due for recertification in 2018. We are required to have the catalyst retested every 5 years. Notification is due to DEQ 90 days in advance to get on the schedule for re-certification testing. Olsson, Assoc. has quoted BPW \$30,000.00 to perform the testing and coordinate with DEQ. Board approval is requested to move forward with the testing, which will not be done until after January 1, 2018, and the cost will be included in the 2018 budget. Following discussion, Member Zaruba motioned to approve this request. Member Buman seconded this request. Roll call: those voting aye – Shaw, Buman, Knipe, Wilson and Zaruba. Chairman Knipe declared the motion carried.

GM Hunter informed the Board that the 2017 Energy Fest is planned for Tuesday, October 17. This will be the 12th year for Energy Fest. Local Home School, Johnson/Brock and Auburn Schools are invited to attend. Tours of the Water Plant and Power Plant along with Electric Safety activities are scheduled. Following discussion, Member Wilson motioned to approve 2017 Energy Fest. Member Shaw seconded the motion. Roll call: those voting aye – Buman, Knipe, Wilson, Zaruba and Shaw. Chairman Knipe declared the motion carried.

GM Hunter informed the Board that the Wastewater Treatment Plant Ameritas Utility Bond payment is due October 1. This will require an additional transfer to support a payment of \$58,711.25 in interest and \$335,000.00 in principal. Following discussion, Member Zaruba motioned to approve this request. Member Buman seconded the motion. Roll call: those voting aye – Knipe, Wilson, Zaruba, Shaw and Buman. Chairman Knipe declared the motion carried.

GM Hunter presented the annual renewal of the Nebraska Rural Water Association (NeRWA) membership. Following discussion, Member Shaw motioned to approve this renewal. Member Zaruba seconded the motion. Roll call: those voting aye – Wilson, Zaruba, Shaw, Buman and Knipe. Chairman Knipe declared the motion carried.

GM Hunter presented two Electric Department CD's maturing this month and requested Board approval to renew at the best available rates. Following discussion, Member Zaruba motioned to approve this request. Member Buman seconded the motion. Roll call: those voting aye – Zaruba, Shaw, Buman, Knipe and Wilson. Chairman Knipe declared the motion carried.

Accounting and Finance Manager (AFM) Wende Bergmeier presented an October 1 newsletter for Board review and approval. Following discussion, Member Buman motioned to approve said newsletter. Member Wilson seconded the motion. Roll call: those voting aye – Zaruba, Shaw, Buman, Knipe and Wilson. Chairman Knipe declared the motion carried.

GM Hunter updated the Board on the status of the Water Recharge Permit and the correspondence received from the Nebraska Department of Natural Resources (DNR). The DNR is requesting additional information and staff is working on gathering this information. The DNR has recognized that there is connectivity between the flows in the Nemaha River and the aquifer that supply BPW wells.

At the hour of 7:37pm, Member Zaruba motioned to go into closed session to discuss IBEW Union negotiations. Member Shaw seconded the motion. Roll call: those voting aye – Shaw, Buman, Knipe, Wilson and Zaruba. Chairman Knipe declared the motion carried. At the hour of 7:55pm, Member Zaruba motioned to come out of closed session. Member Buman seconded the motion. Roll call: those voting aye – Shaw, Buman, Knipe, Wilson and Zaruba. Chairman Knipe declared the motion carried.

AFM Bergmeier presented the standard financial reports to the Board and asked for questions regarding the same. Following discussion, Member Zaruba motioned to accept the financial reports as presented. Member Shaw seconded the motion. Roll call: those voting aye – Knipe, Wilson, Zaruba, Shaw and Buman. Chairman Knipe declared the motion carried.

Chairman Knipe asked for any objections or exceptions to the General Consent Items listed under Agenda Item #16.

- a) Approve the previous meeting's minutes and dispense with the reading of the same.
- b) Approve monthly compensation of officers, management and employees as previously fixed by the Board.
- c) Approve, ratify and allow the following checks written/transfers during the month.
- d) Transfer funds from E-W-WW Revenue funds into checking for expenses, plus the routine interdepartmental transfers to T&D.
- e) Transfer of \$806,000.00 to Checking from Revenue.

Checks written during the month of August:

AFLAC	584.50
Ameritas	14,785.99
ASB	400.00
BCBS Premium	19,480.91
Black Hills Energy	382.29
Constellation Energy	1,394.79
Direct Deposit	80,280.60
Fleet Services	1,790.48
Hasler	289.31
IBEW#1536	725.58
IRS	31,558.88
Mid-American	3,081.86

NDOR W/H	4,703.54
NE Dept of Rev	36,400.31
NE Child Support	664.00
NSF Items	1,013.13
Paymentech Fee	3,351.56
Standard Life	1,780.91
Principal	766.79
Time Warner Cable	117.22
Verizon	85.54
Windstream	690.79
Xpress Bill Pay	256.60

Approve the following claims submitted for payment:

American Recycling & Sanitation	16,264.23
American Safety Utility	525.75
B 103	190.00
Baird Holm	2,747.70
BCom Solutions	1,440.00
Beard's Salvage	166.54
Black, Christopher	123.88
BPW	20,439.29
Brindley, Glenda	41.45
Bulldog Auto Supply	245.61
Capital Business Systems	268.61
Carpenter Paper	195.17
Caselle	2,410.00
Cass County Bank	82.74
City of Auburn	10,045.38
Cornhusker Intl Trucks	137.93
Coulter, Mike	30.00
County Publications	385.96
DHHS	596.00
DHHS St of NE	420.00
Diamond Communications	1,499.14
Doty, Christopher	39.03
Eggers Brothers	49.56
Farwest Line Spec	338.04
Filter Care of NE	17.75
First Bank Card	2,336.97

Glenn's Corner Mkt	252.90
Grainger	143.78
Hawkins	1,508.48
HHS-State of NE	185.10
HOA Solutions	10,786.13
Hoak, Mike	426.00
Husker Electric	377.66
KJ Whitehorse	347.17
Koch, Jason	167.66
Kriz-Davis	3,373.22
LakeTech Consulting	11,900.00
Latta, Pat	30.00
LARM	151,646.39
Lincoln Winwater	55.38
Lynch's Hardware	24.24
Mechanical Sales	4,607.33
Metering and Tech Solutions	2,125.71
Midwest Labs	512.50
Mike's Window Svcs	11.45
Municipal Pipe Svcs	39.04
Nebraska Equipment	43.43
Nebraska Rural Water	225.00
Noakes Refrigeration	943.10
Northern Safety Co	49.41
NPPD	288,165.20
Olsson Assoc	2,109.09

One Call	107.88
OPPD	11,947.06
Orscheln	50.04
Paramount Linen&Uniform	1,734.85
Petty Cash	53.84
Project Response	92.95
Robeson, Jonathan	200.00
Rohrs, Dave	30.00
Sack Lumber	286.85
Safety-Kleen Systems	389.97
Solomon Corp	5,508.18
Subsurface Solutions	679.87
T & R Electric Inc	3,282.00
The Cleaners	326.96

UPS	141.39
US Cellular	305.80
Utility Equipment	373.11
Utility Service	52,424.78
Vanderkamp, Dave	30.00
Vermeer Equip of NE	40.78
Village of Nemaha	3,954.56
Vision Care Direct	330.08
WAPA	37,344.61
Water Engineering	392.83
Wellman, Lois	30.00
Wesco Distribution	2,255.67
WRK Systems Inc	1,953.21

Following discussion, Member Shaw motioned to approve the General Consent Items as presented. Member Buman seconded the motion. Roll call: those voting aye – Wilson, Zaruba, Shaw, Buman and Knipe. Chairman Knipe declared the motion carried.

Reports: Water / Wastewater Department, Electric Department, Power Plant, Office and other.

There being no further business to come before the Board, by unanimous approval the Board adjourned to the next regular Board meeting to be held October 12, 2017 at the hour of 5:30 p.m. at the Board of Public Works Board Room. Chairman Knipe declared the meeting adjourned.

Chairman

ATTEST:

Secretary

CERTIFICATE

I, Wende S. Bergmeier, Notary Public for the State of Nebraska, do hereby certify the attached and foregoing minutes is a true, correct and conformed copy of proceedings had and done by the Board of Public Works at their September 14, 2017 meeting; all of the subjects acted upon in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the Office of the Board; such subjects were contained in the agenda for at least twenty-four hours prior to said meeting; at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; the said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body, all in accordance with Chapter 84, Article 14 of Nebraska Statutes.

Wende S. Bergmeier, Notary Public in and for the State of Nebraska.
My Commission Expires July 25, 2018.