CITY OF CRETE, NEBRASKA

CITY COUNCIL REGULAR MEETING

March 16, 2021

Notice of the meeting was given by posting and publishing in The Crete News, the appointed method for giving notice as shown by the Proof of Publication attached to the minutes. Advance notice of the meeting was also given to the Mayor and City Council. Pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, the City has posted a current copy of the Open Meetings Act, Laws of the State of Nebraska in the back of the Council Chambers. Additional copies are available to read. The City may consider items listed on the agenda in random order. All proceedings shown were taken while the meeting was open to the attendance of the public.

Those in attendance pledged allegiance to the flag.

1. Open Meeting
2. Roll Call
3. Items of Business

A. Discuss and provide a recommendation to the City Council on approving Van Kirk Bros. Change Order #1 in the amount of $56,156.50 for the Belohlavy Estates water project.

B. Discuss and provide a recommendation to the City Council on entering into a contract amendment with JEO for an additional $2,500 for bidding and negotiation services related to the Wildwood pool splashpad project.

C. Review and discuss the Electric Rate Design Study from NMPP Energy and provide a recommendation to the City Council on soliciting proposals for the construction of a new electrical substation.

4. Officers' Reports
5. Adjournment

Mayor

(SEAL)

City Clerk

I, Judi Meyer, City Clerk for the City of Crete, hereby certify that the foregoing is a true and correct copy of the proceedings had and done by the Mayor and Council. I hereby certify that a copy of the Open Meetings Act was posted in the back of the Council Chambers. I certify that all of the subjects included 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 City Clerk. I certify that such subjects were contained in said agenda for at least twenty-four hours prior to said meeting and that 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. I certify that the minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of the City Council. I certify that all news media requesting notification concerning meetings of the City Council were provided with advance notification of the time and place of said meeting and the subjects to be discussed.

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City Clerk (S E A L)

Change Order No. 1

Date of Issuance:	**January 26, 2020**	Effective Date:	**January 26, 2020**
Owner:	**City of Crete, NE**	Owner's Contract No.:	
Contractor:	**Van Kirk Bros. Contracting**	Contractor's Project No.:	
Engineer:	**JEO Consulting Group, Inc.**	Engineer's Project No.:	**160333**
Project:	**2020 Water System Improvements**	Contract Name:	**2020 Water System Improvements**

The Contract is modified as follows upon execution of this Change Order:

Description: **This change order adds the cost of installation of water services to 17 houses in the Belohlavy Estates subdivision.**

Attachments: *[List documents supporting change]*

CHANGE IN CONTRACT PRICE	**CHANGE IN CONTRACT TIMES** *[note changes in Milestones if applicable]*
Original Contract Price: $ **147,727.00**	Original Contract Times: Substantial Completion: ___ Ready for Final Payment: June, 26 2021 days or dates
[Increase] from previously approved Change Orders No. **N/A** to No. **N/A**: $ ___	[Increase] [Decrease] from previously approved Change Orders No. ___ to No. ___: Substantial Completion: ___ Ready for Final Payment: ___ days
Contract Price prior to this Change Order: $ **147,727.00**	Contract Times prior to this Change Order: Substantial Completion: ___ Ready for Final Payment: June, 26 2021 days or dates
[Increase] of this Change Order: $ 56,156.50	[Increase] [Decrease] of this Change Order: Substantial Completion: ___ Ready for Final Payment: 9 days days or dates
Contract Price incorporating this Change Order: $ 203,883.50	Contract Times with all approved Change Orders: Substantial Completion: ___ Ready for Final Payment: July 5, 2021 days or dates

RECOMMENDED:	ACCEPTED:	ACCEPTED:
By: [signature]	By: ___	By: [signature]
Engineer (if required)	Owner (Authorized Signature)	Contractor (Authorized Signature)
Title: Project Manager	Title: ___	Title: VP
Date: 03/04/2021	Date: ___	Date: 3/3/21

Approved by Funding Agency (if applicable)

By: ___ Date:

Title: ___

Change Order Estimate

JEO Project Name:	**2020 Water System Improvements**	JEO Project Number:	**160333**
Owner:	**City of Crete, NE**	Change Order Number:	**1**
Contractor:	**Van Kirk Bros. Contracting**	Effective Date:	**January 26, 2020**

Item		Change Order Information			
Bid Item No.	Description	Item Quantity	Units	Unit Price	Total Value of Item ($)
1	Mobilization	1		$2,000.00	$2,000.00
2	Bonding and Insurance	1		$1,068.00	$1,068.00
3	1" PE Water Service (SDR 11)	977		$18.50	$18,074.50
4	1" Corporation Stop	29		$273.00	$7,917.00
5	1" Curb Stop and Box	29		$630.00	$18,270.00
6	6" x 1" Saddle	4		$288.00	$1,152.00
7	12" x 1" Saddle	25		$307.00	$7,675.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
				$0.00	$0.00
		Total			**$56,156.50**

AMENDMENT TO AGREEMENT
WILDWOOD POOL
PLAY STRUCTURE
CRETE, NEBRASKA
JEO PROJECT NO. R191222.00

February 17, 2021

REFERENCE: Standard form of agreement between Owner and Engineer for professional services dated October 2, 2019. Except as noted below, all other terms and conditions remain unchanged.

AMENDMENT: To add additional bidding and negotiation services to the scope of work for rebidding the project, including providing revised plans and specifications to the potential bidders.

FEE:

Additional Bidding and Negotiations	$2,500.00

OWNER: **City of Crete, Nebraska**

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ENGINEER: **David C. Henke, Project Manager**
JEO Consulting Group, Inc.

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Crete, Nebraska

2021 Cost of Service / Rate Design Study

Preliminary 2/22/21

	For FYE September		2019	2020	2021	2022	2023	2024	2025	2026
a	Sales Growth Base Load		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
b	Operation Expense Inflation (less Power Costs)		3.0%	24.8%	-2.7%	3.0%	3.0%	3.0%	3.0%	3.0%
c	General Inflation					3.0%	3.0%	3.0%	3.0%	3.0%
d	Interest Rate on Cash Balances		0.3%	0.3%	0.7%	0.7%	0.7%	0.7%	0.7%	0.7%
e	Purchase Power Adjustments		-4.5%	3.9%	3.5%	1.5%	2.9%	2.9%	2.9%	2.9%
f	**Rate Adjustments**		0.0%	0.0%	0.0%	**2.8%**	**2.8%**	**2.8%**	**2.8%**	**2.8%**
g	**Effective date**					**Oct 1, 2021**	**Oct 1, 2022**	**Oct 1, 2023**	**Oct 1, 2024**	**Oct 1, 2025**
	For FYE September		**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
	Revenues		-0.2%	-1.2%	0.0%	2.8%	2.8%	2.8%	2.8%	2.8%
1	Retail Sales		11,392,724	11,261,618	11,261,618	11,576,943	11,901,098	12,234,328	12,576,890	12,929,043
2	Other Operating Rev		142,100	324,996	130,879	134,805	138,850	143,015	147,305	151,725
3	**Total Revenues**		**11,534,825**	**11,586,614**	**11,392,497**	**11,711,749**	**12,039,947**	**12,377,343**	**12,724,195**	**13,080,767**
4	**Expenses**									
5	Power Purchased		8,894,445	8,613,788	8,537,018	8,659,190	8,904,506	9,159,201	9,421,298	9,691,020
6	Capacity Compensation and MEAN credits		(816,554)	(350,411)	(147,624)	(147,624)	(147,624)	(147,624)	(147,624)	(147,624)
7	Production		202,818	206,510	219,598	226,186	232,972	239,961	247,159	254,574
8	Distribution		335,760	481,789	415,324	427,784	440,617	453,836	467,451	481,474
9	General		691,673	847,399	859,146	884,920	911,468	938,812	966,976	995,986
10	**Total O&M**		**9,308,142**	**9,799,076**	**9,883,462**	**10,050,456**	**10,341,939**	**10,644,185**	**10,955,261**	**11,275,430**
11	Depreciation		400,120	398,978	443,234	495,957	546,324	605,672	641,051	677,491
12	Franchise Fee		120,000	120,000	120,510	120,510	120,510	120,510	120,510	120,510
13	Surplus Cash Transfer (to General Fund)	3%	350,127	350,004	351,492	351,492	351,492	351,492	351,492	351,492
14	Interest Income on invest.		(15,234)	(19,277)	(41,718)	(52,416)	(41,360)	(40,510)	(39,704)	(38,907)
15	**Total Electric Expense**		**10,163,155**	**10,648,781**	**10,756,980**	**10,965,999**	**11,318,904**	**11,681,349**	**12,028,610**	**12,386,016**
16	**Net Operating Income**		**1,371,670**	**937,833**	**635,517**	**745,749**	**721,043**	**695,994**	**695,585**	**694,751**
17	**Net Income Target % of UPIS**	**8%**	**416,241**	**434,841**	**558,742**	**719,066**	**757,760**	**794,178**	**830,312**	**866,154**
18	**Net Income Actual % of UPIS**		**26.4%**	**17.3%**	**9.1%**	**8.3%**	**7.6%**	**7.0%**	**6.7%**	**6.4%**
19	**Debt Coverage Ratio**		**12.7**	**9.7**	**4.9**	**3.5**	**3.5**	**3.6**	**3.7**	**3.8**
20	COS Revenue Requirement		**10,437,295**	**10,758,626**	**11,184,843**					
21	**Other Revenues & (Expenses)**									
22	Interest on existing LT Debt	neg	(24,758)	(22,236)	(20,178)	(17,808)	(15,141)	(12,204)	(9,015)	(5,603)
23	Interest on new LT Debt				(81,000)	(76,645)	(72,159)	(67,539)	(62,780)	(57,878)
24	**Total Profit / Loss**		**1,346,912**	**915,597**	**534,340**	**651,297**	**633,742**	**616,252**	**623,790**	**631,271**
25			**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
26	Net Utility Plant in Service (UPIS)		5,203,010	5,435,513	6,984,279	8,988,322	9,471,998	9,927,226	10,378,902	10,826,920
27	Historic Utility Plant in Service (OCUP)		14,723,548	15,354,752	17,346,752	19,846,752	20,876,752	21,937,652	23,030,379	24,155,887
28	Net UPIS/ OCUP		35%	35%	40%	45%	45%	45%	45%	45%
29			**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
30	**Cash Inflows**									
31	Net Income		1,346,912	915,597	534,340	651,297	633,742	616,252	623,790	631,271
32	New Borrowed Funds				2,700,000					
33	Depreciation Expense		400,120	398,978	443,234	495,957	546,324	605,672	641,051	677,491
34	Cash Inflows		1,747,032	1,314,575	3,677,574	1,147,254	1,180,066	1,221,924	1,264,841	1,308,762
35	Capital Improvements & CWIP		128,930	663,372	1,992,000	2,500,000	1,030,000	1,060,900	1,092,727	1,125,509
36	Principal on Existing Debt		115,000	115,000	120,000	120,000	125,000	125,000	130,000	130,000
37	Principal on New Debt					145,170	149,525	154,011	158,631	163,390
38	Cash Outflows		243,930	778,372	2,112,000	2,765,170	1,304,525	1,339,911	1,381,358	1,418,899
39	Change in Cash		**1,503,102**	**536,203**	**1,565,574**	**(1,617,916)**	**(124,459)**	**(117,987)**	**(116,517)**	**(110,137)**
40	**Cash Balance**		**5,736,587**	**6,104,916**	**7,670,490**	**6,052,574**	**5,928,115**	**5,810,129**	**5,693,611**	**5,583,474**
41	**Minimum Cash Balance Target**		**3,303,797**	**3,533,791**	**3,704,963**	**4,096,883**	**4,051,662**	**4,154,748**	**4,265,704**	**4,374,651**

	Minimum Cash Reserve Policy	Basis		2020
1	O&M Expenses	9,799,076	25%	2,449,769
2	Historic Utility Plant in Service (OCUP)	15,354,752	1%	153,548
3	Deposits	229,339	100%	229,339
4	Debt Service	137,236	100%	137,236
5	Current Year Capital Improvements less Borrowings	663,372	10%	66,337
6	Five Year Capital Improvements less Borrowings	4,975,627	10%	497,563
	Minimum Reserve Target			**3,533,791**