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APR 11 2014

PUBLIC SERVICE
COMMISSION

Via Hand Delivery

April 11, 2014

Mr. Jeff Derouen, Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602

Re: Case No. 2014-00134

Dear Mr. Derouen:

Please find enclosed the original and ten (10) copies of KENTUCKY INDUSTRIAL UTILITY CUSTOMERS, INC.'s RESPONSE IN OPPOSITION TO PETITION FOR CONFIDENTIAL TREATMENT OF BIG RIVERS ELECTRIC CORPORATION for filing in the above-referenced matter. I also enclose the CONFIDENTIAL pages to be filed under seal.

The information filed under seal is information that Big Rivers sought confidential treatment through a Petition for Confidential Treatment dated April 4, 2014. KIUC redacted this information in order to protect Big River's interests in keeping this information confidential.

By copy of this letter, all parties listed on the Certificate of Service have been served. Please place these documents of file.

Very Truly Yours,



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

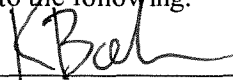
BOEHM, KURTZ & LOWRY

MLKkew
Attachment

cc: Certificate of Service
Quang Nyugen, Esq.
Richard Raff, Esq.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served by electronic mail (when available) and by regular, U.S. mail, unless other noted, this 11th day of April, 2014 to the following:



Michael L. Kurtz, Esq.

Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

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Henderson, Kentucky 42420

Attachment 1

NEWS & EVENTS
Local News
Community Events
Local Sports
Local Sports Events
Obituaries
Announcements & Cancellations
Texaco Country Showdown
Quiz Bowl
2013 Turkey Shoot Contest
COMMUNITY
Business Directory
Restaurants
Newsletter
Road Conditions
OBSERVATIONS
Birthdays
Anniversaries
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Our History
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Big Rivers Electric Corporation Extends Energy Offer To City Council

Posted: 20 November, 2013

WAYNE (KTCH/KCTY) - Lindsay Barron of Big Rivers Electric Corporation in Henderson, Kentucky spoke at the Wayne City Council meeting Tuesday night to present Big Rivers' proposal of public power services to the City of Wayne..

The city is in the process of re-evaluating its contract with its current power supplier, Nebraska Public Power District (NPPD), after being asked by NPPD to sign a new 20-year contract by Dec. 31, 2013. The city's current 20-year wholesale power total purchase contract with the NPPD contains a reduction option that allows the City of Wayne to give NPPD official notice to reduce purchases from them after a 3-year wait and begin buying power from another supplier. However, the contract contains unclear terms for this reduction.

Attorneys for Wayne and NPPD have been in contact with NPPD to clarify the conflicting language in the contract, but NPPD has declined to clarify at this time. This gives the City of Wayne the possible option to reduce purchases from NPPD by 30% beginning January 2017 and by 10% each following year, or to give notice to reduce 90% beginning January 2019.

Big Rivers offers a discount from the City of Wayne's current rate, paying 90% of what NPPD's current rate is in 2020, Barron said. Big Rivers also offers a 10-year term, presenting more opportunities to adjust or re-evaluate, as opposed to a 20-year term.

In the event that the city wants to purchase renewable energy, Barron said, the City of Wayne will have the right to take 15% of its annual energy as renewable in substitute of Big Rivers' energy. Big Rivers will purchase the available capacity rights from any owned generation at a rate of \$1.50/kW-month for qualifying capacity credits as defined by the Southwest Power Pool Electric Energy Network (SPP).

Todd Hegwer, an energy consultant for the City of Wayne and other local communities, recommended to the council to give NPPD notice to Limit and Reduce, due to the potential savings. The notice must be delivered prior to Dec. 31, 2013. Hegwer said his recommendation is to finalize the Big Rivers Electric Corporation contract and come back for approval in December.

The developing consensus is to go with an offer from Big Rivers that guarantees a rate for 10 years, beginning in 2017 that will be 10% below NPPD's rate. Other options include: 1) Giving the required notice to reduce to NPPD and begin buying open market energy only as the city reduces in the years after 2017 or 2019; or 2) Riding out the current NPPD contract until 2022, then buying only through the Municipal Energy Agency of Nebraska (MEAN) as Neligh does, or on the market by using the value of the city power plant to avoid paying demand charges to any generator.

Decisions on accepting the offer from Big Rivers or pursuing alternative options will be made next month.

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Attachment 2

**MINUTES
CITY COUNCIL MEETING
January 7, 2014**

The Wayne City Council met in regular session at City Hall on Tuesday, January 7, 2014, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Cale Giese, Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Matt Eischeid, and Jill Brodersen; City Attorney Amy Miller; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmember Kaki Ley.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on December 26, 2013, and a copy of the meeting notice and agenda were simultaneously given to the Mayor and all members of the City Council. All proceedings hereafter shown were taken while the Council convened in open session.

Councilmember Sievers made a motion, which was seconded by Councilmember Eischeid, whereas, the Clerk has prepared copies of the Minutes of the meeting of December 17, 2013, and that each Councilmember has had an opportunity to read and study the same, and that the reading of the Minutes be waived and declared approved. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

CORRECTIONS TO CLAIMS LIST OF SEPTEMBER 24, 2013: MILO MEYER, SE, \$270.00

VARIOUS FUNDS: AMAZON.COM, SU, 288.82; AMERICAN BROADBAND, SE, 2427.46; AMERITAS, SE, 2513.67; APPEARA, SE, 151.16; ARNIE'S FORD-MERCURY, SE, 617.29; AS CENTRAL SERVICES, SE, 448.00; BANK FIRST, SE, 120.00; BLACK HILLS ENERGY, SE, 1456.55; CITY EMPLOYEE, RE, 386.24;

BOMGAARS, SU, 108.07; BROWN SUPPLY, SU, 1576.66; CITY EMPLOYEE, RE, 57.50; CENTURION TECHNOLOGIES, SE, 57.33; CENTURYLINK, SE, 313.71; CHILD SUPPORT, RE, 100.00; CITY OF WAYNE, RE, 150.00; CITY OF WAYNE, PY, 60158.65; CITY OF WAYNE, RE, 800.00; CITY OF WAYNE, FE, 140.00; CLAUSSEN, HEATHER, SE, 80.00; CLEAN TO A T, SE, 1300.00; COMMUNITY HEALTH, RE, 4.00; CITY EMPLOYEE, RE, 352.51; DE LAGE LANDEN FINANCIAL, SE, 77.00; DEARBORN NATIONAL LIFE, SE, 103.20; DEMCO, SU, 511.26; DENNIS SPANGLER, RE, 500.00; DIGITAL ALLY, SU, 190.00; ED. M FELD EQUIPMENT, SU, 589.89; FIRST CONCORD GROUP, SE, 3,004.66; FLOOR MAINTENANCE, SU, 311.07; FREDRICKSON OIL, SE, 14.00; CITY EMPLOYEE, RE, 1115.91; GENO'S STEAKHOUSE, SE, 3905.94; GLEN'S AUTO BODY, SU, 117.05; GOVERNMENTAL ACCOUNTING, SU, 225.00; GROSSENBURG IMPLEMENT, SU, 5.36; HILLYARD/SIOUX FALLS, SU, 377.54; HOEMAN, TODD, RE, 83.81; HOLIDAY LIGHT & TRIM, SU, 150.00; HOMETOWN LEASING, SE, 73.51; HUBER TECHNOLOGY, SU, 235.00; ICMA, SE, 6375.23; IRS, TX, 22530.84; JEO CONSULTING GROUP, SE, 1514.00; JOSH PICKINPAUGH, RE, 500.00; CITY EMPLOYEE, RE, 332.74; MERCY MEDICAL CLINIC, SE, 178.00; MILO MEYER CONSTRUCTION, SE, 270.00; NE DEPT OF REVENUE, TX, 3186.11; NE HARVESTORE, SU, 807.21; NE PUBLIC HEALTH, SE, 1582.00; NE SAFETY COUNCIL, SE, 128.08; NNPPD, SE, 4657.00; NWOD, FE, 10.00; ONE CALL CONCEPTS, SE, 29.75; PAUL VELDKAMP, RE, 292.62; CITY EMPLOYEE, RE, 265.37; PITNEY BOWES, SU, 648.00; CITY EMPLOYEE, RE, 3988.08; QUALITY FOODS, RE, 5080.00; QUILL, SU, 390.41; RONALD GENTRUP, RE, 500.00; SEBADE CONSTRUCTION, RE, 500.00; SKARSHAUG TESTING LAB, SE, 138.47; STATE NEBRASKA BANK, RE, 438.21; CITY EMPLOYEE, RE, 167.36; UNIVERSITY OF NE-LINCOLN, FE, 140.00; VERIZON, SE, 380.97; VESSCO, SU, 516.20; VIAERO, SE, 245.26; WAYNE AIRPORT, RE, 820100.52; WAED, RE, 296.00; WESCO, SU, 143.78; APPEARA, SE, 31.31; ASCAP, FE, 330.00; BOMGAARS, SU, 1000.00; CITY EMPLOYEE, RE, 35.57; BROWN SUPPLY, SU, 731.00; CITY EMPLOYEE, RE, 74.45; CHARTWELLS, SE, 5618.92; CITY OF WAYNE, RE, 100.00; CITY OF WAYNE, RE, 1821.17; CITY EMPLOYEE, RE, 375.71; COPY WRITE PUBLISHING, SU, 402.44; DAVE'S DRY CLEANING, SE, 84.00; EASYPERMIT POSTAGE, SU, 740.84; ECHO GROUP, SU, 45.44; CITY EMPLOYEE, RE, 539.59; ED. M FELD EQUIPMENT, SU, 69.95; FLOOR MAINTENANCE, SU, 146.20; FREDRICKSON OIL, SE, 84.77; GEMPLER'S, SE, 39.00; GILL HAULING, SE, 155.00; GROSSENBURG IMPLEMENT, SU, 625.51; CITY EMPLOYEE, RE, 297.80; HANSEN, THOMAS, SE, 3490.00; HARDING & SHULTZ, SE, 109.00; HEIKES AUTOMOTIVE, SE, 69.23; IPMA, SE, 185.00; JOHN'S WELDING AND TOOL, SU, 10.40; KEPSCO, SU, 8.96; KRIZ-DAVIS, SU, 11306.31; KTCH, SE, 648.60; LEAGUE OF NEBRASKA, FE, 300.00; MAEDC, FE, 125.00; CITY EMPLOYEE, RE, 66.53; MERCY MEDICAL CLINIC, SE, 30.00; MIDWEST LABORATORIES, SE, 583.50; MIDWEST SERVICE & SALES, SU, 137.73; MIKE TOWNE, SE, 1000.00; MURPHY TRACTOR & EQUIPMENT, SU, 180.34; NE NEB INS AGENCY, SE, 223.00; PAC N SAVE, SU, 39.94; PIEPER & MILLER, SE, 9244.00; PLUNKETT'S PEST CONTROL, SE, 43.26; POSTMASTER, SU, 130.00; CITY EMPLOYEE, RE, 3130.39; QUILL, SU, 57.48; S & S WILLERS, SU, 1321.64;

SEBADE CONSTRUCTION, RE, 40000.00; SHOPKO, SU, 92.11; SMOOTHWALL, SU, 5150.00; SOLOMON CORP, SU, 3408.00; STATE NEBRASKA BANK, RE, 101.77; STEFFEN, SU, 106.50; CITY EMPLOYEE, RE, 78.56; TYLER TECHNOLOGIES, SE, 1435.83; US BANK, SU, 3083.93; WAYNE COUNTY CLERK, SE, 86.00; WAYNE COUNTY TREASURER, FE, 933.50; WAYNE GROCERY, SU, 16.29; WAYNE HERALD, SE, 187.50; WAYNE VETERINARY CLINIC, SE, 112.00; WAPA, SE, 35302.82; ZACH OIL COMPANY, SU, 4035.00

Councilmember Sievers made a motion, which was seconded by Councilmember Muir, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Mayor Chamberlain advised the public that a copy of the Open Meetings Act was located on the south wall of the Council Chambers and was available for public inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Wes Blecke, Director of Wayne Area Economic Development, was present and advised the Council that the LB840 Sales Tax Advisory Committee met and is recommending approval of a request by WAED for a \$5,000 grant to help cover the costs associated with administering the LB840 Fund for the City of Wayne (community marketing/administration).

Councilmember Brodersen made a motion, which was seconded by Councilmember Muir, approving the recommendation of the LB840 Sales Tax Advisory Committee to approve a grant in the amount of \$5,000 to Wayne Area Economic Development to be used to help cover the costs associated with administering the LB840

Fund for the City of Wayne (community marketing/administration). Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

In addition, Mr. Blecke advised the Council that the LB840 Sales Tax Advisory Committee is also recommending approval of a request by Rod L. Lutt and Christine E. Cook-Lutt, d/b/a "Lutt Oil and Service" for a low interest loan in the amount of \$50,000 to be used towards the purchase of Zach Oil (property and business). The terms of the loan requested and recommended include up to 10 years at 3% interest.

Rod Lutt was present to answer questions.

Councilmember Brodersen made a motion, which was seconded by Councilmember Sievers, approving the recommendation of the LB840 Sales Tax Advisory Committee to approve a low interest loan in the amount of \$50,000 to Rod L. Lutt and Christine E. Cook-Lutt, d/b/a "Lutt Oil and Service", with the terms being 10 years at 3% interest. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

At the December 17th Council meeting, the Council approved a motion to award a contract to Big Rivers Electric Corporation to supply wholesale electric power at a 10% discount from the Nebraska Public Power District (NPPD) blended rate to Wayne from January 1, 2019, to December 31, 2026, if it was approved by the City Council before December 31, 2013. After that date, the Big Rivers' 10% discount was based on the NPPD Generation Station Rate, which historically has been approximately 3% higher. Todd Hegwer, our RFP negotiator, stated that the total discount for Wayne would be 13%

if the Council approved the Big Rivers' contract at the December 17th Council meeting and only 10% if approved after that date.

City Attorney Miller has determined that the actual total discount would mathematically be 12.75% instead of 13% if the spread between NPPD rates is exactly 3%. Using the 13-year projected electric rates presented to the Council, the .25% mathematical difference would mean about \$300,000 less savings over the life of the Wayne-Big Rivers' contract. The actual difference between the NPPD Blend Rate and Generation Station Rate is set by NPPD rate calculations and not guaranteed to be 3%. We would be saving ten percent off of a rate that could be up to 3% lower.

The concern by the City Attorney was that this information was not presented clearly to the Council at the meeting and may have made a material difference in the Councilmembers' deliberation and vote on the contract. If the Councilmembers determine the corrected information would have made a material difference to their votes and they want to have a second vote, a motion to reconsider can only be made by a Councilmember who voted on the prevailing side at the December 17th Council meeting. If there is a re-vote, and the contract is not approved, then the Council would be back to the options of:

- 1) Approving the Big Rivers' contract at a later date at a lower discount;
- 2) Advertising for bids again next year; or
- 3) Going to the market later and hedging prices like Neligh.

Mark Shults, General Manager of Northeast Nebraska Public Power District (NNPPD), was present to further clarify the matter. The City of Wayne will have a guaranteed 10% off NPPD's blended rate to the City, plus whatever additional percentage there continues to be between Northeast Nebraska Public Power District's rate

(generation) and the City's rate. NPPD discounts NNPPD's rate because they let them have the benefit of their WAPA, so the more benefit WAPA power is, the greater that spread gets. There is a limit to how much WAPA power there is available from the dams, so if there is plenty of water, there is cheaper power and theoretically that spread could increase. He also advised the Council that the contract with Big Rivers has one protection after another (guarantees, options and outs) if anything would come up. The contract provides the City guaranteed savings over NPPD and all sorts of options to craft your own future which you don't have today. This is a legitimate undertaking – you are voting with other people's money.

Councilmember Eischeid opined he thought the Council made the right decision approving the Big Rivers' contract at the last meeting.

Attorney Miller also advised the Council that in the event NPPD terminates the lease capacity agreement with the City, Big Rivers is going to pay the City of Wayne \$1.5 KW, which is not as much as what NPPD was paying the City, and they will never ask the City to run its generation plant. She again reiterated that the savings is 10% of a base that could be 3% lower.

After further discussion, no action was taken on the matter, and the contract with Big Rivers Electric Corporation that was approved at the December 17, 2013, meeting stood as approved.

Joel Hansen, Street Superintendent, stated the following Ordinance would vacate East 12th Street lying between the west line of the north-south alley between Windom Street, extended north, and Walnut Street and the west line of Walnut Street, with

Attachment 3

**AGENDA
CITY COUNCIL MEETING
December 17, 2013**

1. Approval of Minutes – December 3, 2013

2. Approval of Claims

Anyone desiring to view the Open Meetings Act may do so. The document is available for public inspection and is located on the south wall of the City Council Chambers.

The City Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

3. Introduction of new Police Sergeant Jason Sears

**4. Presentation of the 2013 Advocacy Award given out by the Nebraska Library Association
PLTS section to Charlene Rasmussen — Lauran Lofgren,
Library Director**

**5. Action to give notice to Nebraska Public Power District on Intent to Reduce
Contract Power Purchase**

Background:

- 1. Summer 2002: NPPD signed new 20-year total use contracts with 165 wholesale customers. All contracts contain the option to reduce or level off purchases from NPPD after 2010.**
- 2. Sometime in 2012: NPPD joins the 7 state Southwest Power Pool (SPP) Regional Transmission Organization. All generation plants in the RTO can bid their power into this big unrestricted transmission system and sell to anyone else in the 7 state system. Wayne can now buy power from any generation plant in the 7 state area. In this group, NPPD still owns its transmission system, but it has relinquished control to SPP. Because it lost contracts with Lincoln Electric and MidAmerica Energy, NPPD has about 20% excess generation capacity. NPPD has a large nuclear plant and two large coal plants that are “must run” plants. These plants have to run all the time or not at all and can’t be ramped up and down to match NPPD’s contract customer load. Beginning in 2014, NPPD will have to bid all their power produced into the SPP at the market price and buy back only the amount they need to serve their customers. If the SPP market price is lower than NPPD production cost, as it has been for the last five years, the loss to NPPD is charged back to contract customers through higher rates. The market prices are projected to stay lower than NPPD costs for another 5 years. NPPD wholesale power rates have increased about 68% in the first half of our current contract.**
- 3. October 2012: Pat Pope said they’ll need all wholesale customers to sign new contracts in 2013 to cover the bond market’s need to secure \$1-2 billion in additional loans for power plant upgrades and transmission lines.**

4. **October 2012:** Wayne and Central City drafted an interlocal agreement for cities to organize the Municipal Energy Interests Group (MEIG) to jointly perform our fiduciary duty to do the due diligence for the new NPPD contract. MEIG's role would be to solicit Requests for Proposals from the regional market for optional power and retain a rate consultant to compare them to the NPPD contract.
5. **February 2013:** Pat Pope proposes a deadline of December, 2013, to sign new 25-year contracts.
6. **March 2013:** NPPD began discussions at meetings with wholesale customers about the terms of a new contract. No terms are agreed on. MEIG declines to begin any due diligence search of the market for comparison contracts.
7. **July 2013:** Northeast Nebraska Public Power District, Wayne, Wakefield, Emerson and South Sioux City organize our own group to begin our due diligence by publicly issuing RFP's for contracts to supply power to our five member group.
8. **July 2013:** NPPD establishes a special 25 person customer committee to negotiate terms for a new 20-year contract. I'm on that committee.
9. **August 2013:** Our northeast RFP group received 20 proposals in response to our RFP. We found there are many good options out there and select and interview 5 utilities regarding their proposals. Three were close in their rates and terms. We selected Big Rivers as the low cost proposal.
10. **September 2013:** NPPD gave up on the December, 2013, deadline for customers to sign new contracts. It wasn't announced -- we learned by word of mouth. NPPD is continuing the regular negotiation meetings of the special 25 person customer contract committee, but no terms have been able to be agreed on after months of meetings.
11. Our northeast RFP group has a deadline of December 31st to accept the Big Rivers' proposal for a 10-year contract to provide power at a rate 13% under whatever the NPPD rate is for the next 10 years. Todd Hegwer, our RFP group consultant, calculates the savings for Wayne in that contract to be \$6 million over 10 years. After December 31st, the Big Rivers' discount drops to 10%. Our City of Wayne rate consultant confirms that is a reasonable calculation of the savings.
12. In order to accept the Big Rivers' contract, we have to give the required five year notice in our current NPPD contract to reduce our purchases down to 10% beginning in 2019. We will continue to be an NPPD contract customer at 10% of our contract level until 2022. We will always be an NPPD transmission customer, regardless of where we buy power because NPPD still owns the power lines. NPPD will still carry the same amount of power to the same customers at the same SPP rate no matter where we buy our power. A copy of the Notice to Reduce has been prepared by our city attorney and is included in this packet.

Recommendation: The recommendation of Gene Hansen, Superintendent of Electric Production, Lowell Johnson, City Administrator, Todd Hegwer, RFP group rate consultant, and Mike Towne, City of Wayne rate consultant, is to give 5 years notice before December 31, 2013, to NPPD of our intent to reduce to 10% beginning in 2019.

6. Action to approve a Five-Year Notice to Nebraska Public Power District to Terminate the City of Wayne's Capacity Lease Agreement Effective December 31, 2018

Background: Along with our 20-year NPPD Power Purchase Contract, Wayne has a simultaneous 20-year Capacity Lease Agreement that leases the Wayne power plant to NPPD. As long as we purchase all of our power from NPPD (except for the power we get from the Missouri River Dams through Western Area Power Administration), NPPD agrees to pay us \$640,000 per year and provides the fuel to run the plant. If we give notice to reduce our purchases beginning in 2019, we also have to give notice to terminate our Capacity Lease Agreement. We have to give this notice to terminate before we can contract for power from Big Rivers or choose to buy power on the market against the unrestricted capacity of our own power plant.

Recommendation: The recommendation of Gene Hansen, Superintendent of Electric Production, Lowell Johnson, City Administrator, Todd Hegwer, RFP group rate consultant, and Mike Towne, City of Wayne rate consultant is to give 5 years notice before December 31, 2013, to NPPD to terminate the Capacity Lease Agreement.

7. Resolution 2013-126: Accepting an Offer to Purchase Bulk Power to be delivered from Generating Plants Controlled by the Mid-Continent Independent System Operator (MISO). The new purchase agreement will supplement the District's existing bulk power purchases from NPPD through 2021 and then provide power to meet all of the District's needs through 2027. The competitive offer from the MISO supplier was the result of the District's competitive bid process and complies with the District's existing contract with NPPD.

Background: This is the Big Rivers' Contract to supply power to Wayne for ten years. Action to approve this would authorize the Mayor to execute, before December 31st, the ten-year contract to provide power to us at a rate 13% below the NPPD rate for ten years. Todd Hegwer, our RFP group consultant, calculates the savings for Wayne in this contract to be \$6 million over 10 years. The second primary benefit to Wayne and our northeast RFP group is that it provides a short-term, smooth transition out of the NPPD contract under the allowed terms of the NPPD contract into a position that allows the council, in ten years, to find the best market options at that time.

An alternative to the Big Rivers' Contract is to do as Neligh and other towns do – buy energy only from the seven state SPP market. We would use our power plant for emergency back up instead of paying the demand charge every month to NPPD. Our City of Wayne rate consultant Mike Towne has prepared the excel spreadsheet titled “Energy Only Option” projecting the savings from this option. The spreadsheet is in the packet. In our current contract, Wayne pays NPPD about \$1.3 million/year in production demand charges. That is about 1/3 of our NPPD bill that would go away. The estimated net savings to Wayne is shown to be about \$702,963 beginning in 2019 and increasing each year for ten years. Mike Towne projects the savings from this option to be about \$12 million over ten years if the current market price of \$.045/kWh escalates by 4% per year for 10 years. No one can know what the market will do. Mike calculates this to be the best option unless the annual market price increases are over 7% each year for 10 years. 7% is the break even point between the two options, but still provides a \$5 million savings over the NPPD rate.

Signing a 20-year contract with NPPD locks Wayne into subsidizing NPPD losses and out of the new lower cost natural gas, wind and renewable generation market opportunities that are already becoming available in the 7 state SPP. Pat Pope and Traci Bender, NPPD CFO, both are saying that in order to opt out of the next NPPD 20-year contract or choose to not renew at the end of that contract, we would have to be charged a prorated share of the remaining unpaid NPPD debt at the time. NPPD has \$2 billion borrowed now, is over capacity and plans to borrow another \$1-2 billion. Our share of the NPPD debt could be \$10 million, which would make us a captive NPPD customer, because in 20 years, NPPD will be borrowing a couple of billion more to build a new power plant to replace Cooper.

Recommendation: This is one of those times when there are two good options, and the decision is a matter of risk tolerance. We have retained two rate consultants to argue the options. The Big Rivers' contract provides half the savings, but less market risk. The "buy energy-only" option projects twice the savings, but has more market risk.

- **Big Rivers:** The recommendation of rate consultant Todd Hegwer is to accept the Big Rivers' contract and execute it before December 31, 2013. His written recommendation and spreadsheets are included in this packet. His focus is to give up some savings in return for pricing stability and protection for the Wayne utility and our retail customers. The preference of Gene Hansen, Superintendent of Electric Production, is to accept the Big Rivers' contract as a prudent way to save significant, albeit not all, of the projected savings possible.
- **Buy Energy-only against our power plant capacity:** The recommendation of Mike Towne is to stay in the market, hedge summer price spikes and not run the power plant except for outages. His written recommendation and spreadsheet is included in this packet. Mike Towne and I don't think the market will increase by 7%/year in this 10-year period because of all the new natural gas and wind generation that is being built in MISO, the RTO to the east, and SPP and accessible to us. When the wind blows, wind turbine power gets precedence over the transmission system because the wind blows only about 40% of the time. That means the more wind generation that gets built, the more times wind generation runs into excess coal and nuclear generation and temporarily ruins the market value of the power from "must run" plants that can't shut down but have no where to go with the power. Because of excess power transmission jam ups, it has already occurred that during low demand times of the night in spring or fall, the market value of the energy in certain areas plummeted to zero or negative and NPPD and others had to pay someone to take the power for a few hours. Those losses get charged directly to NPPD contract customer rates. The unpredictable element in the market is potentially expensive new EPA air quality requirements for coal generation plants. My preference is to not lock into a contract that leaves half of the savings on the table.

Both consultants are experienced and well regarded for their work. The final policy decision regarding risk versus savings will be decided by the elected officials. Neither consultant, nor any city staff, will recommend a 20-year contract with NPPD locking Wayne out of the coming new SPP market and renewable fuel opportunities.

8. Update on the Street Sweeper Specifications that is being Advertised for Bids

Background: In an earlier email to you, I described the pricing opportunity that we have discovered if we buy the 3 wheel sweeper that we are specifying in the bid proposal before December 31, 2013. New EPA emission requirements must be on all sweepers sold beginning January 1st, raising the prices by about 10%. We have budgeted \$165,000 to buy a replacement sweeper this fiscal year and are advertising for bids at this time. Todd Hoeman and Lowell Heggemeyer will present the specs for the sweeper we want and answer any questions you may have. Bid opening is December 27th. If we get a bid for a sweeper that meets our specs and is within the budget for that amount, we wish to accept the low bid and sign a purchase agreement to buy it before December 31st and have the Council approve the purchase claim at the January 7th Council meeting.

9. Public Hearing: Application of Gander Foods, LLC, d/b/a “Godfather’s Pizza” for a Retail Class CK Liquor License (Advertised Time: 5:30 p.m.)
10. Resolution 2013-131: Approving Application of Gander Foods, LLC, d/b/a “Godfather’s Pizza” for a Retail Class CK Liquor License
11. Resolution 2013-123: Making Findings and Declaring Portions of the City of Wayne to be Blighted and Substandard Pursuant to the Nebraska Community Development Act — North Central Redevelopment Area

Background: The blight determination study and proposed map were heard at an earlier City Council public hearing and several requests for changes were received from Councilmembers. A redraft of the map is in the packet that includes the changes requested. Northeast Nebraska Economic Development District made the changes, and the cost of the work is still under the contract price for the work.

Recommendation: Northeast Nebraska Economic Development District and Wayne city staff recommended the original map, and the final version is the prerogative of the elected officials.

12. Ordinance 2013-51: Amending Chapter 90 Zoning, Division 4 PUD Planned Unit Development, Section 90-641 Intent (Third and Final Reading)
13. Resolution 2013-132: Directing City Clerk to Certify Razing Costs to the Wayne County Clerk and Wayne County Treasurer to become a Lien on Tax Lot 22 (50x100 ft. tract) in the Northwest Quarter of the Southwest Quarter of Section 18, Township 26 North, Range 4, East of the 6th P.M., more commonly described as 111 Fairgrounds Avenue

Background: This represents additional costs incurred by the City to raze the building and clear the lot as part of the Property Maintenance Code enforcement action.

Recommendation: The recommendation of Lowell Johnson, City Administrator, is to approve the Resolution to secure the public interest in the property.

14. Action to Approve Demand Letter to Property Owner of 111 Fairgrounds Avenue and Clarification of Repayment Timeframe
15. Resolution 2013-133: Authorizing the Sale of Real Estate to the County of Wayne, Nebraska

Background: The original purchase agreement will be approved with an additional provision to allow the Wayne Police Department exclusive use of the storage building for containment of evidence cars for 12 months from the date of closing at no cost to the city. During that time, the unheated storage building for the water/wastewater plant will be built on site. That building will provide a new location for exclusive use for Police Department evidence car storage.

Recommendation: The recommendation of Lowell Johnson, City Administrator, and Garry Poutre, Superintendent of Public Works & Utilities, is to approve the purchase agreement with the change.

16. Ordinance 2013-53: Directing the Sale of Real Estate to the County of Wayne, Nebraska
17. Resolution 2013-134: Accepting Proposal and Awarding Contract to Advanced Gaming Technologies to Operate Keno-Type Lottery within the City of Wayne

Background: After Requests for Proposals were mailed out to ten vendors, two were received back. After reviewing both proposals, one of which did not meet the specifications of the RFP, staff recommendation is to award the contract to Advanced Gaming Technologies. The City's percentage will be 10% of the gross proceeds while the keno game is being operated at separate random generated locations (satellite locations) and then being reduced to 8% when the live ball draw is open (when Ken Jorgensen's restaurant opens). John Hassett will be at the meeting to answer any questions you may have. He will also be sending over a contract for the City Attorney's office to review prior to the meeting.

A copy of the submitted specifications are included in this packet.

Recommendation: Staff recommendation is to award this contract to Advanced Gaming Technologies.

18. Action to Approve an Extension Request for Community Development Block Grant #13-CIS-006 (Comprehensive Investment & Stabilization Needs Assessment) to March 31, 2014

Background: The 2010 US Census designated the southeast quadrant of Wayne as eligible for grant funding assistance for public improvements such as water and sewer main replacement. In order to submit the application for funding, a "Needs Assessment" of the area must be completed and a public hearing held to see if the residents desire to have selected work done there. The deadline for submittal is December 31st, and we simply didn't get to the "Needs Assessment" while we were

responding to the tornado damage, follow-up time with FEMA documentation and reporting, and insurance claims.

Recommendation: The recommendation of Nancy Braden, Finance Director, and Lowell Johnson, City Administrator, is to approve the request for an extension of time to complete the “Needs Assessment” and hold the public hearing.

19. Presentation by BJ Woehler on a Proposed Project in the Industrial Drive East Area and a Request for a Sense of the Council about the Project and Obtaining Tax Increment Financing for the Same
20. Ordinance 2013-50: Annexing Certain Real Estate to the City of Wayne and Extending the Corporate Limits in the Northeast Quadrant of the City of Wayne to Include said Real Estate (Third and Final Reading)

Background: Because Pacific Coast has announced that they will not be rebuilding in Wayne, Mayor Chamberlain has asked that this Ordinance and the following Resolution be placed back on the agenda for approval so that incentives such as tax increment financing, etc., can be provided to any new businesses wanting to purchase the property.

21. Resolution 2013-129: Making Findings and Declaring Portions of the City of Wayne to be Blighted and Substandard Pursuant to the Nebraska Community Development Act — Industrial Drive East Area
22. Adjourn

APPROVED AS TO FORM AND CONTENT:

Mayor

City Administrator

Wayne Municipal Airport Authority Meeting Minutes – November 25, 2013

Wayne Planning Commission Meeting Minutes – November 4, 2013

December 3, 2013

The Wayne City Council met in regular session at City Hall on Tuesday, December 3, 2013, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Kaki Ley, Matt Eischeid, and Jill Brodersen; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmember Cale Giese and City Attorney Eric Knutson.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on November 21, 2013, and a copy of the meeting notice and agenda were simultaneously given to the Mayor and all members of the City Council. All proceedings hereafter shown were taken while the Council convened in open session.

Councilmember Sievers made a motion, which was seconded by Councilmember Ley, whereas, the Clerk has prepared copies of the Minutes of the meeting of November 19, 2013, and that each Councilmember has had an opportunity to read and study the same, and that the reading of the Minutes be waived and declared approved. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

VARIOUS FUNDS: ADVANCED CONSULTING, SE, 7737.55; ALTEC INDUSTRIES, SU, 73.97; AMERITAS, SE, 2230.46; APPEARA, SE, 94.98; AS CENTRAL SERVICES, SE, 448.00; BANK FIRST, FE, 120.00; CITY EMPLOYEE, RE, 105.16; BLACK HILLS ENERGY, SE, 632.00; BOMGAARS, SU, 880.68; BSN SPORTS, SU, 437.93; CENTURYLINK, SE, 313.37; CHILD SUPPORT, RE, 100.00; CITY OF NORFOLK, SE, 214.55; CITY OF WAYNE, RE, 150.00; CITY OF WAYNE, RE, 500.00; CITY OF WAYNE, RE, 11.37; CITY OF WAYNE, PY, 68098.88; CITY OF WAYNE, RE, 471.63; COMMUNITY HEALTH, RE, 4.00; DE LAGE LANDEN FINANCIAL, SE, 77.00; DEARBORN NATIONAL LIFE, SE, 1824.86; CITY EMPLOYEE, RE, 60.23; DUTTON-LAINSON, SU, 685.33; EXHAUST PROS, SE,

16.00; FIRST CONCORD GROUP, SE, 3701.94; FREDRICKSON OIL, SE, 14.00; GEXPRO, SU, 22.90; HANSEN, GENE K., RE, 12.32; HOLIDAY LITE & TRIM, SU, 329.40; ICMA, SE, 6376.70; IRS, TX, 24926.42; ISG INFRASYS, SU, 90.00; JEO CONSULTING GROUP, SE, 2165.00; CITY EMPLOYEE, RE, 215.06; KRIZ-DAVIS, SU, 2321.48; KTCH, SE, 44.00; MARCO, SE, 113.74; MATT LEY, RE, 100.00; MIDWEST MESSENGER, SU, 35.10; NE DEPT OF ENVIRONMENTAL, RE, 201143.19; NE DEPT OF REVENUE, TX, 3447.74; NORFOLK TRUCK CENTER, SE, 2674.07; N.E. NE AMERICAN RED CROSS, RE, 59.24; NNPPD, SE, 5385.00; CITY EMPLOYEE, RE, 706.14; POSTMASTER, SE, 566.11; PROVIDENCE MEDICAL CENTER, RE, 2875.88; QUILL, SU, 1025.94; SCOTT HASEMANN, RE, 50.00; SIOUX CITY WINNELSON, SU, 19.91; SOLOMON CORP, SU, 198.97; STADIUM SPORTING GOODS, SU, 750.00; STATE NATIONAL BANK, RE, 105.44; STEFFEN, SU, 1706.65; SUN RIDGE SYSTEMS, SE, 2730.00; CITY EMPLOYEE, RE, 110.25; TYLER TECHNOLOGIES, SE, 400.00; UNITED WAY, RE, 12.40; VERIZON, SE, 302.28; VIAERO, SE, 258.20; WAYNE COUNTY COURT, RE, 300.00; CITY EMPLOYEE, RE, 86.00; AMERICAN BROADBAND, SE, 2653.69; APPEARA, SE, 186.10; ARNIE'S FORD-MERCURY, SE, 714.28; BARONE SECURITY SYSTEMS, SU, 78.00; CITY EMPLOYEE, RE, 15.42; BINSWANGER GLASS, SE, 278.00; BLUE CROSS BLUE SHIELD, SE, 25342.12; CITY EMPLOYEE, RE, 168.74; BROWN SUPPLY, SU, 3755.68; CHARLES RUTENBECK, RE, 392.10; CITY OF WAYNE, RE, 500.00; CITY OF WAYNE, RE, 500.00; CLEAN TO A T, SE, 1300.00; COPY WRITE, SU, 276.59; CITY EMPLOYEE, RE, 217.41; CITY EMPLOYEE, RE, 4578.81; DUTTON-LAINSON, SU, 175.99; EAKES OFFICE PLUS, SE, 209.49; ECHO GROUP, SU, 168.00; FIRST CONCORD GROUP, RE, 5497.91; FREDRICKSON OIL, SE, 109.54; GERHOLD CONCRETE, SU, 141.66; GILL HAULING, SE, 155.00; CITY EMPLOYEE, RE, 270.66; HEIKES AUTOMOTIVE, SE, 122.48; HERITAGE INDUSTRIES, SU, 110.66; HOMETOWN LEASING, SE, 73.51; JASON CAROLLO, SE, 40.00; JOHNSON'S PLUMBING, SE, 365.00; KLEIN ELECTRIC, SE, 22332.35; LP GILL, SE, 82.46; MIKE TOWNE, SE, 1800.00; MILO MEYER CONSTRUCTION, SE, 988.00; NPPD, RE, 191962.51; NORFOLK IMPLEMENT, SU, 350.94; NNPPD, SE, 4949.36; O'KEEFE ELEVATOR, SE, 1483.98; ONE CALL CONCEPTS, SE, 79.45; CITY EMPLOYEE, RE, 120.64; PIEPER & MILLER, SE, 1418.00; CITY EMPLOYEE, RE, 268.98; QUILL, SU, 195.12; TERRY LUTT, RE, 500.00; TERRY MEYER, RE, 936.90; THE MAX AGAIN, RE, 459.48; TOM'S BODY & PAINT SHOP, SE, 55.00; VERIZON, SE, 101.94; WAYNE COUNTY CLERK, SE, 142.00; WAYNE VETERINARY CLINIC, SE, 210.00; WESCO, SU, 74.55

Councilmember Sievers made a motion, which was seconded by Councilmember Brodersen, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain advised the public that a copy of the Open Meetings Act was located on the south wall of the Council Chambers and was available for public

inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Councilmember Giese arrived at 5:33 p.m.

Heather Claussen, Chair of the Swimming Pool Committee, and Dave Henke, representing JEO Consulting Group, gave a report on the swimming pool evaluation/study that has been taking place over the past several years. Currently, the pool, for its age, is in very good working condition. However, the current pool, as well as the baby pool and bathhouse do not meet the current ADA regulations for accessibility.

The study resulted in the following six different recommendations:

- Option “A” – Widen existing main pool to achieve 6 lanes, add zero depth into main pool, deepen the diving well, replace the pool slide and new bathhouse. Cost: \$2.2 – 2.5 million.
- Option “B” - Build a new 5-6,000 SF pool with zero depth entry, diving well, 6 swimming lanes and new parking lot. 13th Street would be a through street. Existing pool facility would remain until new facility opens. Cost \$2.8 – 3.5 million.
- Option “C” – New indoor 6 lane 25 meter pool with bleachers and new zero depth outdoor pool with slides and water play features at Activity Center. Building addition for the indoor pool also included additional area for other indoor activities that were left undefined. Cost - \$4.5 – 5 million.
- Option “D” - New indoor 6 lane 25 meter pool with bleachers and new 5-6,000 SF zero depth outdoor pool with slides and water play features at Activity Center. Building additions include a filter room with storage for the indoor pool portion and also included additional building area for other indoor pool filters. Cost - \$6.6 – 7.5 million.
- Option “E” - Included no physical changes to the existing main pool, a new bathhouse and converting the wading pool into a splash pad. Cost - \$.9 to 1.2 million.
- Option “F” – Build a 5-6,000 SF outdoor pool at the existing Activity Center with a slide, zero depth entry, 6 lane swimming/lap lanes and bleachers. Cost - \$2.2 – 2.9 million.

All options proposed at the Activity Center did not include any new bathhouse features and will be using the existing dressing/locker/restroom facilities already based there.

Staff was directed to obtain information from other communities with indoor pools regarding expenses, operating costs, usage, etc.

The Pool Committee and JEO recommend Option D. Either the indoor or the outdoor pool could be built first before the other one if funding for both is not available.

Mayor Chamberlain thanked the Committee and thought this matter would be a good topic to be discussed at their retreat.

Randy Larson, representing the Wayne County Commissioners, was present concerning their request for Council to consider selling Wayne County the pole yard property for the sum of \$50,000. They are in need of more room to house equipment and chemicals. This need has been enhanced due to the October 4th tornado, which destroyed one of their buildings.

Because this property/building houses impound vehicles by the Police Department, further discussion needed to take place on where these things could be relocated, etc., or what needed to be done to the building in order to share the same.

No action was taken on the matter.

Mayor Chamberlain declared the time was at hand for the public hearing to consider the Planning Commission's recommendation in regard to Amending the Wayne Municipal Code, Section 90-142 Permitted Principal Uses and Structures in the A-2 Agricultural Residential District, by adding item # 8 Unattached Accessory Use (Garage / Storage Shed) or Section 90-144 Exceptions in the A-2 Agricultural Residential District, by adding item # 13 Unattached Accessory Use (Garage / Storage Shed), by adding related language to allow for an

accessory structure to be placed on property with no other primary structures. The applicant for the request is Wayne and Regina Korth.

Joel Hansen, Zoning Administrator, stated the Planning Commission met and forwarded a recommendation to amend Section 90-142 Permitted Principal Uses and Structures by adding No. 8 – Structures that would be considered accessory structures if there was a dwelling on the premise, with the “Findings of Fact” being:

- Staff’s recommendation; and
- The same is consistent with the current and future land use maps, and it is consistent with the Comprehensive Plan.

Wayne and Regina Korth were present to answer questions. They want to place a large storage shed (48’x58’) on property they own in the A-2 Agricultural Residential District. Currently, the zoning code does not allow any accessory type structures on lots without a primary principal structure (house).

The Korths would like to build this shed as soon as possible. If the same would be approved as a use by exception, they will have to come back before the Planning Commission and the Council, pay another \$400 fee, do a title search, etc.

City Clerk McGuire had not received any comments, either verbal or in writing, for or against this public hearing.

There being no further comments, Mayor Chamberlain closed the public hearing.

Councilmember Giese introduced Ordinance No. 2013-52 and moved for approval thereof; Councilmember Sievers seconded.

ORDINANCE NO. 2013-52

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE III, DIVISION 3 A-2 AGRICULTURAL RESIDENTIAL DISTRICT, SECTION 90-142 PERMITTED PRINCIPAL USES AND STRUCTURES OR SECTION 90-144 EXCEPTIONS; TO PROVIDE FOR THE REPEAL OF

CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Because there was some confusion regarding the Ordinance and the two sections being proposed, Councilmember Giese amended his motion and reintroduced Ordinance No. 2013-52 and moved for approval thereof; Councilmember Sievers seconded.

ORDINANCE NO. 2013-52

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE III, DIVISION 3 A-2 AGRICULTURAL RESIDENTIAL DISTRICT, SECTION 90-142 PERMITTED PRINCIPAL USES AND STRUCTURES; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Sievers made a motion, which was seconded by Councilmember Greve, to suspend the statutory rules requiring ordinances to be read by title on three different days. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Sievers made a motion, which was seconded by Councilmember Greve, to move for final approval of Ordinance No. 2013-52. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain declared the time was at hand for the public hearing to consider the Planning Commission's recommendation regarding the Preliminary and Final Plat for Giese Addition.

Joel Hansen, Zoning Administrator, stated the Planning Commission reviewed the Preliminary and Final Plat for the Giese Addition and forwarded a recommendation to approve the same subject to the following "Finding of Fact": Staff's recommendation.

This plat will make clear the property boundaries where the City owns a strip of land for construction of the walking trail.

City Clerk McGuire had not received any comments, either verbal or in writing, for or against this public hearing.

There being no further comments, Mayor Chamberlain closed the public hearing.

Councilmember Ley introduced Resolution 2013-127, and moved for its approval; Councilmember Sievers seconded.

RESOLUTION NO. 2013-127

A RESOLUTION APPROVING THE PRELIMINARY AND FINAL PLAT FOR THE GIESE ADDITION.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain declared the time was at hand for the public hearing to consider the Planning Commission's recommendation regarding the Preliminary and Final Plat for the South Side Addition.

Joel Hansen, Zoning Administrator, stated the Planning Commission reviewed the Preliminary and Final Plat for the South Side Addition and forwarded a recommendation to approve the same subject to the following "Finding of Fact": Staff's recommendation.

Lowell Heggemeyer was present to answer questions. Mr. Heggemeyer would like to divide his property in order to sell part of it. Some of the property has never been

platted and is merely described as a tax lot. This will legally subdivide the property such that Mr. Heggemeyer can sell some of it.

City Clerk McGuire had not received any comments, either verbal or in writing, for or against this public hearing.

There being no further comments, Mayor Chamberlain closed the public hearing.

Councilmember Ley introduced Resolution 2013-128, and moved for its approval; Councilmember Giese seconded.

RESOLUTION NO. 2013-128

A RESOLUTION APPROVING THE PRELIMINARY AND FINAL PLAT FOR THE SOUTH SIDE ADDITION.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Eischeid who abstained, the Mayor declared the motion carried.

Mayor Chamberlain declared the time was at hand for the public hearing on the “Blight and Substandard Area Determination” known as the “Industrial Drive East Area.”

Northeast Nebraska Economic Development District prepared the blight study.

This area includes the Pacific Coast property, the Williams Farm property, Robert Woehler & Sons Construction area, etc. Declaring this area blighted and substandard and then annexing the property makes it eligible for tax increment financing. The damage sustained by the tornado is what qualifies this area as blighted and substandard.

No written or oral comments had been received by the City Clerk’s Office concerning the public hearing.

There being no further comments, Mayor Chamberlain closed the public hearing.

Since no word has been heard yet from Pacific Coast Feather on whether or not they are rebuilding, and the annexation of this area has not taken place yet, no action was taken on Resolution No. 2013-129 declaring this area as blighted and substandard.

Discussion then took place on the Blighted and Substandard Study for the "North Central Redevelopment Area" which was tabled at the last meeting.

After discussion, Council wanted to extend the boundaries east on 9th Street to the back yards of the houses on Pine Heights Road

Staff thought the costs would be minimal, if any, to have Northeast Nebraska Economic Development District amend the area in question.

Councilmember Eischeid made a motion, which was seconded by Councilmember Giese to amend the "North Central Redevelopment Area" blight study to include Ninth Street up to 10th Street and continue east to the utility easement behind Pine Heights Road." Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Ley introduced Ordinance 2013-51, and moved for approval of the second reading thereof; Councilmember Muir seconded.

ORDINANCE NO. 2013-51

AN ORDINANCE AMENDING WAYNE MUNICIPAL CODE CHAPTER 90, ARTICLE VII, DIVISION 4 PUD PLANNED UNIT DEVELOPMENT, SECTION 90-641 INTENT; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried. The third and final reading will take place at the next meeting.

The following Resolution would direct the City Clerk to file a lien against 111 Fairgrounds Avenue for the cost of work hired by the City to abate a violation of City Code after proper notice was given to the property owner.

Councilmember Brodersen introduced Resolution No. 2013-125 and moved for its approval; Councilmember Sievers seconded.

RESOLUTION NO. 2013-125

A RESOLUTION DIRECTING CITY CLERK TO CERTIFY RAZING COSTS TO THE WAYNE COUNTY CLERK AND THE WAYNE COUNTY TREASURER TO BECOME A LIEN ON TAX LOT 22 (50X100 FT. TRACT) IN THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 18, TOWNSHIP 26 NORTH, RANGE 4, EAST OF THE 6TH P.M., WAYNE COUNTY, NEBRASKA, MORE COMMONLY DESCRIBED AS 111 FAIRGROUNDS AVENUE, WAYNE, NEBRASKA.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Muir made a motion, which was seconded by Councilmember Sievers, approving action to foreclose on property commonly described as 111 Fairgrounds Avenue.

Councilmember Muir amended his motion, which was then seconded by Councilmember Sievers, approving action to foreclose on property commonly described as 111 Fairgrounds Avenue after the owner has had the ability to pay the liens. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

A pay request has been received from Robert Woehler & Sons Construction for the Chief's Way Sanitary Sewer & Water Extension Project in the amount of \$22,637.32. The engineer on the project has approved the same.

Garry Poutre, Superintendent of Public Works & Utilities, updated the Council on the project.

Councilmember Brodersen made a motion, which was seconded by Councilmember Muir, approving Pay Application No. 3 in the amount of \$22,637.32 to Robert Woehler & Sons Construction for the Chief's Way Sanitary Sewer & Water Extension Project. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain stated a loan application has been received from Sand Creek Post & Beam, Inc., for \$193,900. Again, this loan would be a zero percent interest loan, with a payback period of 15 years. These would be equal annual payments, and a lien would also be filed against the property.

He noted he has appointed a committee to review the applications prior to coming before Council to determine the validity of each of them. Councilmember Eischeid is on this committee.

No one was present from Sand Creek Post & Beam, Inc.

Councilmember Muir made a motion, which was seconded by Councilmember Giese, approving the application of Sand Creek Post & Beam, Inc., for \$193,900 in LB840 funds to be used as an emergency business loan in the tornado disaster recovery, with an interest rate of 0%, and a payback period of 15 years. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Todd Hegwer, the City's energy consultant/analyst and contract negotiator, updated the Council on options for a long-term contract for wind power.

Mayor Chamberlain stated that Nebraska Public Power District will be meeting next week. We are waiting for clarification of some of the clauses in our agreement with them. Therefore, he asked that the next two agenda items be tabled until the next meeting.

City Attorney Eric Knutson arrived at the meeting.

Councilmember Ley made a motion, which was seconded by Councilmember Giese, to table action on Agenda Item No. 4 – Action to give notice to Nebraska Public Power District on intent to reduce contract power purchase until the next meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Ley made a motion, which was seconded by Councilmember Sievers, to table action on Resolution 2013-126 accepting offer to purchase bulk power to be delivered from generating plants controlled by the Mid Continent Independent System Operator until the next meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Administrator Johnson stated the following Resolution would amend sections of the Personnel Manual as follows:

Sec. 14.65. Employee Exempt from Overtime

The following employee position classifications are exempt from overtime:

<u>POSITION CLASSIFICATION</u>	<u>CATEGORY OF EXEMPTION</u>
City Administrator	Executive
City Clerk	Executive
City Treasurer Finance Director	Executive
Chief Inspector/Planner	Executive
Chief of Police	Executive
Coordinator of Senior Citizens Center Sr. Citizens Center Coordinator	Executive
Director of Recreation-Leisure Services Recreation Services Director	Executive

Librarian Library Director	Executive
Police Lieutenant	Executive
Superintendent of Electric Production	Executive
Superintendent of Public Works and Utilities	Executive

Sec. 14.100. Employee Benefits. (Amended by Res. 2008-50, 6/3/08).

In order to remain a competitive and equitable employer and to comply with applicable laws, the City offers a total compensation plan consisting not only of pay but also of substantial employee benefits. The Personnel Officer shall make information available concerning current benefits, some of which may be provided at an employee's option, in whole or in part at his or her expense, and /or only to certain categories of employees. It is the responsibility of the employee to notify the personnel office and the plan administrators of changes in the employee status, change in beneficiaries, marriage, additions to households, etc.

The following are the principal employee benefits which are offered prorata on the basis of a 40 hour week to all regular, full-time employees ~~hired to work 35 hours or more a week~~ after completing necessary waiting periods:

(a) Health and Major Medical Insurance:

PPO program with a maximum major medical expense benefit of \$2,000,000. Deductibles are ~~\$350~~ \$1,000 for single and ~~\$700~~ \$2,000 for family coverage in the PPO. The employer is self-insuring (80/20) a ~~\$5,000~~ \$3,200 deductible for single and a ~~\$10,000~~ \$6,400 deductible for family after meeting either one or two ~~\$350~~ \$1,000 deductibles. An eligible employee qualifies on the first day of the month following 30 days of continuous employment. The City pays 97.5% of the premium for single employee; 90% for family coverage. The employee pays 2.5% of the premium for single coverage; 10% for family coverage. Beginning January 1, 2015, city employee's spouses that are employed elsewhere and are eligible to participate in group health plan coverage where they are employed are not eligible to participate in the City of Wayne Group Health Insurance Plan.

As an incentive for the employee and family to reduce the deductible to \$500 for single and \$1,000 for family coverage in the PPO, the following must be met:

- Employee must be a non-tobacco user. The City reserves the right to verify this by nicotine blood test; and
- Employee and spouse must have annual physical as provided in the plan.

The Employer will self-insure vision benefits as follows:

Vision: \$10 co-pay per exam
30% discount for eyeglasses at member facilities

15% discount for contacts

\$100 for Safety Glasses

~~Any permanent part-time employee working 30 hours or more per week is eligible to participate in the health insurance plan by having 100% of the premium deducted through payroll deduction on a bi-weekly basis.~~

(b) Life Insurance:

The City pays for group life insurance. The amount of insurance generally equals one times (1x) annual salary to the next highest \$1,000.

(c) Disability Insurance:

A tailored program of coverage paid by the City for short term disability for up to 52 weeks of weekly benefit starting after a 30 day period, and long term disability with a monthly benefit starting after twelve months of short term disability. The plan generally pays employees 60% of their gross pay subject to certain maximums for qualifying conditions.

(d) Retirement:

The City of Wayne provides a deferred compensation retirement savings plan to eligible employees and a 401(a) Money Purchase Plan. An eligible full-time employee may participate in the retirement plan from their date of hire. However, the City will start contributions after one (1) year of employment and upon finishing probationary period for eligible employees. At that time, the employee must contribute 1% of their annual wage but not more than 19%. The City will contribute 6% of their annual base salary to the 401(a) Money Purchase Plan.

An eligible regular part-time employee working 30 or more hours per week may participate with unmatched contributions in the retirement plan from their date of hire.

According to State Statute and Civil Service requirements, sworn police officers receive pension benefits immediately at a rate of ~~6%~~ 6.5% employee, ~~6%~~ 6.5% employer. The deferred compensation retirement savings plan may be used by sworn police officers, as well; however, the City will not match any employee contributions. The sworn police officers shall be fully vested in the retirement plan upon completion of seven years of employment with the City.

(e) Flexible Employee Benefit Plan:

The Flex Plus Plan was developed to allow eligible employees to use before-tax earnings to purchase benefits under the Plan; examples of

flexible spending account benefits include child care, unreimbursed medical expenses, health and accident insurance premium, etc.; Federal, State and Social Security taxes do not apply to these benefits.

An employee may participate in the Plan as of the first day of the month after completing the first day of employment. Prior to the date of being eligible to participate in the Plan, an employee is required to fill out an election form.

- (f) Paid holidays, personal days, and leave for vacation, illness or other designated purposes.
- (g) Educational Scholarships for Full-Time Employees

Providing that scholarship funds for this program are budgeted and available, any employee regularly scheduled to work 40 hours per week or more is eligible to apply for up to \$150 in scholarship funds per calendar year for tuition and/or books for an approved trade or educational course related to his or her job description at an approved two or four-year degree institution. The course, the educational institution, and the application must be pre-approved by the department head.

Discussion primarily took place regarding the proposed staff recommendation of requiring employee spouses to go on their employer's health insurance plan if the same is so provided. There are a lot of changes taking place in group health plans, and one of the things being suggested to cities by their insurance agents is to insure the employees, and if the spouses have options at their jobs, to have them get their health insurance through their employer. Presently there are 17 employees with spouses that have health insurance options at their places of employment; thirteen of which are on our plan at this time.

Councilmember Sievers questioned why the Council had to make a decision for 2015 now. Administrator Johnson responded because there are different renewal periods, this would allow the employees time to get on different plans throughout the year.

Mayor Chamberlain stated this isn't something we have to do, but by not doing it, what will end up changing is the premium amounts that employees pay every month.

It was noted that the employee's portion of the premium per pay period for family is \$37.40 and for employee/child is \$18.25.

City employee Lowell Heggemeyer noted if this change is approved, he would then be required to meet three deductibles instead of two. At this time, his wife receives a stipend for not taking the health insurance at her place of employment.

Administrator Johnson stated one of his concerns is other people paying their employees to come onto the City's group health plan. Is it the taxpayers' job of Wayne to defend the plan that the Heggemeyers have right now?

Mayor Chamberlain stated another option would be that each employee receives the single premium as a benefit, which would be an equal benefit to all.

Councilmember Sievers then questioned if employees who are over the age of 65 would be required to go on Medicare then. She would prefer the amount employees pay increase rather than requiring spouses to take insurance coverage through their place of employment.

Mayor Chamberlain thought this is a change that is going to be a standard in the industry – if you have insurance offered at your employment, you will have to take it. While he doesn't think the City has to be there until they tell us we have to be there, he thought the Council still needed to look at it and figure out how to make it fiscally responsible for the taxpayers of Wayne.

Councilmember Eischeid noted he had spoken with the Heggemeyers and another city employee, and pretty much everyone was in agreement that the premiums that the employees pay are dirt cheap. He thought a medium ground could be reached to raise the premiums up close to what everyone else is paying in their professions.

Garry Poutre, Superintendent of Public Works & Utilities, spoke and shared some past history on the health insurance benefit.

Councilmember Sievers suggested everyone, whether single or family, should pay the same share of the premiums.

Joel Hansen responded that life is about choices, and he hopes there is not the idea, because he made the choice to be single, that he should now pay more to help cover the costs for the families that are employed by the city. It sounds like there is a proposal that he should take less so that another employee that made a different life choice can get more.

Mayor Chamberlain stated that is why the 60/40 percentage across the board does not work. He would recommend providing the same premium (single) for each employee, and if the employee wanted to insure the remainder of his/her family, they would pay the difference. That makes it fair to each and every person across the board.

The decision the Council needs to make this evening is whether or not to keep the spouses on the City's group health plan. The other proposed changes being discussed can be determined at a later time once comparisons are provided to the Council.

Councilmember Sievers introduced Resolution 2013-130, and moved for its approval subject to deleting the following sentence in Section 14.100 Employee Benefits subsection (a): Beginning January 1, 2015, city employee's spouses that are employed elsewhere and are eligible to participate in group health plan coverage where they are employed are not eligible to participate in the City of Wayne Group Health Insurance Plan. Councilmember Eischeid seconded the motion.

RESOLUTION NO. 2013-130

A RESOLUTION AMENDING SECTION 14.65 EMPLOYEE EXEMPT FROM OVERTIME AND SECTION 14.100 EMPLOYEE BENEFITS OF THE CITY OF WAYNE PERSONNEL MANUAL.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Councilmember Sievers made a motion, which was seconded by Councilmember Giese, to adjourn the meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried and the meeting adjourned at 8:35 p.m.

Back to Top

CLAIMS LISTING DECEMBER 17, 2013

AMERITAS LIFE INSURANCE	POLICE RETIREMENT	2,292.20
APPEARA	MAT SERVICE	27.86
BAKER & TAYLOR BOOKS	BOOKS	1,242.00
BANK FIRST	FRATERNAL ORDER OF POLICE DUES	120.00
BARONE SECURITY SYSTEMS	FIRE INSPECTION/SPRINKLER MONITORING	138.00
BIG T ENTERPRISES, INC	BATTERY	108.95
BMI	RADIO LICENSE FEE	294.30
BOARD OF EXAMINERS	SUPERINTENDENT FEE RENEWAL	10.00
BSN SPORTS, INC	MAT TAPE	52.61
CITY EMPLOYEE	HEALTH REIMBURSEMENT	125.66
CITY EMPLOYEE	HEALTH REIMBURSEMENT	152.33
CHARTWELLS	SENIOR CITIZEN MEALS	5,657.42
CHILD SUPPORT	PAYROLL DEDUCTION	100.00
CHILDREN'S SAFETY PUB.	SAFETY BOOKLET	150.00
CITY OF WAYNE	AUDITORIUM DEPOSIT REFUND	150.00
CITY OF WAYNE	PAYROLL	61,272.58
CITY OF WAYNE	UTILITY REFUNDS	805.81
CIVICPLUS	WEBSITE BUTTONS	400.00
COMMUNITY HEALTH	PAYROLL DONATIONS	4.00
DAKOTA BUSINESS SYSTEMS	LIBRARY COPIER LEASE	209.00
DAVE'S DRY CLEANING	POLICE UNIFORM CLEANING	111.00
DE LAGE LANDEN FINANCIAL	COPIER EQUIPMENT LEASE	394.00
CITY EMPLOYEE	HEALTH REIMBURSEMENT	61.30
DUTTON-LAINSON COMPANY	CURRENT TRANSFORMER/ENCLOSURE/LUGS	1,696.61
EASYPERMIT POSTAGE	POSTAGE	1,730.12
CITY EMPLOYEE	HEALTH REIMBURSEMENT	603.91
ED. M FELD EQUIPMENT CO	PIPE INLET	741.00
EXHAUST PROS	TIRE REPAIR	16.00
FASTENAL CO	LOCK WASHER/BOLTS	8.20
FLOOR MAINTENANCE	TOILET PAPER/LINERS/PLATES	127.25
GEMPLER'S INC	OIL ABSORBING PADS	133.65
GLEN'S AUTO BODY	DOOR HANDLE REPAIR	103.96
HD SUPPLY WATERWORKS, LTD	WATER METER	583.73
HR SPECIALIST	EMPLOYMENT LAW SUBSCRIPTION	199.00
ICMA RETIREMENT TRUST-457	ICMA RETIREMENT	6,372.87
INGRAM BOOK COMPANY	BOOKS	1,145.47
IPMA	POLICE EXAMS	138.50
INTERSTATE ALL BATTERY	BATTERY	263.70
IRS	FEDERAL WITHHOLDING	23,736.74
JOHN'S WELDING AND TOOL	BORE PVC PIPE	30.00
CITY EMPLOYEE	HEALTH REIMBURSEMENT	928.17
KRIZ-DAVIS COMPANY	METER MODULE/CONNECTORS/LED FIXTURE	1,330.72
KTCH AM/FM RADIO	RADIO ADS	1,552.78
CITY EMPLOYEE	HEALTH REIMBURSEMENT	167.31
MATT PARROTT AND SONS CO	W-2/1099 FORMS	284.37

CITY EMPLOYEE	HEALTH REIMBURSEMENT	4.93
MICROFILM IMAGING SYSTEMS	TONER	60.17
MIDWEST LABORATORIES, INC	BOD TESTING	703.95
N.E. NEB ECONOMIC DEV DIS	CIS GRANT	674.96
NE AIR FILTER	AIR FILTER	47.04
NE DEPT OF REVENUE	STATE WITHHOLDING	3,413.04
NE ECONOMIC DEVELOP ASSN	DUES-N BRADEN/L JOHNSON	200.00
NE EMERGENCY SERVICE	2014 MEMBERSHIP DUES	60.00
NE SAFETY COUNCIL	SAFETY VIDEO SHIPPING CHARGES	8.38
NEBR PUBLIC POWER DIST	ELECTRICITY	257,157.97
NORTHEAST NE PUBLIC POWER	NNPPD CONSULTANT	5,375.68
NORTHEAST NE PUBLIC POWER	WHEELING CHARGES	13,185.52
OLSSON ASSOCIATES	CHIEF'S WAY SANITARY SEWER	4,032.09
PAC N SAVE	AFTERSCHOOL SUPPLIES	6.56
CITY EMPLOYEE	HEALTH REIMBURSEMENT	27.79
PRESTO X COMPANY	PEST CONTROL	48.60
QUALITY 1 GRAPHICS	SIGN-FLYING SAND	25.00
RANDOM HOUSE	CD'S	54.00
ROBERT WOEHLER & SONS	CHIEF'S WAY SANITARY SEWER	22,637.32
SAND CREEK POST & BEAM	LB 840 LOAN	193,900.00
SHOPKO	NUTS-SC/TISSUE/TAPE/DUSTERS	96.63
SPARKLING KLEAN	JANITORIAL SERVICES/SUPPLIES	1,507.48
STATE NEBRASKA BANK	ACH FEES	59.36
STATE NATIONAL BANK	SERIES 2011 INTEREST	5,907.17
STEVE LAMOUREUX	LIBRARY SERVICE CALL	60.00
TOM'S BODY & PAINT SHOP	SEAT BELT REPAIR	276.90
CITY EMPLOYEE	HEALTH REIMBURSEMENT	112.84
TYLER TECHNOLOGIES	UTILITY ONLINE/WEBSITE HOSTING FEE	200.00
US BANK	POSTAGE/MEALS/CHAIR/DUES ETC	3,715.89
WAYNE AUTO PARTS	BULBS/CLAMPS/TAPE/JIMMY BAR	260.50
WAYNE COMMUNITY SCHOOLS	PARKING TICKETS	6,613.75
WAYNE COUNTY COURT	BOND	300.00
WAYNE HERALD	ADS AND NOTICES	1,356.58
CITY EMPLOYEE	HEALTH REIMBURSEMENT	237.42
WESCO DISTRIBUTION INC	TAPE/SPLICE/PHOTOCELL/LED LIGHT	1,198.40
WESTERN AREA POWER ADMIN	ELECTRICITY	32,051.27
ZACH OIL COMPANY	GASOLINE	4,319.92

[Back to Top](#)

PIEPER & MILLER

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Phone: (402) 375-3585/Fax: (402) 375-3048

Michael E. Pieper
Amy K. Miller
Eric W. Knutson

E-Mail: waynelaw@huntel.net

December 13, 2013

Mr. John McClure
Attorney at Law
Nebraska Public Power District
1414 15th Street
P.O. Box 499
Columbus, NE 68602-0499

Dear John:

As you know, the City of Wayne (City) has been requesting an interpretation of the Wholesale Power Contract (Contract) entered into between Nebraska Public Power District (NPPD) and the City, on or about January 1, 2002. Specifically, the City has, on several occasions, requested an interpretation of Article II in the Contract, regarding the ability of the City, as a customer, to limit or reduce its purchase of Demand and Energy from NPPD. After several phone conversations with you, there is one point on which we have both agreed: this contract was poorly written, and is unclear as to how to calculate the maximum reduction of Demand and Energy the City can exercise. What *is* clear is that notifications to reduce by 30% or less require a three year notice, and notifications to reduce by more than 90% require a five year notice.

Please consider this letter the City's official notice to limit or reduce its purchase of Demand and Energy from NPPD, commencing January 1, 2017, by the maximum amount permitted by the Contract, and continuing through the duration of the contract, or December 31, 2021. The "maximum amount," as interpreted by the City, allows for a 30% reduction in 2017, with an additional 10% reduction each year thereafter (e.g.: 2017 -30%; 2018 - 40%; 2019 - 50%; etc.). If, for some reason, this interpretation is not upheld, or an alternative interpretation is agreed upon by the City and NPPD, it does not change the City's intent to reduce its purchase of Demand and Energy by the maximum amount permitted by the Contract, whatever that may be.

Furthermore, this letter is to serve as official notice pursuant to Article I(18)(B) of the Contract, that the City is terminating the Contract with NPPD, in its entirety, as of December 31, 2021.

Sincerely,
PIEPER & MILLER

Amy K. Miller,
City Attorney for the City of Wayne, Nebraska

PIEPER & MILLER

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Please consider this letter the City's official notice to limit or reduce its purchase of Demand and Energy from NPPD, commencing January 1, 2019, by the maximum amount permitted by the Contract, and continuing through the duration of the contract, or December 31, 2021. The "maximum amount," as interpreted by the City, allows for a 90% reduction commencing January 1, 2019. If, for some reason, this interpretation is not upheld, or an alternative interpretation is agreed upon by the City and NPPD, it does not change the City's intent to reduce its purchase of Demand and Energy by the maximum amount permitted by the Contract, whatever that may be.

Furthermore, this letter is to serve as official notice pursuant to Article I(18)(B) of the Contract, that the City is terminating the Contract with NPPD, in its entirety, as of December 31, 2021.

Sincerely,
PIEPER & MILLER

Amy K. Miller,
City Attorney for the City of Wayne, Nebraska

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As you know, the City of Wayne (City) has been requesting an interpretation of the Wholesale Power Contract (Contract) entered into between Nebraska Public Power District (NPPD) and the City, on or about January 1, 2002. Specifically, the City has, on several occasions, requested an interpretation of Article II in the Contract, regarding the ability of the City, as a customer, to limit or reduce its purchase of Demand and Energy from NPPD. After several phone conversations with you, there is one point on which we have both agreed: this contract was poorly written, and is unclear as to how to calculate the maximum reduction of Demand and Energy the City can exercise. What is clear is that notifications to reduce by 30% or less require a three year notice, and notifications to reduce by more than 90% require a five year notice.

Please consider this letter the City's official notice to limit or reduce its purchase of Demand and Energy from NPPD, commencing January 1, 2017, by the maximum amount permitted by the Contract, and continuing through the duration of the contract, or December 31, 2021. The "maximum amount," as interpreted by the City, allows for a 30% reduction in 2017, which will continue until January 1, 2019, at which time the reduction will increase to 90%. This fulfills the City's notice requirements, and is easily supported by the Contract. If, for some reason, this interpretation is not upheld, or an alternative interpretation is agreed upon by the City and NPPD prior to January 1, 2017, it does not change the City's intent to reduce its purchase of Demand and Energy by the maximum amount permitted by the Contract, whatever that may be.

Furthermore, this letter is to serve as official notice pursuant to Article I(18)(B) of the Contract, that the City is terminating the Contract with NPPD, in its entirety, as of December 31, 2021.

Sincerely,
PIEPER & MILLER

Amy K. Miller
City Attorney for the City of Wayne, Nebraska

December 8, 2013

Mr. Lowell Johnson
City Administrator
306 Pearl Street
Wayne, Nebraska 68787

Dear Lowell,

My recommendation is that the City of Wayne should sign an agreement with Big Rivers Electric Corporation. I have attached the spreadsheet showing the potential savings of signing with Big Rivers Electric Corporation versus Nebraska Public Power District. The choice that you need to make is to either provide a 3-year notice to NPPD and reduce by 30%, 30% and 90% for the years 2017 -2019 (this is Amy Miller's strategy.), or if you want to avoid a bunch of legal expense then you should give the 5 year notice and reduce 90% of your purchases from NPPD. Either one of these options will produce approximately \$6 Million in savings for the city. The savings are a sure thing, and you should lock them up.

Wayne has a very generating facility but your plans are not to run the generation. Therefore, the value of your generation decreases and you are now required to purchase energy hedges from the market. I have tried to obtain pricing for energy hedges in 2019 and beyond, and I have not been successful, which tells me that you are truly speculating on the energy market to remain low well into the future. By relying on 100% of market pricing and not having the ability to use your capacity until 2019 then you are gambling that the savings are going to be there. I have seen companies go bankrupt by using such a strategy.

Take the savings by signing with Big Rivers Electric Corporation, and you will be sleeping well at night when prices begin to spike again.

Sincerely,

Todd Hegwer

Projected Impact of NPPD Wholesale Contract Opt-Out - Wayne, NE
Case Assuming 3 Year Notice and Maximum Reduction

	Base Case				Estimated Cost with Opt-Out Provision								Cost Diff (\$)	
	Purchases (kWh)	Firm (\$/kWh)	Firm Cost (\$)	Capacity Lease (\$)	Net Cost (\$)	Firm Reduct.	BREC Purch (kWh)	BREC (\$/kWh)	BREC (\$)	Firm Purch (kWh)	Firm Cost (\$)	Capacity Lease (\$)		Net Cost (\$)
Escal >	1.50%	4.80%												BREC @ 2%/yr
2013	57,754,000	0.054	3,117,561	(640,000)	2,477,561	-	-	\$ 0.047	-	57,754,000	3,117,561	(640,000)	2,477,561	-
2014	58,620,000	0.054	3,164,308	(640,000)	2,524,308	-	-	\$ 0.047	-	58,620,000	3,164,308	(640,000)	2,524,308	-
2015	59,499,000	0.057	3,365,920	(640,000)	2,725,920	-	-	\$ 0.049	-	59,499,000	3,365,920	(640,000)	2,725,920	-
2016	60,391,000	0.059	3,580,368	(640,000)	2,940,368	-	-	\$ 0.052	-	60,391,000	3,580,368	(640,000)	2,940,368	-
2017	61,297,000	0.062	3,808,517	(640,000)	3,168,517	30%	18,389,100	\$ 0.054	994,023	42,907,900	2,665,962	(342,000)	3,317,985	149,468
2018	62,216,000	0.065	4,051,167	(640,000)	3,411,167	40%	18,664,800	\$ 0.057	1,057,351	43,551,200	2,855,817	(348,840)	3,544,331	133,165
2019	63,149,000	0.068	4,309,290	(640,000)	3,669,290	50%	56,834,100	\$ 0.059	3,374,174	6,314,900	430,929	(355,817)	3,449,287	(220,004)
2020	64,096,000	0.072	4,583,862	(640,000)	3,943,862	60%	57,686,400	\$ 0.062	3,589,164	6,409,600	458,386	(362,933)	3,684,617	(259,245)
2021	65,057,000	0.075	4,875,912	(640,000)	4,235,912	70%	58,551,300	\$ 0.065	3,817,839	6,505,700	487,591	(370,192)	3,935,239	(300,674)
2022	66,033,000	0.079	5,186,617	-	5,186,617	100%	66,033,000	\$ 0.068	4,512,357	-	-	(377,596)	4,134,761	(1,051,856)
2023	67,023,000	0.082	5,517,067	-	5,517,067	100%	67,023,000	\$ 0.072	4,799,849	-	-	(385,148)	4,414,701	(1,102,366)
2024	68,028,000	0.086	5,868,585	-	5,868,585	100%	68,028,000	\$ 0.075	5,105,669	-	-	(392,850)	4,712,819	(1,155,767)
2025	69,048,000	0.090	6,242,493	-	6,242,493	100%	69,048,000	\$ 0.079	5,430,969	-	-	(400,708)	5,030,262	(1,212,232)
2026	70,084,000	0.095	6,640,292	-	6,640,292	100%	70,084,000	\$ 0.082	5,777,054	-	-	(408,722)	5,368,332	(1,271,960)
Totals	892,295,000		64,311,960	(5,760,000)	58,551,960		550,341,700		38,458,452	341,953,300	20,186,842	(6,304,805)	52,260,490	(6,291,470)

Projected Impact of NPPD Wholesale Contract Opt-Out - Wayne, NE
Case Assuming 3 Year Notice and Minimum Reduction

	Base Case				Estimated Cost with Opt-Out Provision								Cost Diff (\$)	
	Purchases (kWh)	Firm (\$/kWh)	Firm Cost (\$)	Capacity Lease (\$)	Net Cost (\$)	Firm Reduct.	BREC Purch (kWh)	BREC (\$/kWh)	BREC (\$)	Firm Purch (kWh)	Firm Cost (\$)	Capacity Lease (\$)		Net Cost (\$)
Escal >	1.50%	4.80%												BREC @ 2%/yr
2013	57,754,000	0.054	3,117,561	(640,000)	2,477,561	-	-	\$ 0.047	-	57,754,000	3,117,561	(640,000)	2,477,561	-
2014	58,620,000	0.054	3,164,308	(640,000)	2,524,308	-	-	\$ 0.047	-	58,620,000	3,164,308	(640,000)	2,524,308	-
2015	59,499,000	0.057	3,365,920	(640,000)	2,725,920	-	-	\$ 0.049	-	59,499,000	3,365,920	(640,000)	2,725,920	-
2016	60,391,000	0.059	3,580,368	(640,000)	2,940,368	-	-	\$ 0.052	-	60,391,000	3,580,368	(640,000)	2,940,368	-
2017	61,297,000	0.062	3,808,517	(640,000)	3,168,517	30%	28,389,100	\$ 0.054	994,023	42,907,900	2,665,962	(342,000)	3,317,985	149,468
2018	62,216,000	0.065	4,051,167	(640,000)	3,411,167	40%	24,886,400	\$ 0.057	1,409,806	37,329,600	2,430,700	(348,840)	3,491,666	80,499
2019	63,149,000	0.068	4,309,290	(640,000)	3,669,290	50%	31,574,500	\$ 0.059	1,874,541	31,574,500	2,154,645	(355,817)	3,673,370	4,079
2020	64,096,000	0.072	4,583,862	(640,000)	3,943,862	60%	28,457,600	\$ 0.062	2,392,776	25,638,400	1,873,545	(362,933)	3,863,387	(80,474)
2021	65,057,000	0.075	4,875,912	(640,000)	4,235,912	70%	45,539,900	\$ 0.065	2,969,431	19,517,100	1,462,774	(370,192)	4,062,013	(173,909)
2022	66,033,000	0.079	5,186,617	-	5,186,617	100%	66,033,000	\$ 0.068	4,512,357	-	-	(377,596)	4,134,761	(1,051,856)
2023	67,023,000	0.082	5,517,067	-	5,517,067	100%	67,023,000	\$ 0.072	4,799,849	-	-	(385,148)	4,414,701	(1,102,366)
2024	68,028,000	0.086	5,868,585	-	5,868,585	100%	68,028,000	\$ 0.075	5,105,669	-	-	(392,850)	4,712,819	(1,155,767)
2025	69,048,000	0.090	6,242,493	-	6,242,493	100%	69,048,000	\$ 0.079	5,430,969	-	-	(400,708)	5,030,262	(1,212,232)
2026	70,084,000	0.095	6,640,292	-	6,640,292	100%	70,084,000	\$ 0.082	5,777,054	-	-	(408,722)	5,368,332	(1,271,960)
Totals	892,295,000		64,311,960	(5,760,000)	58,551,960		499,063,500		35,266,474	393,231,500	23,775,783	(6,304,805)	52,737,452	(5,814,508)

Projected Impact of NPPD Wholesale Contract Opt-Out - Wayne, NE
Case Assuming 5 Year Notice and Maximum Reduction

	Base Case				Estimated Cost with Opt-Out Provision								Cost Diff (\$)	
	Purchases (kWh)	Firm (\$/kWh)	Firm Cost (\$)	Capacity Lease (\$)	Net Cost (\$)	Firm Reduct.	BREC Purch (kWh)	BREC (\$/kWh)	BREC (\$)	Firm Purch (kWh)	Firm Cost (\$)	Capacity Lease (\$)		Net Cost (\$)
Escal >	1.50%	4.80%												BREC @ 2%/yr
2013	57,754,000	0.054	3,117,561	(640,000)	2,477,561	-	-	\$ 0.049	-	57,754,000	3,117,561	(640,000)	2,477,561	-
2014	58,620,000	0.054	3,164,308	(640,000)	2,524,308	-	-	\$ 0.047	-	58,620,000	3,164,308	(640,000)	2,524,308	-
2015	59,499,000	0.057	3,365,920	(640,000)	2,725,920	-	-	\$ 0.049	-	59,499,000	3,365,920	(640,000)	2,725,920	-
2016	60,391,000	0.059	3,580,368	(640,000)	2,940,368	-	-	\$ 0.052	-	60,391,000	3,580,368	(640,000)	2,940,368	-
2017	61,297,000	0.062	3,808,517	(640,000)	3,168,517	0%	-	\$ 0.054	-	61,297,000	3,808,517	(640,000)	3,168,517	-
2018	62,216,000	0.065	4,051,167	(640,000)	3,411,167	0%	-	\$ 0.057	-	62,216,000	4,051,167	(640,000)	3,411,167	-
2019	63,149,000	0.068	4,309,290	(640,000)	3,669,290	90%	56,834,100	\$ 0.059	3,374,174	6,314,900	430,929	(355,817)	3,449,287	(220,004)
2020	64,096,000	0.072	4,583,862	(640,000)	3,943,862	90%	57,686,400	\$ 0.062	3,589,164	6,409,600	458,386	(362,933)	3,684,617	(259,245)
2021	65,057,000	0.075	4,875,912	(640,000)	4,235,912	90%	58,551,300	\$ 0.065	3,817,839	6,505,700	487,591	(370,192)	3,935,239	(300,674)
2022	66,033,000	0.079	5,186,617	-	5,186,617	100%	66,033,000	\$ 0.068	4,512,357	-	-	(377,596)	4,134,761	(1,051,856)
2023	67,023,000	0.082	5,517,067	-	5,517,067	100%	67,023,000	\$ 0.072	4,799,849	-	-	(385,148)	4,414,701	(1,102,366)
2024	68,028,000	0.086	5,868,585	-	5,868,585	100%	68,028,000	\$ 0.075	5,105,669	-	-	(392,850)	4,712,819	(1,155,767)
2025	69,048,000	0.090	6,242,493	-	6,242,493	100%	69,048,000	\$ 0.079	5,430,969	-	-	(400,708)	5,030,262	(1,212,232)
2026	70,084,000	0.095	6,640,292	-	6,640,292	100%	70,084,000	\$ 0.082	5,777,054	-	-	(408,722)	5,368,332	(1,271,960)
Totals	892,295,000		64,311,960	(5,760,000)	58,551,960		513,287,800		36,407,075	379,007,200	22,464,747	(6,304,963)	51,977,858	(6,574,102)

December 8, 2013

Mayor and City Council
C/o Mr. Lowell Johnson, City Administrator
PO Box 8, 306 Pearl Street
Wayne, NE 68787

Re: Recommendation on Reduction Provision Alternatives
Project: Wayne Electric T/E # 8510

Honorable Mayor and City Council,

As the Council is no doubt aware, the City is currently considering both the impact of a reduction in firm power requirements/obligation from its present supplier (NPPD) and the alternate sources of supply for the amount of reduction the Wholesale Power Contract defines and permits. It is doing so both separately and in conjunction with a group of municipalities. This recommendation is directed at, and only addresses, the City of Wayne.

Summary

This letter is intended to document and recommend changes that are provided for in both your Wholesale Power Contract and Capacity Purchase Agreements with NPPD. Although NPPD is somewhat uncertain in their own interpretations of these documents, it is generally understood that the City has the option to reduce its obligation to buy firm power from NPPD, beginning in either 2017 or 2019, depending on notice given. The City would then buy the non-NPPD power from another provider if they are estimated to be more economical and equally reliable.

Although several cases/scenarios were examined, two are considered in this letter: (1) Buy economy energy on the market, using the City power plant as firm capacity, or (2) Buy firm power from Big River Electric Cooperative (BREC) and lease the capacity to them. *It should be noted that the City is in the somewhat unique position of having its own power plant, capable of supporting the full City load if required – it is this capability that makes option (1) (and the accompanying savings) possible.*

Both cases are estimated to be notably more economical than continuing to purchase total requirements from NPPD, particularly given their uncertain pricing outlook and what may be a very restrictive (new) contract proposition in the case of renewal or continuation. However, *based on the tables (1.1 – 1.4) and estimates that are attached, there is a substantial enough difference between the cases to warrant recommendation of option (1) above.* That is to say the City would give notice to NPPD (by December 31, 2013) of their intent to reduce their NPPD requirements by 90%, beginning in 2019, and commence to purchase that energy on the open market through the end of the contract (2021), and total requirements thereafter. A brief discussion/explanation follows.

Michael H. Towne

1312 Churchill Way, Sherman, TX 75092, 402-304-8359, townemh@gmail.com

Tables 1.1 – 1.4 (General)

These tables are hopefully straightforward/self-explanatory, but in general list the year in the far left column, the variables noted in each column heading and the net cost difference (from estimated NPPD) in the last column (far right). The projected evaluation period was extended to five years after the end of the NPPD contract for reference.

Usage is assumed to start at 2013 purchase levels and increase by about 1.5% per year (load growth). The initial NPPD firm price (6.3 cents/kWh) is as stated in their study estimate documents provided to the City, and is for reference and to provide a base. Cost escalation shown (4.8%/year) is the sum of historic increases and the amount necessary to fund the City portion of anticipated bond issues. In the case of the economy purchases evaluation, the escalation (4%/year) is assumed to be on the conservative side of both historic and projected increases over the period shown. The initial economy energy price (4.5 cents/kWh) is comprised of 3.5 cents/kWh (commodity) and 1.0 cents/kWh firm wheeling.

Tables 1.1 – 1.2

Both tables have similar assumptions listed above, but Table 1.1 assumes the City gives the required five (5) year notice to reduce its NPPD obligation by greater than 30% (a 90% reduction is the maximum allowed during the contract term) beginning in 2019. Table 1.2 reflects the maximum reductions permitted with a three (3) year notice, again with a 90% maximum during the contract term. In both cases, you will note capacity lease payments are assumed to continue up to, but not beyond, the actual reduction date.

In both tables, it will be seen that the projected savings over the 14 year period are substantial, with the majority occurring after the NPPD contract ends (as would half the capacity lease payments (a credit)). Depending on when the City chooses to implement the reductions, the net savings would be in the range of \$11 – 12M over the period shown, or about 17 – 18%.

Tables 1.3 – 1.4

These tables are similar to the above, but reflect terms as specified in the BREC proposal. Their proposal is for firm power and ties their contract price directly to NPPD Blend rates (a percent discount applied to the rate). The same NPPD capacity lease payment schedule is assumed as above, but BREC is assumed to lease that capacity after the initial purchases reduction takes place.

The projected savings over the period shown range from \$3.8 – 4.4M, or approximately 6%, with Table 1.4 actually showing some increases in the early years because the rate is not sufficient to offset the loss in capacity lease payments and increased fuel costs.

Michael H. Towne

1312 Churchill Way, Sherman, TX 75092, 402-304-8359, townemh@gmail.com

Alternative Cases

Although the tables are not included in this document, staff had requested two alternate cases be run for reference that reflected the impact of economy energy escalating at 6% and 8%, rather than the 4% in Tables 1.1 and 1.2, while keeping the NPPD escalation at 4.8%. While it may not be readily apparent, estimated savings would decrease over time since the increased escalation (above 4.8%) would eventually overtake any initial pricing differences.

At a 6% escalation, the economy energy purchase option would yield approximately the same or slightly more savings as the BREC proposal. At 8%, economy purchases would not be economically feasible. (the break even is about 7.15%).

Given the caveats that must necessarily accompany estimates such as these, the point should perhaps be made that it is unlikely the economy purchases market would see increases (regulatory or other) that didn't equally affect NPPD or BREC (and which would be passed on via a PCA, 'basis', etc.).

Conclusion

As the Council is undoubtedly aware, your decision will likely be a function of economics and/or perceived security in large part. The recommendation herein hopefully recognizes the merit in both possible cases evaluated, but seeks to further emphasize the singular position and leverage the City has in its power plant.

Hopefully, this has been of help, but please feel free to contact me with comments or questions.

Best Regards,

Mike Towne

Michael H. Towne

1312 Churchill Way, Sherman, TX 75092, 402-304-8359, townemh@gmail.com

Energy Only Option

This option is Energy Only Purchased on Open Mkt

*City of Wayne
Total demand charges for
last two 12 month periods
are \$1.5 million & \$1.3 million*

Projected Impact of NPPD Wholesale Contract Opt-Out - Wayne, NE															
Case Assuming 5 Year Notice and Maximum Reduction															
(Pricing assumed at estimated market plus wheeling)															
Base Case						Estimated Cost with Opt-Out Provision									
Purchases (kWh)	Firm (\$/kWh)	Firm Cost (\$)	Capacity Lease (\$)	Net Cost (\$)	Firm Reduct.	Econ. Purch (kWh)	Econ (\$/kWh)	Econ Cost (\$)	Firm Purch (kWh)	Firm Cost (\$)	Gen. Cost (\$)	Capacity Lease (\$)	Net Cost (\$)	Cost Diff (\$)	
Escal>	1.50%	4.80%					4.00%								
2013	57,754,000	0.063	3,638,502	(640,000)	2,998,502		-	0.045	-	57,754,000	3,638,502	-	(640,000)	2,998,502	-
2014	58,620,000	0.066	3,870,327	(640,000)	3,230,327		-	0.047	-	58,620,000	3,870,327	-	(640,000)	3,230,327	-
2015	59,499,000	0.069	4,116,923	(640,000)	3,476,923		-	0.049	-	59,499,000	4,116,923	-	(640,000)	3,476,923	-
2016	60,391,000	0.073	4,379,219	(640,000)	3,739,219		-	0.051	-	60,391,000	4,379,219	-	(640,000)	3,739,219	-
2017	61,297,000	0.076	4,658,273	(640,000)	4,018,273		-	0.053	-	61,297,000	4,658,273	-	(640,000)	4,018,273	-
2018	62,216,000	0.080	4,955,061	(640,000)	4,315,061		-	0.055	-	62,216,000	4,955,061	-	(640,000)	4,315,061	-
2019	63,149,000	0.083	5,270,778	(640,000)	4,630,778	90%	56,834,100	0.057	3,236,097	6,314,900	527,078	164,640	-	3,927,815	(702,963)
2020	64,096,000	0.087	5,606,611	(640,000)	4,966,611	90%	57,686,400	0.059	3,416,012	6,409,600	560,661	171,157	-	4,147,830	(818,782)
2021	65,057,000	0.092	5,963,824	(640,000)	5,323,824	90%	58,551,300	0.062	3,605,917	6,505,700	596,382	178,017	-	4,380,317	(943,508)
2022	66,033,000	0.096	6,343,853	(320,000)	6,023,853	100%	66,033,000	0.064	4,229,550	-	-	185,220	-	4,414,570	(1,609,283)
2023	67,023,000	0.101	6,748,034	(320,000)	6,428,034	100%	67,023,000	0.067	4,464,469	-	-	192,766	-	4,657,235	(1,770,799)
2024	68,028,000	0.106	7,177,982	(320,000)	6,857,982	100%	68,028,000	0.069	4,712,669	-	-	200,312	-	4,912,981	(1,945,001)
2025	69,048,000	0.111	7,635,317	(320,000)	7,315,317	100%	69,048,000	0.072	4,974,663	-	-	208,201	-	5,182,864	(2,132,452)
2026	70,084,000	0.116	8,121,871	(320,000)	7,801,871	100%	70,084,000	0.075	5,251,276	-	-	216,433	-	5,467,709	(2,334,163)
Totals	892,295,000		78,486,575	(7,360,000)	71,126,575		513,287,800		33,890,452	379,007,200	27,302,426	1,516,746	(3,840,000)	58,869,624	(12,256,951)

TABLE 1.1

9-Dec-2013

Wayne schedules its own power daily

Attachment 4

**MINUTES
CITY COUNCIL MEETING
March 4, 2014**

The Wayne City Council met in regular session at City Hall on Tuesday, March 4, 2014, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Matt Eischeid and Jill Brodersen; City Attorney Eric Knutsen; City Administrator Lowell Johnson; and City Clerk Betty McGuire. Absent: Councilmembers Cale Giese and Kaki Ley.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on February 20, 2014, and a copy of the meeting notice and agenda were simultaneously given to the Mayor and all members of the City Council. All proceedings hereafter shown were taken while the Council convened in open session.

Councilmember Haase made a motion, which was seconded by Councilmember Sievers, whereas, the Clerk has prepared copies of the Minutes of the meeting of February 18, 2014, and that each Councilmember has had an opportunity to read and study the same, and that the reading of the Minutes be waived and declared approved. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Giese and Ley who was absent, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

VARIOUS FUNDS: AMERICAN BROADBAND, SE, 2327.59; AMERITAS, SE, 2125.71; APPEARA, SE, 213.20; AS CENTRAL SERVICES, SE, 448.00; BANK FIRST, SE, 120.00; BARNES & NOBLE, SU, 15.19; BLACK HILLS ENERGY, SE, 2111.50; BLUE DEVIL BOOSTER CLUB, SE, 50.00; BOMGAARS, SU, 834.44; CENTURYLINK, SE, 313.49; CHEMQUEST, SU, 3245.00; CHILD SUPPORT, RE, 100.00; CITY OF WAYNE, RE, 5.00; CITY OF WAYNE, PY, 69963.74; CLEAN TO A

T, SE, 1300.00; COMMUNITY HEALTH, RE, 4.00; COOPORTUNITY HEALTH, SE, 30942.44; DE LAGE LANDEN FINANCIAL, SE, 77.00; DEARBORN NATIONAL LIFE, SE, 92.88; DEMCO, SU, 106.96; DGR & ASSOCIATES, SE, 178.00; DUTTON-LAINSON, SU, 138.99; CITY EMPLOYEE, RE, 39.44; FIRST CONCORD GROUP, SE, 3863.94; FLOOR MAINTENANCE, SU, 131.55; GEMPLER'S, SU, 103.30; H.K. SCHOLZ, SE, 4170.36; HEWLETT-PACKARD, SU, 2724.52; HILLYARD/SIOUX FALLS, SU, 165.62; HOLIDAY INN OF KEARNEY, SE, 99.72; HOMETOWN LEASING, SE, 73.51; HTM SALES, SE, 1567.87; ICMA, SE, 7292.49; IRS, TX, 25702.79; JEO CONSULTING GROUP, SE, 1225.00; CITY EMPLOYEE, RE, 77.40; KRIZ-DAVIS, SU, 1582.36; MIRIAN AGUIRRE, SE, 150.00; MSC INDUSTRIAL, SU, 364.29; CITY EMPLOYEE, RE, 218.27; NE AIR FILTER, SU, 220.48; NE DEPT OF HEALTH, FE, 80.00; NE DEPT OF REVENUE, TX, 3632.76; NE PUBLIC HEALTH, SE, 1042.00; NPPD, SE, 303796.97; NORFOLK WINNELSON, SU, 105.20; NOVELTY MACHINE & SUPPLY, SU, 73.15; OVERDRIVE, SU, 225.79; OVERHEAD DOOR COMPANY, SE, 311.10; CITY EMPLOYEE, RE, 1281.20; QUILL, SU, 236.16; SINCLAIR/DAYLIGHT DONUT, SU, 344.80; STATE FARM INSURANCE, FE, 563.00; STATE NEBRASKA BANK, RE, 98.15; TASTE OF HOME, SU, 31.98; THE GLASS EDGE, SE, 6007.00; TYLER TECHNOLOGIES, SE, 200.00; UTILITIES SECTION, FE, 225.00; VERIZON, SE, 287.06; VIAERO, SE, 244.97; WAYNE AIRPORT, RE, 24710.00; WAED, RE, 5070.00; WAYNE COMMUNITY SCHOOLS, RE, 2608.25; WESCO, SU, 313.12; WISNER WEST, SU, 104.50; ADVANCED CONSULTING, SE, 1123.75; BACKFLOW APPARATUS, SU, 923.20; BIG T ENTERPRISES, SU, 151.65; CHAPMAN METERING, SE, 3238.75; CITY OF WAYNE, RE, 35.00; CITY OF WAYNE, SE, 180.00; CITY OF WAYNE, RE, 241.68; EASYPERMIT POSTAGE, SU, 767.78; ECHO GROUP, SU, 56.19; ED. M FELD EQUIPMENT, SE, 427.00; GILL HAULING, SE, 155.00; GROSSENBURG IMPLEMENT, SU, 586.45; JOHNNY P LEMPKE, SE, 40.00; KELLY SUPPLY, SU, 446.25; KEN PROKOP, SE, 30.00; MIRIAN AGUIRRE, SE, 100.00; NEBRASKA DEPARTMENT OF AG, FE, 90.00; NNPPD, SE, 5651.00; O'REILLY AUTOMOTIVE STORE, SU, 21.99; ONE CALL CONCEPTS, SE, 15.15; CITY EMPLOYEE, RE, 3.35; PETERSON INDUSTRIAL ENGINE, SE, 3247.50; PIEPER & MILLER, SE, 6999.00; PLUNKETT'S PEST CONTROL, SE, 43.26; PRESTO X, SE, 56.65; QUILL, SU, 13.94; SOOLAND BOBCAT, SU, 194.37; VERIZON, SE, 102.10; WAYNE COUNTY CLERK, SE, 84.00; WAYNE HERALD, SE, 1457.00; WESCO, SU, 239.63; WISNER WEST, SU, 30.25

Councilmember Sievers made a motion, which was seconded by Councilmember Haase, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmembers Giese and Ley who were absent, the Mayor declared the motion carried.

Mayor Chamberlain advised the public that a copy of the Open Meetings Act was located on the south wall of the Council Chambers and was available for public inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless injury to the reputation of an individual and if such individual has not requested a public hearing.

Councilmember Giese arrived at 5:31 p.m.

Alex Koch, Recreation Services Director, advised the Council that he received only one bid on the "Summer Sports Complex Field Relocation Project." The lone bid was from Odeys of Omaha, NE, in the amount of \$71,500. The south two fields will be completed by May, with the two north fields being completed by June 1st.

Councilmember Eischeid introduced Resolution 2014-22 and moved for its approval; Councilmember Brodersen seconded.

RESOLUTION NO. 2014-22

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT ON THE "SUMMER SPORTS COMPLEX FIELD RELOCATION PROJECT."

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Alex Koch, Recreation Services Director, then updated the Council on the Summer Sports Complex Project. The intent is to light all four fields at this time.

Discussion took place regarding two change orders submitted by Robert Woehler & Sons Construction regarding the Chief's Way Sanitary Sewer Project. Change Order No. 2 in the amount of \$3,723.50 was for expenses incurred due to the engineer using

four year old locate information to design the project. The old locate information did not pick up the high pressure gas main underneath Logan Creek on the south side of the highway. Therefore, anyone who bid on the plans did not include anything for potholing to find this line. The gas company knew where the line was, but did not know how deep it was. Olsson & Associates has denied that there was anything wrong, and that this was a legitimate cost of the project. The Woehlers' position is that this should have been noted on the plans so that all of the bidders could have acknowledged that cost. We are bypassing the engineer's recommendation, at the recommendation of the City Attorney, to avoid the cost of arbitration. Administrator Johnson stated he and staff would determine some amount to subtract from the next bill received from Olsson & Associates to recover some of the cost of this error.

A policy change being made is to have a pre-bid conference with all utilities and the engineer being present to review and approve the plans.

Administrator Johnson noted for Council that a cost that was not in their packet is that of the Woehlers' which amounted to approximately \$1,200. Johnson was going to ask the Council to at least consider this amount at the next council meeting because that is a cost the City would have had either way. He had asked Mr. Woehler to list that out so that the City has the full disclosure of all the costs that were involved in that Change Order.

BJ Woehler was present to answer questions.

Councilmember Muir made a motion, which was seconded by Councilmember Giese approving Change Order No. 2 in the amount of \$3,723.50 to Robert Woehler & Sons' Construction for the Chief's Way Sanitary Sewer Project. Mayor Chamberlain

stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Change Order No. 3 in the amount of \$2,710.05 was for potholing incurred by Horizontal Boring (\$2,031) and delay time incurred by Robert Woehler & Sons' Construction (\$679.05) to find the American Broadband fiber lines that were not on the plans. American Broadband is willing to help cover some of the costs of this Change Order.

The cost for the delay time that was incurred by the Woehlers shows the total picture of what we're negotiating. Council can so choose whether or not they want to pay that additional amount, but that was part of the total costs out there.

Councilmember Muir made a motion, which was seconded by Councilmember Brodersen approving Change Order No. 3 in the amount of \$2,710.05 to Robert Woehler & Sons' Construction for the Chief's Way Sanitary Sewer Project. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Wes Blecke, Director of Wayne Area Economic Development, was present and advised the Council that the LB840 Sales Tax Advisory Committee met to review and make recommendations on two LB840 requests. On the first application, the Committee reviewed the request by Ken Jorgensen for a \$125,000, 0% interest loan and a \$125,000 performance based loan (total \$250,000) to build a sports bar and bottle shop. After review and discussion, the Committee recommended a \$250,000 loan for 15 years at 0% interest. The total project cost is estimated to be \$1,800,000.

Ken Jorgensen was present to answer questions. He advised the Council he would have a minimum of 20 full-time equivalent employees. He did not have any objection to the recommendation of the LB840 Sales Tax Advisory Committee.

Councilmembers Brodersen and Muir thought the \$250,000, 0% interest loan was generous.

Councilmember Eischeid had concerns about picking and choosing who receives 0% interest and who receives 3% interest loans.

Councilmember Sievers made a motion, which was seconded by Councilmember Haase, approving a \$125,000 performance based grant (20 full-time equivalent employees for 15 years) and a \$125,000, 0% interest loan for 10 years for a total of \$250,000 for Ken Jorgensen to be used to build a sports bar and bottle shop.

Councilmember Brodersen opined her position was not to make a decision that is different than the Sales Tax Advisory Committee, and thought the Council should take their recommendation rather than going above and beyond and using the taxpayer's money in a way that, for some reason, the Committee did not see fit.

Councilmember Giese stated he was uncomfortable at this point and time setting the performance based grant without any input from the Sales Tax Advisory Committee, to which Councilmember Muir agreed.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, and Councilmembers Giese, Muir and Brodersen who voted Nay, the Mayor declared the motion failed.

Councilmember Brodersen then made a motion, which was seconded by Councilmember Giese approving the recommendation of the LB840 Sales Tax Advisory

Committee to approve a \$250,000, 0% loan for 15 years for Ken Jorgensen to build a sports bar and bottle shop. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent and Councilmember Haase who voted Nay, the Mayor declared the motion carried.

On the second application, the Committee reviewed a request by Pat Garvin (Innovative Protectives, Inc.) for a \$40,000 loan to rebuild a shop and storage building destroyed by the tornado. With five members of the Committee present, they recommended a \$40,000 loan for 15 years at 0% interest.

Pat Garvin was present to answer questions.

Councilmember Giese made a motion, which was seconded by Councilmember Brodersen, approving the recommendation of the LB840 Sales Tax Advisory Committee to approve a \$40,000, 0% interest loan for 15 years for Pat Garvin (Innovative Protectives, Inc.) to rebuild a shop and storage building destroyed by the tornado. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Brodersen made a motion, which was seconded by Councilmember Sievers, to adjourn as Mayor and City Council and reconvene as the Board of Equalization. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

The Mayor declared that in accordance with published notice, it was now time to conduct the public hearing relative to the levy of special assessments in Street Improvement District No. 2013-1 (Milo Drive) and declared the public hearing open.

Administrator Johnson reviewed the assessment process for the Council. Johnson recommended that Line 33X in the amount of \$5,805, one-half thereof or \$2,902.50 only be assessed to the property owners because it was created by a failure of the engineer to include in the drawings the wyes that come off the sewer line. Olsson & Associates agreed to pay the mobilization cost of bringing the contractor back to install the wyes. This amount will be deducted from the final payment to Olsson & Associates.

Joel Hansen, Street Superintendent, stated that the original plan showed two wyes. Meyer/Pick then asked for two additional wyes, so he thought there was a little bit of a change that would have been a cost to the developers. A lot of this was a timing issue. Originally, the City hired Olsson & Associates to do the project because Tipton Holdings, who was building the Dollar General Store, advised us that they were having Olsson & Associates do their site plan. Our thought was we were going to avoid the issue we had with Bomgaars – which was to have one engineer design the whole project. Halfway through, Tipton Holdings, without telling the City, decided to no longer work with Olsson's, but to hire their own architect in Kansas City. That is where we lost the communication we were hoping for. The plans were then ready to approve at the Council meeting. Mr. Meyer looked at the plans about two hours before the meeting and noticed that something was not right with the elevation. Olsson's frantically worked to get us something before 5:00 that day, and that is where we lost site of the fact that Olsson's, when they changed the elevation, had taken those stubs out and didn't put them back in.

Councilmember Brodersen opined she was surprised that the contractors didn't notice the wyes were missing. She receives calls from contractors all the time, and this just surprised her.

The Mayor then asked if there were any persons present who wished to be heard concerning the proposed assessments in said District. There were none.

The assessments will be set at 3.5% interest for 15 years.

City Clerk McGuire had not received any written objections to these assessments.

There being no other persons wishing to be heard concerning the improvements and the proposed levy of special assessments within Street Improvement District No. 2013-1, the Mayor declared the hearing closed.

Councilmember Brodersen introduced Resolution 2014-20 and moved for its approval, with the exception of Line 33X to reduce the total \$5,805 allocation down to \$2,902.50 to the property owners for the extra construction work; Councilmember Eischeid seconded.

RESOLUTION NO. 2014-20

A RESOLUTION MAKING ASSESSMENTS IN STREET IMPROVEMENT DISTRICT NO. 2013-1 (MILO DRIVE).

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Brodersen made a motion, which was seconded by Councilmember Sievers, to adjourn as the Board of Equalization and reconvene as Mayor and City Council. Mayor Chamberlain stated the motion, and the result of roll call being

all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Joel Hansen, Street Superintendent, stated three bids were received on the “Highway 15 & 10th Street Intersection Project.” The engineer has reviewed the bids and recommends that the project be awarded to the lowest bidder, Robert Woehler & Sons Construction, Inc., of Wayne, NE, in the amount of \$73,760.00. The high bid was \$96,754.10. The engineer’s estimate was \$76,000.00. Approval of the same must be conditioned upon the project being approved by the Nebraska Department of Roads.

Councilmember Eischeid, while not questioning their work, questioned the experience of the contractor that got the bid on this project (their business is a utility contractor – water & sewer) and the differentiation of prices between his cost and the other bidders. To him, if the City is going to be spending the money, we need to put the money towards a company that paves roads – that is their job. He wouldn’t hire a finished carpenter to pour concrete for him.

Mr. Woehler stated that they put different money in different places. Different kinds of contractors (utility/paving, etc.) all do this type of work. It just happens to be that this is such a small project that none of the big contractors wanted it. He was trying to give the City a low and fair number because he figured the contractors were going to be coming in pretty high. This is not out of their scope – they do this type of work all the time. His company does not pave blocks, but they do pave streets.

Councilmember Giese stated there must be an art to bidding because going through these bids, logically, they don’t make any sense. The rates, etc., between the three companies are so far off on every single item.

Councilmember Sievers liked the fact that a local contractor was the low bidder.

Councilmember Brodersen introduced Resolution No. 2014-21 and moved for its approval subject to the project being approved by the Nebraska Department of Roads; Councilmember Sievers seconded.

RESOLUTION NO. 2014-21

A RESOLUTION ACCEPTING BID AND AWARDING CONTRACT ON THE
“HIGHWAY 15 & 10TH STREET INTERSECTION PROJECT.”

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent and Councilmember Eischeid who voted Nay, the Mayor declared the motion carried.

Administrator Johnson stated the following Resolution provides the legal descriptions to sell the property to Mid Plains Grain, LLC, for the expansion of the elevator site. Johnson had a commercial appraisal done on the property so that the City would have a value to go by. The next step will be to get a purchase agreement prepared between the City and Mid Plains Grain to sell the property.

Councilmember Sievers introduced Resolution 2014-11, and moved for its approval; Councilmember Greve seconded.

RESOLUTION NO. 2014-11

A RESOLUTION APPROVING THE PRELIMINARY AND FINAL PLAT
FOR THE GIESE SECOND ADDITION.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, and Councilmember Giese who abstained, the Mayor declared the motion carried.

Councilmember Giese introduced Ordinance 2014-5, and moved for approval of the second reading thereof; Councilmember Brodersen seconded.

ORDINANCE NO. 2014-5

AN ORDINANCE AMENDING ORDINANCE NO. 2014-3 BY CHANGING THE AGENCY KNOWN AS THE “COMMUNITY DEVELOPMENT AGENCY” TO THE “COMMUNITY REDEVELOPMENT AUTHORITY” AND PROVIDING FOR THE FUNCTIONING AND POWERS OF SUCH AGENCY.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Sievers made a motion and Councilmember Muir seconded to suspend the statutory rules requiring ordinances to be read by title on three different days. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Sievers made a motion and Councilmember Brodersen seconded to move for final approval of Ordinance No. 2014-5. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Muir brought Ordinance No. 2013-50 back for reconsideration. This is the ordinance that would annex the Williams Form, Woehler, Airport and Pacific Coast properties. The motion to approve the third and final reading failed at the last meeting with a 4-1 vote.

Councilmember Muir introduced Ordinance 2014-6, and moved for approval thereof; Councilmember Sievers seconded.

ORDINANCE NO. 2014-6

AN ORDINANCE ANNEXING CERTAIN REAL ESTATE TO THE CITY OF WAYNE AND EXTENDING THE CORPORATE LIMITS IN THE NORTHEAST QUADRANT OF THE CITY OF WAYNE TO INCLUDE SAID REAL ESTATE.

Councilmember Eischeid opined again that he thought the Pacific Coast property should be omitted from the ordinance to give the potential buyer(s) options.

Councilmember Muir stated he would agree with that if there wasn't about \$50,000 worth of work laying on that piece of property (removal of the septic systems and the concrete). He wants a potential buyer to be able to have another tool in their pocket to be able to clean that up if they are interested in it.

In response to Councilmember Eischeid's question, Joel Hansen responded that he did not know whether or not the DEQ had a timeline for removing the septic systems; however, he did share that he had a gentlemen in his office who was going to bid on removing the concrete out there.

Councilmember Eischeid thought the Council was rushing into potential problems that we don't really need to deal with right now.

Administrator Johnson stated the building is now gone off the Pacific Coast site, and we have a blight study hanging out there. There are people who want to take the concrete and soon. If someone comes in and removes the concrete, then there is not much blight left out there, which then takes away the ability for tax increment financing. This is what happened with Kelby Herman's commercial subdivision. In his need to get people into business, he cleaned up the property before the blight study was started, and

he did not realize what he did to himself. If the Council is so inclined to want to take the Pacific Coast property out and reintroduce a different ordinance, you are setting a whole new set of time clocks.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, and Councilmembers Eischeid and Brodersen who voted Nay, the Mayor declared the motion carried. The second reading will take place at the next meeting.

The following Ordinance would annex the Herman Commercial Subdivision.

Councilmember Muir introduced Ordinance 2014-7, and moved for approval thereof; Councilmember Sievers seconded.

ORDINANCE NO. 2014-7

AN ORDINANCE ANNEXING CERTAIN REAL ESTATE TO THE CITY OF WAYNE AND EXTENDING THE CORPORATE LIMITS IN THE NORTHEAST QUADRANT OF THE CITY OF WAYNE TO INCLUDE SAID REAL ESTATE.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried. The second reading will take place at the next meeting.

Mayor Chamberlain presented a couple of proposals to increasing the salaries for the Mayor and Councilmembers. One proposal was to keep the salary the same and then be paid on a per diem basis (\$25/hr with a maximum of 3 hours per day) for attending meetings outside the normal council meetings, retreat, budget sessions, etc., or to just increase the base, or a combination of both. This did not need to be acted upon tonight. Any changes cannot take effect until after the next general election.

Councilmember Sievers was not in favor of the per diem proposal and suggested or recommended increasing the base of each by \$1,500. Councilmember Brodersen agreed.

City Clerk McGuire stated the last time the Mayor and Council salaries were increased was 2006. The Mayor was at \$3,000 and then increased to \$4,500; the Council was at \$2,000 and then increased to \$3,000.

BJ Woehler spoke in favor of increasing the salaries for both the Mayor and Council, because he noted that if all of their salaries were combined, it still wouldn't equal the salary of one County Commissioner.

Councilmember Sievers made a motion to table action on Ordinance No. 2014-8 until the next meeting and Councilmember Brodersen seconded and to get a comparison of salaries similar to what we do with the city employees. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

No action was taken on Resolution 2013-129 – making findings and declaring portions of the City of Wayne to be blighted and substandard pursuant to the Nebraska Community Development Act – Industrial Drive East Area, or on Resolution 2014-5 approving Memorandum of Understanding with Robert Woehler & Sons, Inc., to enter into a tax increment financing agreement for site preparation and new construction.

Councilmember Eischeid introduced Ordinance 2014-2 and moved for approval of the third and final reading thereof; Councilmember Giese seconded.

ORDINANCE NO. 2014-2

AN ORDINANCE TO AMEND THE FOLLOWING SECTIONS OF CHAPTER 78, ARTICLE III OF THE WAYNE MUNICIPAL CODE: SECTION 78-126 RELATING TO PARKING; PROHIBITED PARKING; NORTHEAST QUADRANT OF THE CITY; SECTION 78-128 RELATING TO PARKING; PROHIBITED PARKING; NORTHWEST QUADRANT OF THE CITY; SECTION 78-130 PROHIBITED PARKING; SOUTHEAST QUADRANT OF THE CITY; AND SECTION 78-132 PROHIBITED PARKING, SOUTHWEST QUADRANT OF THE CITY; TO PROVIDE FOR THE REPEAL OF CONFLICTING ORDINANCES OR SECTIONS; AND TO PROVIDE FOR AN EFFECTIVE DATE.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Administrator Johnson stated the following Resolution would approve a Memorandum of Understanding with Southwest Renewable Resources, and the cities of Wakefield and South Sioux City and Northeast Nebraska Public Power District and authorize him to negotiate a contract for production and delivery of power from a 25 MW renewable fuel plant to be constructed in Dakota County. We reserved the option, in the Big Rivers' contract, to purchase up to 15% of our wholesale power each year from a renewable source.

Southwest has asked us to sign the MOU to indicate interest by the elected officials and not just the staff before they retain engineering services to develop details of the proposal. The purpose of the MOU is to find out who is interested in moving forward in the discovery process, but is not binding and does not create a cost obligation for the City of Wayne.

When the Big Rivers' contract ends in 2026, we will be able to contract for any amount of renewables or other power source we want, without restriction, while using our power plant as a backup.

Councilmember Giese introduced Resolution No. 2014-23 and moved for its approval; Councilmember Sievers seconded.

RESOLUTION NO. 2014-23

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITIES OF WAYNE, WAKEFIELD, SOUTH SIOUX CITY, AND NORTHEAST NEBRASKA PUBLIC POWER DISTRICT AND SOUTHWEST RENEWABLE RESOURCES.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Administrator Johnson stated he is working with Todd Hegwer on a power purchase agreement with a 25-year fixed guarantee with NextEra out of Tulsa, Oklahoma. NextEra generates wind turbine power. This wind power plant is being built right now. The proposed price range is better than both NPPD and the Big Rivers' current pricing and can still be locked in for 25 years. Further negotiations will likely require us to sign a non-disclosure agreement to proceed and also an agreement with Mr. Hegwer for his professional services to evaluate the contract on our behalf.

Councilmember Giese made a motion, which was seconded by Councilmember Sievers authorizing the City Administrator to negotiate a 25-year power purchase agreement for production and delivery of wind power. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Administrator Johnson stated the following Resolution would approve a memorandum of Understanding with Pollina Corporate Real Estate, Inc., to solicit investors for the development of the renewable fuel plant to be constructed in Dakota County.

Councilmember Eischeid introduced Resolution No. 2014-24 and moved for its approval; Councilmember Sievers seconded.

RESOLUTION NO. 2014-24

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITIES OF WAYNE, WAKEFIELD AND SOUTH SIOUX CITY AND POLLINA CORPORATE REAL ESTATE, INC., AN ILLINOIS CORPORATION.

Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried.

Councilmember Giese made a motion, which was seconded by Councilmember Sievers, to adjourn the meeting. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, with the exception of Councilmember Ley who was absent, the Mayor declared the motion carried and the meeting adjourned at 7:45 p.m.

Attachment 5

**MINUTES
CITY COUNCIL MEETING
November 19, 2013**

The Wayne City Council met in regular session at City Hall on Tuesday, November 19, 2013, at 5:30 o'clock P.M. Mayor Ken Chamberlain called the meeting to order with the following in attendance: Councilmembers Cale Giese, Rod Greve, Jon Haase, Jennifer Sievers, Nick Muir, Kaki Ley, Matt Eischeid, and Jill Brodersen; City Attorney Amy Miller; City Administrator Lowell Johnson; and City Clerk Betty McGuire.

Notice of the convening meeting was given in advance by advertising in the Wayne Herald on November 7, 2013, and a copy of the meeting notice and agenda were simultaneously given to the Mayor and all members of the City Council. All proceedings hereafter shown were taken while the Council convened in open session.

Councilmember Haase made a motion, which was seconded by Councilmember Giese, whereas, the Clerk has prepared copies of the Minutes of the meeting of November 5, 2013, and that each Councilmember has had an opportunity to read and study the same, and that the reading of the Minutes be waived and declared approved. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried and the Minutes approved.

The following claims were presented to Council for their approval:

VARIOUS FUNDS: AMERITAS, SE, 2011.61; APPEARA, SE, 86.79; BANK FIRST, FE, 120.00; CITY EMPLOYEE, RE, 30.61; BSN SPORTS, SU, 995.87; BUCK'S, SE, 502.68; CITY EMPLOYEE, RE, 84.37; CHEMQUEST, SE, 1622.50; CITY OF WAYNE, RE, 150.00; CITY OF WAYNE, SE, 61.25; CITY OF WAYNE, PY, 60265.87; CITY OF WAYNE, SE, 80.00; CITY OF WAYNE, RE, 225.00; CLAUSSEN & SONS IRRIG., SE, 185.00; COMMUNITY HEALTH, RE, 4.00; DAVE'S DRY CLEANING, SE, 87.00; DE LAGE LANDEN FINANCIAL, SE, 394.00; ED. M FELD EQUIPMENT, SU, 2477.50; ELECTRIC FIXTURE & SUPPLY, SU, 8.87;

FASTENAL, SU, 31.32; FLOOR MAINTENANCE, SU, 358.02; GODFATHERS, SU, 98.00; GUARANTEE ROOFING, SE, 363.00; CITY EMPLOYEE, RE, 274.69; HAWKINS, INC, SU, 416.96; HOMETOWN LEASING, SE, 73.51; ICMA, SE, 6372.35; INNOVATIVE PROTECTIVES, RE, 10000.00; IRS, TX, 22396.20; JOHNNY P LEMPKE, SE, 73.00; FIREMAN, RE, 414.70; KRIZ-DAVIS, SU, 139.79; KTCH, SE, 1565.14; LEAGUE OF NEBRASKA, FE, 990.00; MAXIMUM SOLUTIONS, SU, 16400.00; MIDWEST LABORATORIES, SE, 72.45; MISS MOLLY'S COFFEE, SU, 74.00; MSC INDUSTRIAL, SU, 66.95; NE DEPT OF REVENUE, TX, 3169.83; NE HARVESTORE, SU, 3500.00; NE SAFETY COUNCIL, SE, 8.38; NNPPD, SE, 13185.52; OCC BUILDERS, RE, 37000.00; OTTE CONSTRUCTION, SE, 3400.00; PAC N SAVE, SU, 241.64; CITY EMPLOYEE, RE, 36.50; PUSH-PEDAL-PULL, SE, 183.80; ROBERT WOEHLE & SONS, SE, 100944.73; S & S WILLERS, SU, 257.91; SPARKLING KLEAN, SU, 1878.58; STADIUM SPORTING GOODS, SU, 260.00; STATE NATIONAL BANK, RE, 24722.50; STEVE HARRIS CONSTRUCTION, SE, 187081.79; TRITECH SOFTWARE SYSTEMS, SE, 4555.75; WAYNE COUNTY COURT, RE, 170.06; WAYNE HERALD, SE, 2660.46; CITY EMPLOYEE, RE, 823.93; WESCO, SU, 1837.13; WAPA, SE, 26572.00; WINGATE INN, SE, 269.85; AMAZON.COM, SU, 436.21; BAKER & TAYLOR BOOKS, SU, 19.73; CITY EMPLOYEE, RE, 60.34; BOMGAARS, SU, 1181.56; BROWN SUPPLY, SU, 125.35; CARHART LUMBER COMPANY, SU, 2101.04; DAKOTA BUSINESS SYSTEMS, SE, 104.50; DGR & ASSOCIATES, SE, 1414.56; DUNRITE, SU, 69.62; DUTTON-LAINSON, SU, 375.73; GERHOLD CONCRETE, SU, 668.35; HACH COMPANY, SU, 24.40; HUXFORL POLE & TIMBER, SU, 12656.54; CITY EMPLOYEE, RE, 5994.50; KIRKHAM MICHAEL, SE, 8073.00; CITY EMPLOYEE, RE, 313.85; CITY EMPLOYEE, RE, 1261.60; NE AIR FILTER, SU, 49.37; NE PUBLIC HEALTH, SE, 338.00; NPPD, SE, 252988.97; OLSSON ASSOCIATES, SE, 1450.14; OVERHEAD DOOR COMPANY, SE, 183.60; PIEPER & MILLER, SE, 3963.00; PITNEY BOWES, SU, 648.00; PRESTO X, SE, 145.80; QUILL, SU, 308.69; SHOPKO, SU, 76.85; STEVE LAMOUREX, SE, 110.00; ULINE, SU, 145.40; VOSS LIGHTING, SU, 50.80; WAYNE AUTO PARTS, SU, 909.28; WAYNE GROCERY, SU, 17.93; WAYNE HERALD, SE, 92.00; WESCO, SU, 537.83; ZEE MEDICAL SERVICE, SU, 181.61

Councilmember Muir made a motion, which was seconded by Councilmember Ley, to approve the claims. Mayor Chamberlain stated the motion, and the result of roll call being all Yeas, the Mayor declared the motion carried.

Mayor Chamberlain advised the public that a copy of the Open Meetings Act was located on the south wall of the Council Chambers and was available for public inspection. In addition, he advised the public that the Council may go into closed session to discuss certain agenda items to protect the public interest or to prevent the needless

injury to the reputation of an individual and if such individual has not requested a public hearing.

Mayor Chamberlain presented a framed photograph of an unidentified firefighter going through the tornado damage at Grossenburg Implement to the Wayne Volunteer Fire Department.

Duane Schroeder then presented two framed photographs taken by Jennifer Parker at the Wayne Fire Hall to both the City and the Wayne Volunteer Fire Department. The photograph is of the American Flag, which came off the flagpole during the tornado, and then draped itself over the Dalmation dog statue at the Fire Hall, with the caption “Together we will carry the load.”

City Administrator Johnson presented Mayor Chamberlain with a propeller from one of the airplanes that were damaged at the airport with the inscription “To Mayor Chamberlain from Wayne City Staff for your leadership in the October 4, 2013, F4 tornado response.”

Jason Karsky, along with a couple of Wayne State College Students, was present to describe a project they would like to do in conjunction with the City of Wayne to establish a historical marker along Highway 35 commemorating the October 4, 2013, tornado event. They may need some assistance from the City, such as equipment, to transport the boulder from the College to wherever it will be placed.

Todd Hegwer, the City’s rate consultant/analyst and contract negotiator, updated the Council on the proposals he has received regarding competitive priced wholesale power suppliers for Wayne. The finalist was Big Rivers Electric Corporation of Kentucky who offered power at 90% of the rate charged by Nebraska Public Power

District (NPPD). Lindsay Barron of Big Rivers Electric Corporation gave a presentation on her company and answered questions from the Council.

Mark Shults, representing Northeast Nebraska Public Power District (NNPPD), spoke in favor of Big Rivers' Electric Corporation's proposal. He said he has no hesitation to recommending to his board that this is the right thing to do. If all of the towns that participated with them in the request for proposals would go this way, the savings would be \$37,000,000 over the ten year contract, which is money that stays in all of those towns.

Attorney Miller noted that NNPPD does not have a lease capacity agreement with NPPD, so they do not have to worry about losing \$600,000 per year, like the City of Wayne does.

A decision on giving NPPD notice on the City's intent to reduce its contract power purchase will be made at one of the Council meetings in December. Therefore, no action was taken on agenda item nos. 5 and 6.

Gary Boehle of First National Insurance Agency reviewed the proposal he received and the one he is recommending from CoOpportunity for the 2014 plan year. While the premium increases, the plan reduces the exposure to the City for self-insurance. The current carrier, Blue Cross Blue Shield, came back with a renewal proposal of 19.5%, and when you include the additional fees because of the Affordable Health Care Act, the net increase ends up being 22.3%. The CoOpportunity plan being offered is the "Gold" plan, which has a \$1600 single/\$3200 family deductible. It also has an office visit co-pay, as well as a drug card option.