

Present: Mayor – Joyce Hudson
Council members Jeff Kennedy
Jim Aden
Tim Strauser
Jeff Whiting
City Administrator Bruce Clymer
City Clerk Connie L. Dalrymple

Also present: NMPP Representative Phil Euler, Matt Buesing

Mayor Hudson opened the meeting at noon in a retreat format. Advance notice and a copy of the agenda were given to the Council and members of the press. City Council meetings are conducted in accordance with the Open Meetings Act, a copy of which is available for public inspection on the north wall of the Council Chambers.

Mr. Euler provided a 5-year forecasting model for electrical rates based on current rates, costs, cash balance, and projected NPPD increases. It incorporates projected costs of power, depreciation, service and capital needs. Currently the cost of power is 73% of our operating costs. Payment for services to the City is 4.8% of gross revenue.

The City will be forced to take some power increase to meet the 5% wholesale and 30% transmission increases Nebraska Public Power District is planning.

The same formula and strategy could be applied to water and sewer rates. Both departments operate at a deficit, the sewer primarily because of debt service on the waste plant that will continue for six years. Mr. Euhler recommended all water be metered and winter consumption be the basis for the sewer rate.

If the proposal is the direction Council would like to go, Mr. Euhler asked for 1.5% latitude for the proposed formula to adjust rates to the cost of service. He will then prepare a two year rate proposal, rate design, and ordinance for Council to consider on January 5.

Discussion was had and it was the consensus of the Council to proceed as proposed by Mr. Euhler.

Whiting moved, Kennedy seconded, to adjourn the meeting at 12:52 p.m. Roll call vote: Yea - Aden, Strauser, Kennedy, Whiting. Nay - none.

Joyce Hudson, Mayor

Connie L. Dalrymple, City Clerk