

MINUTES OF THE MEETING OF THE BOARD OF PUBLIC WORKS
OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA
HELD
MARCH 8, 2004

THE BOARD OF PUBLIC WORKS OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA, met in regular session on the 8th day of March 2004 at the regular meeting place of the Board at the hour of 12:00 Noon. Said meeting being held in open session as required by Chapter 84, Article 14 of Nebraska Statutes.

Chairman Layson called the meeting to order and requested roll call: members present - Glenn, Grant, Humphrey, Layson, Lynch; absent - none.

Chairman Layson noted all Board Members have received a copy of the Agenda for this meeting and asked for any objections or exceptions to the General Consent Items listed under Agenda Item #2. There being no objections or exceptions, motion was moved by Member Grant, seconded by Member Glenn, the Board approve the General Consent Items listed below:

Agenda Item #2

- a) Approve the previous meeting's minutes and dispense with reading of same,
- b) Approve monthly compensation of Officers, management and employees as previously fixed by the Board,
- c) Approve Free Service Report as follows: BPW has furnished utilities, materials and labor equal to \$2,988.30 to the City free of charge and paid in lieu of tax payments of \$10,544.42 to the City for the month of February 2004,
- d) Approve, ratify and allow the following checks written/transfers during the month:

Electric, Water & Wastewater:

Internal Revenue – fwh & fica (efpts)	\$ 17,653.56
Department of Revenue - swl (efpts)	2,448.42
Alltel - local/long distance	988.77
Petty Cash: Meals-linecrew/meter reader-\$325.22; address corrects, Postage-\$14.70; Meter School (S.Helms)-\$72.56; NHHS application Grade IV (C.Jones)-\$11.00	423.48
BC-BS - health insurance	18,758.71
Omaha Life - premium	864.98
Jefferson Pilot Financial - disability premium	891.32
Ameritas - pension (efpts)	9,005.44
Payroll - transfer	49,716.47
Customer Deposits #2 - refund/apply	1,490.00
NHHS - refund for incorrect payment	263.00
Habitat For Humanity - refund temporary-all electric	65.00
R.L. Fauss Builders - refund temporary-all electric	65.00

approve and pay the following claims:

Action Technology	3,506.71
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Allison Pharmacy	10.21
Auburn Auto Center	194.04
Auburn Chamber of Commerce	800.00
Auburn Newspapers	509.54
Auburn Plumbing/Heating/ AC	23.16
Auburn Postmaster	1,053.00
Beard's Salvage	2.65
BPW	4,329.03
Bulldog Auto Parts	6.37
Cleaners, The	124.61
Dettmer Farm	19.17
Eggers Brothers	709.34
Farmer's Union Co op	833.52
Lynch Hardware	61.67
Machinery Station	52.12
Mayne USA	8.62
Mellage Truck/Tractor	115.64
OK Tires	210.56
Orscheln	212.93
Pamida	4.81
Sack Lumber	36.98
Sunmart	23.63
Texaco	504.67
Alltel Cellular	76.37
Altec	37.46
American Fence	706.10
American Safety Utility	25.05
Amot Controls	52.98
APPA	692.11
Brownville Concert Series	50.00
Compressed Air Solutions	238.15
DAC Services	29.90
Dutton Lainson	116.61
Eakes Office Plus	186.94
Electric Fixture/Supply	452.87
First Bankcard Center	372.69
First National Bank	10.00
Great Plains One Call	9.66
Hall Safety Equipment	176.25
Hawkins Water Treatment	277.01
HHS-Lab	3,377.02
HTM Sales	446.17
Husker Electric	124.29
Jacobson Helgoth	5,322.92
JEO Consulting Group	5,616.00
Kelly Supply	476.27
Kriz-Davis	151.78
Lawson Products	460.81
League of Nebraska Municipalities	505.00
Lincoln Electric Supply	402.89

McMaster-Carr	168.50
Mid Con Systems	272.26
National Waterworks	435.40
PayFlex Systems	59.40
Pitney Bowes	536.76
Scoco Supply	41.88
Stover R. S. Co.	49.88
Water Engineering	639.00
Water Products	13.90
REBATES:	
Tom Jones % James Jones	40.00
Rachel Ensor	709.95
Robert Cole	743.80
PURCHASED POWER:	
NPPD	175,000.00
WAPA	18,738.60
OPPD	3,972.96
KBR	30.34
POWER PLANT:	
Aquila	50.55
Cornerstone	2,008.05
EFPTS: Sales tax	15,352.09

and transfer the following sums to the Electric Revenue account - \$52,637.21 from Electric Revenue GMM plus the actual amount of NPPD when received, \$21,749.77 from Water Revenue GMM, \$5,905.49 from WW. Revenue GMM (amounts include routine transfers to T&D); and

e) (No CDs maturing)

Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

Motion was moved by Member Humphrey, seconded by Member Grant, the Board approve the claims of Glenn's Corner Market - \$8.37. Roll call: those voting aye - Grant, Humphrey, Lynch, Layson; abstaining - Glenn. Chairman Layson declared the motion carried.

The 2003 Audit of the Electric, Water & Wastewater Departments was presented to the Board at the February 9 meeting for their review. Motion was moved by Member Humphrey, seconded by Member Lynch, the Board accept the audit as presented by Massman, Nelson & Reinig. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

Due to the increase in the Board's uncollectable accounts, management and office staff presented the following proposed policy pertaining to security deposits and delinquent notices: that the Board require a security deposit for Urban and Rural Residential Service; that a residential customer may request their credit report be obtained by BPW (for a non-refundable fee) and at BPW's sole discretion, the deposit requirement may be waived; that "Reminder Notices" shall be discontinued; and that several other minor changes be incorporated into the policy. To obtain credit reports, management recommended entering into an agreement with Data Fax to provide that service. After thorough discussion, it was moved by Member Grant, seconded by Member Humphrey, the Board approve the said recommended policies by adoption of Resolution No. 2004-01; that management be instructed to review the required paperwork and be authorized to enter into an agreement with

Data Fax; further that the policy shall go into effect as soon as the appropriate paperwork is completed and the forms in place, which is anticipated to be within a two-week period. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

General Manager (GM) Dietz reviewed the current Surge Intercept Service policy and recommended changes to said Service based on experience with submitting a claim for the insurance portion of the service as well as changes in the organization of NEBESCO. After thorough discussion, motion was moved by Member Grant, seconded by Member Glenn, the Board immediately discontinue their Surge Intercept Service entirely and authorize management to inform customers; however, allow the current customers to keep the equipment with the understanding that said equipment will not be replaced and the Board assumes no further liability for the program; further that due to problems with a current pending claim, the Board offer a full refund of all installation and monthly fees to the customer involved. Roll call: those voting aye - Glenn, Grant, Lynch, Layson; voting nay - Humphrey. Chairman Layson declared the motion carried.

GM Dietz reviewed a request for an electric rebate from a residential customer in a commercial building. Motion was moved by Member Humphrey, seconded by Member Glenn, the Board approve payment as a residential customer in the amount of \$124.50. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

Concerning the Clearwell Water Reservoir:

- GM Dietz explained *Change Order #4* for sales tax due from October 1, 2003 for replacement of one reservoir in the project, which has been ruled taxable by the Department of Revenue. Said *Change Order* is for an amount of \$8,429.77; however, it is management's understanding BPW can apply for a refund on said amount. Fixed price contracts entered into before October 2003 are apparently eligible for this refund. Motion was moved by Member Glenn, seconded by Member Humphrey, the Board approve *Change Order #4* and *Pay Application For Payment #11* regarding said sales tax due. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.
- The *Recommendation of Acceptance* for said project was approved at the Board's February 9, 2004 meeting; however, GM Dietz explained that an exception had been added to said *Acceptance*, stating that the concrete caps had not been accepted. There was no objection by the Board.
- JEO has prepared a plan sheet and specifications for an EPDM roofing system to be installed on the Clearwells and has requested a cost for furnishing and installing this from AHRS Construction.
- The Board has received a refund on the Plan Review Fees from NHHS in an amount of \$295.75.

Concerning Water Resources Development:

- The Board received the pumping test report prepared by Chatman & Associates. Motion was moved by Member Glenn, seconded by Member Lynch, the item be tabled until the next regular Board meeting.
- Negotiations continue on well site acquisition.
- GM Dietz reported on progress.

The Board reviewed the status of the *Construction Permits* for the Power Plant and planned construction to increase stack heights of Units #4, 5, and 7. A proposal was received from Remediation Specialists, Inc. (RSI) to provide labor, material, equipment and disposal necessary to remove asbestos containing material from a muffler shield. Motion was moved by Member Lynch, seconded by Member Glenn, the Board accept the proposal in the amount of \$1,160.00 and authorize the Chairman to sign an agreement if needed. Roll call: those voting aye - Glenn, Grant,

Humphrey, Lynch, Layson. Chairman Layson declared the motion carried. Relating to the possible effective date of the *Permit*, GM Dietz recommended requesting an extension of time to accomplish raising the stacks or alternatively not issuing the permit until a later date. Motion was moved by Member Humphrey, seconded by Member Grant, the Board write a letter to NDEQ requesting these options. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

Motion was moved by Member Grant, seconded by Member Humphrey, the Board write a letter to the Game and Parks Commission in support of the application by Randal Smith and the Brownville Development Corporation for an easement across property of the Games and Parks Commission. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

GM Dietz informed the Board of a needed clarification in the existing wellhead protection ordinance, which simply clarifies BPW is the Board of Public Works of the City of Auburn NE. Motion was moved by Member Glenn, seconded by Member Lynch, to ask the Honorable Mayor and City Council to amend the ordinance. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

A list of materials: a) 20 - 45' Class III poles and b) Line hardware including insulators, crossarms, braces, anchors, overhead and underground wire, brackets, terminators, etc. was submitted to vendors for price quotes. Motion was moved by Member Humphrey, seconded by Member Glenn, the Board approve the quotes of International Paper - \$5,452.00 for the poles and Kriz-Davis Company - \$17,933.26 for the line hardware. Roll call: those voting aye - Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the motion carried.

Barry Well Done" awards were presented to the following: Jenna Dietz in recognition of a superior rating for her clarinet solo and Zachary Wintz for 4th place medallist and superior rating for his tuba solo all in the Elkhorn Bank Olympics.

GM Dietz provided information on the following: Reports-Priority: a) LB1203, b) WAPA rates, c) Service Area, d) Johnson Motors building, e) Street lighting, f) Private water system, g) Aquila, h) Personnel, and i) League article; Reports-General: a) Campaign for Local Control, b) NMPP Annual Meeting, c) January power bill, d) Backflow survey, and e) HVAC training.

There being no further business to come before the Board, motion was moved by Member Humphrey the Board adjourn to the next regular meeting of the Board to be held April 12, 2004 at the hour of 12:00 Noon, at the regular meeting place of the Board. Member Glenn seconded the motion. Roll call: those voting aye: Glenn, Grant, Humphrey, Lynch, Layson. Chairman Layson declared the meeting adjourned. Agenda items will be posted.

Richard K. Layson, Chairman

ATTEST:

Jack W. Humphrey, Secretary

CERTIFICATE

I, Betty J. Filbrandt, Notary Public for the State of Nebraska, do hereby certify the attached and foregoing minutes is a true, correct and conformed copy of proceedings had and done by the Board

of Public Works at their March 8, 2004 meeting; all of the subjects acted upon in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the Office of the Board; such subjects were contained in the agenda for at least twenty-four hours prior to said meeting; at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; the said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body, all in accordance with Chapter 84, Article 14 of Nebraska Statutes

Betty J. Filbrandt, Notary Public in and for the State of Nebraska.

My Commission expires January 12, 2005.

RESOLUTION NO. 2004-01

Reference: Article 7 - Water Department, Auburn Municipal Code 3-712, 3-723.
Article 8 - Sewer Department, Auburn Municipal Code 3-814.
Article 9 - Electric Department, Auburn Municipal Code 3-905, 3-916.

A resolution to establish policy for security deposits, final notices, returned checks, and service charges in conjunction with delinquent customers; and redefine reconnection fees (not associated with non-payment of utility bills).

WHEREAS, the Board of Public Works of the City of Auburn, Nebraska (BPW) deems it necessary to update the administrative policies of the BPW;

NOW THEREFORE BE IT RESOLVED that the BPW, in conformity with Auburn's Municipal Code above referenced, does hereby adopt the following service policies and conditions to be effective upon completion of the necessary paperwork and agreement with the credit-reporting agency.

A. SECURITY DEPOSIT:

1. Urban and Rural Residential Service customers shall be required to pay a security deposit as follows:
 - (a) Electric Service - \$165.00
 - (b) Water or Wastewater Service (no electric) - \$65.00
 - (c) For a non-refundable fee of \$5.00, customer may request their credit report be obtained by BPW. After reviewing the credit report, at BPW's sole discretion, the deposit requirement may be waived.
2. Urban and Rural General Service, Urban and Rural General Service Demand, and Large Power Service customers:
 - (a) Shall not be required to pay a security deposit unless:
Any **one** of the following conditions have occurred:
 - Customer has outstanding balance with BPW.
 - Customer has an existing account identified as a bankruptcy account.
 - Customer has previously been turned over to BPW's collection agency.

- Customer gives false information on “Application For Utility Service” form.

Any **one or more** items below have occurred **two times** in a **two-year** period:

- BPW has sent an employee to collect a utility bill from the customer.
- BPW has sent an employee to disconnect customer’s service for non-payment (utility bill or returned check).
- BPW has received an insufficient fund check from customer. (A check will not be accepted for payment of the deposit.)

(b) **Required** security deposits shall be based on two times the highest monthly utility bill for the preceding twelve-month period. If there is no basis for this calculation, an estimated deposit will be charged and after the customer establishes a basis for calculation, the deposit may be adjusted.

(c) **Alternative** to a cash security deposit shall be as follows:

- A certificate of deposit taken out both in the name of the customer and BPW, which can be cashed upon the signature of BPW; or
- A surety of performance bond by an acceptable insurance or bonding company; or
- An “Irrevocable Letter of Credit” from a state or federal bank.

3. Hardship situations need to be discussed with the Utility and the Utility may require one-third (1/3) of the deposit to be paid upon notice and the balance to be paid within a two month period. If the Utility agrees there is a hardship situation, a *Deposit Installment Agreement* shall be signed by customer. Service will be subject to disconnect, without further notice, if payments are not received per the *Agreement*.

4. Deposits shall be refunded to all customers maintaining a good payment record for a period of two years or upon termination of service after all fees and obligations to the BPW, by the applicant, have been paid. Said good payment record being defined as never having been on the delinquent list of accounts more than one time. (Delinquent list of accounts is comprised of customers who have not paid their utility bill before the delinquent date indicated on said bill.)

- B. FINAL NOTICE: Notices shall be sent out approximately three days after the 5th day of each month, as defined in the *Rate Schedules*, to those customers having been identified as delinquent.
- C. RETURNED CHECK: Receipt by the Utility of a returned check from a customer will render the account unpaid. The Utility may attempt to contact the customer in person regarding the returned check; however, if the returned check was used to satisfy a previously issued “Final Notice”, that notice and its due date are restored. The customer is subject to disconnection based upon the notification of the previously issued and still unsatisfied notice. If the customer has not received a “Final Notice” for said bill, the Utility will send a “Returned Check Notice” indicating that payment is required within seven working days after notice is sent or given and service is subject to disconnection.
- D. DISCONNECTION POLICY FOR NON-PAYMENT: Disconnection will be done according to Auburn’s Municipal Code 3-723.
- E. SERVICE CHARGES IN CONJUNCTION WITH DELINQUENT CUSTOMERS: When a BPW employee is sent to a customer’s premise to collect a delinquent utility bill, the following charges shall apply:

- (a) Customer's service is not disconnected - \$15.00 fee, plus delinquent bill, will be due at that time, unless special arrangements are made with management; or
- (b) Customer's service is disconnected - \$20.00 fee if reconnected during the hours of 8:00 AM-Noon and 1:00-5:00 PM (prevailing CDT or CST), Monday through Friday or \$30.00 at any other time including BPW Holidays. This charge, as well as the delinquent bill, must be paid before service is reconnected unless special arrangements are made with management.

F. CONNECTION CHARGE (not associated with non-payment): If a customer, whose electric or water service has been disconnected, has such service reconnected within 12 months of such disconnection, a reconnection charge, equal to the minimum electric or water charge for **three** months, shall be collected by the Utility.

In the event a customer has both electric and water services disconnected and then has both services reconnected within 12 months of such disconnection, a reconnection charge equal to the minimum charge for each service for **two** months shall be collected by the Utility.

G. UNPAID BILLS: Any customer, leaving the Board of Public Works with an unpaid utility bill and requesting reconnection on the system, shall pay the outstanding utility bill before service shall be granted and shall be governed by the policy on "Security Deposits". If the outstanding utility bill is not discovered until after the new service has been connected, the Utility shall issue a "Final Notice" stating the outstanding utility bill must be paid within seven working days after notice is sent or given and further that customer shall be governed by the policy on Security Deposits.

H. BUDGET PLAN: Budget payments must be received by the 10th of each month to maintain budget plan status. Customers, who fail to pay the budgeted amount by the 10th, may be removed from the budget plan and all past due amounts, plus penalty, will be due and payable according to the terms on the "Final Notice".

FURTHER, that Resolution No. 98-10 and any prevailing resolutions passed by the Board of Public Works and in conflict with Resolution No. 2004-01 are hereby repealed.

WHEREBY MOTION was moved by Member Grant, seconded by Member Humphrey, the BPW by its members does hereby adopt the above Service Policies and Conditions by adoption of this Resolution No. 2004-01. Members voting aye: Glenn, Grant, Humphrey, Lynch, Layson; members voting nay: none. Chairman Layson declared this Resolution No. 2004-01 duly adopted this 8th day of March 2004.

Richard K. Layson, Chairman

ATTEST:

Jack W. Humphrey, Secretary