

MINUTES OF THE MEETING OF THE BOARD OF PUBLIC WORKS  
OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA  
HELD APRIL 9, 2007

THE BOARD OF PUBLIC WORKS OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA (BPW), met in regular session on the 9th day of April 2007 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 Grant announced this was an open meeting and information about open meetings was posted on the east wall of the Board Room.

Chairman Grant called the meeting to order and requested roll call: Members present - Glenn, Grant, Hahn, Schneider; members absent - Humphrey.

Chairman Grant 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 #3. There being no objections or exceptions, motion was moved by Member Glenn, seconded by Member Schneider, the Board approve the General Consent Items listed below:

Agenda Item #3

- a) Approve the previous meetings' minutes and dispense with reading of same,
- b) Approve monthly compensation of officers, management and employees as previously fixed by the Board,
- c) Approve, ratify and allow the following checks written/transfers during the month:

Electric, Water & Wastewater Departments:

Internal Revenue - fwh & fica (efpts)	\$21,658.87
Windstream - local & long distance phone service	1,018.79
Department of Revenue - swl (efpts)	3,120.94
Petty Cash: meals-linecrew & meter reader, postage and address corrects, CPR-First Aid Class refreshments, parking, office supplies, Meter School (Helms)	400.52
BC-BS - health insurance	24,265.65
Standard - life/disability premiums	1,155.86
Ameritas - pension (efpts)	9,739.81
Payroll - (efpts)	61,572.26
Customer Deposits #3 refund or apply	877.86

approve and pay the following claims:

Action Technology	\$642.69
Allison Pharmacy	14.90
Auburn Newspapers	386.97
Auburn Plumbing/Heating/AC	19.98
Auburn Postmaster	934.00
Beard's	122.58
BPW	4,260.37
Cleaners, The	253.47
Concrete Industries	170.93

Dettmer Service	85.87
Eggers Bros.	144.36
Family Health Center	129.00
Farmers Co-op	2,333.84
Humphrey Motor Electric	2,480.72
Lynch Hardware	65.72
Lynell's	15.98
Mellage Truck/Tractor	575.94
Orscheln	139.55
Pamida	34.83
Sack Lumber	72.89
Shell	54.91
Sunmart	35.37
Tri State Office Products	95.01
Altec Direct	1,125.39
American Recycling/Sanitation	68.00
American Safety Utility	338.02
APPA	855.65
ATCO	181.17
Cornhusker Winnelson	85.00
Data Tech	170.00
Dugan Business	223.97
Dutton Lainson	3,679.11
Electric Fixture/Supply	14.21
Factual Data-Midwest	48.49
First Bankcard	653.58
First National Bank	10.00
General Fire/Safety	794.20
Great Plains One Call	57.68
HD Waterworks	5,927.15
HHS-Lab	103.00
Ikon	374.88
Ikon	379.80
Johnson Lumber	125.00
Kelly Supply	395.66
Kriz-Davis	2,616.03
Lawson Products	564.86
League of Municipalities	370.00
Lab Safety Supply	47.74
Layne Christensen	12,406.27
Lincoln Electric Supply	474.79
Mc Master Carr	169.90
Mid Con Systems	286.74
Municipal Service/ Supply	814.27
Municipal Supply - NE	473.57
Nebraska Rural Water Assoc.	300.00
Pay Flex	74.25

Scoco	173.31
Select Van/Storage	9,205.60
Serve	168.60
Terminix	372.75
US Cellular	157.36
Water Engineering	388.73
Windstream	928.19
Windstream	105.97
REBATES:	
Brownville Fine Arts	572.80
Daniel & Virginia Chesley	892.00
Paula Winkelman (Boondocks)	4,687.80
Neal & Teresa Hahn	50.00
PURCHASED POWER:	
NPPD (estimate)	180,000.00
WAPA	21,183.79
OPPD	3,987.76
KBR	15.17
POWER PLANT:	
Aquila	53.19
Cornerstone (estimate)	2,000.00
efpts: Dept. of Revenue	16,619.15

and transfer the following sums to the Electric Revenue checking account - \$64,783.06 from Electric Revenue GMM plus the actual amount of NPPD and Cornerstone when received, \$29,127.57 from Water Revenue GMM and \$11,938.01 from WW Revenue GMM, plus the routine interdepartmental transfers to T&D;

d) Maturing CD: E. Rev.CNB#14489, 14490, 14491 & ASB#19331; WW Rev. ASB#19010 & 19011 - reinvest for a period of 6 months - except cash E. CD#14491 & deposit in E. Revenue MM Account.

e) Approve Free Service Report as follows: BPW has furnished utilities, materials, equipment, inspections and labor equal to \$3,594.96 to the City free of charge and paid in lieu of tax payments of \$10,458.10 to the City for the month of March 2007.

Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried.

Motion was moved by Member Hahn, seconded by Member Schneider, the Board approve the claim of Glenn's Corner Market - \$95.62. Roll call: those voting aye - Hahn, Schneider, Grant; abstaining - Glenn. Chairman Grant declared the motion carried.

#### Concerning Customer Requests:

- Councilman Glen Krueger appeared before the Board and presented a list of items for the Board's consideration. These involved customers of the BPW, the new Ethanol Plant and bringing water to Auburn;

- The Board discussed a customer requesting consideration of their late payment penalty and possible payment options. It was the general consensus of the Board that management should meet with said customer and report back to the Board at their next meeting.

Concerning Ethanol Plant:

- (a) General Manager (GM) Hunter informed the Board of the short-list as a result of the evaluation of the six responses to the RFPs which were received from HDR, Jacobson Satchell, JEO Consultants, Kirkham Michael, Olsson Associates and Veenstra & Kimm. The matrix used for scoring indicated scores from 89 to 48, with the top two proposals being rated 89 & 82. The firm of HDR will be interviewed April 19 and Olsson Associates on April 20<sup>th</sup>. The top firm will then be invited to participate in negotiations for a price. The plan is to have a recommendation for the Board by April 30 and to ask the selected firm to prepare a contract at that time.
- (b) BPW's Ethanol Committee has been meeting with the full Committee and reported to the Board.
- (c) Accounting & Finance Manager Filbrandt presented the financial report on the project to date.
- (d) No action on the MOUs has been taken.
- (e) Management presented a Cash Rent Farm Lease between the Board of Public Works (Landlord) and Richard E. and Jane L. Andrew (Joint Tenants) for the land recently purchased for the well site property. The form was prepared by Attorney Bert Fuller and was based on \$125 per acre for 30 acres. Motion was moved by Member Hahn, seconded by Member Schneider, the Board approve the Lease and authorize Chairman Grant to sign said document. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried.

The Board reviewed a letter received from Valerie Kramer, General Manager of Time Warner Cable, concerning the proposed new fees for attaching to BPW poles and also their proposed changes for a new *Pole lease Agreement*. Motion was moved by Member Glenn, seconded by Member Hahn, the Board instruct GM Hunter to respond that the Board feels the fee is well founded and is supported by the formula provided by the FCC. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried. No action was taken on a new *Agreement*.

Management submitted a proposal for a change in policy for employee meal/expense reimbursement: employees shall be reimbursed for actual meal expenses including tax and tip (tip shall not exceed 15% of the meal cost). Motion was moved by Member Hahn, seconded by Member Schneider to accept the recommendation with the stipulation that no reimbursement will be made unless a receipt is provided. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried. The complete policy will be made available in the Personnel Manual and provided to the employees at the next employee meeting.

Management evaluated the bids for mowing services for the Electric and the Water/Wastewater Departments and presented the results to the Board. Two bids were received with Rieger Lawn & Landscape being the low bidder with a per mow bid of \$165 for Electric Department properties, \$270 for Water Department properties and \$137 for Wastewater Department properties. Management recommended accepting the low bid for mowing and then evaluating this method after the mowing season. Motion was moved by Member Hahn, seconded by Member Glenn, the Board accept the recommendation of management and further authorize management to decide when chemical applications are needed. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried. Management will contact the Board's insurance carrier to clarify insurance questions.

GM Hunter reported on a sewer line near the Armstrong Cabinet storage building which has several major cracks that allow rain water in and also could cause the line to leak. Management has obtained a bid from Johnson Service Company to install a liner in the existing line and seal

up the line for a price of \$12,730. This price is based on the company being able to perform the work when they are in the area for another job. Motion was moved by Member Schneider, seconded by Member Hahn, the Board accept the proposal and authorize the work. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried.

A *Loss Prevention Manual* was presented to the Board for their review after approval by the Safety Committee. The *Manual* was recommended as part of the Board's insurance carrier's safety inspection and is the first step in combining all safety policies in one document. Motion was moved by Member Hahn, seconded by Member Glenn, the Board approve said *Manual* as presented. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried.

The Board reviewed the annual renewal forms for the Board's insurance package from the League Association of Risk Management (LARM). The renewal allows for a 5% discount by extending membership to year 2010 (the BPW is already committed through 2009). After evaluating the past savings, the current increases in premiums and the history of the insurance pool, motion was moved by Member Schneider, seconded by Member Hahn, the Board approve membership through 2010 by adoption of Resolution No. 2007-02. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried. The Board will continue to monitor this.

GM Hunter informed the Board the Nebraska Public Power District (NPPD) power cost adjustment (PCA) will be on BPW's May wholesale bill for April usage. This is to help defray the cost NPPD incurred in the purchase of higher cost energy because of the damages to the transmission line from the January ice storm. These costs will need to be passed on to BPW customers with the adjustment of \$0.00158 per kwh as an adder on electric utility bills beginning with BPW customer's May billing for April usage. Motion was moved by Member Glenn, seconded by Member Schneider, the Board approve the PCA as presented. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried.

GM Hunter informed the Board the Wind Generation Committee for the Spring View Wind Generation Project has recommended the project be scrapped due to damages to both wind turbines and the high cost to repair them. The recommendation is being taken to the NPPD Board and once this is complete, BPW will receive a notice to terminate the contract and proceed with the salvage process. No action was necessary by the Board at this time.

GM Hunter informed the Board a large volume of waste had been stored on site and management had recently contacted a company to dispose of it. The amount of waste stored on site has caused some problems and upon inspection by NDEQ, it will be necessary for the Board to hire an engineer to help prepare the necessary documents to indicate the site has been properly cleaned and maintained. GM Hunter has received an estimate, from an environmental engineer at Olsson Associates, for an amount not to exceed \$7,500 to prepare the necessary documents. Motion was moved by Member Hahn, seconded by Member Glenn, the Board hire said firm and attempt to complete this project as soon as possible. Roll call: those voting aye - Glenn, Hahn, Schneider, Grant. Chairman Grant declared the motion carried. GM Hunter will keep the Board informed of any further action from NDEQ on this matter.

A "Barry Well Done" award was prepared for Kirk Blecha in recognition of his being inducted as a "Fellow of the American College of Trial Lawyers".

Reports:

- |  |                                      |
|--|--------------------------------------|
| a) Well #1 - sonic blasting,   | e) Household Hazards Cleanup,        |
| b) Main office - new back door,  | f) COS status,                       |
| c) Power Plant - cooling problem Unit #7 &<br>fire extinguisher replacement units, | g) Lift station motor,               |
| d) Langdon Bend Project,   | h) Legislative Bills-#255 & 347, and |
|  | i) Annual Report.                    |

There being no further business to come before the Board, motion was moved by Member Hahn the Board adjourn to a Special Board Meeting to be held April 30, 2007 at the hour of 12:00 Noon at the regular meeting place of the Board for the purpose of approving an engineer for the Ethanol Project. Member Schneider seconded the motion. Roll call: those voting aye: Glenn, Hahn, Schneider, Grant. Chairman Grant declared the meeting adjourned. Agenda items will be posted.

---

James W. Grant III, Chairman

ATTEST: \_\_\_\_\_  
Richard L. Schneider, Acting 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 April 9, 2007 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, 2009.

**RESOLUTION NO. 2007-02**

WHEREAS, the Board of Public Works of the City of Auburn NE (BPW) is a member of the League Association of Risk Management (LARM); and

WHEREAS, Section 8.10 of the Interlocal Agreement for the Establishment and Operation of the League Association of Risk Management provides that a member may voluntarily terminate its participation in LARM by written notice of termination given to LARM and the Director of Insurance at least 90 days prior to the desired termination date and that members may agree to extend the required termination notice beyond 90 days in order to realize reduced excess coverage costs, stability of contribution rates, and efficiency in operation of LARM; and

WHEREAS, the Board of Directors of LARM has adopted a plan to provide contribution credits in consideration of certain agreements by members of LARM as provided in the attached letter.

BE IT RESOLVED that the governing body of the BPW in consideration of the contribution credits provided under the LARM Board's plan, agrees to:

- (X) Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2010. **(180 day, 3-year commitment)**
- ( ) Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2009. **(180 day, 2-year commitment)**
- ( ) Provide written notice of termination at least 180 days prior to the desired termination date, which date shall be no sooner than September 30, 2008. **(180 day notice only)**
- ( ) Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2010. **(3-year commitment only)**
- ( ) Provide written notice of termination at least 90 days prior to the desired termination date, which date shall be no sooner than September 30, 2009. **(2-year commitment only)**

FURTHER BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BPW, the option above checked (180 day notice - 3-year commitment) will equal a five percent (5%) discount in premiums and is therefore approved by adoption of this Resolution No. 2007-02 and Resolution No. 2006-03 and any prevailing resolutions passed by the BPW and in conflict with Resolution No. 2007-02 are hereby repealed. Motion was moved by Member Hahn, seconded by Member Glenn.

WHEREBY Chairman Grant declared this Resolution No. 2007-02 duly adopted this 9th day of April 2007.

---

James W. Grant III, Chairman

ATTEST:

---

Richard L. Schneider, Acting Secretary