

**CITY OF LA VISTA**  
**MAYOR AND CITY COUNCIL REPORT**  
**MARCH 4, 2025 AGENDA**

<b>Subject:</b>	<b>Type:</b>	<b>Submitted By:</b>
AUTHORIZE CONTRACT NEGOTIATIONS – HEARTLAND NATURAL GAS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	KEVIN POKORNY MANAGING DIRECTOR ADMINISTRATIVE SERVICES

**SYNOPSIS**

A resolution has been prepared to authorize contract negotiations and the purchase of Natural Gas for city facilities from Heartland Natural Gas.

**FISCAL IMPACT**

Potential saving in natural gas cost to the city.

**RECOMMENDATION**

Approval.

**BACKGROUND**

City staff has been in discussions with Black Hills Energy and Heartland Natural Gas about the Black Hills Choice Gas Program. This program, administered annually by Black Hills Energy, allows customers to choose their natural gas commodity supplier and the pricing option that best meets their needs. By participating in the Choice Gas Program, the City can manage price risks and navigate market volatility in its natural gas supply.

Black Hills Energy will continue to handle services such as meter reading and billing, respond to gas leaks, and ensure the safety and reliability of the natural gas supply to the City.

A financial analysis shows that the City could have saved \$10,251.21 on natural gas last year if it had contracted with Heartland Natural Gas.

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING CONTRACT NEGOTIATIONS AND THE PURCHASE OF NATURAL GAS FOR CITY FACILITIES FROM HEARTLAND NATURAL GAS.

WHEREAS, the City Council of the City of La Vista has determined that contract negotiations and the purchase of natural gas for city facilities is necessary; and

WHEREAS, Potential saving in natural gas costs to the City; and

WHEREAS Subsection (C) (9) of Section 31.23 of the La Vista Municipal Code requires that the City Administrator secures Council approval prior to authorizing any purchase over \$5,000.00;

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Council of La Vista, Nebraska, authorize contract negotiations and the purchase of natural gas for city facilities from Heartland Natural Gas.

PASSED AND APPROVED THIS 4TH DAY OF MARCH 2025.

CITY OF LA VISTA

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Douglas Kindig, Mayor

ATTEST:

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Rachel D. Carl, CMC  
City Clerk

This Natural Gas Purchase Agreement (Agreement, agreement or contract) is between City of La Vista, having an address at 8116 Park View Blvd, La Vista, NE 68128 (Buyer, buyer or La Vista) and Heartland Natural Gas, LLC, a Nebraska limited liability company having its principle office at 8535 Executive Woods Drive, Suite 500, Lincoln, NE 68512 (Seller).

**Buyer's Obligations:**

- Pay all invoices due to Seller within 30 days of receipt.
- Provide Seller with advanced notice of any significant change in Buyer's expected natural gas usage.
- To purchase all natural gas delivered, to the locations listed below according to the terms on Exhibit A (Pricing & Term), the Term will not coincide with the signature date of this Agreement due to time needed by Black Hills Energy, the Local Distribution/Delivery Company (Utility or LDC) to enroll Buyer for service.

***Please refer to Exhibit B [Kevin - Attach Exhibit B satisfactory to you before City approval and execution.]***

Exhibits A and B are incorporated Into this Agreement by reference.

**Seller's Obligations:**

- Secure necessary transport capacity in accordance with Buyer's maximum daily quantity (MDQ) as defined by the Utility.
- Provide the necessary natural gas and nominations and balancing procedures for Buyer's locations listed above pursuant to the Utility and pipeline requirements and tariffs.
- Invoice Buyer according to volumes presented to Seller by the Utility and at the terms set forth in this agreement and any amendment following.

**Volume Obligations:** Seller agrees to provide all necessary gas to meet Buyer's daily requirements. Buyer is making no commitment to consume any certain amount of natural gas during the term of this agreement provided Buyer's Utility account remains. Should buyer's Utility account close indefinitely due to buyer's negligence this will constitute a Default by buyer and Buyer will be obligated to fulfill its obligation in the remedies of default per the agreement.

**Payment:** Seller shall invoice Buyer for all commodity costs associated with supplying natural gas to Buyer for the Pricing and Term. Seller's billing cycle will coincide with Buyer's Utility meter read cycle. All payments are due within 30 days following receipt of invoice and will be considered past due following 30 days after receipt. Any late payment will be assessed 12% annual interest on any unpaid amounts. NSF and return payments will be assessed a \$65 fee. Buyer is solely responsible to the LDC for other charges relating to the delivery of gas to their facility

**Extension:** Following the original OR any amended term, this contract shall continue on a monthly basis. Buyer's price will be determined by the pricing set forth in Exhibit A, or any amendment thereof, as in effect immediately prior to the monthly continuance. Either party may terminate the extension with a minimum of a 30 day written notice before the 1<sup>st</sup> day of the calendar month in which supply is to be stopped. Terminations between the months of November through March will not be effective until April due to the Black Hills Energy's rules and switching policies. Except in the event of Seller's breach, termination prior to the last day of an original or amended term shall be considered an Event of Default.

**Additional Provisions.** This Agreement constitutes the complete and integrated agreement and understanding of the parties. Any amendment shall be by a written amendment executed by both parties.

8535 Executive Woods Dr., Ste. 500, Lincoln, NE 68512 Ph: 402-540-0443 Fax: 402-937-7645

[www.heartlandnaturalgas.com](http://www.heartlandnaturalgas.com)

## GENERAL CONDITIONS

**Credit:** Should Buyer submit two (2) late payments within a six (6) month period the Seller has the ability to request up to sixty (60) days security deposit from Buyer. Deposits will be calculated as follows ((MDQ x (Market Value + Seller's fees)). Should Buyer not be able to provide deposit within twenty (20) days from written notice, then Buyer is considered in Default.

**Dispute Resolution:** Buyer and Seller agree to conduct good faith negotiations to resolve any and all disputes, controversies, or claims. Should good faith negotiations fail, all disputes, controversies, or claims arising out of or relating to this contract shall be submitted to the District Court of Sarpy County, Nebraska.

**Assignment:** Seller shall have the right to assign this Agreement to its successors and assigns, so long as such assignee has assumed in writing all of the obligations of Seller under this Agreement and agreed to be bound by all the terms and conditions of this Agreement accruing or arising from and after the effectiveness of such assignment; provided, however, Seller shall give Buyer written notice at least 60 days before any proposed assignment, and Buyer shall have the option to terminate this Agreement upon written notice to Seller at least 30 days before the proposed assignment is effective. Buyer may not assign this Agreement without the prior written consent of Seller, not to be unreasonably withheld, conditioned or delayed.

**FERC Approved Interstate Rate Adjustments:** In the event, the Federal Energy Regulatory Commission (FERC) authorizes a tariff change, a rate change, and/or the imposition of a surcharge impacting service on any applicable upstream interstate pipeline (including but not limited to the Northern Natural Gas pipeline and the Natural Gas Pipeline of America), Seller shall have the right to adjust Buyers monthly price consistent with such FERC authorization. Such adjustment shall include any increase in such interstate rates or surcharges, as well as any reduction in such rates associated with the interstate pipeline's payment of refunds resulting from any final FERC order. Once Seller notifies

Buyer of such price change, Buyer has thirty (30) days to terminate the agreement with Seller without penalty.

**Force Majeure:** Force Majeure shall mean events beyond the reasonable control of Seller or Buyer, to include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes or tornados, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction.

**Event of Default:** In the Event of Default by Buyer, Buyer is responsible for all previously invoiced amounts, all costs associated with Buyer's pro-rata share of future obligations already committed to by Seller (such obligations include, but are not limited to, capacity reservations & Seller's fee). Seller has 10 business days following the Default date to provide an accounting to Buyer of all amounts due. In the Event of Default by Seller, Buyer's service location(s) are returned to Utility, per Utility tariff, without fees, interruption of service, or delay. In the Event of Default by Seller all unpaid invoices are still owed by Buyer.

**Limitations of Liability:** LIABILITY IS LIMITED TO DIRECT ACTUAL DAMAGES (INCLUDING ANY TERMINATION PAYMENT) AS THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE EXPRESSLY WAIVED, REGARDLESS OF CAUSE. NEITHER SELLER NOR BUYER WILL BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR ANY OTHER BUSINESS INTERRUPTION DAMAGES, IN TORT, CONTRACT OR OTHERWISE.

THE PARTIES INDICATE THEIR AGREEMENT TO THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT BY SIGNING BELOW:

**Seller: Heartland Natural Gas, LLC**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

**Buyer: City of La Vista**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

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**Exhibit A**

This Exhibit A to the base Natural Gas Purchase Agreement between La Vista, having an address at 8116 Park View Blvd, La Vista, NE 68128 (Buyer) and Heartland Natural Gas, LLC., having an address at 8540 Executive Woods Drive, Suite 500, Lincoln, NE 68512 (Seller).

**PRICING AND TERMS:**

Effective first meter read in [REDACTED] through the last meter read in [REDACTED] (Term or term), Buyer's natural gas price will change monthly as determined by the Ventura Monthly Index plus Seller's fee of up to \$ 0.15 per therm in the summer months (Apr-Oct) and up to \$0.19 per therm in winter months months (Nov-Mar).

**PLEASE PROVIDE AN EMAIL ADDRESS FOR ELECTRONIC BILLING:**

Name: \_\_\_\_\_ email: \_\_\_\_\_ phone: \_\_\_\_\_

Name: \_\_\_\_\_ email: \_\_\_\_\_ phone: \_\_\_\_\_

THIS OFFER IS VALID UNTIL THE CLOSE OF BUSINESS (5PM CST) ON [REDACTED]

**Seller: Heartland Natural Gas, LLC**

**Buyer: City Of La Vista**

BY: \_\_\_\_\_

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

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