

METROPOLITAN UTILITIES DISTRICT

Regular Meeting
9:00 a.m.

January 5, 2011

A G E N D A

1. Roll call
 2. Open Meetings Act Notice
 3. Approval of minutes of special board meeting November 24, 2010,
Approval of minutes of public Hearing & regular board meeting
December 1, 2010,
Approval of minutes of special board meeting December 9, 2010,
Approval of minutes of special board meeting December 14, 2010,
 4. Election of chairperson (new chairperson presides) and
election of vice chairperson
 5. Introduction of the Environmental Trust Board chairman and the
executive director
- C&O**
6. Capital expenditures for approval
 7. Bids on materials and contracts
 8. Acceptance of contracts and payment of final estimates
- J&L**
9. Annual boundary review (RESOLUTION)
 10. 2011 first legislative report (RESOLUTION)
- PERSONNEL**
11. Promotional increases
 12. Ratification of SPA employment
 13. Collective bargaining strategy session (CLOSED SESSION)
- BOARD**
14. Appointment of committees
 15. Other matters of District business for discussion

METROPOLITAN UTILITIES DISTRICT OF OMAHA
MINUTES OF REGULAR MEETING
January 5, 2011

The Board of Directors of the Metropolitan Utilities District of Omaha met in the board room of the Headquarters Building at 1723 Harney Street in regular session at 9:05 a.m. on January 5, 2011.

Advance notice of the meeting was posted on the first floor of the Headquarters Building from December 14, 2010 to January 5, 2011. Notice of the meeting was published in the Omaha World-Herald on December 27, 2010. The agenda of the meeting was available for public inspection at the office of the Secretary and President and copies were delivered to Board Members on January 3, 2011.

AGENDA NO. 1

ROLL CALL

Chairman Frost called the meeting to order at 9:08 a.m. On roll call vote the following members were present:

Mark Doyle
Tim Cavanaugh
Mike McGowan
Tom Dowd
Dave Friend
Jack Frost
Amy Lindsay
Douglas R. Clark, Secretary

Also attending the meeting were various members of the staff; Tom Riley, Dave Ramos and Teri Crowell, I.B.E.W. #1521; Roger Helgoth, Kirkham Michael; Mike Loeffler, Northern Natural Gas Co.; Paul Dunn and Mark Brohman, Nebraska Environmental Trust.

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

Chairman Frost advised those in attendance that a copy of the Open Meetings Act was posted in the rear of the Board Room.

AGENDA NO. 3,

APPROVAL OF MINUTES OF SPECIAL BOARD MEETING NOVEMBER 24, 2010,
APPROVAL OF MINUTES OF PUBLIC HEARING & REGULAR BOARD MEETING DECEMBER 1, 2010
APPROVAL OF MINUTES OF SPECIAL BOARD MEETING DECEMBER 9, 2010, and
APPROVAL OF MINUTES OF SPECIAL BOARD MEETING DECEMBER 14, 2010

Mr. Cavanaugh moved for approval of the minutes of the Special Board Meeting November 24, 2010, minutes of Public Hearing and Regular Board Meeting December 1, 2010, minutes of Special Board Meeting December 9, 2010, and minutes of Special Board Meeting December 14, 2010. Seconded by Mr. Friend and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay

Voting No: None

MINUTES FILE DOCUMENT NO. 136601

AGENDA NO. 4

**ELECTION OF CHAIRPERSON (NEW CHAIRPERSON PRESIDES) AND
ELECTION OF VICE CHAIRPERSON**

Mr. Cavanaugh moved for the nomination and election of Dave Friend as Chairperson for the year 2011. Seconded by Mr. Dowd. There being no discussion, the motion carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136602

Mr. Doyle moved for the nomination and election of Mike McGowan as Vice-chairperson for the year 2011. Seconded by Mrs. Lindsay. There being no discussion, the motion carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136603

At this time, Chairman Friend presented Mr. Frost with a plaque and thanked him for his service as the 2010 Chairman of the Board of Directors.

Mr. Friend also took the opportunity to thank the Board members for their confidence in him and stated he would work very hard in his new position as Chairman.

AGENDA NO. 5

INTRODUCTION OF THE ENVIRONMENTAL TRUST BOARD CHAIRMAN AND THE EXECUTIVE DIRECTOR

Mr. Friend introduced Mr. Paul Dunn, the Environmental Trust Board Chairman and Mr. Mark Brohman, the Environmental Trust Board Executive Director. Mr. Clark thanked both gentlemen for all their help and hard work in working with us to successfully secure the \$647,000 grant that the District will use for assistance in purchasing natural gas vehicles and fueling infrastructure.

AGENDA NO. 6

CAPITAL EXPENDITURES FOR APPROVAL

Mrs. Lindsay moved for approval of the capital expenditures letter as discussed in Committee and as set out in Mr. Keep's letter to the Committee dated December 16, 2010. Seconded by Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136604

SYSTEM IMPROVEMENT AND MAINTENANCE

- 1. 100052000940 - \$34,500 – Install the following low-pressure sectionalizing valves: 4-inch plastic 36th and Maple Street, 8-inch plastic 46th and Cuming Street and 45th and IZARD**

Street, and Gilmore Avenue and Washington Street. This request is the 3rd phase of 5-year plan to sectionalize the low-pressure gas distribution system. If we ever had a catastrophic failure of the gas supply to our system, these valves would be necessary to safely and effectively relight the low-pressure system.

2. **100051000360 and 100065000461 - \$170,000 – Abandon and replace 600 feet of 12-inch water main under the Papio Creek east of 5th Street south of Schneckloth Road with 490 feet of 16-inch HDPE pipe and 110 feet of 12-inch ductile iron pipe.** The existing 12-inch main, installed in 1975, is exposed at the normal water line in the Big Papillion Creek. The main provides water service and fire protection to the wastewater treatment plant and is the second feed to “Old Town” Bellevue. The proposed 16” HDPE main will be horizontally directional drilled below the creek and flood protection levees.

BUILDING, PLANTS, EQUIPMENT

1. **100071000300 - \$23,000 – (RATIFICATION) – Repairs to pump at Platte West wellfield.** Wellfield pump PWO4-49 showed signs of a bad upper bearing. The pump was pulled and sent to Flowserve Corporation for evaluation. That evaluation showed all the lineshaft, lineshaft guide bearings and bowl wearing rings needed to be replaced. The pump was out of warranty.
2. **100083000580 - \$17,000 – (RATIFICATION) – Clearwell concrete repairs at Platte South.** The clearwell at Platte South was drained to allow for pipe work to the new contact basin. On inspection, portions of the existing structural concrete Ts in the clearwell were found cracked and spalled off. This problem required immediate repair while the clearwell was drained.
3. **100087000300 - \$28,000 – Retrofit existing crew truck crane with hydrant extractor mechanism.** Currently Water Distribution personnel use a manual hydrant extractor to remove hydrant stems. This is a very labor-intensive process and a safety concern. Retrofitting the existing crew truck crane with a hydrant extractor mechanism will greatly reduce the opportunity for injury and may also make the District more efficient by possibly allowing this function to be performed by a 2 member crew instead of a 3 member crew.
4. **100090000700 - \$25,000 – LNG Plant cooling water system bypass strainer installation.** This project will install strainers on all of the cooling system bypasses at the LNG plant. The strainers will prolong the life of the heat exchangers.
5. **100089000460 - \$20,000 – Purchase additional outstations for existing leak correlators in Water Distribution.** The additional outstations are required to have a complete leak correlating system in each of the two leak detector vehicles, improving response time.

INFRASTRUCTURE REPLACEMENT/RELOCATIONS

1. **100092000642 and 100066001023 - \$126,400 – Install 6050 feet of 1-¼-inch, 60-psig plastic gas main, install 2,145 feet of 2-inch, 60-psig plastic gas main; abandon 7,385 feet of 4-inch low-pressure cast iron gas main, 2,686 feet of 8-inch low-pressure cast iron gas main and 30 feet of 16-inch low-pressure cast iron gas main in the area of 60th and Westbrook Avenue.** The existing low-pressure cast iron gas mains to be abandoned are corroded, leaking and in very poor condition. There have been multiple high-priority leaks on the mains in this area and replacing these sections of mains is the most economical solution. The

gas mains being abandoned were originally installed between 1926 and 1953. There will be 248 gas services replaced at an estimated cost of \$620,000.

2. **100092000640 and 100066001020 - \$38,280 – Install 350 feet of 2-inch, 60-psig plastic gas main in 40th Street from Leavenworth Street to the north and 950 feet of 2-inch, 60-psig plastic gas main between 40th and Dewey Avenue and 39th and Harney Streets; abandon 1,840 feet of 6-inch and 820 feet of 4-inch, low-pressure cast iron gas mains between 40th and Leavenworth Streets and 39th and Harney Streets.** The existing low-pressure cast iron gas mains to be abandoned are corroded, leaking and in poor condition. There was a high priority leak in the area earlier this year and Construction determined the cast iron mains in the area were in extremely poor condition and requested they be replaced soon. The mains being abandoned were originally installed between 1890 and 1908. There will be 13 commercial gas services replaced at an estimated cost of \$45,500.
3. **100092000720 - \$13,200 – Install 805 feet of 2-inch, 60-psig plastic gas main in Washington Street extending from east of Z Street to west of Gilmore Avenue.** This gas main is being installed to provide increased reliability for a gas service to a new South Omaha industrial area lift station at 2214 Washington Street. The existing 3-inch wrapped steel, 10-psig gas main in Washington Street fronting this location is not capable of supplying the large gas load required by the customer. Therefore, this existing gas main is being uprated by the District to operate at 45 psig in order to accommodate the continuous large gas load required for the gas service. The new main will serve as future neighborhood high-pressure infrastructure.
4. **100065000801- \$20,000 – Abandon approximately 330 feet of 6-inch cast iron water main, Dodge Street, 8th to 9th Streets.** This main will be abandoned as part of the District's Infrastructure Replacement Program. OPPD installed a concrete-encased power duct directly over this main, making repair extremely difficult. The main doesn't directly serve any customers and flow tests indicate that adequate fire demands can be maintained without this main.
5. **100092000742 and 100066001122 - \$136,000 – Install 2,000 feet of 4-inch 60-psig plastic gas main along 41st Street and 40th Street from Valley to Frederick Streets. Install 820 feet of 1-1/4 60-psig plastic gas main in Spring Circle west of 40th Street and along Oak Street east of 40th Street. Abandon 1,200 feet of 8-inch, 1,650 feet of 6-inch, and 460 feet of 4-inch cast iron low-pressure gas mains along the same streets as the proposed gas mains.** This area contains duplexes and apartments and was developed in the 40's and 50's. Installed at that time were 290 galvanized gas services with inside meter sets off the cast iron low-pressure gas mains. These services have had corrosion issues and required some replacement work due to leaks. Seventeen apartment buildings in the area have readings not meeting the District's minimum requirement for cathodic protection (CP) and require work. Installed recently were 60-psig gas mains which brought high-pressure gas to the area. The proposed gas main along 41st Street will extend the 60-psig gas system for a most cost effective approach in replacing the low-pressure galvanized services that do not meet the CP requirements. The other galvanized gas services will be replaced at the same time to eliminate any risk of corrosion leaks and allow for abandonment of the cast iron low-pressure gas mains along 40th and 41st Streets. Replacement work in Spring Circle and near 42nd and Valley Streets will ensure that adequate pressures are maintained on the remaining low-pressure gas system and will eliminate galvanized gas services and cast iron low-pressure gas mains in those surrounding areas. Gas services to 307 homes, businesses, duplexes and apartment buildings

will be replaced with new high-pressure plastic gas services with outside meter sets at an estimated cost of \$550,000.

6. **100092000702 and 100066001082 - \$34,100 – Install 1,436 feet of 2-inch 60-psig plastic gas main in Pinkney Street from 19th to 16th Streets, in 18th Street from Evans Street to south of Pinkney Street, and in Evans Street from 18th to 16th Streets. Abandon 1,075 feet of 4-inch LP cast iron gas main in Pinkney Street for 50 feet west of 16th Street, in Evans Street between 18th and 14th Streets, and in 18th Street to the south of Pinkney Street. Abandon 790 feet of 6-inch LP cast iron gas main in Pinkney Street between 19th and 16th Streets.** The main in Pinkney Street is being installed to provide gas service to a new home. New construction in the area indicates that replacing a portion of the low-pressure cast iron system will enable the District to serve future customers. This allows the District to extend a high-pressure main to the new customer, to grid the existing high-pressure system nearby, and to eliminate 1,865 feet of cast iron gas mains. The District can also give some gas customers high-pressure services in Evans Street and abandon the long, low-pressure dead end in Evans Street from 18th to 14th Streets. There will be 41 gas services that will be replaced at an estimated cost of \$102,500. The mains being abandoned were installed from 1890 to 1906.
7. **100092000663 and 100066001048 - \$81,680 – Install 4,300 feet of 2-inch and 1,250 feet of 4-inch 60-psig plastic gas main in the area of 49th Street between Center and Spring Streets. Abandon 4,300 feet of 4-inch LP cast iron gas main.** We have a 16-inch LP cast iron gas main near 46th and Marinda Streets that is shallow and in an abandoned right of way with a garage and shed built over the main. The main needs to be abandoned. In order to do so we need to remove load from the main. This request along with another project in the area will remove enough load to allow for the abandonment of the 16-inch main. This project is also necessary for a 2012 CSO project. The mains being abandoned were installed between 1934 and 1959. A total of 122 gas services will also be replaced on this project at an estimated cost of \$305,000.
8. **100092000781 - \$12,000 – (RATIFICATION) – Installed 120 feet of 3-inch and 130 feet of 2-inch 60-psig plastic gas main at 21st and Vinton Streets.** This main extension was necessary to replace an old gas service.
9. **100051000641 - \$39,000 – Review and analyze the remote field transformer coupling data of 4,141 feet of 42-inch concrete water main along Harrison Street from 61st to 70th Streets.** In December 2009, the Pressure Pipe Inspection Company collected data from the 42-inch water main, which is one of the primary east/west transmission mains in the system. PPIC reviewed and analyzed 970 feet of main at that time. The review and analysis of the remaining 4,141 feet was budgeted for 2011.
10. **100051000642, 100051000643 and 100051000644 - \$380,000 – Install manholes and conduct remote field transformer coupling inspections at 60th Street and I-680, 60th Street and Rainwood Road and 28th and Hamilton Streets. Install a small booster pump and interconnecting 8-inch pipe at Calhoun Road and Sargent Street.** A 1991 internal report called for eventual replacement of the entire section of these concrete mains due to quality concerns of the pre-stressing wires and cylinder. There is now the remote field transformer coupling testing which identifies broken pre-stressing wires by an unmanned device inserted through manholes. M.U.D. can spot repair weak sections of pipe instead of replacing the whole main. The proposed 8-inch main at Calhoun Road and Sargent Street is to provide another 8”

feed to the Ponca Hills area. This will provide another feed to the area when the 36-inch and 24-inch mains are temporarily out of service for inspections.

- 11. 100092000726 and 100066001103 - \$35,600 – Install 500 feet of 1 ¼-inch and 1,280 feet of 2-inch, 60-psig plastic gas main in Williams Street between 42nd and 46th Streets. Abandon 1,783 feet of 4-inch, LP cast iron gas main.** The existing low-pressure cast iron gas mains are corroded, leaking and in poor condition. The mains were installed in 1922 and 1923. There will be 61 gas services replaced at an estimated cost of \$152,500.

AGENDA NO. 7
BIDS ON MATERIALS AND CONTRACTS

Mrs. Lindsay moved for approval of the bids as set out in Mr. Goodwin’s December 28, 2010 letter to the Committee including Engineering’s recommendation for the rejection of all bids on item “b”, which are the bids for the site grading work for the new Construction Center. Seconded by Mr. Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Frost, Lindsay
 Voting No: Friend

MINUTES FILE DOCUMENT NO. 136605

<u>Item</u>	<u>Bid Sent and rec’d</u>	<u>Bidder</u>	<u>Bid Amount</u>
<u>CONTRACTS</u>			
a. INSTALL WATER MAINS TO REPLACE 600’ OF 12” MAIN WITH 16” HDPE MAIN UNDER THE BIG PAPIILLION CREEK; EAST OF 5 TH STR. AND SCHNEEKLOTH RD. 100051000360 100065000461	30/5	General Excavating Cedar Construction Kersten Construction K2 Real Estate Dev. L.G. Roloff Construction	\$125,600.00* 139,151.00 154,328.00 155,620.52 193,656.86

Est. \$127,500.00.
 C & A for this item will be on this month’s Board Letter.

OTHER ITEMS

b. SITE GRADING WORK FOR NEW CONSTRUCTION CENTER 100084000581	19/6	J C Excavation Judds Brothers Cons. Pink Grading, Inc. Mcardle Grading Co. Heimes Corporation Valley Corporation	\$494,961.36 684,502.30 912,296.44 998,208.80 1,104,172.09 1,526,823.63
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** Engineering Recommends Rejection of All Bids

C & A 100084000581 Approved July 7, 2010 in the amount of \$1,900,000.00.

ANNUALS

c. 400 CUBIC YARDS OF	6/2	Ready Mixed Concrete	\$31,588.00*
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Bid amounts based upon the unit prices for SG-7 AE mix

AGENDA NO. 8

ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Mrs. Lindsay moved for approval as set out in Mr. Keep’s letter dated December 16, 2010 to the Committee. Seconded by Mr. Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay

Voting No: None

MINUTES FILE DOCUMENT NO. 136606

Work has been satisfactorily completed on the following contracts and final payments are recommended:

<u>CONTRACT/BOARD APPROVAL DATE</u>	<u>AMOUNT – BID/ACTUAL/FINAL</u>
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a. Est. No. 5 – Charles Vrana & Son Construction Co. (100083000440 and 100083000103) Filter Plant and Chemical Building Lab Renovations Florence Water Treatment Plant May 5, 2010	\$ 504,350.00 \$ 489,926.00 \$ 48,992.60
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Comments: There was one change order on this contract resulting in an overall deduct to the contract amount by (\$14,424). The change order removed filter bed lighting and miscellaneous drywall work from the contract and included contractor labor and material for additional plumbing, electrical and architectural items.

b. Est. No. 2 – Cedar Construction (100055000641 and 100051000500) Install water mains in UNO Residence Hall 64 th Avenue and Shirley Street June 2, 2010	\$ 27,857.50 \$ 27,116.45 \$ 3,759.70
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Comments: This was bid based on estimated quantities with an adjustment in unit quantities and additional items in the amount of (\$741.05).

c. Est. No. 3 – Cedar Construction (100055000662 and 100051000520) Install water mains in Shiloh Ranches 186 th Street and Shongaska Road August 4, 2010	\$ 53,717.50 \$ 54,256.50 \$ 8,055.00
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Comments: This was bid based on estimated quantities with an adjustment in unit quantities and additional items in the amount of \$1,539.00. There was a water work order charged to this job due to a leaking chlorine tube in the amount of (\$1,000.00).

<u>CONTRACT/BOARD APPROVAL DATE</u>	<u>AMOUNT – BID/ACTUAL/FINAL</u>
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d. Est. No. 2 – Swain Construction (100084000223)	\$ 25,404.50
Concrete paving and striping improvements	
LNG Plant	\$ 25,481.15
August 4, 2010	\$ 2,548.00

Comments: This was bid based on estimated quantities with an adjustment in unit quantities \$76.65.

e. Est. No. 2 – Cedar Construction (100051000540)	\$ 47,975.00
Infill main in Franklin Street	
Franklin Street from 30 th Street to 31 st Street	\$ 46,774.00
October 6, 2010	\$ 14,095.90

Comments: This was bid based on estimated quantities with an adjustment in unit quantities and additional items in the amount of (\$1,201.00).

f. Est. No. 2 – R&H Construction (100055000581)	\$ 28,165.00
Install water mains in Aksarben Village	
Frances Street, Mercy Road on Aksarben Drive	\$ 24,711.00
July 7, 2010	\$ 2,471.10

Comments: This was bid based on estimated quantities with an adjustment in unit quantities and additional items in the amount of (\$3,454.00).

g. Est. No. 2 – Cedar Construction (100055000622)	\$ 43,071.00
Install water mains in Kensington Park	
George B. Lake Parkway and “Q” Street	\$ 44,535.90
July 7, 2010	\$ 9,041.34

Comments: This was bid based on estimated quantities with an adjustment in unit quantities and additional items in the amount of \$1,464.90.

AGENDA NO. 9
ANNUAL BOUNDARY REVIEW (RESOLUTION)

Mr. Dowd moved for adoption of the resolution as set out in Mr. Crouchley’s letter to the Committee dated December 27, 2010. Seconded by Mr. Cavanaugh and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136607

RESOLUTION

WHEREAS, the area served by the common water and/or natural gas utilities of the Metropolitan Utilities District of Omaha (“District”) extend beyond the boundaries of the City of Omaha

and the current boundaries of the District to include territory adjacent to the current boundaries of the District; and

WHEREAS, the Board of Directors of the District, pursuant to its authority under Nebraska Revised Statutes, Sec. 14-2101 et seq., as amended, finds that certain subdivisions, unincorporated areas and parts thereof now served, in whole or in part, by the District's common water and/or natural gas utilities, should be incorporated into the District and that the District's boundaries should be extended to do so.

NOW, THEREFORE, BE IT RESOLVED, that the boundaries of the Metropolitan Utilities District of Omaha are hereby extended, from the currently existing boundaries so as to incorporate the subdivisions, unincorporated areas, and parts thereof, as are set forth in the maps attached to this resolution.

BE IT FURTHER RESOLVED that all subdivisions, unincorporated areas, and parts thereof, existing between the current boundaries of the District and its newly established boundaries, and any territory now within or hereafter annexed to the City of Omaha by action of the Omaha City Council, are hereby included within the boundaries of the District.

BE IT FURTHER RESOLVED that the attached maps, identifying the new boundaries of the District, are made a part of this Resolution and are filed as part of the minutes of this Board meeting as Minutes Document File No. _____, and that a certified copy of this Resolution and the maps shall be supplied to the public officials of Douglas and Sarpy Counties whose duties are affected thereby.

This Resolution shall become effective upon Board approval.

Adopted:

AGENDA NO. 10

2011 FIRST LEGISLATIVE REPORT (RESOLUTION)

Mr. Dowd moved for adoption of the resolution as outlined in Mr. Crouchley's letter to the Committee dated December 27, 2010. Seconded by Mr. Frost and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay

Voting No: None

MINUTES FILE DOCUMENT NO. 136608

RESOLUTION

WHEREAS, the Board of Directors of the Metropolitan Utilities District of Omaha wishes to place upon its records its full support of a certain legislative proposal to be introduced in the Nebraska Legislature in the 2011 Legislative Session, which proposal is described as follows:

A legislative bill that requires that, beginning on July 1, 2012, the sales tax levied upon all increases in the amounts that a gas or water utility operated by a political subdivision charges for water or gas infrastructure programs shall be placed in a separate state fund which shall be available to such gas and water utilities for the funding of such infrastructure replacement programs.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that it places on its records its full support of the passage of an above-described legislative bill by the 2011 Nebraska Legislature.

Adopted:

AGENDA NO. 11
PROMOTIONAL INCREASES

Mrs. Lindsay moved to approve Management's recommendations for promotional increases as set out in Mr. Hemschemeyer's letter to the Committee dated December 22, 2010. Seconded by Mr. Dowd and carried on roll call vote.

Employees receiving promotional increases were: Anna Bennett, Lois Gosch, Jeffrey Jones, Rosemarie Jones, Eddie Kellogg, Annette O'Brien, Vincent Palermo, Mary Riley, Kenneth Winkler, Gladys Jacobson, Craig Johnson, Frank Mangano, and William Rice.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay

Voting No: None

MINUTES FILE DOCUMENT NO. 136609

AGENDA NO. 12
AUTHORIZATION TO HIRE & RATIFICATION OF AN SPA EMPLOYEE

Mrs. Lindsay moved to approve the authorization of SPA employment as outlined in Mr. Hemschemeyer's letter to the Committee dated December 17, 2010. Seconded by Mr. Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay

Voting No: None

MINUTES FILE DOCUMENT NO. 136610

Before the Board went into closed session to discuss the Collective Bargaining Strategy, Chairman Friend asked to move to Agenda No. 15 for Other Matters of District Business.

AGENDA NO. 15
OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Chairman Friend asked if any members of the public, Board members, or any employees of M.U.D. had any matters of District business they would like to discuss.

Mr. McGowan asked about the status of the 2011 goals for the company. Mr. McGowan stated that senior management and the president were asked to submit these goals to the Board by year end. Mr. Clark responded that the goals from senior management had been turned in but he had not at this time put them all together. He felt that this could be accomplished in the near future.

Mr. McGowan also asked about the status of a revised budget or a revised look at the budget with the timeline for this to be around March 1. President Clark stated he had not yet had a briefing on the budget. Mr. McGowan was curious as to whether this March 1 deadline would be attainable. President Clark felt that the end of the first quarter or March 31 would be a more doable timeline.

Mr. McGowan stated he wanted a status report on both of these items at the February 2 Board meeting.

Mr. Friend announced that Governor Heineman will be attending the February 2 Board meeting. Due to the Governor's time schedule and to accommodate that schedule, the February Board meeting time will be moved to 11 a.m. and the Committee meeting time will be changed to 10 a.m.

A discussion was also held on chromium in our water. President Clark handed out a question and answer paper on frequently asked questions relating to chromium. This paper was posted on our website and was given to all our employees that deal with customers' questions regarding this issue. Joel Christensen and Chris Fox were available and answered several questions from Board members.

AGENDA NO. 13
COLLECTIVE BARGAINING STRATEGY SESSION (CLOSED SESSION)

At 10:24 a motion was made by Mr. Cavanaugh to go into closed session to discuss the Collective Bargaining Strategy. Motion was seconded by Mrs. Lindsay and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136611

At 10:59 a.m., Mr. Cavanaugh made a motion to return to open session. Seconded by Mr. Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136612

AGENDA NO.14.
APPOINTMENT OF COMMITTEES

Mr. Clark advised the Board that the 2011 Committee Assignments list would be completed and distributed in the near future.

There being no further items to be discussed, at 11:01 a.m., Mr. Cavanaugh made a motion to adjourn. Seconded by Mr. Dowd and carried on roll call vote.

Voting Aye: Doyle, Cavanaugh, McGowan, Dowd, Friend, Frost, Lindsay
Voting No: None

MINUTES FILE DOCUMENT NO. 136613

The meeting adjourned at 11:01 a.m.



Douglas R. Clark, Secretary

DRC/kl