

METROPOLITAN UTILITIES DISTRICT
Committee Meetings

8:15 a.m.

September 7, 2022

1. Safety Briefing
2. Roll Call
3. Open Meetings Act Notice

Construction and Operations – Friend, Frost, Cavanaugh

1. Capital Expenditures [Gina Langel - SVP, Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates
[Stephanie Henn – Director, Plant Engineering] – **Tab 6**
3. Change Order for Water Main Installation in Belle Lago South Subdivision
[Stephanie Henn – Director, Plant Engineering] – **Tab 7**
4. Change Order for Water Main Installation in Majestic Point Subdivision
[Stephanie Henn – Director, Plant Engineering] – **Tab 8**
5. Bids on Materials and Contracts
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 9**

Services & Extensions – Friend, Begley, Howard

1. Main Extensions [Masa Niiya – Vice-President, Engineering] – **Tab 11**

Personnel – Begley, Frost, Friend

1. Wage and/or Salary Increases and Ratifications
[Bonnie Savine – VP, Human Resources] - **Tab 12**
2. Group Insurance Contract Renewals
[Bonnie Savine – VP, Human Resources] - **Tab 13**

Accounts, Expenditures, Finance & Rates – McGowan, Begley, Cook

1. Proposal to Authorize Water System Revenue Bonds Series 2022
[Joseph Schaffart – SVP & Chief Financial Officer] - **Tab 14**

Public Comment

(Turn over for regular Board Meeting agenda)

METROPOLITAN UTILITIES DISTRICT
Regular Monthly Board Meeting

9:00 a.m.

September 7, 2022

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes –Committee Meetings & Regular Board Meeting for August 3, 2022
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Change Order for Water Main Installation in Belle Lago South Subdivision
8. Change Order for Water Main Installation in Majestic Point Subdivision
9. Bids on Materials and Contracts
10. Notice of Purchases Between \$25,000 and \$50,000
- SERVICES & EXTENSIONS 11. Main Extensions
- PERSONNEL 12. Wage and/or Salary Increases and Ratifications
13. Group Insurance Contract Renewals
- ACCOUNTS, EXPENDITURES, FINANCE & RATES 14. Proposal to Authorize Water System Revenue Bonds Series 2022
- BOARD 15. Other Matters of District Business for Discussion
 - (a) Employee Service Recognition for 2022
 - (b) President Doyle (OPFLOW Magazine Recognition)
 - (c) Natural Gas Pricing [Jim Knight - Vice-President, Gas Operations]
16. CLOSED SESSION – Litigation, Personnel and Real Estate
17. Public Comment

Adjourn Regular Monthly Board Meeting

(Turn over for Committee Meetings agenda)

METROPOLITAN UTILITIES DISTRICT
Minutes of Committee Meetings
August 3, 2022

Chairperson Jack Frost called to order the Committee meetings of the Metropolitan Utilities District Board of Directors at 8:15 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, July 24, 2022, and in the online version from July 24, 2022, through July 30, 2022. Notice was also provided on the MUD website at www.mudomaha.com and other social media platforms. Agendas and pertinent Board materials to be presented at the August 3, 2022, Board Meeting were posted to the MUD website on July 28, 2022.

Chairperson Frost announced that the meeting was being livestreamed and a recording of the meeting would be uploaded to the MUD website after the meeting's conclusion.

Safety Briefing

Vice-President of Safety, Security & Business Continuity Shane Hunter provided a safety briefing for all individuals attending the meeting in-person regarding protocol at the headquarters building in the event of an emergency.

Roll Call

On a roll call vote, the following Directors acknowledged their presence: Tanya Cook, Dave Friend, Jack Frost, Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley. All attendees participated in-person.

Open Meetings Act Notice

Chairperson Frost announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room.

Construction and Operations – Friend, Frost, Cavanaugh

Senior Vice-President and Chief Operations Officer Gina Langel presented the proposed capital expenditures as outlined in her letter to the Committee dated July 26, 2022.

Water Supply Engineer James Bartels presented the proposed amendment to the Water System Master Plan as outlined in the letter from Water Operations Vice-President Mike Koenig dated July 19, 2022. The District contracted with HDR Engineering in December 2020 to provide professional engineering services pursuant to development of

the District's Water System Master Plan. The proposed amendments to the contract were included along with the Board letter describing the additional services. The associated cost will add \$67,570 to the original contract price of \$679,978 for a total of \$747,548.

Director of Plant Engineering Stephanie Henn reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in her letter to the Committee dated July 15, 2022.

Following her presentation, Ms. Henn addressed questions raised at the July Board Meeting regarding the project status of the construction of the pump station at 156th & Dodge Streets. She presented and explained several slides and responded to several questions from Board Members.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in the letter to the Committee dated July 22, 2022 from Director of Procurement Sherri Meisinger. Mr. Zellars addressed Ford Motor Company's cancellation last May 2022 of the District's Board-approved purchase of 29 vans through a local auto dealer. Continued supply chain challenges were cited as the basis for the cancellation. Ford later modified its position with regard to the inventory orders, whereby the original pricing will be applied for five (5) of the 29 vans that were originally ordered, while the purchase of the remaining 24 vans will be priced approximately 40% higher due to inflation and a reduction to the government fleet discount rate. It is anticipated that the five (5) vans will be received and paid for in 2023. Mr. Zellars recommended the District move forward with the proposed purchases at the currently offered pricing due to the likelihood that pricing will not improve, and timely replacement of the vehicles is essential.

Director Friend inquired as to whether a District representative is always present onsite to oversee projects such as the West Dodge Pump Station construction, as he had previously believed to be the case. Discussion followed during which a number of points were made to distinguish the circumstances for projects involving District crews, District-hired subcontractors and District-hired consultants. Mr. Doyle highlighted the difference in the types of projects as well, noting that District personnel have a specific oversight role on projects that they routinely handle such as main infrastructure replacements as compared to the more atypical projects involving the construction of pump stations, reservoirs, and water plants that require a more specific skill set.

Services & Extensions – Friend, Begley, Howard

Vice-President of Engineering Masa Niiya reviewed the proposed main extensions as outlined in his letter to the Committee dated July 26, 2022.

Personnel - Begley, Frost, Friend

Vice-President of Human Resources Bonnie Savine reviewed the wage and salary increases and ratifications as outlined in her letter to the Committee dated June 23, 2022.

Judicial and Legislative – Cook, Cavanaugh, Howard

Governmental Affairs Attorney Rick Kubat presented the Lower Platte River Consortium Interlocal Agreement as outlined in the letter to the Committee dated July 27, 2022 from Senior Vice-President, General Counsel Mark Mendenhall. The interlocal agreement was created in 2016 and the parties to the agreement that comprised the consortium include MUD, the Nebraska Department of Natural Resources, Lower Platte South Natural Resources District, Lower Platte North Natural Resources District, Papio-Missouri River Natural Resources District and Lincoln Water System. Renewal of the agreement which accompanied the Board letter proposed a one-year term with the option to renew for an additional ten one-year terms thereafter.

Mr. Mendenhall reviewed the proposed amendment to MUD’s lease with Field Club of Omaha (FCO) pertaining to 13 acres of property located near 36th and Woolworth Streets, an arrangement that began in 1952. Proposed amendments to the lease include an extension of the termination date to 2062, a change to the \$1000 rental fee to incorporate a 5% rate increase every three years, and an added provision to ensure the District’s use of the property takes priority over any other use and ensure that FCO shall not interfere with the District’s use. Director Cavanaugh commented that the arrangement benefitted ratepayers because all maintenance of the area is handled by FCO, and the rate increase represents a good long-term investment. An aerial photo of the property along with the parties’ agreement (“Third Supplement and Amendment to the Agreement”) accompanied the letter to the Board.

Public Comment

Chairperson Frost asked if any members of the public would like to address the Board. There were none.

Chairperson Frost announced that the Committee Meetings had concluded, and the Board would reconvene for the regular monthly Board Meeting in ten minutes at 9:25 a.m.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT
Minutes of the Regular Monthly Board Meeting
August 3, 2022

Chairperson Frost called to order the regular monthly Board Meeting of the Metropolitan Utilities District Board of Directors at 9:25 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, July 24, 2022, and in the online version from July 24, 2022, through July 30, 2022. Notice was also provided on the MUD website at www.mudomaha.com and other social media platforms. Agendas and pertinent Board materials to be presented at the August 3, 2022, Board Meeting were posted to the MUD website on July 28, 2022.

Chairperson Frost announced that the meeting was being livestreamed and a recording of the meeting would be uploaded to the MUD website after the meeting's conclusion.

AGENDA NO. 1

ROLL CALL

On a roll call vote, the following Directors acknowledged their presence: Tanya Cook, Dave Friend, Jack Frost, Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley. All attendees participated in-person.

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

Chairperson Frost announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room.

AGENDA NO. 3

PLEDGE OF ALLEGIANCE

Chairperson Frost invited all who wished to participate to recite the Pledge of Allegiance.

AGENDA NO. 4

APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR MONTHLY BOARD MEETING FOR JULY 6, 2022

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for July 6, 2022, which was seconded by Director Begley and carried on a roll call vote.

Committee Meetings & Regular Board Meeting

August 3, 2022

Page 4 of 8

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 5
CAPITAL EXPENDITURES

Director Friend moved to approve the capital expenditures as presented by Senior Vice-President, Chief Operations Officer Gina Langel and as outlined in her letter dated July 26, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 6
AMENDMENT #1 – PROFESSIONAL ENGINEERING SERVICES FOR WATER SYSTEM MASTER PLAN

Director Friend moved to approve the proposed amendment to the Professional Engineering Services for the Water System Master Plan as presented by Mr. Bartels in the Committee Meetings and as outlined in Mr. Koenig's letter dated July 19, 2022. The motion was seconded by Director Begley and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 7
ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the acceptance of contracts and payment of final estimates as presented at the Committee Meetings by Director of Plant Engineering Stephanie Henn and as outlined in her letter to the Committee dated July 15, 2022. The motion was seconded by Director Cook and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 8
BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve the bids on materials and contracts as presented by Vice-President of Procurement and Enterprise Management Jon Zellars and as outlined in the letter to the Committee dated July 22, 2022 from Director of Purchasing Sherri Meisinger. The motion was seconded by Director Frost and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 9
MAIN EXTENSIONS

Director Friend moved to approve the main extensions as presented by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated July 26, 2022. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 10
WAGE AND/OR SALARY INCREASES AND RATIFICATIONS

Director Begley moved to approve the wage and/or salary increases and ratifications as presented by Ms. Savine in the Committee Meeting and as outlined in her letter dated July 20, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 11
LOWER PLATTE RIVER CONSORTIUM INTERLOCAL AGREEMENT

Director Cook moved to approve the Lower Platte River Consortium Interlocal Agreement as presented by Mr. Kubat in the Committee Meetings and as outlined in the letter from Mr. Mendenhall dated July 27, 2022. The motion was seconded by Director Begley and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 12
FIELD CLUB LEASE AGREEMENT AMENDMENT

Director Cook moved to approve the Field Club Lease Agreement amendment as presented by Mr. Mendenhall in the Committee Meetings and as outlined in his letter dated July 26, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley
Voting No: None

AGENDA NO. 13

OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Vice-President of Customer Experience Stephanie Mueller presented the District's new public awareness campaign consisting of four videos which will air on local and cable television stations beginning August 15th through December of 2022. The commercials feature District employees touting the District's water quality, natural gas reliability, infrastructure replacement and the overall mission.

Chairperson Frost asked if any Board Members had any comments to share. There were none. He asked whether any member of the public would like to address the Board. There were none.

AGENDA NO. 14

CLOSED SESSION

At 10:42 a.m., Chairperson Frost announced that the Board would go into Closed Session for the purpose of discussing litigation, personnel and real estate. Director Cook motioned to go into Closed Session which was seconded by Director Cavanaugh and carried on a roll call vote.

Voting Yes: Cook, Friend, Frost, McGowan Howard, Cavanaugh, Begley

Voting No: None

Director Friend left the meeting.

At 11:22, Director Cook motioned to return to open session which was seconded by Director Howard and carried on a roll call vote.

Voting Yes: Cook, Frost, McGowan Howard, Cavanaugh, Begley

Voting No: None

AGENDA NO. 15

PUBLIC COMMENT

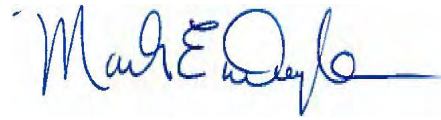
Chairperson Frost asked if any member of the public would like to address the Board. There were none.

Director Begley moved to adjourn the regular monthly Board Meeting, which was seconded by Director Cook and carried on a roll call vote.

Voting Yes: Cook, Frost, McGowan Howard, Cavanaugh, Begley

Voting No: None

The regular monthly Board meeting was adjourned at 11:24 a.m.

A handwritten signature in blue ink that reads "Mark E. Doyle". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

September 1, 2022

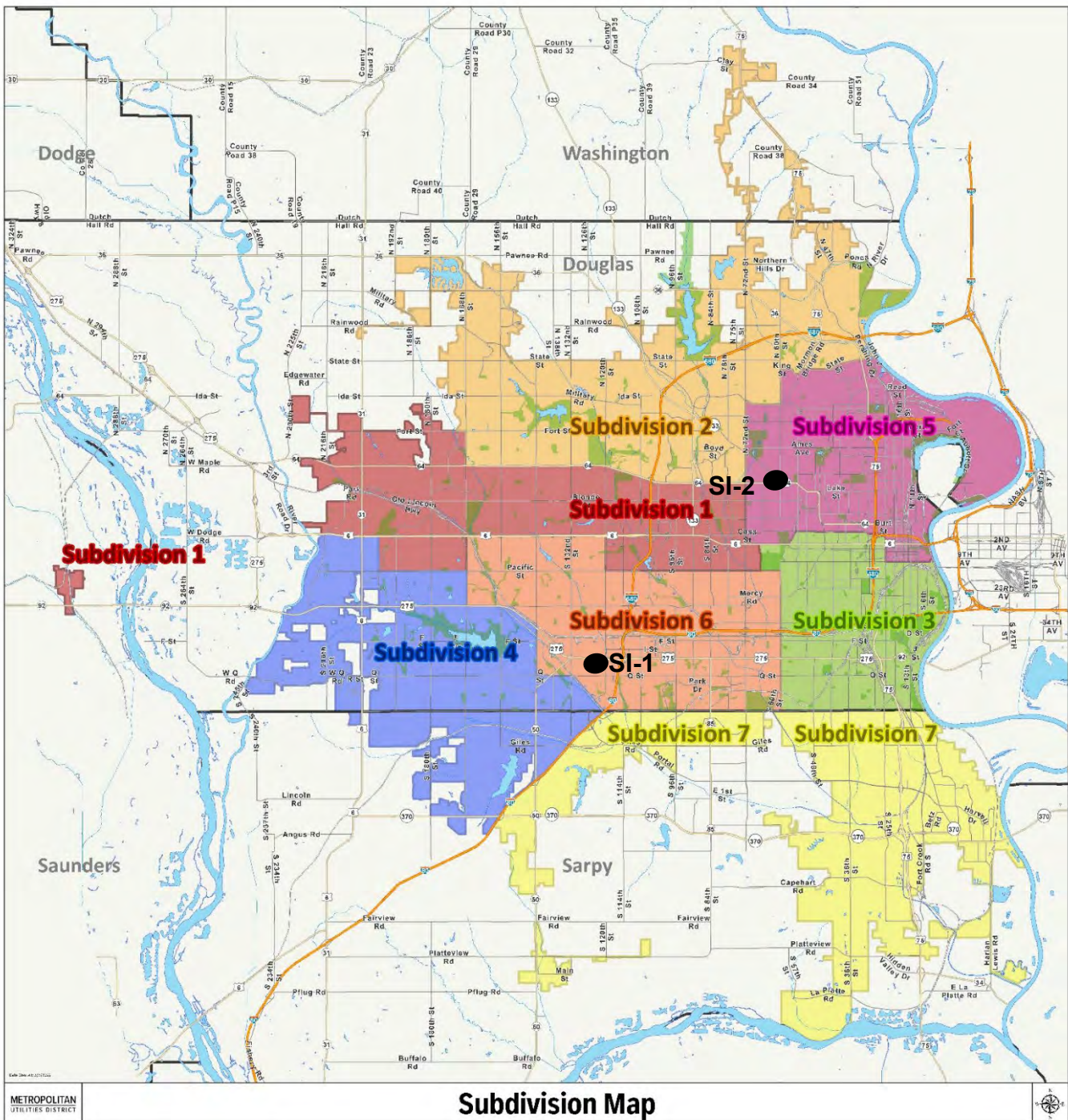
Subject: CAPITAL EXPENDITURES

To: Committee on Construction and Operations

cc: all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Lobsiger, and all Vice Presidents

From: Gina Langel, Senior Vice President, Chief Operations Officer

The following items will be on the September 7, 2022, Committee Agenda for consideration and the Board Agenda for approval:



Subdivision Map

SYSTEM IMPROVEMENTS

1. **100054001106 and 100068001087 – \$92,000 – Install 340 feet of 8-inch gas main, 120th and “I” Streets.** This work is required to eliminate conflicts with proposed grading being done for a customer at this location. This project is anticipated to start in December 2022 and will be constructed by a District crew. This work is reimbursable as the project is private in nature and the mains are in an existing District permanent easement. **(Subdivision 6 – McGowan)**

2. **100052001841 and 100066002314 – RATIFICATION - \$100,000 – Install one 8-inch steel gas valve and abandon two 8-inch steel gas valves from 66th Street to the south of Maple Street.** The two abandon gas valves were installed in 1950 as shut offs for a regulator station. One of the valves was leaking which prompted the immediate replacement of the valve. Both valves were exposed during the leak repair and it was decided to abandon both since they were at the end of their useful life. A redesign of the piping allowed the installation of one valve instead of two as a shut-off for the regulator stations. **(Subdivision 5 - Cook)**

BUILDINGS, PLANTS AND EQUIPMENT

1. **100086000755 - \$780,000 – Time and attendance automation.** The District plans to transform our employee's time collection verification processes by using a modern time-keeping solution. Currently, the District uses a manual time entry process with inputs from paper time cards, multiple electronic forms, and direct entry into the SAP platform. The current time entry process is cumbersome, time-consuming, and requires a large amount of oversight to complete time entry each payroll cycle. The District plans to standardize on a modern cloud-based time and attendance solution that will be flexible for employees while improving accuracy and lowering overhead costs. Employees will be able to enter time via a mobile device, computer, or physical device such as a time clock. Time entered by the employee will go directly into the system of record for time, eliminating the double entry of time data. Compensation rates and rules will be automated. Other benefits include the ability to schedule and approve vacation requests and advanced shift scheduling. In addition, real-time reporting and alerting will give the management team better insight to staff availability and overtime hours.

2. **100086000757 – \$300,000 – SAP GRC and Security Redesign.** This project will significantly improve our SAP business platform user profiles and security settings. An assessment was recently completed and several improvements were recommended. This initiative will implement a portion of those recommendations. Improvements include the implementation of a security module (GRC: Governance, Risk, and Compliance) and redesign the current SAP security role structure. These changes will ensure access to the system and its various functions are appropriate and secure and simplify the structure thus materially reducing set up time, errors, and downstream negative impacts when changes are made. The effort had been budgeted as an operational expense. After analyzing the recommendations from the SAP security assessment and consulting with Accounting, it was determined to capitalize a portion of the expense item to complete this project.

3. **100089000921 - \$400,000 – Geo-redundant prime site, ORION Motorola System.** This expenditure is for the participation and use of the Omaha Regional Interoperability Network (ORION) Motorola system. ORION is the public safety radio system used by all first responders in southeast Nebraska and Pottawattamie County in Iowa. We have been a user of this system since April 2018. The District agreed in 2018 that we would buy-in as a permanent user of the ORION system which already had an extensive and costly infrastructure in place. As a part of the agreement,

the District agreed to buy-in to the system at a cost of \$400,000 in a joint equipment purchase with Douglas County 911 Communications. The equipment being purchased is referred to as a “Geo-Redundant Prime Site”, which is designed as a layer of redundancy to maintain the wide-area radio operation in the event of a catastrophic loss of the prime site.

4. 1000090001413 - \$147,593 – Camera Life Cycle Replacement at LNG, Operations Center, and Construction Center. This expenditure is for the purchase, replacement upgrade, and installation of fifteen cameras at LNG and sixteen cameras at the Operations Center and Construction Center. All of the cameras are slated for replacement will be upgraded from a single Pan Tilt Zoom (PTZ) unit to a new PTZ unit supplemented with a 360-degree static camera overview. This set-up is contained in one unit; therefore, our camera footprint does not change. The addition of the 360-degree static camera overviews will significantly reduce our camera blind spots. Twenty-six of the existing cameras are at the end of life and are discontinued products. The five units not currently at end of life will be relocated to upgrade other camera locations. The new cameras have a five-year warranty.

5. 1000970000008 – RATIFICATION - \$225,705 – Professional services to conduct a study to support Lincoln’s evaluation for a second source of water. The City of Lincoln recently commissioned a study to evaluate alternatives for a second source of water. The study contains alternatives to connect to the District’s water system. Lincoln’s study is broken into two phases. The first phase is to identify a high confidence alternative for their next water source by January 31st, 2023. The second phase will complete a thorough evaluation of the alternative selected in Phase 1. In the recently completed Water Master Plan, the District included a preliminary review of potential Lincoln demands. The preliminary results indicated the demands were very impactful to the District’s water system, such that it would warrant considerable additional study if Lincoln were to pursue it. The initiation of the Lincoln study prompts the need for additional study of the District’s water system capabilities. Given the extremely tight deadline, the District hired HDR to complete the study. The District has entered into a Memorandum of Understanding (MOU) with Lincoln to reimburse the District for the cost of this consultant study. This was completed as a ratification because HDR needed to begin work to meet Lincoln’s October deadline.

Approved:



Mark E. Doyle
President



Gina Langel
Senior Vice President, Chief Operations Officer

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

August 29, 2022

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES**To:** Committee on Construction and Operations

cc: all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger, and all Vice Presidents

From: Stephanie L. Henn, Director, Plant Engineering

The following items will be on the September 7, 2022, Committee Meeting for consideration and the Board Meeting Agenda for approval. Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
a. Cedar Construction, WP1802, 100055001357, Install Water Mains in Snowden Commons/Bennington Middle School & Elementary; 168 th St & Military Rd.	4/7/2021	\$377,232.00	\$389,050.56

Comments: There was an overall net increase on this project of \$11,818.56, primarily due to Change Order No. 1 in the amount of \$31,923.56 for changing the connection types needed to install the water main and increased pipe fitting prices due to supply chain issues. There was also an associated decrease in unit quantities of \$20,105. The developer is aware of these additional costs. **Approval of this final will also approve Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
b. Kersten Construction, WP1852, 100055001381, Install Water Mains in Pacific Renaissance; S. 192 nd St. & Jones St.	10/6/2021	\$94,068.50	\$81,223.70

Comments: There was an overall net decrease on this project of \$12,844.80, primarily due excavations able to be placed outside of paving so steel plates to protect the excavations in paving was unnecessary. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
c. Cedar Construction, WP1757, 100055001330, Install Water Mains in Kempton Creek; N. 162 nd St. & Bennington Rd.	6/2/2021	\$749,770.00	\$791,374.57

Comments: There was an overall net increase on this project of \$41,604.57, primarily due to Change Order No. 1 in the amount of \$52,109.62 to account for pipe fitting prices increases caused by supply chain issues. The developer has approved these additional costs. **Approval of this final will also approve Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
d. Heimes Corp., WP1735, 100093001294, 1000095001221, 100097000000, 100097000001, 100041000083, Cast Iron Water Main Replacement, Florence Heights Blvd., Sargent St. to Calhoun Rd. and N. 31 st St., Sargent St. to Rainwood Rd.	3/8/2021	\$1,385,471.00	\$1,313,998.45

Comments: There was an overall net decrease on this project of \$71,472.55, primarily due to a design change allowing the main to be installed outside of paving. This overall decrease also includes an increase for Change Order No. 1 of \$34,829.35 primarily for the contractor to perform the service taps on the HDPE mains, rather than the District performing the tapping work, as originally planned. **Approval of this final will also approve Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		Contract Bid	Actual
e. Future Construction Specialties, LLC, WP1832, 100071000681, Wellfield Pumphouse Door Replacement at the Platte South Water Treatment Plant; 4001 La Platte Rd. Papillion, NE	6/2/2021	\$65,000.00	\$65,000.00

Comments: All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		Contract Bid	Actual
f. McKinnis Roofing & Sheet Metal, Inc., GP2638, 100084001278, 100084001279, 100084001280, Compressor Building, Mixing Building, and Unloading Building Roof Replacement; 117th and Fort Propane Air Plant	7/7/2021	\$242,000.00	\$242,000.00

Comments: All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

**Based upon Engineering's estimated unit quantities.*

Approved:

DocuSigned by:

Stephanie L. Henn

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Stephanie L. Henn
Director, Plant Engineering

DocuSigned by:

Masa Miya

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Masa Miya
Vice President
Engineering

DocuSigned by:

Gina Langel

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Gina Langel
Senior Vice President
Chief Operations Officer

DocuSigned by:

Mark E. Doyle

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

August 4, 2022

SUBJECT: CHANGE ORDER NO. 1 – INSTALL WATER MAINS IN BELLE LAGO SOUTH SUBDIVISION; S. 42ND ST & LOOKINGGLASS DR.; CEDAR CONSTRUCTION; WP1758 (100055001331)

To: Committee on Construction & Operations

Cc: All Board members and Messrs. Doyle, Langel, Schaffart, Lobsiger, Mendenhall, Ausdemore, and All Vice Presidents

From: Stephanie L. Henn, Director, Plant Engineering

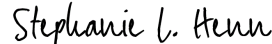
On January 7, 2021, the Board awarded a contract to Cedar Construction to install water mains in Belle Lago South Subdivision. The original contract price was \$469,421.00. Change Order No. 1 represents an increase of \$150,672.00 to the contract for a total cost of \$620,093.00.

Change Order No. 1 represents an additional cost of \$150,672.00 due to the project being redesigned from ductile iron pipe to PVC pipe per the developer's request, as well as increases for materials and labor. This also incorporates an entirely new set of unit quantities and schedule of values into the contract. This allows The District to pay the contractor accurately with this new set of values.

The developer has been notified and approved this change order amount.

Your approval is requested.

DocuSigned by:



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Stephanie L. Henn

Director, Plant Engineering

Approved:

DocuSigned by:



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Masa Niya

Vice President,
Engineering

DocuSigned by:



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Gina Langel

Sr. Vice President,
Chief Operations Officer

DocuSigned by:



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Mark A. Mendenhall

Sr. Vice President,
General Counsel

DocuSigned by:



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Mark E. Doyle

President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

August 4, 2022

SUBJECT: CHANGE ORDER NO. 1 – INSTALL WATER MAINS IN MAJESTIC
POINTE; SW OF 168TH ST. & STATE ST.; CEDAR CONSTRUCTION;
WP1838 (100055001371)

To: Committee on Construction & Operations
Cc: All Board members and Messrs. Doyle, Langel, Schaffart, Lobsiger,
Mendenhall, Ausdemore, and All Vice Presidents

From: Stephanie L. Henn, Director, Plant Engineering

On August 4, 2021, the Board awarded a contract to Cedar Construction to install water mains in Majestic Pointe. The original contract price was \$607,422.00. Change Order No. 1 represents an increase of \$44,921.00 to the contract for a total cost of \$652,343.00.

Change Order No. 1 represents an additional cost of \$44,921.00 due to the project being redesigned from ductile iron pipe to PVC pipe per the developer’s request, as well as increases for materials and labor. This also incorporates an entirely new set of unit quantities and schedule of values into the contract. This allows The District to pay the contractor accurately with this new set of values.

The developer has been notified and approved this change order amount.

Your approval is requested.

DocuSigned by:
Stephanie L. Henn
1992646EDF59485...
Stephanie L. Henn
Director, Plant Engineering

Approved:

DocuSigned by:
Masa Niiya
98B161DE431645F...
Masa Niiya
Vice President,
Engineering

DocuSigned by:
Gina Langel
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Gina Langel
Sr. Vice President,
Chief Operations Officer

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Mark Mendenhall
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Mark A. Mendenhall
Sr. Vice President,
General Counsel

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Mark Doyle
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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 25, 2022

Subject: BIDS ON MATERIALS AND CONTRACTS DURING THE MONTH OF AUGUST

To: Construction & Operations Committee
cc: All Board Members, Doyle, Ausdemore, Langel, Lobsiger, Mendenhall, Schaffart and all Vice Presidents

From: Sherri A Meisinger, Director, Procurement

The following items will be on the September 7, 2022 Committee Agenda for consideration and the September 7, 2022 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

WATER/GAS MAIN CONTRACTS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Bore 12" Water Main at 168 th St. and Zorinsky Lake 100054001048 R2099 Engineering Estimate: \$100,800.00 (C&A for 100054001048 approved April 6, 2022 in the amount of \$221,500.00.)	5/3	KW Boring Inc.	\$84,000.00
		TH Construction Co.	92,388.24
		<i>Horiz. Boring & Tunl. Co.</i>	297,500.00

INFORMATION TECHNOLOGY

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Workforce Software Time and Attendance Implementation 100086000755 *Did Not Meet Specifications (A C&A in the amount of \$780,000.00 will be presented to the Board on September 7, 2022 for approval.)	4/3	Epi-Use	\$402,490.00
		<i>AspireHR</i>	198,525.00*
		Rizing	343,788.00*

SAP GRC & Security Redesign 1/1 **Customer Advisory Grp \$300,000.00**
 100086000757
 (A C&A in the amount of \$300,000.00 will be presented to the Board on September 7, 2022 for approval.)

RATIFICATION

Platte West WTP Chemical Unit 2/2 **MMC Mech. Contrs. \$48,274.00**
 Isolation Valves Grunwald Mech. Contrs. 109,805.00
 100083001157 WP1924
 Engineering Estimate: \$60,000.00
 (C&A for 100083001157 approved August 3, 2022 in the amount of \$75,000.00.)

OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Two (2) Large Track Excavators for Construction 100087000659	4/3	Road Builders Mach. Murphy Tractor NMC	\$510,913.86 561,094.00 708,340.00
(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 5, 2022 in the amount of \$16,953,750.00.)			

Rail Track Maintenance at the Florence Water Treatment Plant 2/2 **Atlas Co. of Lincoln \$34,640.00**
 100083001169 **KRW Construction Inc. 42,900.00**
 (C&A for 100083001169 approved August 24, 2022 in the amount of \$48,000.00.)

ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Automotive Heavy-Duty, Passenger, and Recap Tires (November 1, 2022 to October 31, 2023) *Bid Rejected, Did Not Meet Specifications	3/1	Bauer Built Tire	\$92,078.77*
Ductile Iron Fittings (September 1, 2022 to August 31, 2023)	4/3	Omaha Winwater Core & Main LP Utility Equipment Co.	\$202,954.14 209,099.47 218,624.33
Precast Concrete Vault Sections (October 1, 2022 to September 30, 2023)	2/1	Kersten Precast Conc.	\$187,393.00
One Ton Cylinder of Liquid Chlorine Florence, Platte South, and Platte West Water Treatment Plants (660 Tons) (September 1, 2022 to August 31, 2023)	1/1	DPC Industries Inc.	\$1,045,440.00

ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid/Bid Value#</u>
Quick Lime Florence Water Treatment Plant (7,200 Tons by Rail) *Bid Rejected, Non-Responsive (September 1, 2022 to August 31, 2023)	4/3	Mississippi Lime Co. <i>Pete Lien & Sons Inc.</i> <i>Lhoist North America</i>	\$1,363,020.00/ 1,302,030.00 2,190,096.00/ 2,133,144.00 2,239,272.00*/ 2,239,272.00*

Quick Lime
Platte South Water Treatment Plant
(3,500 Tons by Truck)
(September 1, 2022 to August 31, 2023)

4/3

Pete Lien & Sons Inc.	\$682,500.00/ 654,815.00
Mississippi Lime Co.	784,280.00/ 831,215.00
Lhoist North America	1,545,495.00/ 1,599,220.00

Quick Lime
Platte West Water Treatment Plant
(4,000 Tons by Truck)
(September 1, 2022 to August 31, 2023)

4/3

Pete Lien & Sons Inc.	\$780,000.00/ 748,352.00
Mississippi Lime Co.	896,320.00/ 862,270.00
Lhoist North America	1,784,800.00/ 1,846,200.00

#Bid Value based on percentage of available Calcium Oxide (CaO)



Sherri A. Meisinger
Director, Procurement
(402) 504-7253

Approved:



Jon Zellars
Vice President, Procurement and Enterprise Services



Steven E. Ausdemore
Senior Vice President, Safety, Security and Field Operations



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 22, 2022

Subject: NOTICE OF PURCHASES BETWEEN \$25,000 - \$50,000

To: All Board Members
cc: Doyle, Ausdemore, Langel, Lobsiger, Mendenhall, Schaffart
and all Vice Presidents

From: Sherri A. Meisinger, Director, Procurement

During the month of August, the following item was purchased or contracted for and is being submitted to the Board to be placed on file. The purchase or contract was initiated with the low bidder which is bolded and listed first. Nonlocal bidders have been indicated in italics.

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidder</u>	<u>Amount Bid</u>
Automotive and Construction Equipment Batteries (August 1, 2022 to July 31, 2023)	6/5	Napa Auto	\$30,596.11
		Factory Motors Parts	34,004.49
		Interstate Batteries	34,262.39
		Advance Auto Parts	45,592.39
		O'Reilly Auto Parts	56,066.49



Sherri Meisinger
Director, Procurement
(402) 504-7253

Approved:



Jon Zellars
Vice President, Procurement and Enterprise Services



Steven E. Ausdemore
Senior Vice President, Safety, Security and Field Operations



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

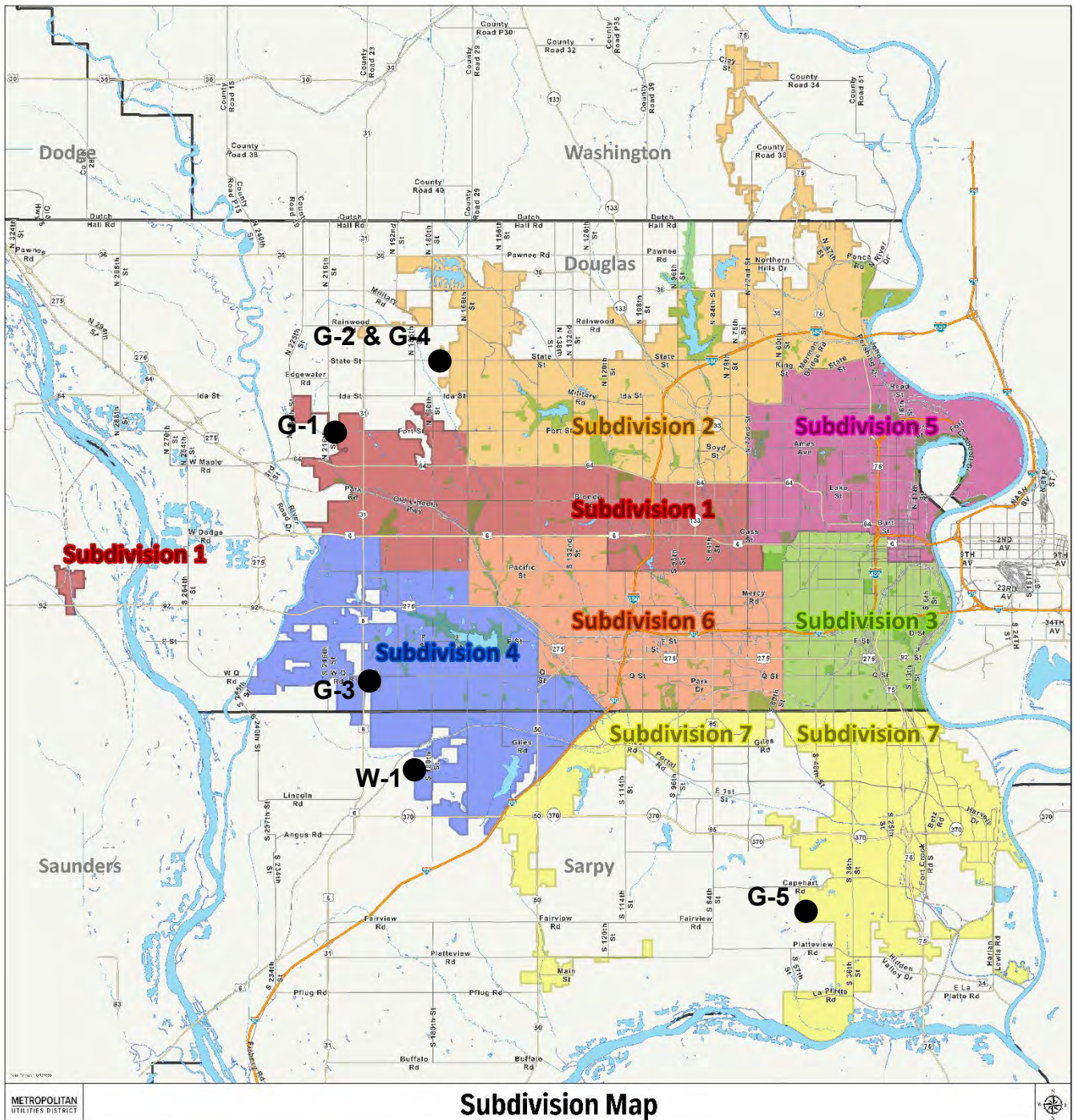
August 25, 2022

Subject: MAIN EXTENSIONS

To: Services and Extensions Committee
cc: All Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger,
and all Vice Presidents

From: Masa Niiya, Vice President, Engineering

The following main extensions will be on the September 7, 2022, Committee Agenda for consideration and the Board Agenda for approval:



WATER MAINS:

- 1. BRIDGEPORT SUBDIVISION AND HILLS OF ASPEN CREEK SUBDIVISION, Subdivision 4, Cavanaugh:** This work is being done to connect the Bridgeport Subdivision and Hills of Aspen Creek Subdivision at 184th Street and Cornhusker Road to provide necessary distribution system interconnectivity to enhance available fireflow and reliability in this part of the distribution system. The cost of this main will be shared by the two subdivisions in accordance with their revised subdivision agreements. (Sarpy County Zoning, Bridgeport Development LLC and Richland Homes LLC)

Subdivision: Bridgeport Subdivision and Hills of Aspen Creek Subdivision

Project Number: WP 1914

Project Cost: \$89,317

Applicant Contribution: \$89,317

Construction by Applicant: \$0.00

M.U.D. Cost: \$0.00

GAS MAINS:

- 1. VISTANCIA SUBDIVISION, Subdivision 1, Begley:** This work is being done to provide gas service to 157 single residence lots in Vistancia Subdivision, 216th and Fort Streets. Work is requested to be completed by November 2022. This project is currently within the City of Omaha's zoning jurisdiction and is being developed by Christian Kloster.

Subdivision: Vistancia Subdivision

Project Number: GP 2712

Project Cost: \$157,890

Developer Equivalent Cost: \$157,890

Developer Adjusted Estimated Cost: \$140,941

Allowable Revenue Credits: \$169,403

Deficiency: \$0

- 2. CHESTNUT HILLS SUBDIVISION, Subdivision 2, Friend.** This work is being done to provide gas service to 146 single residence lots in Chestnut Hills Subdivision, 177th and State Streets. Work is requested to be completed by September 2022. This project is currently within the City of Omaha's zoning jurisdiction and is being developed by BHI Development. To properly expand our system to serve future developments, it is necessary to oversize 650 feet of 2-inch mains to 4-inch mains at a District cost of \$16,743.

Subdivision: Chestnut Hills Subdivision

Project Number: GP 2722

Project Cost: \$137,623

Developer Equivalent Cost: \$120,880

Developer Adjusted Estimated Cost: \$107,904

Allowable Revenue Credits: \$157,534

Deficiency: \$0

- 3. SOUTH STREAMS SUBDIVISION, Subdivision 4, Cavanaugh.** This work is being done to provide gas service to 234 single residence lots in South Streams Subdivision, 204th and "Q" Streets. Work is requested to be completed by January 2023. This project is currently within the City of Omaha's zoning jurisdiction and is being developed by Woodsonia – South Streams, LLC. To properly expand our system to serve future developments, it is

necessary to oversize 2,240 feet of 2-inch mains to 4-inch mains at a District cost of \$36,072.

Subdivision: South Streams Subdivision

Project Number: GP 2701

Project Cost: \$332,098

Developer Equivalent Cost: \$296,027

Developer Adjusted Estimated Cost: \$264,249

Allowable Revenue Credits: \$304,571

Deficiency: \$0

4. **MAJESTIC 178 SUBDIVISION, Subdivision 2, Friend.** This work is being done to provide gas service to 98 single residence lots in Majestic 178 Subdivision, 177th and State Streets. Work is requested to be completed by November 2022. This project is currently within the City of Omaha's zoning jurisdiction and is being developed by Celebrity Homes. To properly expand our system to serve future developments, it is necessary to oversize 330 feet of 2-inch mains to 4-inch mains at a District cost of \$10,286.

Subdivision: Majestic 178 Subdivision

Project Number: GP 2721

Project Cost: \$87,243

Developer Equivalent Cost: \$76,957

Developer Adjusted Estimated Cost: \$68,696

Allowable Revenue Credits: \$105,742

Deficiency: \$0

5. **ALTA COLLINA SUBDIVISION, Subdivision 7, Frost:** This work is being done to provide gas service to 125 single residence lots in Alta Collina Subdivision, 48th Street and Lookingglass Drive. Work is requested to be completed by November 2022. This project is currently within the City of Bellevue's zoning jurisdiction and is being developed by Orchard Valley, Inc.

Subdivision: Alta Collina Subdivision

Project Number: GP 2667

Project Cost: \$116,326

Developer Equivalent Cost: \$116,326

Developer Adjusted Estimated Cost: \$103,839

Allowable Revenue Credits: \$134,875


Deficiency: \$0

Approved:



Gina Langel

Sr. Vice President, Chief Operations Officer



Masa Niiya

Vice President, Engineering



Mark E. Doyle

President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 25, 2022

Subject: Wage and/or Salary Increases and Ratifications, September 2022 Board Meeting

To: Personnel Committee members Begley, Friend, and Frost

cc: Board Members Cavanaugh, Cook, Howard, and McGowan

President Doyle, and Senior Vice Presidents Ausdemore, Langel, Lobsiger, Mendenhall, and Schaffart

From: Bonnie Savine, Vice President, Human Resources

The Human Resources Department is recommending the Board of Directors approve the wage or salary increases outlined below. All positions involve District employees earning more than \$10,000 per year and therefore require your approval.

1. Operating and Clerical (OAC) Wage Increases Due To Promotion

The Human Resources Department is recommending the Board of Directors approve wage increases for the following Employees within the OAC classification. These wage increases are based on a job selection process, are in compliance with the Collective Bargaining Agreement, and are made following the posting and application process for a job opening in the District. The effective date for these increases will be the beginning of the next OAC pay period following Board approval.

Employee: Lane Andrews
Current position (department): Auto Service Person (Transportation)
New position (department): Fuel Truck Driver (Transportation)
Current rate; step/grade: \$24.37; Step 2
Proposed rate; step/grade: \$27.86; EN
Percent of increase: 14.32%
District hire date: August 23, 2021

Employee: Zachery Aurand
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Material Handler Trainee (Stores)
Current rate; step/grade: \$26.25; Step 2
Proposed rate; step/grade: \$28.32; Step 1
Percent of increase: 7.89%
District hire date: May 24, 2021

Employee: Marcela Chudomelka
Current position (department): Administrative Clerk II (Field Services)
New position (department): Administrative Clerk III (Maintenance)
Current rate; step/grade: \$28.03; Step 4
Proposed rate; step/grade: \$29.43; Step 4
Percent of increase: 5.00%
District hire date: March 10, 2014

Employee: **Deanna Craigmiles**
Current position (department): Administrative Clerk II (Dispatch)
New position (department): Customer Service Clerk I (Customer Service)
Current rate; step/grade: \$28.03; Step 4
Proposed rate; step/grade: \$29.71; Step 4
Percent of increase: 6.00%
District hire date: March 12, 2018

Employee: **Marissa Decker**
Current position (department): Administrative Clerk II (Dispatch)
New position (department): Customer Service Clerk I (Customer Service)
Current rate; step/grade: \$28.03; Step 4
Proposed rate; step/grade: \$29.71; Step 4
Percent of increase: 6.00%
District hire date: May 4, 2015

Employee: **Kevin Dvorak**
Current position (department): Maintenance Mechanic II (Maintenance)
New position (department): Senior Maintenance Mechanic (Maintenance)
Current rate; step/grade: \$43.38; Step 4
Proposed rate; step/grade: \$45.44; Step 4
Percent of increase: 4.75%
District hire date: June 23, 2003

Employee: **Nicholas Foreman**
Current position (department): Machine Operator (Construction)
New position (department): Utility Worker (Construction)
Current rate; step/grade: \$37.01; Step 4
Proposed rate; step/grade: \$39.19; Step 4
Percent of increase: 5.89%
District hire date: July 17, 2017

Employee: **Julie Fuehring**
Current position (department): Customer Account Clerk V (Customer Accounting)
New position (department): Customer Account Clerk VI (Customer Accounting) Job Re-Classification
Current rate; step/grade: \$35.78; Step 4
Proposed rate; step/grade: \$37.33; Step 4
Percent of increase: 4.33%
District hire date: June 6, 2011

Employee: **Keith Hale**
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Water Plant Maintenance Mechanic (Florence)
Current rate; step/grade: \$26.25; Step 2
Proposed rate; step/grade: \$29.28; EN
Percent of increase: 11.54%
District hire date: May 17, 2021

Employee: **Kurt Hulsing**
Current position (department): Chemical Equipment Mechanic I (Florence)
New position (department): Chemical Equipment Mechanic II (Florence)
Current rate; step/grade: \$37.39; Step 4
Proposed rate; step/grade: \$40.01; Step 4
Percent of increase: 7.01%
District hire date: October 17, 2005

Employee: **Zachary Markham**
Current position (department): Pipe Layer – Welder (Construction)
New position (department): Utility Worker (Construction)
Current rate; step/grade: \$37.01; Step 4
Proposed rate; step/grade: \$39.19; Step 4
Percent of increase: 5.89%
District hire date: May 29, 2018

Employee: **Joshua Peacher**
Current position (department): Machine Operator (Construction)
New position (department): Utility Worker (Construction)
Current rate; step/grade: \$35.16; Step 3
Proposed rate; step/grade: \$37.23; Step 3
Percent of increase: 5.89%
District hire date: January 7, 2019

Employee: **Kim Plummer**
Current position (department): Customer Service Clerk III (Customer Service)
New position (department): Administrative Clerk V (Customer Service)
Current rate; step/grade: \$32.68; Step 4
Proposed rate; step/grade: \$35.42; Step 3
Percent of increase: 8.38%
District hire date: October 18, 1999

Employee: William Stoffel
Current position (department): Pipe Layer – Welder (Construction)
New position (department): Utility Worker (Construction)
Current rate; step/grade: \$37.01; Step 4
Proposed rate; step/grade: \$39.19; Step 4
Percent of increase: 5.89%
District hire date: January 13, 2014

Employee: Luis Valadez
Current position (department): Mechanic I (Transportation)
New position (department): Maintenance Mechanic Trainee (Maintenance)
Current rate; step/grade: \$24.76; EN
Proposed rate; step/grade: \$27.40; Step 1
Percent of increase: 10.66%
District hire date: March 7, 2022

Employee: Jakeb Whitbeck
Current position (department): Machine Operator (Construction)
New position (department): Utility Worker (Construction)
Current rate; step/grade: \$35.16; Step 3
Proposed rate; step/grade: \$37.23; Step 3
Percent of increase: 5.89%
District hire date: December 10, 2018

2. Operating and Clerical (OAC) Wage Increases Due To Job Transfer

The Human Resources Department is recommending the Board of Directors approve wage increases for the following Employees within the OAC classification. A transferring employee who is at less than Standard Wage will be moved to an equal rate in the new job classification or, if there is not an identical wage rate, to the nearest higher wage rate in the new job classification. These wage increases are based on a formal selection process, are in compliance with the Collective Bargaining Agreement, and are made following the posting and application process for a job opening in the District. The effective date for these increases will be the beginning of the next OAC pay period following Board approval.

There are no recommendations for approval this month

3. Operating and Clerical (OAC) Wage Increases Due To Job Progression

The Human Resources Department is recommending the Board of Directors approve the following wage increases for the OAC employees who have successfully completed required training and who have been recommended by their supervisor for promotion as they progress within their job family. All increases are based on the bargaining unit wage structure. The effective date for these increases will be the beginning of the next OAC pay period following board approval.

Employee: Kevin Goldman
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$29.17; Step 4
Proposed rate; step/grade: \$31.35; Step 2
Percent of increase: 7.47%
District hire date: September 9, 2019

Employee: Alan Hendricks
Current position (department): Gas Plant Operator (Gas Production)
New position (department): Gas Plant Engineer (Gas Production)
Current rate; step/grade: \$40.19; Step 4
Proposed rate; step/grade: \$42.42; Step 3
Percent of increase: 5.55%
District hire date: April 25, 1988

Employee: Drake Kubat
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$29.17; Step 4
Proposed rate; step/grade: \$31.35; Step 2
Percent of increase: 7.47%
District hire date: February 3, 2020

4. Supervisory, Professional and Administrative (SPA) Salary Increases Due To Job Promotion

The following SPA employees are selected for promotion. It is recommended the President be authorized to increase the salary of these employees. These SPA positions have been evaluated, graded, appropriate job descriptions completed, and posting guidelines fulfilled. The effective date for these salaries will be the beginning of the next SPA pay period following board approval.

Employee: Michael Quinn
Current position (department): Engineer I (Engineering Design)
New position (department): Engineer II (Engineering Design)
Current rate; step/grade: \$87,032; SPA – 02
Proposed rate; step/grade: \$91,384; SPA – 04
Percent of increase: 5.00%
District hire date: April 15, 2019

Employee: **Evan Martin**
Current position (department): Infrastructure Engineer (Infrastructure Integrity)
New position (department): Senior Infrastructure Engineer (Infrastructure Integrity)
Current rate; step/grade: \$110,860; SPA – 05
Proposed rate; step/grade: \$116,403; SPA – 07
Percent of increase: 5.00%
District hire date: January 31, 2022

Employee: **Kevin Paasch**
Current position (department): Construction Foreman (Construction)
New position (department): Manager, Construction Operations (Construction)
Current rate; step/grade: \$110,331; SPA – 04 TX
Proposed rate; step/grade: \$115,848; SPA – 07
Percent of increase: 5.00%
District hire date: November 25, 1985

Employee: **Matthew Pelton**
Current position (department): Engineer II (Plant Engineering)
New position (department): Design Engineer (Plant Engineering)
Current rate; step/grade: \$94,685; SPA – 04
Proposed rate; step/grade: \$99,419; SPA – 05
Percent of increase: 5.00%
District hire date: January 27, 2020

Employee: **Ronald Schell**
Current position (department): Interim Director, Enterprise Applications (Information Technology)
New position (department): Director, Enterprise Applications (Information Technology)
Current rate; step/grade: \$136,766; SPA – 07 TX
Proposed rate; step/grade: \$143,604; SPA – 8D
Percent of increase: 5.00%
District hire date: April 21, 2008

Employee: **Dennis Schweikart**
Current position (department): Engineer I (Engineering Design)
New position (department): Engineer II (Engineering Design)
Current rate; step/grade: \$87,032; SPA – 02
Proposed rate; step/grade: \$91,384; SPA – 04
Percent of increase: 5.00%
District hire date: May 3, 2021

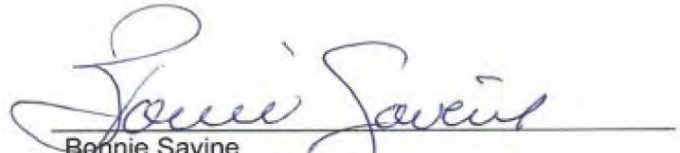
5. Supervisory, Professional and Administrative (SPA) New Hire Ratification

Board of Director Ratification of salaries, for new SPA employees hired from outside the District, is required to confirm the salary within the grade established for the position. Authorization to ratify the annual salary of SPA employees hired from outside the District will be requested each month, if appropriate.

There are no New Hire Ratifications for this month



Mark A. Mendenhall
Senior Vice President, General Counsel



Bonnie Savine
Vice President, Human Resources



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 30, 2022

Subject: GROUP INSURANCE CONTRACT RENEWALS

To: Personnel Committee members Begley, Friend, and Frost

cc: Board Members Cavanaugh, Cook, Howard, and McGowan
President Doyle, and Senior Vice Presidents Ausdemore, Langel, Lobsiger,
Mendenhall and Schaffart

From: Bonnie Savine, Vice President, Human Resources

The following group insurance contracts are being recommended for 2023: PPO health, HMO health, dental, vision, flexible spending accounts, basic life insurance, supplemental (voluntary) life insurance, accidental death & dismemberment (AD&D), long-term disability (LTD), and COBRA administration.

The recommendations below include minor changes for our employees and their families for 2023. The open enrollment period is slated for October 24, 2022, through November 23, 2022, and will be communicated through a variety of in-person and virtual meetings along with the traditional written communications. We plan to hold our annual Benefits Fair in person on Thursday, October 20th at the Omaha Firefighters Union Hall. At the event, attendees will have the opportunity to meet with the District's benefit vendors, obtain vaccinations, participate in an onsite mammogram, obtain a biometric screening and more.

Blue Cross and Blue Shield of Nebraska – PPO & HMO Health Plans

The District worked with Silverstone Group/HUB, the District's third-party benefits specialist (SSGI-HUB) to review the existing agreement with Blue Cross and Blue Shield of Nebraska (BCBS-NE). A three-year contract was executed beginning January 1, 2022. There was no change to the claims administration fee in 2022, and the fee will increase by \$0.75 (1.58%) to \$48.15 per employee per month (PEPM) in 2023, which will then be guaranteed through 2024, the end of the contract period. The fees for the AmWell Telehealth and Magellan Spine Management programs – \$0.25 PEPM and \$0.65 PEPM respectively – are remaining unchanged for the 2023 contract year.

The bargained changes for the PPO health plan will be effective January 1, 2023. No changes are recommended for the HMO health plan for 2023.

SSGI-HUB is recommending a one-year commitment with Prime Therapeutics for the pharmacy benefits. Currently, the pharmacy benefits are seamlessly built in with BCBS-NE. Per SSGI-HUB there continue to be rapid changes within the pharmaceutical industry and the recommended one-year commitment will allow the District to reevaluate the benefits in subsequent renewal periods. The renewal terms provided by Prime Therapeutics for the pharmacy contract, include an improved position for minimum guarantees on both the network pricing and rebates. The contract will continue to be a "pass-through" arrangement where the District will receive the "better of" minimum guarantees or the actual discounts and rebates. Rebate guarantees for specialty medications were incorporated into the renewal

contract beginning in 2022. The pharmacy program reconciliation for the 2021 plan year shows that the District achieved an additional \$994,041 in value above the minimum guarantees. The value of the prescription plan's drug rebates reports in excess of \$1.8 million based on a rolling 12-month review through June 2022.

Included with the administrative fees above is program support for items such as the Retiree Drug Subsidy program and the District's Wellness program, BALANCE, through the collaboration on the Personal Health Assessment offered to employees and their spouses for the fifth consecutive year. Most recently, the District is working through the implementation of a new benefit focused app for employees, dependents and retirees through a BCBS-NE partnership with Enspire.

HM Life – Aggregate and Specific Stop Loss Coverage

Aggregate stop loss coverage is under contract with the current administrator, HM Life. A preliminary stop loss renewal from HM Life has been received. Based on the preliminary renewal a 16.5% increase to the specific stop loss is proposed which equates to an annual premium increase of \$157,931. The individual stop loss deductible remains unchanged at \$425,000 (with the exception of two lasered individuals at higher limits due to chronic health conditions). The proposed aggregate stop-loss increase is 2.9% which equates to an annual premium increase of \$2,112. Additionally, the proposal includes a 4.4% increase to the aggregate claim factor from 125% to 129.4%. This means the aggregate claims total would need to exceed 129.4% of the claims estimate before the stop loss insurance would reimburse the District. A final offer will be provided by HM Life upon receipt and review of August 2022 claims.

A market review was initiated to solicit proposals from alternate stop-loss carriers. At this time, a change is not recommended due to HM Life being the only preferred carrier with BCBS-NE, and an additional \$3.00 PEPM fee would be charged by BCBS-NE for monthly reporting to a non-preferred carrier.

Ameritas - Dental Plan

The claims administration contract with Ameritas renewed in 2022, with the fee of \$3.89 PEPM remaining unchanged and guaranteed until January 1, 2024.

Ameritas - Voluntary Vision Care

Ameritas underwrites the vision plan with employees having access to a dual choiceplan through either EyeMed or Vision Service Plan (VSP) networks. The claims administration contract with Ameritas renewed in 2022. The premium rates are guaranteed until January 1, 2024. The cost of these benefits is paid by employees that enroll for the plans.

PayFlex - Flexible Spending Accounts

PayFlex administers the District's flexible spending accounts (FSA) for Health Care and Dependent Care. The contract with PayFlex renewed in 2022 at a reduced fee of \$4.25 PEPM, guaranteed until January 1, 2025. A vendor review was completed in 2021, and the arrangement with PayFlex allows the District to terminate the contract during this three-year period with proper notice should there be a need to consider alternate FSA administrators.

Life Insurance, AD&D, and LTD Plans – Mutual of Omaha

Mutual of Omaha underwrites the basic life, accidental death and dismemberment (AD&D), voluntary life and long-term disability (LTD) plans. For 2022, there was a \$0.03 rate increase on the LTD plan and no rate changes on the life plans. Mutual is requesting a \$0.01 increase on both the life and LTD plans for 2023 through 2024. The requested rate adjustment represents an annual premium increase of \$9,644 on the life plan and \$6,593 on the LTD plan (collectively a 1.8% increase). The District agrees with the SSGI-HUB recommendation to continue the contract with Mutual of Omaha for 2-years on these insurance products.

WEX - COBRA Administration

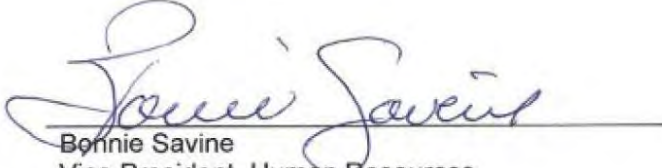
Third party COBRA Administrative services are being provided by WEX (formerly Discovery Benefits). These services provide administration of the COBRA regulatory notices as required under the Act. The current administration fee of \$0.55 PEPM is guaranteed until January 1, 2026.

Long-Term Care (LTC)

A group Universal Life with long-term care program was offered in the spring of 2022 with a June 1, 2022, effective date. There were 76 individuals that elected this new coverage during the initial enrollment period. Another guaranteed issue offering will be provided during the upcoming annual open enrollment period with a January 1, 2023, effective date. Existing employees not electing coverage when initially eligible will be subject to full underwriting requirements if enrollment is requested after the 2022 Open Enrollment period for benefits effective January 1, 2023.

Recommendation

The District recommends the Board of Directors approve the negotiated rates for the Group Insurance products outlined above at the September 7, 2022 meeting. I will be at the meeting to answer any questions you may have.



Bonnie Savine
Vice President, Human Resources

APPROVED:



Mark A. Mendenhall
Sr. Vice President, General Counsel

Mark E. Doyle
President



August 29, 2022

Ms. Bonnie Savine
Vice President, Human Resources
Metropolitan Utilities District (MUD)
3100 South 61st Avenue
Omaha, NE 68106

RE: Renewal Summary and Suggestions – 2023 Plan Year

Dear Bonnie:

On behalf of SilverStone Group, a HUB International company (SSGI-HUB), we thank you for the opportunity to work with MUD as your benefits consultant. The following will summarize our suggestions for the January 1, 2023, renewal of your employee benefit programs.

General Medical/Rx Overview

A new three-year contract was executed beginning January 1, 2022. There was no change to the claims administration fee in 2022, and the fee will increase by \$0.75 per employee per month (PEPM) in 2023, which will then be guaranteed through the 2024 contract period. The fees for the AmWell Telehealth and Magellan Spine Management programs – \$0.25 PEPM and \$0.65 PEPM respectively – are remaining unchanged for the 2023 contract year.

Revised renewal terms have been provided by Prime Therapeutics (Prime) for the pharmacy contract, including an improved position for minimum guarantees on both the network pricing and rebates. The contract will continue to be a "pass-through" arrangement where MUD will receive the "better of" the minimum guarantees or the actual discounts and rebates. Rebate guarantees for specialty medications were incorporated into the renewal contract beginning in 2022.

The pharmacy program reconciliation for the 2021 plan year shows that MUD achieved an additional \$994,041 in value above the minimum guarantees. Network performance (pricing) accounted for \$415,623 of this value, with the remaining \$578,418 attributed to rebates. This follows the 2020 plan year in which the pharmacy savings were \$871,108 greater than the minimum guarantees. The value of rebates reported for the 12-month period ending June 2022 was \$1,862,067.

BCBSNE will be updating their standard contract provisions, and we would suggest the adoption of the new provisions, including coverage for allergy injections and serum under the physician's office benefit and coverage for routine foot care when medically necessary. Other updates pertain to clarifications within the existing contract. Optional programs specific to pharmacy benefits have also been presented for consideration.

Preferred Provider Organization (PPO) Medical

On the PPO medical plan, the Affordable Care Act (ACA) maximum allowable out-of-pocket for 2023 changes to \$9,100 for an individual and \$18,200 for a family. The negotiated medical out-of-pocket maximum will increase to \$2,500 for an individual (from \$2,250) and to \$5,000 for a family (from \$4,500). As a result, the prescription drug out-of-pocket maximum will change to \$6,600 for an individual and \$13,200 for a family. This equates to the ACA maximum, less the negotiated medical out-of-pocket maximum for 2023.

The employee contribution amounts will remain at 15.0% for the 2023 plan year. This percentage will be incorporated into the MUD rate figuration review based on a three-year average of premium costs.

HMO Medical

Several plan changes were evaluated for the 2023 renewal, but no suggestions are being made at this time. Future changes to be considered include the implementation of coinsurance for facility-related claims, a modest increase to the out-of-pocket maximum and increases to various medical/prescription drug copays.

Pharmacy

The renewal offer includes modest improvements on the pricing discounts, and a significant increase to the minimum rebate guarantees. The guarantees are tempered somewhat given that the pharmacy contract will continue to be a "pass-through" arrangement where MUD receives the better of the minimum guarantees or actual savings. The pharmacy reconciliation for each of the last two years shows that the savings credited to MUD has been far greater than the minimum contractual guarantees.

The renewal offer is on a one-year contractual basis. It is suggested to evaluate the contractual terms on an annual basis. The pharmacy environment is frequently changing, so it is advisable to avoid locking into predetermined terms for an extended period in the event more favorable terms are warranted in the near term.

Given the dynamic nature of the pharmacy environment, SSGI-HUB will continue to monitor the performance of the Prime contract and financial guarantees and evaluate alternate pharmacy benefit managers when necessary.

Stop-Loss

HM Life has provided an initial preliminary renewal offer with a 16.5% increase to the specific stop-loss premium, a 2.9% increase to the aggregate stop-loss premium and a 4.4% increase to the aggregate claim factor. There are two existing specific deductible lasers that will remain in place for the 2023 policy year.

An alternate specific deductible amount of \$500,000 has been included for consideration, with \$172,229 in annual premium savings provided in exchange for MUD absorbing \$75,000 more in claims risk per covered member (breakeven is 2.3 claimants).

A final/firm offer will be provided by HM Life upon receipt and review of August claims.

A market review has been initiated to solicit proposals from alternate stop-loss carriers. With HM Life being the only preferred carrier with BCBSNE, an additional \$3.00 PEPM fee would be charged by BCBSNE for monthly reporting to a non-preferred carrier.

Dental

The claims administration contract with Ameritas renewed in 2022, with the fee of \$3.89 PEPM remaining unchanged and guaranteed until January 1, 2024.

Premium Equivalencies for Medical/Rx and Dental

SSGI-HUB will finalize the projected premium equivalencies for the 2023 plan year with the inclusion of claims through August 2022. These evaluations will be shared with MUD prior to the October annual enrollment. Preliminary projections indicate that the medical/Rx plan would be in an overall 4.4% surplus position for the 2023 plan year. Note the following broken down by group: 13.1% surplus for the active PPO; 3.7% surplus for the active HMO; 8.8% surplus for active total (PPO and HMO combined); and 6.9% deficit for the retirees. The dental plan is also running in a surplus position and would not require an increase for the 2023 plan year.

Vision

A voluntary vision plan has been offered since 2019. Ameritas underwrites the vision plan, with employees having access to a dual choice plan with both the EyeMed and Vision Service Plan (VSP) networks.

The following premium rates are guaranteed until January 1, 2024:

Enrollment Tier	Current Premium
Employee only	\$7.36
Employee and spouse	\$14.20
Employee and child(ren)	\$14.52
Family	\$22.64

Life and Disability

Mutual of Omaha underwrites the basic life/accidental death and dismemberment (AD&D), voluntary life and long-term disability (LTD) plans. For 2022, there was a \$0.03 rate increase on the LTD plan and no rate changes on the life plans. The performance of the plans continues to be unfavorable, with the incurred loss ratio since 2020 at 170.0% on the life plan (including approved life waiver claims) and 233.0% on the LTD plan (including reserves for open claims).

Despite the recent performance, Mutual is requesting a \$0.01 increase on both the life and LTD plans and will guarantee all premium rates for two years until January 1, 2025. The requested rate adjustment represents an annual premium increase of \$9,644 on the life plan and \$6,593 on the LTD plan (collectively a 1.8% increase).

Flexible Spending Accounts (FSAs) Administration

The contract with PayFlex renewed in 2022 at a reduced fee of \$4.25 per participant per month, guaranteed until January 1, 2025. A vendor review was completed in 2021, and the arrangement with PayFlex allows MUD to terminate the contract during this three-year period with proper notice should there be a need to consider alternate FSA administrators.

Ms. Bonnie Savine
August 29, 2022
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COBRA Administration

Administrative services are provided by WEX. The current administration fee of \$0.55 PEPM is guaranteed until January 1, 2026.

Universal Life with Long-Term Care

A group Universal Life with long-term care program was offered in the spring of 2022 with a June 1 effective date. There were 76 individuals that elected this new coverage during the initial enrollment period. Another guaranteed issue offering will be provided for the upcoming open enrollment period for a January 1, 2023, effective date.

Future new hires enrolling when initially eligible will go through a simplified underwriting process. Employees not electing coverage when initially eligible will be subject to full underwriting requirements if enrollment is requested later.

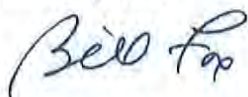
Consulting Fees & Commissions

A new three-year consulting agreement was executed effective January 1, 2022. While the consulting fees did not change for 2022, the agreement does include an increase on the medical/Rx fee to \$5.70 PEPM (from \$5.53) and an increase on the dental fee to \$1.00 PEPM (from \$0.96) effective January 1, 2023. The increased fees are then guaranteed through the end of the contract term until January 1, 2025. MUD will continue to remit the consulting fees to the medical/Rx and dental administrators as separate line items on the monthly administration invoices. The medical/Rx and dental administrators will remit to SSGI-HUB.

The voluntary vision plan commissions will not change for 2023 and the premiums for the basic life/AD&D, voluntary life and LTD benefits are net of commissions.

Again, we appreciate the opportunity to work with you as your benefits consultant. If you have any questions regarding any of this review, or our suggestions, please do not hesitate to contact me.

Best regards,



Bill Fox, CEBS
Senior Vice President, Senior Consultant

BF/je

METROPOLITAN UTILITIES DISTRICT
Inter-Departmental Communication

August 30, 2022

Subject: 2022 WATER DEPARTMENT BOND ISSUANCE

To: Committee on Accounts, Expenditures, Finance and Rates
cc: All Board Members; Doyle, Ausdemore, Langel, Lobsiger, Mendenhall,
and all Vice Presidents

From: Joseph J. Schaffart, Senior Vice President, Chief Financial Officer

The District's 2022 Budget included bond financing to yield net proceeds of \$66.3 million for the Water Department. As we have collaborated with our Financial Advisor, Piper Sandler & Co., to further refine strategies associated with borrowing, it has been determined that it may prove feasible to refinance the 2012 Water Revenue Bonds at this time, which may result in an increase in the amount of the Series 2022 bond offering. Given the dynamics of the interest rate environment, the refinancing decision will be made near the date of the planned bond sale. To allow for the flexibility of a possible refinancing, the attached bond resolution addresses a bond issuance "not to exceed" \$93 million, which is derived as follows:

	(\$Millions)
Bond Proceeds to Fund Projects Addressed within 2022 Budget	\$ 66.3
Water Bond Series 2012 Principal Balance (net of Reserve Balance)	\$ 23.1 *1
Issuance Costs & Contingency	<u>\$ 3.6</u>
Total	<u>\$ 93.0</u>

**1 Contingent upon favorable economics to refinance the Series 2012 Bond*

In addition to addressing a possible refinancing of the Series 2012 Water bond, the Series 2022 Water Department bond offering will fund projected spending of \$66.3 million over the 2022 – 2024 period for the following projects addressed in the 2022 budget:

- 1) Ongoing Florence Water Treatment Plant capital improvement plan
- 2) Platte South Water Treat Plant capital improvement plan
- 3) West Dodge Pumping Station and associated main
- 4) Other Water Department infrastructure needs

The Board approved a Water Department Bond Reimbursement Resolution associated with this proposed bond issuance at the March 2021 Board meeting. The significance of the Reimbursement Resolution is that it enables the District to reimburse our operating

cash balance for relevant project related costs that are incurred prior to the receipt of bond proceeds. The reason the Reimbursement Resolution was issued so long ago is that Series 2018 Water Bond proceeds were projected to be fully spent by late 2021; proceeds were not fully exhausted until early in 2022 due to slower than expected spending for various Florence projects.

It is the intention of management to rely on the professional guidance of Piper Sandler & Co., our Financial Advisor, and Gilmore & Bell P.C., our Bond Counsel, to assist us in the bond issuance process. Management is asking the Board to approve the attached Bond Resolution to enable us to move forward with the bond issuance according to a calendar that has been developed by Piper Sandler. Your approval will enable us to immediately proceed with securing a credit rating for the Water Department Series 2022 bonds. We will then focus on preparing all necessary documentation to market the offering in late September or early October to allow for "closing" and receipt of proceeds by October 31, 2022.

This matter will be placed on the agenda of the Accounts, Expenditures, Finance and Rates Committee meeting of September 7, 2022.

Thank you for your consideration in this matter. Please feel free to contact me with questions prior to the Board meeting.



Joseph J. Schaffart
Senior Vice President, Chief Financial Officer
(402) 504-7111

Approved:



Mark E. Doyle
President

Attachment

BOND RESOLUTION

OF

**THE METROPOLITAN UTILITIES DISTRICT OF OMAHA
IN THE STATE OF NEBRASKA**

**ADOPTED
SEPTEMBER 7, 2022**

AUTHORIZING:

**WATER SYSTEM REVENUE AND REFUNDING BONDS
SERIES 2022**

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RESOLUTION

A RESOLUTION SUPPLEMENTAL TO THOSE CERTAIN RESOLUTIONS ADOPTED ON NOVEMBER 7, 2012, NOVEMBER 4, 2015 AND MAY 2, 2018 CONCERNING THE AUTHORIZATION, ISSUANCE AND SALE BY THE METROPOLITAN UTILITIES DISTRICT OF OMAHA, OF A SERIES OF THE DISTRICT'S WATER REVENUE BONDS IN THE AGGREGATE STATED PRINCIPAL AMOUNT NOT TO EXCEED \$93,000,000, FOR THE PURPOSES OF FINANCING A PORTION OF THE COSTS OF EXTENDING, IMPROVING AND EQUIPPING IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S WATER SYSTEM AS DESCRIBED HEREIN AND, IF DETERMINED APPROPRIATE, TO REFUND THE DISTRICT'S SERIES 2012 WATER SYSTEM BONDS; SUCH SERIES 2022 WATER SYSTEM REVENUE BONDS AND INTEREST AND PREMIUM, IF ANY, THEREON SHALL BE PAYABLE SOLELY FROM THE NET REVENUES OF THE DISTRICT'S WATER SYSTEM; PROVIDING FOR THE PAYMENT OF SUCH SERIES 2022 WATER SYSTEM REVENUE BONDS AND THE INTEREST THEREON AND OTHER DETAILS IN CONNECTION THEREWITH; RATIFYING ACTIONS PREVIOUSLY TAKEN FOR ISSUING SAID SERIES 2022 WATER SYSTEM REVENUE BONDS AND TOWARDS EFFECTING THE PURPOSE OF THEIR ISSUANCE; AND PROVIDING THE EFFECTIVE DATE HEREOF

WITNESSETH:

WHEREAS, The Metropolitan Utilities District of Omaha (the "**District**") has heretofore been duly organized pursuant to the provisions of Section 14-2101 to Section 14-2157, inclusive, Reissue Revised Statutes of Nebraska, 2012, as amended (the "**Act**"); and

WHEREAS, pursuant to the Act, the District's officers and directors have been duly elected and qualified; and

WHEREAS, the District owns and operates a water system which supplies water for municipal, domestic, commercial and industrial use (the "**System**"); and

WHEREAS, the Board by resolution adopted on February 8, 2006 (the "**Series 2006A Resolution**") authorized the issuance of its \$100,000,000 The Metropolitan Utilities District of Omaha Water Revenue Bonds, Series 2006A (the "**Series 2006A Bonds**"), none of which are outstanding and unpaid; and

WHEREAS, the Board, by resolution supplemental to the Series 2006A Resolution adopted on November 7, 2012, (the "**Series 2012 Resolution**") authorized the issuance of its \$40,745,000 The Metropolitan Utilities District of Omaha Water Revenue Bonds, Series 2012 (the "**Series 2012 Bonds**"), of which \$26,110,000 aggregate principal amount remains outstanding; and

WHEREAS, the Board, by resolution supplemental to the Series 2012 Resolution adopted on November 4, 2015, (the "**Series 2015 Resolution**") authorized the issuance of its \$188,895,000 The Metropolitan Utilities District of Omaha Water System Improvement and Refunding Revenue Bonds, Series 2015 (the "**Series 2015 Bonds**"), of which \$139,850,000 aggregate principal amount remains outstanding; and

WHEREAS, the Board, by resolution supplemental to the Series 2018 Resolution adopted on May 2, 2018, (the "**Series 2018 Resolution**") authorized the issuance of its \$37,390,000 The Metropolitan

Utilities District of Omaha Water System Revenue Bonds, Series 2018 (the “**Series 2018 Bonds**”), of which \$33,465,000 aggregate principal amount remains outstanding; and

WHEREAS, Section 35(c) of each of the Outstanding Bond Resolutions provides for the issuance of Parity Revenue Bonds pursuant to a resolution supplemental to the Outstanding Bond Resolutions upon satisfaction of the conditions established by Section 28 of the Outstanding Bond Resolutions; and

WHEREAS, the Board deems it necessary at this time to borrow money, for the purposes of paying for capital improvement plan activity, primarily for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for future reservoirs, and other water system infrastructure improvements, and, in furtherance of such purposes, to issue as Parity Revenue Bonds its The Metropolitan Utilities District of Omaha Water System Revenue Bonds, Series 2022 in an aggregate stated principal amount not to exceed \$93,000,000 (the “**Series 2022 Bonds**”), the net proceeds of which will be used as provided in this recital, including reimbursement of the District for expenditures therefor; and

WHEREAS, the Board, by providing for a defeasance escrow for all or a portion of the Series 2012 Bonds (the “**Refunded Series 2012 Bonds**”) and to refund the Refunded Series 2012 Bonds on or after December 15, 2022 (the “**Series 2012 Redemption Date**”), the District may achieve savings on debt service by refunding the Refunded Series 2012 Bonds on the Series 2012 Redemption Date; and

WHEREAS, the Series 2022 Bonds shall be payable, both as to principal and interest, solely from the net revenues (the “**Net Revenues**”) derived or to be derived from the operation of the System, and the Series 2022 Bonds shall have a first, but not exclusive, lien on the Net Revenues; and

WHEREAS, the District has determined, and does hereby determine, to proceed with the offering and sale of the Series 2022 Bonds, and desires to set forth certain terms for the Series 2022 Bonds and to authorize certain officers of the District to determine certain final terms for the Series 2022 Bonds, subject to the limitations set forth herein; and

WHEREAS, the District has determined to provide for the pledge of the Net Revenues for the payment of the principal of, premium, if any, and interest on the Series 2022 Bonds; and

WHEREAS, there has been presented to the Board at this meeting a draft of the Preliminary Official Statement pertaining to the Series 2022 Bonds (the “**Preliminary Official Statement**”);

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF DIRECTORS OF THE METROPOLITAN UTILITIES DISTRICT OF OMAHA:

Section I. Definitions and Construction.

(a) **Definitions.** The terms defined in this Section shall have the designated meanings for all purposes in this Resolution and of any amendatory or supplemental resolution, except where the context by clear implication otherwise requires. Other terms are parenthetically defined elsewhere in this Resolution.

“**Act**” means Section 14-2101 to Section 14-2157, inclusive, Reissue Revised Statutes of Nebraska, 2012, as amended.

“**Average Principal and Interest Requirements**” means, as of any particular date of computation, an amount equal to that amount which would become due annually on the Bonds, including any Parity Revenue Bonds, if the total principal of and interest on such Bonds were payable in substantially equal annual payments over the term of such Bonds.

“Board” or **“Board of Directors”** means the Board of Directors of the District.

“Bond Fund” means the “The Metropolitan Utilities District of Omaha Water System Bond Fund,” created in Section 13 of the Series 2006A Resolution.

“Bond Fund Minimum Reserve” means (a) with respect to the Series 2022 Bonds, \$0; (b) with respect to the Series 2018 Bonds, such amount as provided in the Series 2018 Resolution; (c) with respect to the Series 2015 Bonds, such amount as provided in the Series 2015 Resolution; (d) with respect to the Series 2012 Bonds, such amount as provided in the Series 2012 Resolution; and (e) with respect to any Parity Revenue Bonds, such amount or credit facility to be determined by the Board in its discretion.

“Bonds” means the Series 2022 Bonds issued hereunder, the Series 2018 Bonds issued under the Series 2018 Resolution, the Series 2015 Bonds issued under the Series 2015 Resolution, the Series 2012 Bonds issued under the Series 2012 Resolution and any Parity Revenue Bonds issued pursuant to the provisions of Section 28 of this Resolution.

“Chairperson” means the Director of the Board, chosen by the Board as the presiding officer of the Board and the District, and designated as the Chairperson of the Board.

“Closing Date” means the date of original issue of the Series 2022 Bonds, or such other date as determined by a District Officer in the Designation pursuant to Section 5 hereof.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated as of the Closing Date, by the District in favor of, among others, the Holders of the Series 2022 Bonds, as amended or supplemented.

“County” means the County of Douglas, Nebraska.

“Counsel’s Opinion” means an opinion signed by an attorney or by a firm of attorneys of nationally recognized standing (who may be counsel to the District), selected, retained and compensated by the District.

“Current Expense Fund” means the “The Metropolitan Utilities District of Omaha Water System Current Expense Fund,” created in Section 16 of the Series 2006A Resolution.

“Current Expenses” means all reasonable and necessary current expenses of the District, paid or incurred while operating, maintaining and repairing the System; and the term may include, at the District’s option (except as may be limited by law), without limiting the generality of the foregoing, engineering, auditing, legal and other overhead expense of the District, insurance and surety bond premiums, reasonable charges of the Paying Agent, the Registrar and any other depository bank appertaining to the System, payments to pension, retirement, health and hospitalization funds; any taxes, assessments or other charges which may be lawfully imposed on the District, or its income or operations of facilities under its control, ordinary and current rentals of equipment and other property, refunds of any revenues lawfully due to others, including, but not limited to, refunds, expenses in connection with the issuance of the Bonds or other obligations evidencing any loan to the District, any expenses and compensation of any trustee or other fiduciary hereunder, or otherwise, contractual services, professional services required by this Resolution, salaries, labor and the cost of materials and supplies used for current operation and all other administrative, general and commercial expenses related to the System, but excluding: (a) any allowance for depreciation or any reserves or capital replacements; (b) any reserves for operation, maintenance or repair of the System; (c) any allowance for the redemption of any Bond or other obligation evidencing a loan to the District or the payment of any interest thereon; (d) liabilities

incurred by the District as the result of its negligence in the operation of the System or other grounds of legal liability not based on contract; and (e) the costs of any capital replacements, improvements, extensions or betterments.

“Debt Service Reserve Account” means the Debt Service Reserve Account of the Bond Fund created in Section 20 of the Series 2006A Resolution.

“District” means The Metropolitan Utilities District of Omaha, a public service corporation authorized under the Act to own, manage and control the waterworks system serving Omaha and environs.

“District Officer” means any one of the Chairperson, Vice Chairperson and Secretary of the Board, and the President or Treasurer of the District.

“DTC Letter of Representations” means the Blanket Issuer Letter of Representations, dated January 10, 2006, by and between the District and The Depository Trust Company with respect to the book-entry registration system for the Bonds.

“Event of Default” means any of the events described in Section 31 of this Resolution.

“Facilities” means any of the Works or other properties, or any interest therein, appertaining to the System including, without limitation, the Project.

“Federal Securities” means Permitted Investments described below:

- (i) Cash;
- (ii) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series—“SLGs”);
- (iii) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;
- (iv) Resolution Funding Corp. (REFCORP). Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form are acceptable;
- (v) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA-rated pre-refunded municipals to satisfy this condition; and
- (vi) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:
 - (A) U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership;
 - (B) Farmers Home Administration (FmHA): Certificates of beneficial ownership;
 - (C) Federal Financing Bank;
 - (D) General Services Administration: Participation certificates;

- and
- (E) U.S. Maritime Administration: Guaranteed Title XI financing;
 - (F) U.S. Department of Housing and Urban Development (HUD):
 - (1) Project Notes;
 - (2) Local Authority Bonds;
 - a. New Communities Debentures—U.S. government guaranteed debentures; and
 - b. U.S. Public Housing Notes and Bonds—U.S. government guaranteed public housing notes and bonds.

“**Fiscal Year**” means the 12 months, commencing on the first day of January in any calendar year and ending on the last day of December in the same calendar year.

“**Hereby**,” “**herein**,” “**hereinabove**,” “**hereinafter**,” “**hereinbefore**,” “**hereof**,” “**hereto**,” “**hereunder**,” and any similar term, refer to this Resolution and not solely to the particular portion thereof in which such words are used. “**Heretofore**” means before the adoption of this Resolution; and “**hereafter**” means after the adoption of this Resolution.

“**Holder**” or “**bondholder**” or “**registered owner**” or “**Owner**” means any person who is the registered owner of any Bond as shown on the registration books kept by the Registrar.

“**Independent Accountant**” means any independent certified public accountant or any firm of such independent certified public accountants, duly licensed to practice and practicing as such under laws of the State, appointed and paid by the District: (a) who is, in fact, independent and not under the domination of the District; (b) who does not have any substantial interest, direct or indirect, in the District; and (c) who is not connected with the District as an officer or employee of the District, but who may be regularly retained to make annual or similar audits of the public records of the District.

“**Net Revenues**” means the System Revenues after deducting Current Expenses.

“**Outstanding**,” when used with reference to the Bonds, including any Parity Revenue Bonds of the District and as of any particular date, means all such Bonds of the District payable solely from System Revenues and theretofore and thereupon being executed and delivered, except: (a) any Bond cancelled by the District or by the Paying Agent, the Registrar, any other agent of the District or a District Officer, at or before said date; (b) any Bond for the payment or the redemption of which cash or Federal Securities equal to the principal amount thereof, any prior redemption premium due in connection therewith, and interest thereon to the date of maturity or redemption date shall have theretofore been deposited with the Paying Agent, or any other trustee, as provided in Section 26 of this Resolution (including, but not limited to, paragraphs (i) to (iv), both inclusive); and (c) any Bond in lieu of or in substitution for which another Bond shall have been executed and delivered pursuant to Section 8 of this Resolution or otherwise.

“**Outstanding Bond Resolutions**” means, collectively, the Series 2012 Resolution, the Series 2015 Resolution, the Series 2018 Resolution, insofar as any series of Parity Revenue Bonds issued thereunder is Outstanding.

“**Parity Revenue Bonds**” means Bonds or other obligations issued pursuant to the provisions of Section 28 of this Resolution, which are payable solely from the System Revenues and which have a lien on System Revenues on a parity with the Series 2022 Bonds and any other Bonds Outstanding under this Resolution.

“**Paying Agent**” means the single entity serving as the paying agent, registrar and transfer agent for the Series 2022 Bonds, appointed by the District, being BOKF, National Association, as successor in interest to First National Bank of Omaha, approved by the District.

“**Paying Agent Agreement**” means the Paying Agent Agreement, dated as of the Closing Date, by and between the Paying Agent and the District, as amended or supplemented.

“**Permitted Investments**” means any investments permitted under the laws of the State, including, in particular, Section 14-2144 of the Act, for funds of the District.

“**Person**” means a natural person, firm, partnership, association or corporation, other than a county, town, city or other political subdivision.

“**Project**” means improvements, additions and acquisitions for the District’s Florence Water Treatment Plant and Platte South Water Treatment Plant, water pumping station additions and improvements, land acquisition costs for future reservoirs, and other water system infrastructure improvements, including reimbursement of the District for expenditures made therefor.

“**Project Fund**” means the “The Metropolitan Utilities District of Omaha Water System Project Fund,” created in Section 13 of the Series 2006A Resolution.

“**Rebate Fund**” means the “The Metropolitan Utilities District of Omaha Water System Rebate Fund,” created in Section 13 of the Series 2006A Resolution.

“**Redemption Date**” means the date fixed for redemption of any Bond prior to its maturity in any notice of prior redemption of the District, or as otherwise designated.

“**Registrar**” means the single entity serving as the paying agent, registrar and transfer agent for the Series 2022 Bonds, appointed by the District, being BOKF, National Association, as successor in interest to First National Bank of Omaha approved by the District.

“**Resolution**” means the Series 2006A Resolution, as supplemented by the Series 2012 Resolution, as further supplemented by the Series 2015 Resolution, as further supplemented by the Series 2018 Resolution and as further supplemented by this Resolution, including any amendments or supplements hereto.

“**Revenue Fund**” means the “The Metropolitan Utilities District of Omaha Water System Revenue Fund,” created in Section 13 of the Series 2006A Resolution.

“**Secretary**” means the person chosen by the Board as Secretary of the Board and of the District, which person may be (but need not be) a member of the Board and may be (but need not be) the same person as the Treasurer.

“**Series 2006A Bonds**” has the meaning set forth in the recitals hereto.

“**Series 2012 Bonds**” has the meaning set forth in the recitals hereto.

“**Series 2015 Bonds**” has the meaning set forth in the recitals hereto.

“**Series 2018 Bonds**” has the meaning set forth in the recitals hereto.

“**Series 2022 Bonds**” means the District’s Water System Revenue Bonds, Series 2022, issued pursuant to this Resolution.

“**Series 2022 Rebate Account**” means the account of the Rebate Fund created in Section 13 of this Resolution.

“**Special Record Date**” means a special record date fixed to determine the names and addresses of registered owners of Bonds, for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

“**State**” means the State of Nebraska.

“**Subordinate Bonds**” or “**Subordinate Obligations**” means bonds or other obligations payable from System Revenues hereafter issued, subsequent and junior to the lien of the Bonds herein authorized to be issued.

“**System**” or “**Water System**” means the facility designated as the District’s water supply, waterworks and other related improvements and facilities to supply water within the District’s service area for irrigation, domestic or commercial use, and lines, laterals, equipment and appurtenances for the District and its customers, consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the District through acquisition, construction and completion, or otherwise, and used in connection with the water system of the District, and in any way appertaining thereto, whether situated within or without the limits of the District. The System expressly does not include the District’s facilities used in connection with or apportioned to its gas system.

“**System Revenues**” means all income and revenues derived by the District from the ownership and operation of the System, or any part thereof, whether resulting from improvements, extensions, enlargements, repairs or betterments thereto, or otherwise, including, without limitation, all investment income and the designated terms include all revenues received by the District or by any municipal corporation succeeding to the rights of the District from the System, and from the sale and use of water, water service, water facilities or a combination thereof, by means of the System owned and operated by the District, as the same may at any time exist, to serve customers outside the present District limits, as well as customers within the present District limits, but excluding the proceeds of any general (ad valorem) taxes levied by the District, and excluding the proceeds of any restricted donations, restricted grants, loans or other moneys derived by the District from other than the operation of the System, or any part thereof. The System Revenues expressly do not include the District’s revenues from its gas system.

“**Tax Compliance Certificate**” means the Federal Tax Certificate, dated as of the Closing Date and executed by the District relating to the Series 2022 Bonds.

“**Treasurer**” means the Senior Vice President and Chief Financial Officer, or his/her successor as may be duly appointed from time to time by the Board or such officer of the District fulfilling the duties of the chief financial officer of the District.

“**Underwriter**” means the initial purchaser of the Series 2022 Bonds.

“**Works**” means, unless otherwise specified, wells, pumping stations, dams, storage reservoirs, compensatory and replacement reservoirs, canals, conduits, pipelines, tunnels, power plants and any and all works, facilities, improvements and property necessary or convenient for the

supplying of water for domestic, irrigation, power, building code, manufacturing and any and all other beneficial uses.

(b) **Construction.** This Resolution, except where the context by clear implication herein otherwise requires, shall be construed as follows: (i) definitions include both singular and plural; (ii) pronouns include both singular and plural and cover all genders; (iii) any percentage of Bonds are to be figured on the unpaid principal amount thereof then Outstanding; (iv) all sections, paragraphs and subparagraphs mentioned by number, letter or otherwise with respect to “**this Resolution**”, correspond to the respective sections, paragraphs and subparagraphs of this supplemental Resolution so numbered or otherwise so designated; and (v) the titles which apply to sections and subsections of this Resolution are inserted only as a matter of convenience and ease in reference, and in no way define, limit or describe the scope or intent of any provision of this Resolution.

Section 2. Ratification. All action (not inconsistent with the provisions of this Resolution) heretofore taken by the Board and the District Officers directed toward the sale and issuance of the Series 2022 Bonds, for such purpose be, and the same are hereby, ratified, approved and confirmed.

Section 3. Authority. The Series 2022 Bonds authorized by this Resolution are issued in accordance with the provisions of Section 14-2142 of the Act.

Section 4. Authorization. (a) For the purpose of providing funds to defray all or a portion of the costs of (i) the Project, (ii) issuing the Series 2022 Bonds (including Underwriter’s discount), and (ii) as may be determined pursuant to the provisions of Section 5 hereof, refunding all or a portion of the Series 2012 Bonds, the Board, on behalf of the District, is authorized to issue one or more series of Parity Revenue Bonds, namely its Series 2022 Bonds in the aggregate stated principal amount not to exceed \$93,000,000.

(b) The District represents, warrants and covenants, in satisfaction of the requirements established by Section 28 of each of the Outstanding Bond Resolutions for the issuance of Parity Revenue Bonds that:

(i) The Net Revenues of the System for 12 consecutive months within the completed 18 months immediately preceding the issuance of the Series 2022 Bonds were not less than 1.20 times the Average Principal and Interest Requirements for any succeeding Fiscal Year on all Bonds then Outstanding payable from the System Revenues, and the Series 2022 Bonds based on anticipated debt service requirements for the Series 2022 Bonds;

(ii) The payments required to be made into the various funds and accounts provided in Sections 16 through 18, inclusive, of each of the Outstanding Bond Resolutions are current;

(iii) The District has not defaulted in making any payments required by Sections 16 through 18, inclusive, of the Outstanding Bond Resolutions during the 24 months immediately preceding the issuance of the Series 2022 Bonds;

(iv) The Series 2022 Bonds shall bear interest payable on the dates, and shall mature on the date or dates, designated by this Resolution, during the term of the Series 2022 Bonds; and

(v) The proceedings for issuance of the Series 2022 Bonds provide for the application of the proceeds from the sale thereof.

Section 5. Series 2022 Bond Details; Designation; Book-Entry.

(a) The Series 2022 Bonds or any portion thereof are hereby authorized to be sold pursuant to a competitive sale to the Underwriter, as may be determined by the Treasurer. In connection with such sale, the Treasurer is hereby authorized to specify, determine, designate, establish and appoint, as the case may be (i) the price at which the Series 2022 Bonds may be sold to the Underwriter, which Underwriter shall be the bidder providing the lowest true interest cost to the District for the Series 2022 Bonds, (ii) the form and contents of a notice of sale in connection with such sale, (iii) the title (including number of series and series designation, including as may be needed to reflect a refunding of the Series 2012 Bonds if determined appropriate), dated date, aggregate principal amount (including the aggregate principal amounts of serial Bonds and term Bonds, if any), which aggregate stated principal amount shall not exceed \$93,000,000, and the final maturity date, which shall not be later than December 31, 2042 (such maturity limitation being only for that portion of Series 2022 Bonds not attributable to the refunding), (iv) the principal amounts maturing in each year, (v) the rate or rates of interest to be borne by each principal maturity, (vi) the principal payment dates and interest payment dates, (vii) whether the Series 2022 Bonds will be subject to redemption prior to their stated maturity, and if subject to such optional redemption, the provisions governing such redemption, including a redemption price not to exceed 104% of the principal amount then being redeemed plus accrued interest to the date of redemption, (viii) the amount and due date of each sinking fund installment for any of the Series 2022 Bonds issued as term Bonds, (ix) whether to refund any of the Series 2012 Bonds and if so, determination of the Series 2012 Redemption Date, (x) the form and content of any agreement between the District and an escrow agent for proceeds of the Refunded Series 2012 Bonds prior to the Series 2012 Redemption Date, (xi) the form and content of any agreement between the District and the Paying Agent and Registrar and (xii) all other terms and provisions of the Series 2022 Bonds not otherwise specified or fixed by this Resolution. The final details of the Series 2022 Bonds as provided in this **Section 5** shall be determined in a written designation (the “**Designation**”) signed by the Treasurer on behalf of the Board. The Treasurer is hereby authorized to make such determinations on behalf of the Board and to evidence the same by execution and delivery of the Designation and such determinations, when made, shall constitute the action of the Board without further action of the Board.

(b) The Series 2022 Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest), in denominations of \$5,000 or any integral multiple thereof (provided that no Series 2022 Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Series 2022 Bond may be issued for more than one maturity). The Series 2022 Bonds shall be dated as their date of original delivery. The Series 2022 Bonds shall be numbered consecutively, by maturity, from one upward. The Series 2022 Bonds shall bear interest from their date to maturity at the rates per annum to be determined in the Designation and subject to the limitations in this Section 5, payable June 1, 2023, and semiannually thereafter on June 1 and December 1, in each year (or such other date as may be determined in the Designation; each such date, an “**Interest Payment Date**”), except that Series 2022 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the rates to be determined in the Designation from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Series 2022 Bonds.

(c) Notwithstanding any other provision hereof, the Series 2022 Bonds shall be delivered only in book-entry form as a single certificate for each maturity thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”), New York, New York, acting as securities depository of the Series 2022 Bonds and principal of and interest on the Series 2022 Bonds shall be paid by wire transfer to DTC; provided, however, if at any time the Paying Agent determines, and notifies the District of its determination, that DTC is no longer able to act as, or is no longer satisfactorily performing its duties as, securities depository for the Series 2022 Bonds, the Paying Agent may, at its discretion, either (i) designate a substitute securities depository for DTC and reregister the Series 2022 Bonds as directed by

such substitute securities depository or (ii) terminate the book-entry registration system and reregister the Series 2022 Bonds in the names of the beneficial owners thereof provided to it by DTC. Neither the District nor the Paying Agent shall have any liability to DTC, Cede & Co., any substitute securities depository, any Person in whose name the Series 2022 Bonds are reregistered at the direction of any substitute securities depository, any beneficial owner of the Series 2022 Bonds or any other Person for (A) any determination made by the Paying Agent pursuant to the proviso at the end of the immediately preceding sentence or (B) any action taken to implement such determination and the procedures related thereto that is taken pursuant to any direction of or in reliance on any information provided by DTC, Cede & Co., any substitute securities depository or any Person in whose name the Series 2022 Bonds are reregistered. The District agrees to execute the DTC Letter of Representations and be bound by its terms.

(d) The principal of any Series 2022 Bond shall be payable to the registered owner thereof, as shown on the registration books kept by the Registrar, upon maturity or prior redemption thereof and upon presentation and surrender to the Registrar. If any Series 2022 Bond shall not be paid upon such presentation and surrender at or after maturity, it shall continue to draw interest at the rate borne by said Series 2022 Bond until the principal thereof is paid in full. Payment of interest on any Series 2022 Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent, on or before each Interest Payment Date (or, if such interest payment date is not a business day, on or before the next succeeding business day), to the registered owner thereof at his or her address as it last appears on the registration books kept by the Registrar on the close of business on the fifteenth day immediately preceding an Interest Payment Date (or such other date as may be determined in the Designation, the “**Record Date**”); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Series 2022 Bonds not less than 10 days prior thereto, by first-class mail to each such registered owner, as shown on the registration books kept by the Registrar, on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Series 2022 Bond by such alternative means as may be mutually agreed upon between the owner of such Series 2022 Bond and the Paying Agent. All such payments shall be made in lawful money of the United States of America. No recourse shall be had for the payment of the principal of or interest on the Series 2022 Bonds, or for any claim based thereon or on this Resolution against any member, director or officer of the District or any person executing the Series 2022 Bonds. The Series 2022 Bonds and the interest thereon shall not be deemed to constitute a debt or indebtedness of the District, or the State, the County, or any political subdivision thereof, within the meaning of any constitutional or statutory limitations, or a pledge of the faith and credit of the District, the State, the County, or any political subdivision thereof, but shall be payable solely from the revenues pledged therefor hereunder, and the District is not obligated to pay the Series 2022 Bonds or the interest thereon, except from the revenues and proceeds pledged therefor hereunder, and neither the faith and credit nor the taxing power of the District, the State, the County, or any political subdivision thereof, is pledged to the payment of the principal of or the interest on the Series 2022 Bonds.

Section 6. Prior Redemption.

(a) *Optional Redemption.* The Series 2022 Bonds shall be subject to redemption at the option of the District as determined in the Designation and subject to the provisions hereof.

(b) *Mandatory Sinking Fund Redemption.* The Series 2022 Bonds shall be subject to mandatory sinking fund redemption, if any, as determined in the Designation and subject to the provisions hereof.

(c) **Redemption Procedures.** Notice of any redemption of Series 2022 Bonds shall be given by the Paying Agent by sending a copy of such notice by first-class, postage prepaid mail, not less than 30 days prior to the redemption date, to the Owner of each Series 2022 Bond being redeemed. Such notice shall specify the number or numbers of the Series 2022 Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Series 2022 Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Resolution funds sufficient to pay the redemption price of such Series 2022 Bond on the redemption date, then such Series 2022 Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Series 2022 Bonds with respect to which such failure or defect did not occur. Any Series 2022 Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

Section 7. Execution and Authentication. The Series 2022 Bonds shall be executed in the name of and on behalf of the District and signed by the manual or facsimile signature of the Chairperson of the Board and attested by the manual or facsimile signature of the Secretary of the Board, and each Series 2022 Bond shall be authenticated by the manual signature of an authorized officer of the Registrar as hereinafter provided. The Series 2022 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the District (subject to the requirement of authentication by the Registrar as hereinafter provided), notwithstanding that, before the delivery of the Series 2022 Bonds or before the issuance of the Series 2022 Bonds upon transfer or exchange, any or all of the persons whose facsimile signatures appear on the Series 2022 Bonds shall have ceased to fill their respective offices. The Chairperson of the Board and the Secretary shall, by the execution of a signature certificate pertaining to the Series 2022 Bonds, adopt as and for their respective signatures the facsimiles thereof appearing on the Series 2022 Bonds. At the time of the execution of the signature certificate, the Chairperson of the Board and the Secretary may each adopt as and for his facsimile signature the facsimile signature of his predecessor in office, in the event that such facsimile signature appears upon any of the Series 2022 Bonds.

No Series 2022 Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form hereinafter provided, has been duly manually executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2022 Bonds issued hereunder. By authenticating any of the Series 2022 Bonds initially delivered pursuant to this Resolution, the Registrar and the Paying Agent shall be deemed to have assented to the provisions of this Resolution.

Section 8. Registration, Transfer and Exchange of Bonds.

(a) Books for the registration and transfer of the Series 2022 Bonds shall be kept by the Registrar, which is hereby appointed by the District as Registrar (i.e., transfer agent) for the Series 2022 Bonds. Upon the surrender for transfer of any Series 2022 Bond to the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or by his attorney duly authorized in writing, the Registrar shall authenticate and deliver, in the name of the transferee or transferees, a new Bond or Bonds of the same series, of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Series 2022 Bonds may be exchanged with the Registrar for an equal aggregate principal amount of Series 2022 Bonds of the same series and maturity of other authorized denominations. The Registrar shall authenticate and deliver a Series 2022 Bond or Series 2022 Bonds which the registered owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. For every exchange and transfer of Series 2022 Bonds, as herein provided, the District or the Registrar may make a charge sufficient to reimburse them for any transfer fee, tax or other

governmental charge required to be paid with respect to such exchange or transfer and any cost incurred by the District or the Registrar in preparing each Series 2022 Bond to be exchanged or transferred and any expense of either of them in connection therewith.

(b) The Registrar shall not be required (i) to transfer or to exchange all, or a portion, of any Series 2022 Bond subject to prior redemption during the period beginning at the opening of business 15 days next preceding the mailing of notice calling any Series 2022 Bonds for prior redemption as herein provided or (ii) to transfer or to exchange all, or a portion, of a Series 2022 Bond after the mailing of notice calling such Series 2022 Bond or portion thereof for prior redemption.

(c) The person, in whose name any Series 2022 Bond shall be registered on the registration books kept by the Registrar, shall be deemed and regarded as the absolute owner thereof for purpose of making payment thereof and for all other purposes, except as may otherwise be provided with respect to payment of interest as is provided in Section 5 of this Resolution; and payment of or account of either principal of or interest on any Series 2022 Bond shall be made only to or upon the written order of the registered owner thereof or his legal representative, but such registration may be changed upon transfer of such Series 2022 Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Series 2022 Bond, to the extent of the sum or sums so paid.

(d) If any Series 2022 Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it may reasonably require, authenticate and deliver a replacement Bond or Bonds of a like aggregate principal amount, of the same series and maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured, the Registrar may direct the Paying Agent to pay such Series 2022 Bond in lieu of replacement.

(e) The District Officers are authorized to deliver to the Registrar fully executed but unauthenticated Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

(f) Whenever any Series 2022 Bond shall be surrendered to the Paying Agent, upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Series 2022 Bond shall be promptly cancelled by the Paying Agent or by the Registrar, and counterparts of a certificate of such cancellation shall be furnished to the District by the Paying Agent or by the Registrar.

Section 9. Negotiability. Subject to the registration provisions hereof, the Series 2022 Bonds hereby authorized shall be fully negotiable and shall have all the qualities of negotiable paper, and the holder or holders thereof shall possess all rights enjoyed by the holders of negotiable instruments under provisions of the Uniform Commercial Code.

Section 10. Form of Bonds. The Series 2022 Bonds shall be in substantially the form set forth in Appendix A hereto, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the District executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2022 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the District. Although attached as an appendix for the convenience of the reader, Appendix A is an integral part of this Resolution and is incorporated herein as if set forth in full in the body of this Resolution.

Section 11. Delivery of Series 2022 Bonds. When the Series 2022 Bonds have been duly executed and authenticated, they shall be delivered to the Underwriter upon receipt of the agreed purchase price as set forth in the Underwriter's proposal. The Registrar shall initially register the Series 2022 Bonds in the name of Cede & Co., as nominee of DTC. The funds realized from the sale of the Series 2022 Bonds shall be applied as set forth in Section 12 of this Resolution. The Underwriter of the Series 2022 Bonds shall in no manner be responsible for the application or disposal by the District, or by any of its officers, of any of the funds derived from the sale thereof.

Section 12. Initial Credits to Accounts. Immediately upon issuance of the Series 2022 Bonds and from the proceeds thereof, and after payment of the Underwriter's discount and the other costs of issuing the Series 2022 Bonds, and including any deposit required to be made pursuant to an escrow arrangement with respect to the Refunded Series 2012 Bonds, if any, or to refund the Refunded Series 2012 Bonds on the Series 2012 Redemption Date, together with other available funds, the District shall make the following credits:

- (a) to the Series 2022 Account of the Bond Fund, the accrued interest on the Series 2022 Bonds from the dated date thereof to the date of issuance, if any; and
- (b) to the Series 2022 Account of the Project Fund, the remaining proceeds of the Series 2022 Bonds.

Section 13. Revenue Fund, Rebate Fund, Project Fund and Bond Fund.

(a) There was created by Section 13(a) of the Series 2006A Resolution and the District covenants to maintain a special fund designated as the "The Metropolitan Utilities District of Omaha Water System Revenue Fund." So long as any of the Bonds herein authorized shall be Outstanding, either as to principal or interest, or both, the System Revenues shall be set aside and remitted to the Treasurer for deposit into the Revenue Fund.

(b) There was created by Section 13(b) of the Series 2006A Resolution and the District covenants to maintain a special fund designated the "The Metropolitan Utilities District of Omaha Water System Rebate Fund" and there is hereby created a special account within the Rebate Fund designated as the "**Series 2022 Rebate Account.**" The District shall deposit earnings from the investment of proceeds of the Series 2022 Bonds delivered to it, earnings from the investment of moneys on deposit in the funds and accounts created hereby or other legally available moneys in the Series 2022 Rebate Account in the amounts and at the times provided in the Tax Compliance Certificate. Earnings from the investment of moneys on deposit in the Rebate Fund shall be retained in the Rebate Fund. Moneys on deposit in the Rebate Fund shall be used as provided in the Tax Compliance Certificate.

(c) There was created by Section 13(c) of the Series 2006A Resolution and the District covenants to maintain a special fund designated as the "The Metropolitan Utilities District of Omaha Water System Project Fund" (the "**Project Fund**"). Within the Project Fund there shall be established an account relating to each series of Bonds, including without limitation a "**Series 2022 Project Account.**" Moneys on deposit in the Project Fund shall be expended to pay costs of acquiring, constructing, improving and equipping the Project, including reimbursement of the District for expenditures related thereto and any costs of issuing the Series 2022 Bonds not paid at closing.

(d) There was created by Section 13(d) of the Series 2006A Resolution and the District covenants to maintain a special fund designated as the "The Metropolitan Utilities District of Omaha Water System Bond Fund" (the "**Bond Fund**"). Within the Bond Fund there shall be established an account relating to each series of Bonds, including without limitation a "**Series 2022 Bond Account.**" Moneys on deposit in the

Bond Fund shall be used as provided in Sections 17 and 20 of each of the Outstanding Bond Resolutions and this Resolution.

Section 14. Pledge Securing the Bonds. The Net Revenues paid, or to be paid, or held, or to be held, in the Revenue Fund and all moneys at any time held in the Bond Fund and the Project Fund, are hereby pledged to secure the payment of the principal of and interest on the Bonds. The moneys, as received and hereby pledged, shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the District (other than Current Expenses and the Outstanding Bonds). The lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise, against the District, irrespective of whether said parties have notice thereof.

Section 15. Administration of Revenue Fund. So long as any of the Series 2022 Bonds hereby authorized shall be Outstanding, either as to principal or interest, or both, the following payments shall be made from the Revenue Fund, as provided in Sections 16 through 23, inclusive, of this Resolution.

Section 16. Current Expenses. First, there shall be deposited into the Current Expense Fund the amount necessary from time to time to pay Current Expenses and the District shall pay Current Expenses from the Current Expense Fund, as they become due and payable. Any surplus remaining at the end of the Fiscal Year and not needed for Current Expenses shall be transferred to the Revenue Fund and shall be used for the purposes thereof, as herein provided.

Section 17. Bond Fund. Second, but subsequent to the payments required by Section 16 of this Resolution, from any moneys remaining in the Revenue Fund, i.e., from Net Revenues, there shall be deposited in trust, for the benefit of the owners of the Bonds, into the Bond Fund as follows:

(a) Monthly, on or before the first day of each month, commencing on the first day of the month immediately succeeding the delivery of any Bond, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of interest on the Bonds, and monthly thereafter, commencing on the first day of the month next following said interest payment date, one-sixth of the amount necessary to pay the next maturing installment of interest on the Outstanding Bonds, except to the extent of moneys otherwise deposited in the Bond Fund and available for that purpose;

(b) Monthly, on or before the first day of each month, commencing on the first day of the month immediately succeeding the delivery of any Bond, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the next maturing installment of principal of the Outstanding Bonds, and monthly thereafter, commencing on the first day of the month immediately following said principal date, one-twelfth of the amount necessary to pay the next maturing installment of principal of the Bonds, whether at maturity or by mandatory sinking fund redemption, except to the extent of moneys deposited into the Bond Fund and available for that purpose;

(c) If in any month the District shall have failed to deposit into the Bond Fund the full amount required to be deposited therein, then an amount shall be paid into the Bond Fund in such month from the first System Revenues thereafter received not required to be applied in accordance with the provisions of the two preceding subsections; and

(d) With respect to the Series 2012 Bonds, and any Parity Revenue Bonds for which a Debt Service Reserve Account is required to be funded, monthly, on or before the first day of the month, if the amount (including the amount of any surety bond or other credit facility deposited in the Debt Service Reserve

Account) on deposit in the Debt Service Reserve Account is less than the Bond Fund Minimum Reserve, to the Debt Service Reserve Account, an amount which will, when added to the amount in the Debt Service Reserve Account, equal the Bond Fund Minimum Reserve, or, with respect to any Parity Revenue Bonds, if the issuer of a surety bond or other credit facility has advanced money pursuant to such surety bond or other credit facility, an amount which will reimburse such issuer for the money so advanced.

Section 18. Payment of Additional Obligations. Third, but subsequent to the payments required by Sections 16 and 17 of this Resolution, any moneys remaining in the Revenue Fund after making the payments hereinabove provided shall be used by the District for the payment of interest on and principal of additional bonds or other additional long-term obligations (excluding Current Expenses) or other additional indebtedness hereafter authorized to be issued or incurred by the District and payable from System Revenues, which are subordinate to the lien and pledge of the Bonds herein and in the Outstanding Bond Resolutions, as hereinafter provided.

Section 19. Other Purposes of the District. Fourth, but subsequent to the payments required by Sections 16 through 18, inclusive, of this Resolution, any moneys remaining in the Revenue Fund after making the payments hereinabove provided may be applied by the District for any other lawful purpose of the District.

Section 20. Debt Service Reserve Account of the Bond Fund.

(a) There was created by Section 20 of the Series 2006A Resolution and the District covenants to maintain a special account in the Bond Fund designated as the "The Metropolitan Utilities District of Omaha Water System Debt Service Reserve Account." Within the Debt Service Reserve Account of the Bond Fund there shall be established a subaccount relating to each series of Bonds and any moneys currently on deposit in the Debt Service Reserve Account that were deposited therein in connection with the issuance of such series of Bonds shall be transferred to the corresponding subaccount of the Debt Service Reserve Account. No subaccount within the Debt Service Reserve Account shall be funded or maintained with respect to the Series 2022 Bonds.

(b) The moneys in each subaccount within the Debt Service Reserve Account of the Bond Fund constituting the debt service reserve shall be maintained as a continuing reserve to be used only to prevent deficiencies in the payment of the principal of and interest on the series of Bonds to which subaccount corresponds resulting from a failure to deposit therefor into the Bond Fund sufficient moneys to pay said principal and interest as the same become due.

(c) For any issuance of Parity Revenue Bonds, the District may in its sole discretion and at any time obtain a credit facility (or other credit provider) in an amount equal to the Bond Fund Minimum Reserve for such series of Parity Revenue Bonds and deposit such credit facility into the subaccount of the Debt Service Reserve Account relating to such series of Bonds. Upon making such deposit of a credit facility, the District shall withdraw any moneys then on deposit in such subaccount and, first, apply such portion thereof as may be available to pay, or reimburse itself for the payment of, the premium of such credit facility, and, second, transfer any remaining portion thereof to the subaccount of the Project Fund corresponding to such series of Bonds for application to the payment of the costs of acquiring, constructing, improving and equipping the Project for such series of Bonds. Each District Officer is hereby authorized to negotiate and obtain such a credit facility on behalf of the District, and to enter into on behalf of the District any such credit support facility agreement with the credit facility provider and all other related documents and certificates as shall be necessary and desirable to effectuate the procurement of such credit facility.

Section 21. Termination Upon Deposits to Maturity or Redemption Date. No payment need be made into the Bond Fund, if the amount in the Bond Fund, including, without limitation, the Debt Service Reserve Account of the Bond Fund, totals a sum at least equal to the entire amount of the Outstanding Bonds, both as to principal and interest to the respective maturities, or to any redemption date on which the District shall have exercised its option to redeem Bonds then Outstanding and thereafter maturing, and both accrued and nonaccrued, in which case moneys in the Bond Fund in an amount, except for any interest or other yield to accrue from any investment of moneys in Federal Securities from the time from any such deposits to the time or respective times the proceeds of any such investment shall be needed for such payment, at least equal to such principal and interest requirements shall be used solely to pay such as the same accrue, and any moneys in excess thereof in the Bond Fund and any other System Revenues may be used in any lawful manner determined by the Board.

Section 22. Places and Times of Deposits. Each of the special funds, accounts and subaccounts hereinabove designated shall be maintained and kept separate from all other funds and accounts as a trust fund or account solely for the purposes herein designated therefor by the Treasurer, as determined and designated by the Board (except as otherwise expressly stated herein); provided, however, that moneys accounted for in the Revenue Fund and moneys accounted for in the Current Expense Fund may be commingled in one or more bank accounts by the Treasurer; and provided, further, that nothing herein contained shall be construed as limiting the management of any fund or account for the payment of any bond, other long-term obligation or other debt of the District other than the Bonds (except as herein otherwise expressly provided). Each such trust fund or account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respectively designated purposes. Each monthly payment shall be made into the proper fund or account on or before the first day of each month; except that when the first day of any month is not a business day, then such payment shall be made on or before the next succeeding business day. Notwithstanding any other provision herein to the contrary, moneys shall be deposited or credited with the Paying Agent at least five days prior to each interest payment date herein designated sufficient to pay the principal of and interest on the Bonds then coming due.

Section 23. Investment of Moneys. Any moneys accounted for in any account or fund designated herein and not needed for immediate use may be invested or reinvested at the request of the District in Permitted Investments. Subject to Section 13(b) of this Resolution, all such investments shall be credited to the fund or account from which the money used to acquire such investments shall have come, and all income and profits on such investments shall be credited to, and all losses therein shall be charged against, such account or fund; provided that earnings on Debt Service Reserve Account investments shall be credited thereto only if and to the extent necessary to maintain the Bond Fund Minimum Reserve, and otherwise shall be credited, at the option of the District, to the Revenue Fund or the Bond Fund.

Section 24. Notice of Sale; Sale. The Board hereby approves and ratifies, as applicable, the preparation, execution and delivery of a Notice of Sale at the direction of, or by, a District Officer. The Series 2022 Bonds are hereby authorized to be sold to the Underwriter in accordance with the Notice of Sale, and each District Officer is hereby authorized to approve the sale of the Series 2022 Bonds to the Underwriter in accordance with the limitations set forth in Section 5 and Section 11 hereof. Each District Officer is authorized to deliver the Series 2022 Bonds to the Underwriter, as the initial purchaser thereof, upon payment in full of the principal thereof and accrued interest thereon to the date of delivery thereof.

Section 25. Equality of Bonds. The Bonds from time to time Outstanding shall not be entitled to any priority one over the other in the application of System Revenues, regardless of the time or times of the issuance of the Bonds, it being the intention of the Board that there shall be no priority among the Bonds, regardless of the fact that they are actually issued and delivered at different times.

Section 26. Defeasance.

(a) *By Payment.* If the District shall pay, or shall cause to be paid, to the owner of any Series 2022 Bond the principal and interest to become due thereon at the times and in the manner stipulated therein and in the Resolution, then the pledge of the System Revenues and other moneys and securities hereby pledged and all other rights granted hereby shall be discharged and satisfied. In such event, the Paying Agent shall, at the request of the District, execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Paying Agent and any other depository shall pay over or shall deliver to the District all moneys or securities held by it, pursuant to this Resolution, which are not required for the payment of the redemption of the Series 2022 Bonds not theretofore surrendered for such payment or redemption.

(b) *By Deposit for Payment.* There shall be deemed to have been paid within the meaning of this Section any installment of interest on, and any installment of principal of, the Series 2022 Bonds, for the payment of which in the manner provided therein and in this Resolution, if moneys shall then be held by any depository, through deposit by the District, or otherwise, of moneys for such payment on and prior to any prior redemption date or respective prior redemption dates designated therefor, or, if none, on their maturity or respective maturities, including the known minimum yield from interest and any other gain to be derived from any investment of any such moneys or any part thereof in any Federal Securities, in an amount at the time of the deposit, and at all times subsequently, at least fully sufficient to pay, on behalf of the District, without any deficiency or other default, such interest and principal as the same become due, subject to the following provisions:

(i) If any such Series 2022 Bonds are to be redeemed prior to the maturity or respective maturities thereof, there shall have been taken, to the extent practicable, all action necessary to redeem such Series 2022 Bonds (or installments of principal thereof), and notice of such redemption shall have been duly given or provision satisfactory to each depository therefor acting as escrow agent shall have been made for the giving of such notice;

(ii) Any moneys held by each depository for such payment of any part thereof prior to the time or times on which such moneys are needed for such payment on behalf of the District of such interest and principal due, without default, may be invested in Federal Securities; provided, however, that each such investment shall be scheduled, and in the case of each reinvestment, if any, rescheduled by the Treasurer:

(A) so that the Federal Securities in which moneys are so invested or reinvested, other than any such securities which shall be subject to redemption at any time at least at face value at the option of and by the holder thereof, shall become due at a time or times at or prior to the time or respective times on which the proceeds thereof shall be needed (with the proceeds of any Federal Securities so subject to prior redemption by the holder thereof at the time or respective times such securities shall have been scheduled for redemption and with any other moneys held by each depository and available for such use) to pay the designated interest or installment or installments of interest on and the designated principal or installment or installments of principal due on the Series 2022 Bonds, as the same become due; and

(B) so that no deficiency or other default shall result in the absence of a sale of any Federal Securities on the market prior to a time on which the federal government or other obligor is, upon demand or presentation, obligated to pay a fixed sum in discharge of the whole of such obligation and at which time the Federal Securities shall have been scheduled for redemption, at maturity or otherwise, for at least said sum;

(iii) Prior to any reinvestment of any moneys held by each depository for such payment of the District's securities, the depository shall state its approval thereof in writing and shall forward a copy of its written approval to the Treasurer; and

(iv) Nothing herein contained shall be construed as entitling any owner of any of the Series 2022 Bonds to the payment of the interest on and the principal of any such of the Series 2022 Bonds at any time prior to the time or respective times the same become due on and prior to any redemption date or, if none, to the maturity or respective maturities of the installments of principal in this Resolution, notwithstanding that moneys for such payment may be held at any time or times prior to such due dates by any depository fully sufficient for any such prior payment and regardless of whether or not such moneys shall at any time or times be invested or reinvested, wholly or in part, in Federal Securities.

Section 27. Covenants of the District. The District hereby particularly covenants and agrees with the registered owners of the Bonds and makes provisions which shall be a part of its contract with such registered owners, to the effect and with the purposes set forth in the following provisions of this Section.

(a) ***Performing Duties.*** The District, acting by and through the Board, will faithfully and punctually perform all duties with respect to the System and to the System Revenues, required by the constitution and the laws of the State and by the various resolutions of the District, including, but not limited to, the making and collecting of reasonable and sufficient rates and charges for services rendered or furnished by the System and the proper segregation of the System Revenues and their application to respective funds or accounts, as herein also provided.

(b) ***Operation and Maintenance of System.*** The District, acting by and through the Board, shall, at all times, operate the System properly and in a sound and economical manner; and the District shall maintain, preserve and keep the same properly, or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall, from time to time, make, or cause to be made, all necessary and proper repairs, replacements and renewals.

(c) ***Rules, Regulations and Other Details.*** The District, acting by and through the Board, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System (as well as any other Facilities under the jurisdiction of the Board). All compensation, salaries, fees and wages paid by it in connection with maintenance, repair and operation of the System (as well as any other such Facilities) shall be reasonable and no more than would be paid by other corporations, municipalities or public bodies for similar services. The District shall observe and perform all of the terms and conditions contained in the Act and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the District.

(d) ***Payment of Lawful Governmental Charges.*** The District shall pay all taxes and assessments or other municipal or governmental charges, if any, lawfully levied or assessed upon or with respect to the System, or upon any part thereof, upon any revenue therefrom, or upon any other portion of the System Revenues, when the same shall become due; the District shall duly observe and comply with all valid requirements of any municipal or governmental authority relative to any part of the System. The District shall pay, or shall cause to be discharged, or will make adequate provision to satisfy and to discharge within 60 days after the same shall become payable, all lawful claims and demands for labor, materials or supplies which, if unpaid, might, by law, become a lien on the System, any part thereof, or upon the System Revenues; provided, however, that nothing in this subsection contained shall require the District to pay, or cause to be discharged, or make provision for any such lien or charge, so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings.

(e) **Further Assurances.** At any and all times, the District, acting by and through the Board, except when otherwise required by law, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming of, all and singular, the rights, System Revenues and other moneys hereby pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Resolution. The District shall, at all times, to the extent permitted by law, defend, preserve and protect the pledge of the System Revenues, and other moneys pledged hereunder and all the rights of every registered owner of any Series 2022 Bond hereunder, against all claims and demands of all persons whomsoever.

(f) **Prejudicial Contracts and Action Prohibited.** No contract will be entered into, nor any action taken, by which the rights of any registered owner of any Bond might be impaired or diminished.

(g) **Insurance.**

(i) The Board shall procure and maintain, so long as any of the Bonds are Outstanding, fire and extended coverage insurance on the insurable portions of the Facilities comprising the System, in amounts at least sufficient to provide for not less than full recovery whenever the loss from perils insured against does not exceed 100% of the full insurable value of the highest valued component of the System.

(ii) The Board, in its sole discretion, may self insure against all or a portion of its exposure to public liability claims or if it does not self insure against all or a portion of such claims, shall procure (except to the extent previously procured) and shall maintain, so long as any of the Bonds are Outstanding, public liability insurance in reasonable amounts, but in no event less than \$100,000 for one person and \$300,000 for more than one person involved in one accident, against claims for bodily injury and death, or either, and in no event less than \$10,000 for one accident, against claims for damage to property of others, suffered, or alleged to have been suffered, by others, arising from the District's operation of the System, including any use and occupancy of its grounds, structures and Facilities.

(iii) The District, in its sole discretion, may self insure against all or a portion of its exposure to vehicular liability claims or, if it does not self insure against all or a portion of such claims, shall procure (except to the extent previously procured) and shall maintain, so long as any of the Bonds are Outstanding, vehicular public liability insurance in reasonable amounts, but in no event less than \$100,000 for one person and \$300,000 for more than one person involved in one accident, against claims for bodily injury and death, or either, and in no event less than \$10,000 for one accident, against claims for damage to property of others, suffered, or alleged to have been suffered, by others, arising from the District's operations of any vehicle.

(iv) In addition to the above-designated fire and extended coverage insurance, public liability insurance and vehicular liability insurance, the District shall, at all times, also maintain, by self insurance or with responsible insurers, workers' compensation insurance and all other such insurance, if any, as is customarily maintained with respect to facilities of like character against loss or damage to the System and against loss of System Revenues. The costs of all insurance, including the maintenance of reserves for self insurance and the costs of paying self insured claims, shall be considered as Current Expenses. Upon the occurrence of any loss or damage covered by any of the insurance policies of the District, the Board, on behalf of the District and in its name, will cause due proof of loss and will do all things necessary to cause the insurers to make payment in accordance with the terms of each such policy.

(h) **Insurance During Construction.** The District may require that each of its construction contractors and such contractor's subcontractors shall maintain, during the life of such contract, workers' compensation insurance and public liability and property damage insurance in amounts and on terms satisfactory to the

District. The District may maintain, or may require that each of its construction contractors maintain, during the life of such contractor's contract, builder's risk insurance in amounts and on terms satisfactory to the District.

(i) **Contract Security.** The District shall require that each construction contractor furnish a performance bond in an amount at least equal to 100% of such contractor's price, as security for the faithful performance of such contract, and also a payment bond in an amount not less than 100% of such contractor's contract price or in a penal sum not less than that prescribed by State law, as security for the payment of all persons performing labor on the project under such contract and furnishing materials in connection with such contract. The performance bond and the payment bond may be in one instrument or in separate instruments in accordance with local law.

(j) **Reconstruction.** If any useful part of the System or of any Facility thereof shall be damaged or destroyed, the District, acting by and through the Board, shall, as expeditiously as may be possible, commence and diligently prosecute the repair or replacement of the damaged or destroyed property so as to restore the same to use. The proceeds of any such insurance appertaining thereto shall be payable to the District and shall be applied by the Board to the necessary costs involved in such repair and replacement, and to the extent not so applied, shall be deposited in the Revenue Fund by the Board, on behalf of the District, as System Revenues.

(k) **Alienation of System Prohibited.** On and after this date, neither all, nor a substantial part, of the System shall be sold, leased, mortgaged, pledged, encumbered or otherwise disposed of until all the Bonds herein authorized have been paid in full, both as to principal and interest, unless provision has been made therefor, or until the Bonds herein authorized have otherwise been redeemed, including, but not necessarily limited to, the termination of the pledge herein authorized; and the District shall not dispose of its title to all, nor a substantial part of the System, including any Facility necessary to the operation and use of the System and the lands and interest in lands comprising the site or sites of the System, except as provided in subsection (o) hereof.

(l) **Disposal of Unnecessary Property.** The District, acting by and through the Board, may, in accordance with the Act, sell, exchange, lease or otherwise dispose of, at any time and from time to time, any property or Facilities constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal value.

(m) **Service Charges.** The District covenants that it will (except as limited by law) fix, establish and maintain rates or charges for water, services or facilities supplied or furnished by the District, and shall revise the same from time to time, whenever necessary, as will in each Fiscal Year provide an amount sufficient to pay Current Expenses and to generate Net Revenues at least equal to the sum of the following amounts:

(i) 120% of the amount equal to the Average Principal and Interest Requirements on the Bonds, including any Parity Revenue Bonds, then Outstanding; and

(ii) 100% of the amount required to pay any other unpaid long-term obligations (excluding Current Expenses) and any other unpaid indebtedness of the District (including any amounts required to be accumulated and maintained as reserves therefor) that are payable from System Revenues, as the same shall become due.

No free water, service or facilities shall be furnished by the District, except that the District may provide fire protection water without charge to fire departments within the District's service area.

The District shall forthwith take all steps necessary to enforce the prompt payment of all rates and charges. The Board will shut off or discontinue, or cause to be shut off or discontinued, service for delinquencies in the payment of such charges, and the Board will prescribe and enforce rules and regulations for the connection with and the disconnection from properties or the Facilities of the District.

(n) **Competent Management.** The District, acting by and through the Board, shall employ experienced and competent management personnel for the System, including a President to be superintendent of all the Facilities and improvements of the System, who shall have full control over the Facilities comprising the System and shall operate the System for the District, subject to the reasonable control of the Board. It shall establish, fix and, from time to time, modify such reasonable fees and charges, as will be sufficient to make the payments required by this Resolution; and the Board shall have the power to establish, fix and, from time to time, modify such reasonable fees and charges for all Facilities under its jurisdiction (except as herein otherwise expressly provided). The President shall enforce the collection of all such fees and charges, and he shall, in all things, so operate the System as to comply fully with all of the requirements and provisions of this Resolution.

(o) **Budget.** The Board and its officials shall annually, and at such other times as may be provided by State law, prepare and adopt a budget appertaining to the District.

(p) **Records.** So long as any of the Series 2022 Bonds remain Outstanding, proper books of record and account will be kept by the District, separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System and to the System Revenues. Such books shall include (but not necessarily be limited to) records showing: (i) the number of customers by class; (ii) the revenues received from rates and charges by class of customers; and (iii) a detailed statement of the Current Expenses.

(q) **Right To Inspect.** Any registered owner of any of the Series 2022 Bonds or any duly authorized agent or agents of such registered owner have the right, at all reasonable times, to inspect all records, accounts and data relating thereto, concerning the System or the System Revenues, and shall have the right to inspect the System and all properties comprising the System.

(r) **Audit Required.** At least once a year in the time and manner provided by the Act, the District will cause an audit to be performed of the records relating to the revenues and expenditures of the System. Such audit may be made part of and included within the general audit of the District, and made at the same time as the general audit. Copies of the audit will be filed and recorded in the places, time and manner provided by law.

Section 28. Parity Revenue Bonds. Parity Revenue Bonds may be issued under the Act or any other statute authorizing the issuance of such bonds or obligations which are solely from System Revenues and have a lien on System Revenues on a parity with the Outstanding Bonds including the Series 2022 Bonds if all of the following conditions are satisfied:

(a) The Net Revenues of the System for any 12 consecutive months within the completed 18 months immediately preceding the issuance of the additional Parity Revenue Bonds must have been not less than 1.20 times the Average Principal and Interest Requirements for any succeeding Fiscal Year on all Bonds then Outstanding payable from the System Revenues and the Parity Revenue Bonds so proposed to be issued; provided however, if new rates and charges have been established during the completed 18 months immediately preceding the issuance of the additional Parity Revenue Bonds, the Net Revenues of the System may be adjusted by applying the new rates to the connections being served during such period as if such rates had been in effect for the entire 18-month period;

- (b) The payments required to be made into the various funds and accounts provided in Sections 16 through 18, inclusive, of this Resolution must be current;
- (c) The District shall not have defaulted in making any payments required by Sections 16 through 18, inclusive, of this Resolution during the 24 months immediately preceding the issuance of any such additional Parity Revenue Bonds;
- (d) The additional Parity Revenue Bonds shall bear interest payable on the dates, and shall mature on the date or dates, designated by resolution of the Board, during the term of said Parity Revenue Bonds; and
- (e) The proceedings for issuance of such additional Parity Revenue Bonds shall provide for the application of the proceeds from the sale thereof.

The District may also issue Parity Revenue Bonds to refund Bonds; provided that the Average Principal and Interest Requirements are not increased by the issuance thereof.

Nothing herein contained shall be construed so as to permit the District to issue additional bonds or other additional obligations or to incur other additional indebtedness payable from System Revenues and having a lien thereon prior and superior to the Series 2022 Bonds or additional Parity Revenue Bonds herein authorized to be issued.

Section 29. Limitations Upon Issuance of Subordinate Bonds. Nothing in this Resolution contained shall be construed in such a manner as to prevent the issuance by the District of Subordinate Bonds or Subordinate Obligations (other than Current Expenses) or the incurrence by the District of additional indebtedness (other than Current Expenses) payable from System Revenues and constituting a lien on System Revenues subordinate, inferior and junior to (but not on a parity with nor prior or superior to) the lien of the Series 2022 Bonds herein authorized. The proceeds of the Subordinate Bonds or Subordinate Obligations, exclusive of costs of issuance, shall be used only for purposes from time to time authorized by law.

Section 30. Bondholder's Remedies. Each registered owner of any Series 2022 Bond issued hereunder shall be entitled to all of the privileges, rights and remedies provided or permitted at law or in equity. Nothing in this Resolution contained shall affect or impair the right of any registered owner of any Series 2022 Bond issued hereunder to enforce the payment of the principal of and the interest on his Series 2022 Bond or the obligation of the District to pay the principal of and the interest on each Series 2022 Bond issued hereunder to the registered owner thereof at the time and place expressed in the Series 2022 Bond.

Section 31. Events of Default. Each of the following events is hereby declared an "Event of Default":

- (a) *Nonpayment of Principal.* Payment of the principal of any of the Series 2022 Bonds herein authorized to be issued shall not be made when the same shall become due and payable, either at maturity or by proceedings for prior redemption, or otherwise.
- (b) *Nonpayment of Interest.* Payment of any installment of interest shall not be made when the same becomes due and payable.
- (c) *Failure To Perform.* The District shall, for any reason, be rendered incapable of fulfilling its obligations hereunder.
- (d) *Nonperformance of Duties.* The District shall have failed to carry out and to perform (or, in good faith, to begin the performance of) all acts and things lawfully required to be carried out or to be performed

by it hereunder or under any contract relating to the System Revenues or to the System, or otherwise, and such failure shall continue for 30 days after receipt of notice from the registered owners of 25% in principal amount of the Bonds then Outstanding.

(e) *Appointment of a Receiver.* Any order or decree shall be entered by a court of competent jurisdiction with the consent or acquiescence of the District, appointing a receiver or receivers for the System or for the System Revenues, or if an order or decree has been entered without the consent or acquiescence of the District, shall not be vacated, discharged or stayed on appeal within 60 days after entry.

(f) *Default of Any Provision.* The District shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Resolution, on its part to be performed, and if such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the District by the registered owners of 25% in principal amount of the Bonds then Outstanding.

Section 32. Remedies for Default. Upon the happening and continuance of any Event of Default, as provided in Section 31 of this Resolution, then, and in every case, the registered owner or registered owners of not less than 25% in principal amount of the Bonds then Outstanding, including, but not limited to, a trustee or trustees therefor, may proceed against the District, to protect and to enforce the rights of any registered owner of Bonds under this Resolution by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper, legal or equitable remedy as, such registered owner or registered owners may deem most effectual to protect and to enforce the rights aforesaid, thereby to enjoin any act or things which may be unlawful or in violation of any right of any registered owner of any Bond, to require the Board to act as if it were the trustee of an expressed trust, or to proceed with any combination of remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all registered owners of the Bonds then Outstanding. Any receiver appointed in any proceedings to protect the rights of such registered owners hereunder, the consent to any such appointment being hereby expressly granted by the District, may enter and may take possession of the System, operate and maintain the same, prescribe rates and charges and collect, receive and apply all System Revenues arising after the appointment of such receiver, in the same manner as the District itself.

Section 33. Rights and Privileges Cumulative. The failure of any such registered owner so to proceed shall not relieve the District of any liability for failure to perform any duty. Each right or privilege of any such registered owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any registered owner shall not be deemed a waiver of any other right or privilege thereof.

Section 34. Duties Upon Default. Upon the happening of any of the Events of Default, as provided in Section 31 of this Resolution, the District, in addition, will do and will perform all proper acts, on behalf of and for the registered owners of Bonds, to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the principal of and the interest on the Bonds promptly, as the same become due.

Section 35. Supplemental Resolutions Not Requiring Consent of Bondholders. The District may, without consent of or notice to any of the registered owners of the Series 2022 Bonds, enter into a resolution or resolutions supplemental to this Resolution for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Resolution;

- (b) To grant to or to confer upon registered owners of the Series 2022 Bonds, for the benefit of the registered owners of the Series 2022 Bonds, any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the registered owners of the Series 2022 Bonds;
- (c) To provide for the issuance of additional Parity Revenue Bonds pursuant to the provisions of Section 28 of this Resolution;
- (d) To evidence the appointment of a Co-Paying Agent or Co-Registrar or the succession of a new Paying Agent or a new Registrar hereunder; or
- (e) In connection with any other change which, in the opinion of Bond Counsel, is not to the prejudice of the registered owners of the Series 2022 Bonds.

Section 36. Modifications or Amendments to Resolution Requiring Consent of Bondholders.

Exclusive of supplemental resolutions permitted by Section 35 of this Resolution, any modification or amendment of the provisions of this Resolution or of any resolution amendatory thereof and of the rights and the obligations of the District and of the registered owners of the Series 2022 Bonds, in any particular, may be made by resolution of the District, as hereinafter specified, without receipt by the District of any additional consideration, but with the written consent of the registered owners of at least 51% in principal amount of the Series 2022 Bonds Outstanding at the time of the adoption of such amendatory resolution (not including, in any case, any Series 2022 Bonds which may then be owned for the account of the District), at time such consent is given; provided, however, that no such modification or amendment shall have the effect of permitting:

- (a) *Changing Payment of Principal.* A change in the maturity or in the terms of redemption of the principal of any Outstanding Series 2022 Bond or the date of payment of any installment of interest thereon; or
- (b) *Reducing Return.* A reduction in the principal amount of any Series 2022 Bond or the rate of interest thereon without the consent of the registered owner of the Series 2022 Bond; or
- (c) *Prior Lien.* The creation of a lien on or a pledge of System Revenues ranking prior to the lien or to the pledge created by this Resolution; or
- (d) *Modifying Any Series 2022 Bond.* A reduction of the principal amount or percentages or other effect on the description of the Series 2022 Bonds, the consent of the registered owner of which is required for any such modification or amendment; or
- (e) *Priorities Between Bonds.* The establishment of priorities as between Bonds Outstanding under the provisions of this Resolution; or
- (f) *Partial Modification.* The modification of or other effect on the rights of the registered owners of less than all of the Series 2022 Bonds then Outstanding.

Section 37. Consent of the Bondholders.

- (a) *Adoption.* The District may, at any time, adopt a resolution making a modification or an amendment permitted by the provisions of Section 36 of this Resolution, except as hereinafter provided.
- (b) *Notice of Amendment.* Whenever the District shall propose to amend or to modify this Resolution under the provisions of this Section, it shall cause a copy of the proposed amendment to be certified by the

Secretary and to be delivered to and to be held by the Paying Agent and the Registrar, respectively, and another copy to be filed in the office of the Secretary for the inspection of any registered owner of any Series 2022 Bond. A notice of the proposed amendment, together with a request to registered owners of Series 2022 Bonds for their consent thereto, in form satisfactory to the Secretary, and with a statement that a copy of the proposed amendatory resolution is on file with the Paying Agent and the Registrar (or any named successor of either or of both) and also on file in the office of the Secretary for public inspection, shall be given by the Secretary, in the name of the District, by mail addressed to each registered owner of any Series 2022 Bond, but failure to mail such copy and request shall not affect the validity of the amendatory resolution, when consented to as in this Section provided.

(c) *Effective Date.* Such amendatory resolution shall not be effective unless and until there shall have been filed with the Secretary, within one year from the date of mailing of said notice:

(i) the written consents of registered owners of the percentages of Outstanding Bonds specified in Section 36 of this Resolution; and

(ii) an opinion of nationally recognized bond counsel, or other Counsel's Opinion, stating that such amendatory resolution has been duly and lawfully adopted by the District, in accordance with the provisions of this Resolution, is authorized or is permitted by this Resolution, is valid and binding upon the District, and is enforceable in accordance with its terms.

(d) *Proof of Consent.* Each such consent shall be effective only if accompanied by proof of ownership, at the date of such consent, of the Series 2022 Bonds with respect to which such consent is given, which proof shall be established by the registration books maintained by the Registrar for the Series 2022 Bonds. A certificate or certificates by the Secretary, filed in the office of the Secretary, that he has examined such proof and that such proof is sufficient under the provisions of this subsection (d), shall be conclusive that the consents have been given by the registered owners of the Series 2022 Bonds described in such certificate or certificates of the Secretary.

(e) *Consent Binding.* Any such consent shall be binding upon the registered owner of the Series 2022 Bonds giving such consent and upon any subsequent registered owner of such Series 2022 Bonds and of any Series 2022 Bonds issued in exchange therefor (whether or not such subsequent registered owner thereof has notice thereof).

(f) *Adoption of Resolution.* Thereupon, the Board may adopt the resolution, and it shall be deemed conclusively binding upon the District, the Paying Agent, the Registrar and upon the registered owners of all Bonds upon its effective date and after the filing with the Secretary of the proof of its final passage.

Section 38. Modifications by Unanimous Action. Notwithstanding anything contained in the foregoing provisions of this Resolution to the contrary, the terms and provisions of this Resolution or of any resolution amendatory thereof and the rights and obligations of the District and of the registered owners of the Series 2022 Bonds may be modified or amended in any respect upon the adoption by the District and upon the filing with the Secretary of a resolution to that effect and with the consent of the registered owners of all the Series 2022 Bonds then Outstanding, such consent to be given as provided in Section 37 of this Resolution, except that no notice to the registered owners of Series 2022 Bonds by mailing shall be required.

Section 39. Exclusion of Bonds Owned by District. Bonds owned by or for the account of the District shall not be deemed Outstanding and shall be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in Section 37 of this Resolution, and the District shall not be entitled, with respect to such Series 2022 Bonds, to give any consent or to take any other action provided for in this Resolution. At the time of any consent or other action taken under this Resolution, the

District shall furnish the Secretary a certificate of the Treasurer, upon which the District may rely, describing all Bonds so to be excluded.

Section 40. Successor Registrar or Paying Agent. The Registrar or Paying Agent may resign at any time on 30 days' prior written notice to the District and the Bond Insurer. The District may reasonably determine that said Registrar or Paying Agent has been incapable of fulfilling its duties and may remove said Registrar or Paying Agent upon 30 days' prior written notice. If the Registrar or Paying Agent initially appointed hereunder shall resign, or if the District shall remove said Registrar or Paying Agent, the District may, upon notice mailed to each registered owner of Series 2022 Bonds at the address last shown on the registration books, appoint a successor Registrar or Paying Agent, or both. Every such successor Registrar or Paying Agent shall be a commercial bank with trust powers located in and in good standing in the United States of America and having a shareholder's equity (e.g., capital stock, surplus and undivided profits), however denominated, of not less than \$50,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the District shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 41. Official Statement; Other Documentation. The Board hereby ratifies and approves the completion, publication, distribution and use of the Preliminary Official Statement in connection with the offering of the Series 2022 Bonds substantially in the form presented, but with such changes, if any, therein, as may be approved by a District Officer. The District hereby deems the information contained in the Preliminary Official Statement to be "**final**" as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1) under the Exchange Act of 1934, as amended, such as offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and identity of the underwriters. The Board further authorizes and directs the preparation of, and authorizes and directs the execution and delivery by each District Officer of, an Official Statement for use in connection with the sale of the Series 2022 Bonds. The Board hereby authorizes and directs any District Officer to approve a form of Paying Agent Agreement and to finalize, execute and deliver the same (whose signature thereon shall constitute conclusive evidence of such approval). The Chairperson of the Board, the Secretary and all other appropriate District Officers and employees are also hereby authorized and directed to execute all documents and certificates necessary or desirable to effectuate the issuance or administration of the Series 2022 Bonds, the investment of proceeds of the Series 2022 Bonds and the transactions contemplated hereby.

Section 42. Federal Tax Law Covenants; Tax Compliance Certificate. (a) In consideration of the purchase and acceptance of the Series 2022 Bonds by the registered owners thereof from time to time, and in consideration of retaining the exemption from federal income taxes of the interest income on the Series 2022 Bonds, the District covenants and agrees, and the appropriate officials of the District are hereby directed, to take all action required, or to refrain from taking any action prohibited, by the Internal Revenue Code of 1986, as amended (the "**Code**"), including, without limitation (i) to meet the arbitrage rebate provisions of the Code (Section 148(f) of the Code), (ii) to make the required information filing pursuant to the Code (Section 149(e) of the Code), and (iii) to do all other things necessary to preserve the tax-exempt status of the interest income on the Series 2022 Bonds.

(b) The Board hereby authorizes and directs any District Officer to approve a form of Tax Compliance Certificate, and to finalize, execute and deliver the same (whose signature thereon shall constitute conclusive evidence of such approval).

(c) Each District Officers is hereby authorized and directed to execute and deliver an Internal Revenue Service Form 8038-G with respect to the Series 2022 Bonds.

Section 43. Arbitrage Covenant. At no time or times shall any of the proceeds of the Series 2022 Bonds or other moneys of the District be used directly or indirectly in any manner which would cause any Series 2022 Bond to be an “arbitrage bond” within the meaning of Section 148(a) of the Code.

Section 44. Contract With Bondholders. After any of the Series 2022 Bonds have been issued, this Resolution shall constitute a contract between the District and the registered owner or registered owners of the Series 2022 Bonds and shall be and remain irrevocable and unalterable until the Series 2022 Bonds and the interest thereon shall have been fully paid, satisfied and discharged.

Section 45. Continuing Disclosure Undertaking. The Board hereby approves the form of Continuing Disclosure Undertaking substantially in the form attached to the Preliminary Official Statement, and directs a District Officer to finalize and execute the same, but with such changes as the District Officer, in his or her sole discretion, shall approve (whose signature thereon shall constitute conclusive evidence of such approval).

Section 46. Parties Interested Herein. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon, or to give to, any person or entity, other than the District, the Underwriter, the Registrar, the Paying Agent and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Resolution, or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the District, the Underwriter, the Registrar, the Paying Agent and the registered owners of the Bonds.

Section 47. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered, sent by facsimile (with a copy sent simultaneously by regular United States mail) or mailed by certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the District:	The Metropolitan Utilities District of Omaha 7350 World Communications Drive Omaha, NE 68122 Attention: President
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If to the Paying Agent:	BOKF, National Association 1248 O Street, Suite 764 Lincoln, NE 68508
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The District and Paying Agent may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 48. Severability. If any section, paragraph, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 49. Repealer. All acts and resolutions in conflict with this Resolution are hereby rescinded, annulled and repealed. This repealer shall not be construed to revive any act or resolution, or part thereof, heretofore repealed.

Section 50. Effective Date. This Resolution shall become effective and shall be in full force and effect upon its adoption.

ADOPTED AND APPROVED BY THE METROPOLITAN UTILITIES DISTRICT OF OMAHA, this 7th day of September, 2022.

THE METROPOLITAN UTILITIES DISTRICT OF OMAHA

By _____
Chairperson of the Board of Directors

Attest:

Secretary of the Board of Directors of
the District

[Signature Page to Bond Resolution]

APPENDIX A

FORM OF SERIES 2022 BOND

UNITED STATES OF AMERICA
STATE OF NEBRASKA
THE METROPOLITAN UTILITIES DISTRICT OF OMAHA
WATER SYSTEM REVENUE BOND
SERIES 2022

No. R-_____ \$_____

Interest Rate	Maturity Date	Dated as of	CUSIP
_____% per annum	_____, 20____	_____, 2022	_____

REGISTERED OWNER: CEDE & CO.
Tax I.D. No. 13-2555119

PRINCIPAL AMOUNT: DOLLARS

THE METROPOLITAN UTILITIES DISTRICT OF OMAHA (the “**District**”), a public service corporation created and existing under and by virtue of the laws of the State of Nebraska (the “**State**”), acknowledges itself indebted to, and for value received hereby promises to pay, solely from the revenues of the District pledged therefore as hereinafter provided, to the Registered Owner specified above, on the Maturity Date specified above (unless called for earlier redemption), interest thereon payable on _____ and _____ in each year, commencing on _____, 20____, at the Interest Rate per annum specified above, until the Principal Amount specified above is paid or payment has been provided therefor. This Bond will bear interest from the most recent interest payment date to which interest has been paid or provided for, or, if no interest has been paid, from the date of this Bond. The principal of and premium, if any, on this Bond are payable upon presentation and surrender hereof at the principal corporate trust office of the District’s registrar and paying agent (the “**Registrar**” or the “**Paying Agent**”), presently BOKF, National Association, Lincoln, Nebraska, as successor in interest to First National Bank of Omaha, Omaha, Nebraska. Interest on this Bond will be paid on each interest payment date or, if such interest payment date is not a business day, on the next succeeding business day, by check or draft mailed to the person in whose name this Bond is registered (the “registered owner”) on the registration books of the District maintained by the Registrar and at the address appearing thereon at the close of business on the fifteenth day immediately preceding such interest payment date (the “**Record Date**”). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner hereof at the close of business on the Record Date and shall be payable to the person who is the registered owner hereof at the close of business on a Special Record Date (defined in the resolution of the Board adopted on September 7, 2022 authorizing this Bond (together with the Designation dated as of _____, 2022, the “**Bond Resolution**”) for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Bonds of the series of which this is one not less than 10 days prior thereto. All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or the Registrar.

This Bond, including interest thereon, is payable solely from the Net Revenues (as hereinafter defined) to be derived from the operation of the District’s Water System (the “**System**”), and is one of a

duly authorized issue of bonds of the District designated "The Metropolitan Utilities District of Omaha, Water System Revenue Bonds, Series 2022" (the "Bonds") in the aggregate principal amount of \$ _____, issued under authority of and pursuant to Section 14-2142, Reissue Revised Statutes of Nebraska, 2012, as amended (the "Act"), and under and pursuant to the Resolution of the District adopted February 8, 2006 (the "Series 2006A Resolution"), as supplemented from time to time in accordance with the terms thereof, including by the Bond Resolution, and this Bond does not constitute a debt of the District within the meaning of any constitutional or statutory limitations of the State. Pursuant to the Act, this Bond has been issued by the District. The Bonds are payable as to principal thereof or redemption price and interest thereon, solely from Net Revenues (defined in the Bond Resolution to mean System Revenues, as defined in the Bond Resolution, after deducting Current Expenses, as defined in the Bond Resolution) of the System, and will have a first, but not exclusive, lien on such Net Revenues. Copies of the Bond Resolution are on file at the office of the District and at the principal corporate trust office of the Paying Agent, or its successor, and reference to the Series 2006A Resolution, the Bond Resolution and any and all supplements thereto, and modifications and amendments thereof, and to the Act, is made for a description of the pledge and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds are issued and may be issued thereunder.

This Bond has been initially delivered in book-entry form registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, acting as securities depository (the "Securities Depository") of this Bond. Registration and transfer of this Bond shall be subject to the provisions of the DTC Letter of Representation so long as DTC is acting as the Securities Depository.

As provided in the Bond Resolution, bonds of the District may be issued from time to time pursuant to supplemental resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and otherwise may vary, as provided in the Bond Resolution. The aggregate principal amount of bonds which may be issued under the Bond Resolution is not limited, except as provided in the Bond Resolution, and all bonds issued and to be issued under the Bond Resolution are and will be equally secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in the Bond Resolution.

The Series 2022 Bonds maturing on and before _____, 20__ are not subject to redemption prior to their respective maturity dates. The Series 2022 Bonds maturing on _____, 20__ are subject to redemption prior to maturity at the option of the District, in whole or in part in integral multiples of \$5,000, and if in part in such order of maturities as the District shall determine and by lot within a maturity, on _____, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal amount of the Series 2022 Bonds, plus accrued interest to the redemption date.

The Series 2022 Bonds maturing on _____, 20__ are subject to mandatory sinking fund redemption by lot on _____ of the years and in the principal amounts specified below, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date:

Years	Principal Amount
20__ (maturity)	\$

At its option, to be exercised on or before the 45th day next preceding each sinking fund redemption date, the District may (i) purchase and cancel any Series 2022 Bonds with the same maturity date as the

Series 2022 Bonds subject to such sinking fund redemption and (ii) receive a credit in respect of its sinking fund redemption obligation for any Series 2022 Bonds with the same maturity date as the Series 2022 Bonds subject to such sinking fund redemption which prior to such date have been redeemed (otherwise than through the operation of the sinking fund) and cancelled and not theretofore applied as a credit against any sinking fund redemption obligation. Each Series 2022 Bond so purchased and cancelled or previously redeemed shall be credited at the principal amount thereof to the obligation of the District on such sinking fund redemption date, and the principal amount of Series 2022 Bonds to be redeemed by operation of such sinking fund on such date shall be accordingly reduced.

Notice of any redemption of Series 2022 Bonds shall be given by the Paying Agent by sending a copy of such notice by first-class, postage prepaid mail, not less than 30 days prior to the redemption date, to the Owner of each Series 2022 Bond being redeemed. Such notice shall specify the number or numbers of the Series 2022 Bonds so to be redeemed (if redemption shall be in part) and the redemption date. If any Series 2022 Bond shall have been duly called for redemption and if, on or before the redemption date, there shall have been deposited with the Paying Agent in accordance with this Resolution funds sufficient to pay the redemption price of such Series 2022 Bond on the redemption date, then such Series 2022 Bond shall become due and payable at such redemption date, and from and after such date interest will cease to accrue thereon. Failure to deliver any redemption notice or any defect in any redemption notice shall not affect the validity of the proceeding for the redemption of Series 2022 Bonds with respect to which such failure or defect did not occur. Any Series 2022 Bond redeemed prior to its maturity by prior redemption or otherwise shall not be reissued and shall be cancelled.

The Series 2022 Bonds are fully registered (i.e., registered as to payment of both principal and interest), and are issuable in denominations of \$5,000 or any integral multiple thereof (provided that no Bond may be in a denomination which exceeds the principal coming due on any maturity date and no individual Bond may be issued for more than one maturity). Upon surrender of any of such Bonds to the Registrar, with a written instrument satisfactory to the Registrar, duly executed by the registered owner or by his duly authorized attorney, such Bond may, at the option of the registered owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of such Bonds of the same maturity of other authorized denominations, upon payment of the charges and subject to such terms and conditions as set forth in the Bond Resolution.

The Registrar will not be required to transfer or to exchange (a) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of mailing by the Registrar of a notice of prior redemption of Bonds and ending at the close of business on the day of such mailing, or (b) any Bond after the mailing of notice calling such Bond or any portion thereof for prior redemption.

To the extent and in the manner permitted by the terms of the Bond Resolution, or any resolution amendatory thereof, the Bond Resolution may be modified or amended by the District with the written consent of the registered owners of at least 51% in principal amount of the Bonds then outstanding, with certain exceptions as provided therein. No such modification or amendment shall permit a change in the maturity or in the terms of redemption of the principal of any outstanding Bond or any installment of interest thereon, or a reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the registered owner of the Bond, or the creation of a lien on or a pledge of revenues ranking prior to the lien or to the pledge created by the Bond Resolution, or a reduction of the principal amount or percentages or otherwise affecting the description of the Bonds, the consent of the registered owners of which is required for any such modification or amendment, or the establishment of priorities as between Bonds issued and outstanding under the provisions of the Bond Resolution, or the modification of, or other effect on, the rights of the registered owners of less than all of the Bonds then outstanding.

This Bond is fully transferable by the registered owner hereof, in person or by his duly authorized attorney, shown on the registration books kept by the Registrar, upon surrender of this Bond, together with a duly executed written instrument of transfer satisfactory to the Registrar. Upon such transfer, a new fully registered Bond of authorized denomination or denominations of the same aggregate principal amount and maturity will be issued to the transferee in exchange for this Bond, upon payment of the charges and subject to such terms and conditions as set forth in the Bond Resolution. The District, the Registrar and the Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of making payment and for all other purposes.

This Bond is issued by the District for the purposes of defraying the costs of (i) the Project (as defined in the Bond Resolution), and (ii) paying certain costs associated with the issuance of the Bonds, all under the authority of and in full conformity with the Constitution and laws of the State, including, in particular, the Act, and pursuant to the Bond Resolution duly adopted by the District prior to the issuance of this Bond. This Bond and the interest thereon shall not be deemed to constitute a debt, liability or obligation of the District, or the State or any political subdivision thereof, within the meaning of any constitutional or statutory limitations, or a pledge of the faith and credit of the District, or the State or any political subdivision thereof, but shall be payable solely from the revenues pledged therefor, and the District is not obligated to pay this Bond or the interest thereon, except from the revenues and proceeds pledged therefor, and neither the faith and credit nor the taxing power of the District, or the State or any political subdivision thereof, is pledged to the payment of the principal of or the interest on this Bond.

The Bond Resolution provides that neither the members, directors or officers of the District, nor any person executing this Bond, shall be liable personally for this Bond or be subject to any personal liability or accountability by reason of the issuance of this Bond.

It is hereby certified and recited that all conditions, acts and things required by the constitution or statutes of the State or by the Bond Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed and that the issue of Bonds of which this Bond is one, together with all other indebtedness of the District, is within every debt and other limit prescribed by said constitution or statutes.

THE BOND RESOLUTION CONSTITUTES THE CONTRACT BETWEEN THE REGISTERED OWNER OF THIS BOND AND THE DISTRICT. THIS BOND IS ONLY EVIDENCE OF SUCH CONTRACT AND, AS SUCH, IS SUBJECT IN ALL RESPECTS TO THE TERMS OF THE BOND RESOLUTION, WHICH SUPERSEDES ANY INCONSISTENT STATEMENT IN THIS BOND.

This Bond shall not be valid or obligatory for any purpose until the Registrar shall have manually signed the certificate of authentication hereon.

IN TESTIMONY WHEREOF, said Board of Directors of The Metropolitan Utilities District of Omaha has caused this Bond to be signed and executed on behalf of the District by the manual or facsimile signature of its Chairperson of the Board of Directors and to be subscribed and attested with the manual or facsimile signature of its Secretary, as of the date specified above.

THE METROPOLITAN UTILITIES DISTRICT OF
OMAHA

Attest:

By _____
Chairperson of the Board of Directors

By _____
Secretary of the Board of
Directors

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Bond Resolution, and this Bond has been duly registered on the registration books kept by the undersigned as Registrar for such Bonds.

BOKF, NATIONAL ASSOCIATION,
as Registrar

By _____
Authorized Signatory

Date of Authentication: _____, 2022

[Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

Print or Type Name, Address and Social Security Number
or other Taxpayer Identification Number of Transferee

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ agent to transfer the within Bond on the Bond Register kept by the Paying Agent for the registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular.

Medallion Signature Guarantee:

[End of Form of Assignment]