

METROPOLITAN UTILITIES DISTRICT
OF OMAHA

**BOARD
OF
DIRECTORS**

**Bylaws and
Committee Guidelines**

Revised May 2019

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ARTICLE I.

OFFICER AND DUTIES

Section 1. Chairperson. The Chairperson of the Board of Directors shall be the presiding officer of the Board, a member ex-officio of all committees of the Board, and shall speak for the Board in making public announcements relating to District affairs.

The Chairperson and Vice-Chairperson shall be elected annually by a majority of the Board at the first regular meeting in January, and shall hold office until their successors are elected.

Section 2. President. The duties of the President are those customary to such office in addition to those duties specifically set forth within Neb. Rev. Stat. §14-2109. The President shall be the administrative head of the District and shall carry out the policies established by the Board. The President shall coordinate the activities of all departments of the District and be responsible to the Board therefor. The President shall present an annual “State of the District” report at a regular meeting of the Board in the first half of each new calendar year.

As Secretary to the Board, the President’s duties shall be those customary to such office in addition to those required by these Bylaws. The President shall record and keep the minutes of all Board meetings and be the official custodian of the records of the acts, proceedings and documents of the Board.

Section 3. Senior Vice Presidents. The duties of the Senior Vice Presidents are to assist the President in the administration of the District. The Senior Vice Presidents shall carry out such specific duties and responsibilities as may be delegated to them by the President. In addition, one shall act in the stead of the President during the absence or disability of the President.

Section 4. Senior Vice President, General Counsel. The Senior Vice President, General Counsel shall be responsible to the Board and the President, shall be the chief consulting officer in all legal matters and shall have general control of all matters of legal import concerning the District.

ARTICLE II.

COMMITTEES

Section 1. Standing Committees. There are hereby created the following standing committees, each to consist of two or more Directors to be appointed annually by the Chairperson and subject to the approval of the Board:

- (1) Construction and Operation;
- (2) Accounts, Expenditures, Finance and Rates;
- (3) Judicial and Legislative;
- (4) Services and Extensions;
- (5) Personnel;
- (6) Marketing/Consumer Information;
- (7) Insurance and Pensions;
- (8) Security and Safety;
- (9) Audit;
- (10) Governance; and
- (11) Committee of the Whole.

Section 2. Duty and Power of Committees. These committees shall constitute fact-finding agencies whose duty it is to investigate questions within the natural scope of the function indicated by their title and to report the facts, together with the recommendation of the President, to the Board for action. No committee shall have power to act without the express approval or advance specific authority of the Board.

Section 3. Ex-officio Members. The President and Senior Vice Presidents shall be ex-officio, nonvoting members of all committees.

Section 4. Time for Report. The time allowed by these Bylaws for a committee report may be fixed, extended or waived by a majority of the full Board. In the absence of an order of the Board to report, a committee may report at its own pleasure.

Section 5. Superior Power of Board. Except as otherwise specifically provided by these Bylaws, reference of a matter to a committee shall not be an essential prerequisite to action by the Board.

ARTICLE III.

NOTICE OF MEETINGS

Section 1. Notice to Directors. Each Director shall be given a notice of meeting, delivered to the address designated by the Director for the receipt of such notices, not less than five days before the meeting, if the time and place are known, or immediately upon determination of the time and place of the meeting if less than five days remain between such determination and the time of the meeting.

An agenda of the meeting shall be delivered to the address designated by each Director as soon as it becomes available and not later than 4:00 p.m. of the Monday prior to a regular meeting, nor later than 3:00 p.m. of the day prior to a special meeting.

Notice of other called meetings shall be given to the Directors by telephone as soon as the time, place and subjects are determined. Notice of an emergency meeting, identifying the nature of the emergency, shall be given to the Directors by telephone.

Section 2. Notice to Public. Notice of meetings, except emergency meetings, shall be posted on the first floor of the District's Headquarters Building and published in the Omaha World-Herald newspaper, stating the time and place of such meeting and that a current agenda of the meeting is available for public inspection at the Office of the President.

Notice shall be made not less than five days before the meeting if the time and place are known, or immediately upon determination of the time and place of the meeting if less than five days remain between such determination and the time of the meeting. The agenda shall be kept current and shall be available in the Office of the Secretary and President for public inspection no later than 4:00 p.m. of the Monday preceding a regular meeting, nor later than 3:00 p.m. of the day preceding a special meeting, and as soon as subjects of any other meetings (except emergency meetings) are determined.

The Secretary shall maintain a list of news media requesting notification of meetings and shall make reasonable efforts to provide advance notification to them of the time and place of each meeting, including emergency meetings, and the subjects to be discussed at that meeting.

Section 3. Agenda—New Matter. An agenda of matters to be considered at any regular meeting of the Board shall be prepared by the Secretary and delivered to each Director by 4:00 p.m. of the Monday prior to the meeting.

Any matter shall be placed upon the agenda at the request of a Director if made by 3:00 p.m. of the Monday prior to the meeting.

No new matter shall be considered at that meeting, except matters of an emergency nature by consent of the majority of the full Board.

Section 4. Waiver of Notice. A Director present without notice at a meeting may enter into the minutes an express waiver of notice of the meeting.

ARTICLE IV.

REGULAR MEETINGS

Section 1. Time of Meeting—Quorum. Regular meetings shall be held in the District’s Headquarters Building or at such places within the District as may be designated by the Chairperson on the first Wednesday or any other date as designated by the Chairperson, of each month at 9:00 a.m. The Chairperson may designate a different time for any regular meeting.

A majority of the full Board shall constitute a quorum, but a meeting can be recessed by a smaller number of Directors until a quorum can be obtained.

If a regular meeting day falls on a holiday, the meeting shall be held on a date designated by the Chairperson.

Section 2. Important Matters Before the Full Board. The Chairperson shall arrange, insofar as possible, that all especially important matters and all matters of general policy shall be placed upon the agenda when it is known that the Directors, excepting those who may be under disability or absent from the District at the time, can be present.

Section 3. Agenda—New Matter. An agenda of matters to be considered at a regular meeting shall be prepared by the Secretary and delivered as provided in Article III. Any matter shall be placed upon the agenda at the request of any Director if made by 3:00 p.m. of the Monday prior to the meeting.

No new matter shall be placed on the agenda for consideration and action at that meeting, except items of an emergency nature, which may be considered by a consent of the majority of the Board.

Section 4. Recess. Regular meetings may be terminated by adjournment or may be continued by recessing until a stated day and time prior to the next regular Wednesday meeting, but no new matter, except items of an emergency nature, can be acted upon when reconvened after recess.

Section 5. Roll Call Vote. Any action taken on any question or motion, duly moved and seconded, shall be by roll call vote of the Board in open session and the minutes shall state how each Director voted, or if the Director was absent or not voting.

Section 6. New Matter May Be Laid Over. Upon request of a Director, any new matter which has not previously been considered by a committee, shall be laid over once until the next regular meeting.

Upon request of a Director, any new matter which has previously been considered by a committee shall be laid over once until the next regular meeting unless the request is denied by a majority vote of the full Board. A majority of the full Board may lay over any new matter until the next regular meeting or for a longer period of time.

Section 7. Majority of Full Board Must Vote. Any action taken shall require the affirmative vote of a majority of the full Board, except action taken to fill a vacancy on the Board, which action may be taken by the remaining Directors.

Section 8. Copies of Minutes to Directors. Each Director shall receive a copy of the minutes of the previous meeting of the Board within 10 working days after such meeting, but not later than the morning of the next succeeding meeting, whichever occurs earlier.

Section 9. Proxies. No Director may vote by proxy.

Section 10. Chairperson Pro Tem. In the absence of the Chairperson and Vice-Chairperson, a Chairperson pro tem may be elected by a majority of the remaining Board Members.

Section 11. Electronic Communications. The Secretary may deliver such documents referenced herein via electronic means so long as such delivery is determined to be secure. A Director may also request such delivery to be made via United States Postal Service delivery.

ARTICLE V.

SPECIAL MEETINGS

Section 1. Call and Notice of Special Meetings. Special meetings of the Board may be held at any time in the Headquarters Building of the District, or at such places within the District as may be designated by the Chairperson, upon call of the Chairperson or at the request of two Directors made to the President. Notice of the special meeting and the particular business to be considered shall be delivered to each Director as provided in Article III.

Section 2. Majority of Full Board Must Vote. No action shall be taken at any special meeting except upon the affirmative vote of a majority of the full Board.

Section 3. Minutes. Minutes of a special meeting shall be kept and reported to the Board at the next regular meeting.

ARTICLE VI.

CLOSED SESSIONS AND EMERGENCY MEETINGS

Section 1. Notice. Each Director shall receive notice of the time and place of such a meeting. Notice to the public shall be given as provided in Article III.

Section 2. Closed Sessions. The Board may hold a closed session by the affirmative vote of a majority of Directors in attendance at a meeting if a closed session is clearly necessary for the protection of the public interest or the prevention of needless injury to the reputation of an individual and if such individual has not requested a public meeting. Closed session shall comply with Neb. Rev. Stat. §84-1410 as it may be amended from time to time. The subject matter and the reason necessitating the closed session shall be identified in the motion to close.

Section 3. Emergency Meetings. When an emergency exists, the Board may hold an emergency meeting either at the District's Headquarters Building or other designated place within the District, or by means of electronic or telecommunication equipment.

Minutes shall be kept of the meeting and any action taken shall pertain only to the emergency, the nature of which must be stated within the minutes. Such meeting may be called by the Chairperson or at the request of any two Directors made to the President.

ARTICLE VII.

ORGANIZATIONAL CHART

Section 1. Organizational Chart. The President shall prescribe an organizational chart for the District and fix the duties and responsibilities of the several departments, and the officers and employees thereof, including the Senior Vice Presidents, except as otherwise provided by these Bylaws, and except the President and the Senior Vice President, General Counsel.

ARTICLE VIII.

EMPLOYMENT

Section 1. Salaries. The salaries or other compensation of all officers and employees shall be fixed by general rule or classification, except those that require a recorded vote of the Board by law.

Section 2. Selection of Employees. The President, Senior Vice Presidents and Senior Vice President, General Counsel shall be selected by the Board. All other employees shall be selected by the President, in conformance to the established personnel practices and procedures of the District.

Section 3. Directors Not to Interfere. Employment, promotion and demotion of employees shall be governed by the District's established personnel practices and procedures, without interference by any Director. Any concerns in this area by a Director shall be addressed to the President only.

Section 4. Directors Not to Solicit Officers and Employees. No Director shall solicit any officer or employee for contributions or donations to any funds or drives, or sell tickets to any officer or employee for such purposes. The President shall notify all Board members if a Director violates this section.

Section 5. Directors Not to Be Hired. No Director shall be hired by the District in any capacity as an employee or consultant until such time as they have been off of the board for a period of one year.

ARTICLE IX.

MISCELLANEOUS

Section 1. Annual Budget. An annual budget shall be adopted by the Board. No substantial departure that would exceed the total approved budget shall be made without first obtaining the approval of the Board.

Section 2. Monthly Report by President. The President shall make a monthly report to the Board concerning the operations of the District for the previous month.

Section 3. Special Terms for Sales or Service. No special rates, discounts, concessions, terms or favors of any character, either individually or by class, shall be granted without the approval of the Board.

Section 4. Formal Public Statements. All formal public statements of Board policy shall be approved by the Board prior to publication.

Section 5. Inspection of Public Records. Public records of the District shall be subject to inspection and examination by the public during business hours when a written request is made in good faith to the President or the Senior Vice President - General Counsel. Public records shall be provided in accordance with the Nebraska Public Records Act, Neb. Rev. Stat. §84-712 through 84-712.09, as amended.

Section 6. Obligation of Contracts. These Bylaws shall not be applied so as to impair the obligation or contracts or of vested rights.

Section 7. Directors, Officers and Employees—Legal Action. If any legal action shall be brought against any Director, the President, any Senior Vice President, the Senior Vice President, General Counsel, any Vice President or any other District employee based upon the negligent error or omission of such official or employee while in the performance of his or her lawful duties, the District shall defend such official or employee against such action. If final judgment is rendered against such official or employee, the District shall pay such judgment in his or her behalf and shall have no right to restitution from such official or employee.

ARTICLE X.

SUSPENSION OF BYLAWS

Section 1. Suspension of Bylaws. These Bylaws may be suspended for a particular meeting by the vote of a majority of the full Board to the extent made necessary by a serious emergency, the nature of the emergency being described in the motion or resolution.

ARTICLE XI.

AMENDMENT TO BYLAWS

Section 1. Amendment. These Bylaws may be amended by the affirmative vote of a majority of the full Board. The proposal for amendment shall be made in writing at a regular meeting and shall be laid over, to be acted upon not earlier than the second succeeding regular meeting.

Part II
Committee Guidelines of the Board of Directors
Metropolitan Utilities District of Omaha

This document provides guidelines for matters referred to the various Board committees. The 10 standing committees are:

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The Chairperson of the Board may appoint ad hoc committees (e.g. Strategic Planning).

Specific topics may be forwarded to more than one committee for consideration.

I. ACCOUNTS, EXPENDITURES, FINANCE AND RATES

Items related to the accounting and financial functions of the District are referred to this committee. They include:

- All District disbursements including procedures for issuing warrants and checks.
- Weekly disbursements.
- Monthly reports of income and finances including schedule of investments.
- All investment funds except pension funds.
- Annual operating budget.
- Annual financial audit.
- Gas and water rates, uniform charge rates for main extensions, gas service policy, connection charges, capital facilities charges and all other fees and customer charges (e.g., Billing Price Book).
- Gas supply contracts (jointly with Construction and Operations Committee).
- Gas and water supply mains and contracts to serve new or existing franchised areas (e.g., Springfield, La Vista, Bellevue, Waterloo, Bennington, Fort Calhoun) to be jointly considered with Construction and Operations Committee.
- Fire hydrant levy and rates (e.g., rates for temporary usage and connections, and private hydrant maintenance fees).
- Collection policies, charge-off of uncollected bills, turnoff policies, budget plan, cashiering, customer service.
- Outside services related to the accounting and financial functions, including actuarial and auditors, information systems.
- Revenue bonds, including all related fees.

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- Plant retirement charges to the reserve depreciation.
 - Treasurer's reports.
 - Write-offs of uncollectible accounts.
 - Purchasing gas and water systems from others or franchise agreements with outlying communities (e.g., Bellevue, Springfield, La Vista, Waterloo, Bennington, Fort Calhoun). Matters relating to costs of main extensions, connections and other costs.
 - Renting/leasing excess property not declared surplus.
 - Contracts with City of Omaha and other entities for collecting user fees.

II. CONSTRUCTION AND OPERATIONS

Items referred to this committee include capital improvements to District facilities, engineering operations and maintenance of those facilities, specifically:

- Design and construction of all new plant facilities.
- Renovating, remodeling or revisions of all existing plant facilities.
- Purchasing all materials and equipment.
- Maintaining all facilities including replacements (e.g., pumps, engines, valves, regulator stations and main replacements).
- Service contracts for maintenance of buildings, grounds, equipment and distribution facilities; other services such as trash removal, security and barricading.
- Engineering and technical outside services contracts related to construction, operations, system planning, operations and maintenance planning and work load management.
- Gas and water mains for supply, transmission, reinforcement and replacement, relocations, excluding mains to serve new customers.
- Gas and water supply mains and contracts to serve new or existing franchised areas (e.g., Bellevue, Springfield, La Vista, Waterloo, Bennington, Fort Calhoun) to be jointly considered with Accounts, Expenditures, Finance and Rates on financing issues.
- Contracts for gas and water mains and all other District facilities, (e.g. change orders, final payments).
- Construction operations policies related to work by contract and/or District forces.
- Long-range master plans for orderly expansion of the gas and water supply and distribution system.

III. INSURANCE AND PENSIONS

The following items are referred to the Insurance and Pensions Committee:

- Investment policy for pension funds.
- Quarterly performance reports of the pension fund managers.
- Selecting fund managers.
- Any pension change not covered by the bargaining unit contract, such as for retired employees.
- Actuarial reports.
- Insurance matters relating to property and liability insurance.

IV. JUDICIAL AND LEGISLATIVE

Those items related to the functions of the Law Department and legislative activities affecting the District are referred to the committee and would more specifically include:

- Board of Directors Bylaws.
- Election activities (e.g., payments, certification of returns).
- Settlements of claims.
- Legislative activities (lobbying, position on legislative bills).
- Retaining outside counsel.
- District boundaries.
- Gas and Water Rules.
- Easements for construction of gas and water distribution mains and facilities and releases when no longer needed.
- Acquiring property and declaring surplus property.

V. MARKETING AND CONSUMER INFORMATION

Those items related to the functions of public information, marketing, customer service and community affairs are referred to this committee and will specifically include:

- Marketing policies, plans and programs.
- Demand-side management programs, integrated resource planning, conservation.
- Promotional activities.
- Public relations policies, plans and programs.
- Customer Information: CUSTOMER NEWS, Employee Speakers Bureau.
- Community relations, plans and programs, Heat Aid Fund.
- Advertising (policies, programs, safety).
- Participation in community affairs.

VI. PERSONNEL

Those items related to the functions of the Human Resource Department are referred to this committee and more specifically include:

- Personnel policy.
- Executive salary adjustments.
- Annual salary and benefit review for Supervisory, Professional and Administrative (SPA) employees.
- Promotional increases.
- Wage and benefit reviews for Operating, Administrative and Clerical (OAC) employees.
- Union negotiations for bargaining unit employees.
- All special training, safety, educational and health awareness programs.
- Contracts related to Human Resources, (e.g., management or personnel consultants).
- Special employment policies related to Equal Employment Opportunities Commission and other agencies of the state or federal government.
- Employment of and re-evaluation of positions for SPA employees.
- Retirement plan.
- Health, dental, disability and life insurance for employees.

VII. SERVICES AND EXTENSIONS

Those items related to gas and water mains for individual customers and real estate developments are referred to this Committee and more specifically include:

- Gas and water main extensions and policies, except for wholesale or franchised service, relocation work, or major reinforcing gas or water supply mains.
- Creation and rescission of gas and water main districts.
- Denials of private water lines.

VIII. SECURITY AND SAFETY

Those items related to the security of District facilities and safety of employees and the general public are referred to this Committee and more specifically include:

- Workplace hazards.
- Department of Homeland Security regulations and programs.
- Physical security measures.
- Personal injury and vehicle accident statistics.

IX. AUDIT

The Audit Committee exists to ensure the integrity and efficiency of the entire audit process, as well as the system of internal controls and financial reporting. An effective Audit Committee should have open lines of communication with management, internal auditors and outside auditors. Responsibilities of the Audit Committee more specifically include:

- Review and approval of all aspects of auditing, both internal and external.
- Oversight of risk management.
- Oversight of financial statements and internal controls.

X. GOVERNANCE

Those items related to the Board's exercise of its governing authority are referred to this Committee and more specifically include:

- Review proposed amendments to the Bylaws.
- Review matters of parliamentary procedure.
- Assist the Board in matters that enhance the effectiveness of the Board in carrying out its governing function.

XI. COMMITTEE OF THE WHOLE

The Committee of the Whole is comprised of all members of the Board operating under informal rules to review subjects of common interest to all members.
