

METROPOLITAN UTILITIES DISTRICT

Committee Meetings

3:00 PM

August 6, 2020

AGENDA

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

Construction and Operations – Friend, Frost, Cavanaugh

1. Capital Expenditures [Dave DeBoer – SVP, Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates [Dave DeBoer – SVP, Chief Operations Officer] – **Tab 6**
3. Bids on Materials and Contracts [Jon Zellars – VP, Procurement & Enterprise Services] - **Tab 7**

Services and Extensions – Friend, Begley, Howard

1. Main Extensions [Cory O'Brien - VP, Engineering and Construction] - **Tab 9**

Personnel – Begley, Frost, Friend

1. Wage and/or Salary Increases and Ratifications [Bonnie Savine – VP, Human Resources] - **Tab 10**
2. Blue Cross Blue Shield Health Insurance Policy Administration Update [Mark Mendenhall – SVP & General Counsel and Bonnie Savine – VP, Human Resources]

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

1. Financial Impact of COVID-19 [Joseph Schaffart – SVP, Chief Financial Officer] - **Tab 14**

Judicial and Legislative – Cook, Cavanaugh, Howard

1. Legislative Update [Rick Kubat - Governmental Relations Attorney] – **Tab 11**

METROPOLITAN UTILITIES DISTRICT

Regular Meeting

3:45 PM

August 6, 2020

AGENDA

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Board Meeting for July 2, 2020
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Bids on Materials and Contracts
8. Notice of Purchases Between \$25,000 and \$50,000
- SERVICES & EXTENSIONS 9. Main Extensions
- PERSONNEL 10. Wage and/or Salary Increases and Ratifications
- JUDICIAL & LEGISLATIVE 11. Legislative Update
- BOARD 12. Other Matters of District Business for Discussion
13. CLOSED SESSION – Real Estate Matters

METROPOLITAN UTILITIES DISTRICT

Minutes of Committee Meetings

July 2, 2020

Introduction

At 8:15 a.m., Chairperson Gwen Howard called to order the Committee Meetings for the Metropolitan Utilities District Board of Directors at the Omaha Douglas Civic Center's Legislative Chamber at 1819 Farnam Street. She announced that the meeting marked the first return to an in-person venue since the District's March 5, 2020 meeting, after which Governor Ricketts' Executive Order 20-24 authorized public bodies to meet virtually due to the COVID-19 pandemic. The expiration of the Executive Order on June 30, 2020 reestablished the Nebraska Open Meetings Act requirements for public bodies to meet in-person. Chairperson Howard urged meeting attendees to continue to abide by health officials' recommended precautionary guidelines for wearing facemasks and maintaining social distancing. Chairperson Howard announced that the meeting was broadcast live.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on June 21, 2020, and its online version from June 21 through June 27, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Agendas and all pertinent documents to be presented at the July 2, 2020 Committee and Board Meetings were posted to the M.U.D. website on June 25, 2020.

Roll Call

On a roll call vote, the following Board Members acknowledged their attendance: Dave Friend, Jack Frost, Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook.

Safety Briefing

Vice-President of Safety, Security and Business Continuity Shane Hunter provided a safety briefing for all individuals in attendance at the Board Meeting regarding the protocol in the event of an emergency situation.

Open Meetings Act Notice

Chairperson Howard announced that a copy of the Open Meetings Act could be found on the wall of the Legislative Chamber.

Construction and Operations – Friend, Frost, Cavanaugh

Senior Vice-President of Safety, Security and Field Operations Steve Ausdemore reviewed the request for ratification of the capital expenditure for \$3.154 million for completion of the headquarters building renovation at 7350 World Communications Drive, as outlined in his letter to the Committee dated June 23, 2020. The

expenditure includes the audio/visual package, data design and miscellaneous security items. Mr. Ausdemore pointed out that the funding request approved at the February 6, 2020 Board Meeting stipulated that a future funding request would be sought in order to complete the renovation. Vice-President of Accounting Mark Myers provided a financial update on the project. A 'walk-through' video of the ongoing renovation project was also presented at the meeting.

Mr. Ausdemore presented Change Order No. 1 as outlined in the letter from Design Engineer and Project Manager Melissa Polito dated June 15, 2020, for audio/visual (AV) and data design at the new headquarters building. This item is being presented as a change order to the original contract with MCL because these building components had not yet been designed at the time the original bid documents for the headquarters renovation were prepared. (The \$1.36 million capital expenditure for the AV and data design is included in the renovation funding request of \$3,154,000 as previously presented by Mr. Ausdemore under the agenda heading "Capital Expenditure for Headquarters Renovation.")

Senior Vice-President and Chief Operations Officer Dave DeBoer reviewed proposed capital expenditures as outlined in his letter to the Committee dated June 23, 2020.

Mr. DeBoer reviewed the acceptance of contracts and payment of final estimates as outlined in his letter to the Committee dated June 23, 2020.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in his letter dated June 19, 2020.

Services and Extensions - Friend, Begley, Howard

Vice-President of Engineering and Construction Cory O'Brien reviewed the proposed main extensions as outlined in his letter to the Committee dated June 23, 2020.

Personnel - Begley, Frost Friend

Senior Vice-President and General Counsel Mark Mendenhall reviewed the proposed wage and/or salary increases and ratifications on behalf of Vice-President of Human Resources Bonnie Savine as outlined in her letter to the Committee dated June 22, 2020.

Judicial & Legislative – Cook, Cavanaugh, Howard

Governmental Relations Attorney Rick Kubat reported on the District's efforts to obtain financial reimbursement for COVID-related expenses as authorized under the federal CARES Act. His letter to the Committee dated June 24, 2020 reviewed the manner in which the funding distribution program is structured and administered and the various strategies currently available for obtaining funding. In response to efforts by M.U.D. and the Omaha Public Power District (O.P.P.D.), the Douglas County Board declared an emergency on Tuesday, June 30th, approving an allocation of \$4 million for utility assistance. M.U.D. and O.P.P.D. will each receive \$2 million and these

funds will be administered through the Dollar Energy Fund and other local nonprofit agencies between the present time and the end of the current year. Mr. Kubat pointed out that M.U.D. and O.P.P.D. have agreed to bear the administrative costs associated with the distribution of these funds. These costs are non-budgeted items for M.U.D.'s 2020 fiscal year. Director Cavanaugh thanked Mr. Kubat and the M.U.D. team for their outstanding work in securing funding at a critical time. Chairperson Howard urged Management to reach out to customers to ensure that needed information regarding the application process is accessible and available.

Chairperson Howard asked if anyone had any comments.

District employee Robert Nieto addressed the Board regarding the difficulties he recently experienced with the District's health insurance provider Blue Cross/Blue Shield when denied medical procedures recommended by his physician. Much discussion followed.

Director McGowan inquired as to how the District is meeting the operational challenges of having its employees working remotely. President Mark Doyle reported that operations are on pace, albeit in a different mode. He also reported that the District has administered several employee surveys electronically in an effort to discern areas in which the District could provide additional support to employees. He reported that the recent survey's 93% response rate was an indication of employees' commitment to the future success of the remote work life. He also reported that he read each of the employee responses, and that their comments were compelling and thoughtful and will help guide the District forward.

Chairperson Howard announced at 9:59 a.m. that the Committee Meetings were concluded and that the regular Board Meeting would convene at 10:10 a.m.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT
Minutes of the Regular Board Meeting
July 2, 2020

Chairperson Gwen Howard called to order the Metropolitan Utilities District Board of Directors regular meeting on July 2, 2020 at 10:10 a.m. in the Omaha Douglas Civic Center's Legislative Chamber at 1819 Farnam Street. Chairperson Howard reiterated that the meeting marked a return to an in-person public venue since March of 2020, when Governor Ricketts' Executive Order 20-24 authorized public bodies to meet virtually due to the COVID-19 pandemic. The expiration of the Executive Order on June 30, 2020 reestablished the Nebraska Open Meetings Act requirements for public bodies to meet in-person. Chairperson Howard urged meeting attendees to continue to abide by health officials' recommended precautionary guidelines for wearing facemasks and maintaining social distancing. Chairperson Howard announced that the meeting was broadcast live.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on June 21, 2020, and its online version from June 21 through June 27, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Agendas and all pertinent documents to be presented at the July 2, 2020 Committee and Board Meetings were posted to the M.U.D. website on June 25, 2020. Board documents were delivered to Board Members on June 24, 2020.

AGENDA NO. 1

ROLL CALL

On a roll call vote, the following Board Members acknowledged their attendance: Dave Friend, Jack Frost, Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook.

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

Chairperson Howard announced that a copy of the Open Meetings Act could be found on the wall of the Legislative Chamber.

AGENDA NO. 3

PLEDGE OF ALLEGIANCE

Chairperson Howard announced that the Pledge of Allegiance would be recited and invited all those in attendance to participate.

AGENDA NO. 4

APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR BOARD MEETING FOR JUNE 4, 2020

Director Frost moved to approve the minutes for the Committee Meetings and regular Board Meeting for June 4, 2020, which was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 5

CAPITAL EXPENDITURE FOR HEADQUARTERS RENOVATION

Director Friend moved to approve the capital expenditures as outlined in Mr. Ausdemore's letter to the Committee dated June 23, 2020, which was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: Begley

AGENDA NO. 6

CHANGE ORDER NO. 1 - HEADQUARTERS RENOVATION

Director Friend moved to approve the capital expenditures as outlined in Ms. Polito's letter to the Committee dated June 15, 2020, which was seconded by Director Frost and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 7

CAPITAL EXPENDITURES

Director Friend moved to approve the capital expenditures as outlined in Mr. DeBoer's letter to the Committee dated June 23, 2020, which was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 8

ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the acceptance of contracts and payment of final estimates as outlined in Mr. DeBoer's letter to the Committee dated June 23, 2020. The motion was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 9

BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve Management's recommendation regarding the District's security services contract as outlined in Mr. Zellars' letter dated June 19, 2020. The motion was seconded by Director Cook.

Brad Duffy, President of Per Mar Security Services, was permitted to address the Board prior to the vote, stating that his company (though not the lowest bidder) provided quality services during its recent three-year contract with the District.

Mr. Zellars and Mr. Hunter responded to questions from Board Members regarding the bid review process for security services. During the discussion it was explained that although the administration of the security services will be assumed by the new company, the security company employees currently working at the District will retain their positions.

Director Friend restated his original motion by presenting two separate motions. Director Friend moved to approve Management's recommendations regarding the bids on materials and contracts for all items listed in Mr. Zellars' letter dated June 19, 2020 except for the security services contract. The motion was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

Director Friend and Director Cavanaugh disclosed their previous work relationships several years prior with Management's recommended bidder (Signal 88). Director Friend requested Mr. Mendenhall's legal opinion as to whether his prior experience presented a conflict of interest. Mr. Mendenhall indicated no conflict was present due to lack of any direct or indirect association or benefit received since that time.

Director Friend moved to approve Management's recommendation for the District's security services contract for the period from August 3, 2020 through August 1, 2023, as outlined in Mr. Zellars' letter dated June 19, 2020. The motion was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

Abstain: Tim Cavanaugh

AGENDA NO. 10

MAIN EXTENSIONS

Director Friend moved to approve the main extensions as outlined in Mr. O'Brien's letter dated June 23, 2020, which was seconded by Director Begley and carried on a roll call vote.

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

AGENDA NO. 11

WAGE AND/OR SALARY INCREASES AND RATIFICATIONS

Director Begley moved to approve the wage and/or salary increases and ratifications as outlined in Ms. Savine's letter to the Committee dated June 22, 2020. The motion was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 12

OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Chairperson Howard asked if any Board Members or any member of the public had any comments to share. There were none.

AGENDA NO. 13

CLOSED SESSION

At 10:30 a.m., Director Begley moved to go into Closed Session for the purpose of discussing personnel matters. The motion was seconded by Director Friend and carried on a roll call vote.

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

At 10:55 a.m., Director Begley moved to return to Open Session which was seconded by Director Friend and carried on a roll call vote.

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

AGENDA NO. 14

PRESIDENT'S PERFORMANCE AND SALARY REVIEW

Director Friend moved to approve a cost of living adjustment (COLA) increase to Mr. Doyle's salary of 2.5% retroactive to March 1, 2020, plus a 5% progression increase effective May 1, 2020. The motion was seconded by Director Begley and carried on a roll call vote.

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

Chairperson Howard asked if any Board Members or anyone else had any comments to share. There were none.

Director Cavanaugh moved to adjourn the regular Board Meeting which was seconded by Director McGowan and carried on a roll call vote.

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

Voting No: None

The regular Board Meeting was adjourned at 10:59 a.m.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

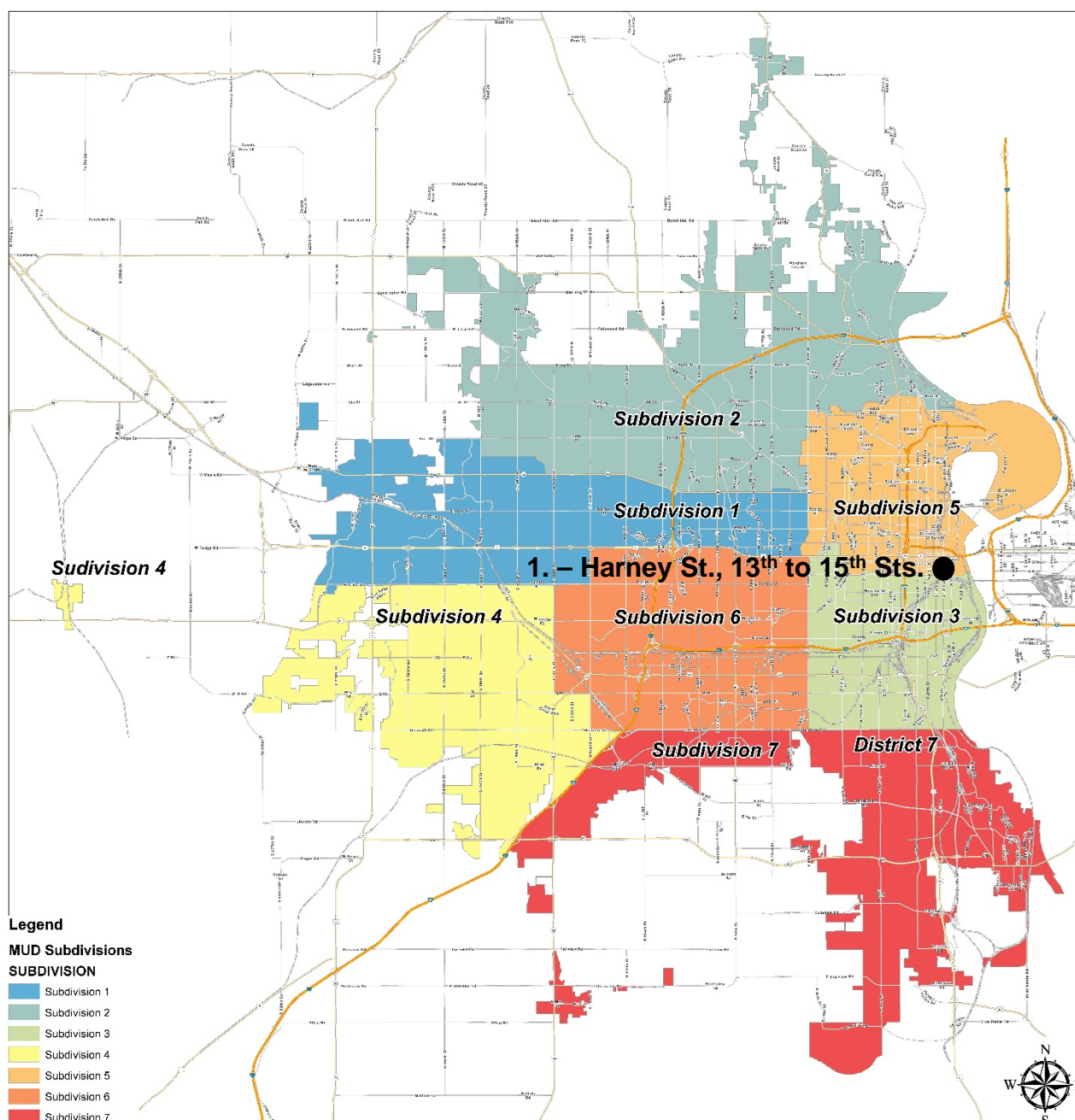
July 27, 2020

Subject: CAPITAL EXPENDITURES

To: Committee on Construction and Operations
cc: all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore and all Vice Presidents

From: Dave W. DeBoer, Senior Vice President, Chief Operations Officer

The following item will be on the August 6, 2020 Committee Agenda for consideration and the August 6, 2020 Board Agenda ratification:



SYSTEM IMPROVEMENTS

1. 100053001463 and associated job numbers – RATIFICATION - \$118,000 – Installed 40 feet of 12-inch water main and 40 feet of 8-inch water main, four chlorine tubes and 20 feet of 3-inch gas main inn Harney Street, 13th to 15th Streets. This work was required to eliminate conflicts with proposed steam and chilled water lines for Clearway Energy. This projected started in July. The work is reimbursable as it is private in nature. (Subdivision 5 – Cook)



Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

July 27, 2020

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

To: Committee on Construction and Operations
cc: all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore and all Vice Presidents

From: Dave W. DeBoer, Senior Vice President, Chief Operations Officer

Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
a. Est. 4 - Q3 Contracting, 100092001586, 100082000040-3, 100042000031, Gas main replacement 61 st 60 72 nd Sts., Spaulding to Maple Sts.	November 7, 2018	\$2,230,937.43	\$2,433,883.80	\$135,967.43

Comments: There was an increase in unit quantities of \$190,632.23 due to an underestimation of the amount of restoration required to complete the work and an increase of \$18,932.48 for traffic control, extra excavation needed for the installation of valves, protection plates and the lowering of new gas mains for the installation of ADA ramps. There was a decrease of \$6,618.34 for struck gas services, a struck gas main, failed compaction tests and downtime.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
b. Est. 2 - Kersten Construction, 100055001275, Install water mains in Wood Valley West 2, 147 th Ave. and King St.	March 6, 2019	\$148,616.50	\$192,613.85	\$66,241.05

Comments: There was a decrease in unit quantities of \$1,770.35 and increases of \$44,815.05 for Change Order No. 1 (additional shoring, wrapping of pipe and labor and material increases) and \$952.65 for additional items.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
c. Est. 3 - Cedar Construction, 100055001288, Install water mains in Shadow Glen North, Replat 1, 168 th and Locust Sts.	May 1, 2019	\$184,876.00	\$184,610.05	\$56,590.14

Comments: There was a decrease in unit quantities of \$2,765.95 and an increase of \$2,500.00 due to a remobilization by the contractor.

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



Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

July 23, 2020

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

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

From: Jon A. Zellars, Vice President, Procurement and Enterprise Services

The following items will be on the August 6, 2020 Committee Agenda for consideration and the August 6, 2020 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicted in italics.

WATER/GAS MAIN CONTRACTS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Install Water Mains in Blue Stem Meadows, NW of N 180 th and Blondo Streets 100055001328 WP1742 Engineering Estimate: \$502,517.00 (A C&A in the amount of \$633,942.00 will be presented to the Board on August 6, 2020 for approval.)	18/3	Cedar Construction Kersten Construction Valley Corporation	\$488,511.00 533,618.00 581,468.37
Install Water Mains in Blue Sage Creek 2, N of George B. Lake Parkway and "F" Street 100055001332 100057000480 WP1759 Engineering Estimate: \$353,705.00 (A C&A in the amount of \$420,318.00 will be presented to the Board on August 6, 2020 for approval.)	18/3	Kersten Construction Cedar Construction Pat Thomas Construction	\$328,498.00 337,852.00 435,302.00

Install Water Mains in Deer Creek Cul-De-Sac, 120 th Avenue Circle and Whitmore Street 100055001337 WP1765 Engineering Estimate: \$44,418.00 (A C&A in the amount of \$61,594.00 will be presented to the Board on August 6, 2020 for approval.)	18/5	Valley Corporation	\$44,350.55
		Pat Thomas Construction	49,538.40
		Cedar Construction	50,770.00
		Kersten Construction	59,171.00
		Becker Trenching	67,450.00

Install Water Mains in Remington West, S 200 th Street and Giles Road 100055001338 100057000483 WP1769 Engineering Estimate: \$867,584.00 (A C&A in the amount of \$1,020,379.00 will be presented to the Board on August 6, 2020 for approval.)	18/3	Kersten Construction	\$810,648.85
		Cedar Construction	832,948.00
		Valley Corporation	936,735.90

OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Install Replacement Valves at the Florence Water Production Facility 100083001117 WP1754 Engineering Estimate: \$175,000.00 (C&A for 100083001117 approved June 4, 2020 in the amount of \$258,959.00.)	8/2	Hawkins Construction	\$116,460.00
		Judds Bros Construction	134,500.00
15,000 yd ³ of Fill Dirt for Construction	6/2	Ronco	\$105,000.00
		Pink Grading	225,000.00

ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid/Bid Value#</u>
Quicklime Florence Water Treatment Plant (6,600 tons by rail) (September 1, 2020 to August 31, 2021)	9/4	Mississippi Lime	\$970,600.00/ 927,100.00
		<i>Pete Lien & Sons</i>	1,011,120.00/ 954,728.00
		<i>Graymont Western</i>	1,049,400.00/ 1,018,332.00

Quicklime
Platte South Water Treatment Plant
(3,500 tons by truck)
(September 1, 2020 to August 31, 2021)

9/4

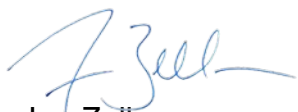
Graymont Western	\$553,000.00/
	536,110.00
<i>Pete Lien & Sons</i>	601,615.00/
	571,710.00
<i>Mississippi Lime</i>	631,365.00/
	602,782.00
<i>Lhoist North America</i>	1,022,840.00/
	1,058,980.00

Quicklime
Platte West Water Treatment Plant
(4,000 tons by truck)
(September 1, 2020 to August 31, 2021)

9/4

Graymont Western	\$632,000.00/
	612,697.00
<i>Pete Lien & Sons</i>	687,560.00/
	653,383.00
<i>Mississippi Lime</i>	721,560.00/
	688,894.00
<i>Lhoist North American</i>	1,179,320.00/
	1,220,623.00

#Bid Value based on percentage of available calcium oxide (CaO)



Jon Zellars
Vice President, Procurement and Enterprise Services
(402) 504-7253

Approved:



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



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

July 23, 2020

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

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

From: Jon Zellars, Vice President, Procurement and Enterprise Services

During the month of July, 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	9/3	NAPA Auto Parts	\$42,821.61
Equipment Filters		Factory Motor Parts	47,126.41
(August 1, 2020 to July 31, 2021)		O'Reilly Auto Parts	53,475.93



Jon Zellars
Vice President, Procurement and Enterprise Services
(402) 504-7253

Approved:



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



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

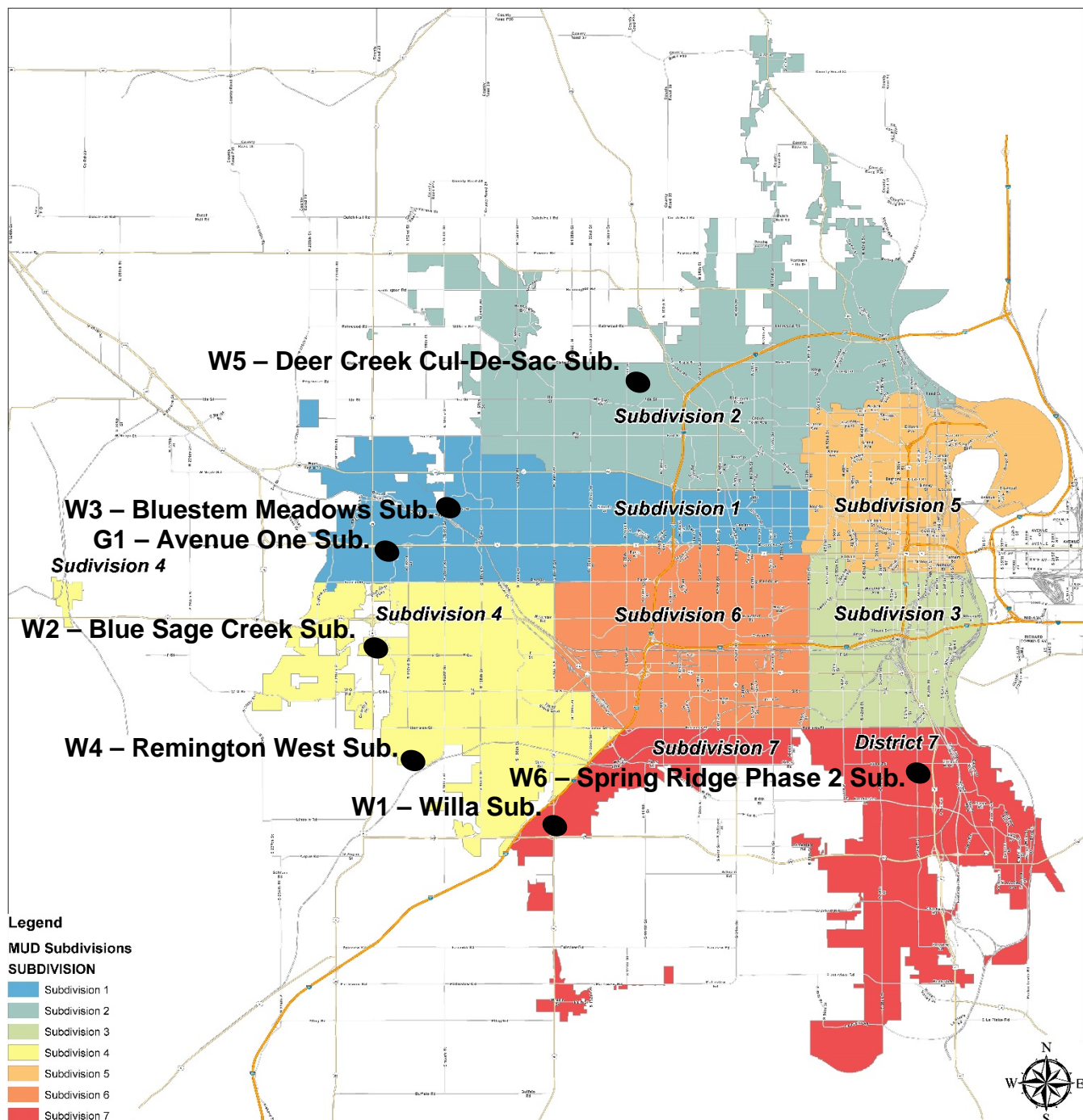
July 27, 2020

Subject: MAIN EXTENSIONS

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

From: Cory J. O'Brien, Vice President, Engineering and Construction

The following main extensions will be on the August 6, 2020 Committee Agenda for consideration and the August 6, 2020 Board Agenda for approval:



WATER					
1.	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1764	\$1,445,837	\$985,653	\$0	\$636,754
	Subdivision 7, Frost: These mains are being installed to provide domestic water service and fire protection to two industrial lots in Willa Subdivision, Hwy. 370 from 132 nd to 144 th Sts. The developer will pay for the 16-inch main from 144 th to 138 th Sts. Management is recommending the installation of approximately 2,790 feet of 16-inch water main from 138 th to 132 nd Sts. at an estimated District cost of \$636,754. This main will enhance reliability to the area. The District could potentially recover its cost from development along the main. There are pioneer main fees in the amount of \$176,570 due to the existing 24-inch water mains. Work is requested to be completed by November 2020. (City of Papillion zoning, Ryan Companies Us, Inc.)				
2.	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1759	\$420,318	\$519,010	\$0	\$0
	Subdivision 4, Cavanaugh: These mains are being installed to provide domestic water service and fire protection to 68 single-residence lots and one park lot in Blue Sage Creek 2 Subdivision, George B. Lake Pkwy. and "F" St. There are pioneer main fees in the amount of \$98,692 due to the existing 16-inch water mains. Work is requested to be completed by November 2020. (City of Omaha zoning, Lanoha Pacific, Inc.)				
3.	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1742	\$663,942	\$809,364	\$0	\$0
	Subdivision 1, Begley: These mains are being installed to provide domestic water service and fire protection to 109 single-residence lots in Bluestem Meadows Subdivision, 180 th and Blondo Sts. There are pioneer main fees in the amount of \$145,422 due to the existing 12-, 16- and 30-inch water mains. Work is requested to be completed by September 2020. (City of Omaha zoning, Blondo 180 LLC)				
4.	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1769	\$1,020,379	\$1,175,876	\$0	\$0
	Subdivision 4, Cavanaugh: These mains are being installed to provide domestic water service and fire protection to 237 single-residence lots in Remington West Subdivision, 200 th St. and Giles Rd. There are pioneer main fees in the amount of \$155,497 due to the existing 36-inch water mains. Work is requested to be completed by November 2020. (Sarpy County zoning, HRC Remington West, LLC)				

WATER (con't)					
	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1765	\$61,594	\$61,594	\$0	\$0
5.	Subdivision 2, Friend: These mains are being installed to provide domestic water service and fire protection to six single-residence lots in Deer Creek Cul-De-Sac Subdivision, 120 th Ave. Cir. and Whitmore St. Work is requested to be completed by October 2020. (City of Omaha zoning, Aldrich Holdings, LLC)				
	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
	WP 1771	\$154,908	\$52,669	\$102,339	\$0
6.	Subdivision 7, Frost: These mains are being installed to provide domestic water service and fire protection to 21 single-residence lots in Spring Ridge Subdivision, 21 st St. and Rose Lane Cir. These mains will be installed under the District's WCD policy. Work is requested to be completed by September 2020. (City of Bellevue zoning, Orchard Valley, Inc.)				

GAS						
	Project Number	Total Estimated	Cost		Allowable Revenue Credits Developer	Deficiency
			Developer Equivalent	Developer Estimate		
	GP 2511	\$128,337	\$84,548	\$75,070	\$42,325	\$32,745
1.	Subdivision 1, Begley: These mains are being installed to provide gas service to seven commercial and one multi-residence lot in Avenue One Subdivision, 192 nd St. and W. Dodge Rd. Additionally, three commercial lots in the Fountain Ridge East Subdivision, 187 th and Burke St., will be served. Management is recommending oversizing approximately 6,040 feet of main as a 4-inch main at an estimated District cost of \$43,789. The applicant has agreed to pay the cost of the deficiency in the amount of \$32,745. Work is requested to be completed by September 2020. (City of Omaha zoning, 192 nd & Dodge, LLC)					



Cory J. O'Brien
Vice President, Engineering and Construction

Approved:



Dave W. DeBoer
Senior Vice President, Chief Operations Officer



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

July 27, 2020

Subject: Wage and/or Salary Increases and Ratifications, August 2020 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, DeBoer, 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:	Randy Bird
Current position (department):	Utility Worker (Construction)
New position (department):	Crew Leader (Construction)
Current rate; step/grade:	\$37.48; Step 4
Proposed rate; step/grade:	\$39.56; Step 3
Percent of increase:	5.55%
District hire date:	April 10, 2000

Employee:	Nicholas Crampton
Current position (department):	Utility Worker (Construction)
New position (department):	Crew Leader (Construction)
Current rate; step/grade:	\$37.48; Step 4
Proposed rate; step/grade:	\$39.56; Step 3
Percent of increase:	5.55%
District hire date:	June 11, 2007

Employee:	Brian Foral
Current position (department):	Water Plant Maintenance Mechanic (Platte West Plant)
New position (department):	Water Plant Operator (Platte West Plant)
Current rate; step/grade:	\$35.01; Step 4
Proposed rate; step/grade:	\$37.41; Step 4
Percent of increase:	6.86%
District hire date:	May 24, 2004

Employee: Kurt Hulsing
Current position (department): Plant Maintenance Person I (Water Pumping – Florence)
New position (department): Chemical Equipment Mechanic I (Water Operations – Florence)
Current rate; step/grade: \$32.46; Step 4
Proposed rate; step/grade: \$35.76; Step 4
Percent of increase: 10.17%
District hire date: October 17, 2005

Employee: Connice Kelly
Current position (department): Customer Account Clerk II (Customer Accounting)
New position (department): Administrative Clerk III (Customer Accounting)
Current rate; step/grade: \$26.78; Step 4
Proposed rate; step/grade: \$28.15; Step 4
Percent of increase: 5.12%
District hire date: September 15, 2008

Employee: Zachary McDonnell
Current position (department): Utility Worker (Construction)
New position (department): Crew Leader (Construction)
Current rate; step/grade: \$37.48; Step 4
Proposed rate; step/grade: \$39.56; Step 3
Percent of increase: 5.55%
District hire date: June 26, 2006

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: Thomas Dillon
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: June 4, 2018

Employee: Nicholas Foreman
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: July 17, 2017

Employee: Kevin Hensel
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: May 29, 2018

Employee: Joseph Hubenka
Current position (department): Maintenance Mechanic Trainee (Maintenance)
New position (department): Maintenance Mechanic I (Maintenance)
Current rate; step/grade: \$30.83; Step 4
Proposed rate; step/grade: \$33.80; Step 2
Percent of increase: 9.63%
District hire date: March 14, 2011

Employee: Ronald Kates
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: May 21, 2018

Employee: Zachary Markham
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: May 29, 2018

Employee: Shane Moultroup
Current position (department): Apprentice Meter Mechanic (Meter Services)
New position (department): Meter Mechanic (Meter Services)
Current rate; step/grade: \$23.33; Step 2
Proposed rate; step/grade: \$27.52; Entry
Percent of increase: 17.96%
District hire date: July 29, 2019

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 when applicable. The effective date for these salaries will be the beginning of the next SPA pay period following board approval.

Employee: Richard Baird
Current position (department): Computer Aided Drafting Technician I (Engineering Design)
New position (department): Sr. Engineering Tech – Main Extension Coordinator (Engineering Design)
Current rate; step/grade: \$23.25; Step 1
Proposed rate; step/grade: \$71,973; SPA – 03
Percent of increase: 48.83%
District hire date: October 21, 2019

Employee: **Kenneth Clifford**
Current position (department): Group Leader (Construction)
New position (department): Construction Foreman (Construction)
Current rate; step/grade: \$43.72; Step 4
Proposed rate; step/grade: \$95,485; SPA – 04
Percent of increase: 5.00%
District hire date: March 25, 1996

Employee: **Chris Griesman**
Current position (department): Chemist I (Water Quality – Florence)
New position (department): Chemist II (Water Quality – Florence)
Current rate; step/grade: \$83,244; SPA – 02
Proposed rate; step/grade: \$87,406; SPA – 04
Percent of increase: 5.00%
District hire date: March 14, 2011

Employee: **Sarah Jones**
Current position (department): Utilization Engineer (Marketing)
New position (department): Design Engineer (Engineering Design)
Current rate; step/grade: \$97,826; SPA – 04
Proposed rate; step/grade: \$102,717; SPA – 05
Percent of increase: 5.00%
District hire date: November 18, 2013

Employee: **Kyle Krause**
Current position (department): Asst. Director, Water Production (Florence)
New position (department): Infrastructure Engineer (Infrastructure Integrity)
Current rate; step/grade: \$89,224; SPA – 04
Proposed rate; step/grade: \$93,685; SPA – 05
Percent of increase: 5.00%
District hire date: June 2, 2014

Employee: **Timothy Mixan**
Current position (department): Field Engineer I (Plant Engineering)
New position (department): Field Engineer II (Plant Engineering)
Current rate; step/grade: \$77,014; SPA – 01
Proposed rate; step/grade: \$80,865; SPA – 02
Percent of increase: 5.00%
District hire date: November 27, 2000

Employee: **Todd Pignotti**
Current position (department): Senior Mechanic (Transportation)
New position (department): Night Foreman, Transportation (Transportation)
Current rate; step/grade: \$40.71; Step 4
Proposed rate; step/grade: \$88,911; SPA – 04
Percent of increase: 5.00%
District hire date: September 23, 2013

Employee: **Kathryn Pulte**
Current position (department): Human Resources Generalist – Benefits (Human Resources)
New position (department): Manager, Compensation & Benefits (Human Resources)
Current rate; step/grade: \$82,867; SPA - 03
Proposed rate; step/grade: \$87,010; SPA - 05
Percent of increase: 5.00%
District hire date: December 18, 2018

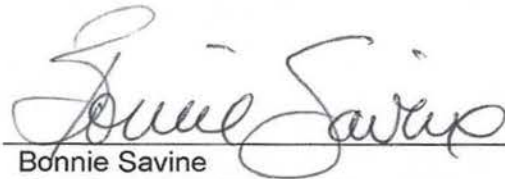
5. Supervisory, Professional and Administrative (SPA) New Hire Ratification

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.

Employee: **Guenevere Klug**
Current position (department): Water Analyst
Current rate; step/grade: \$66,752; SPA – 01
District hire date: July 27, 2020

Employee: **Marc McCoy**
Current position (department): Transportation Specialist
Current rate; step/grade: \$79,170; SPA – 03
District hire date: July 27, 2020

Employee: **Christopher Storm**
Current position (department): Building Operator
Current rate; step/grade: \$66,752; SPA – 02
District hire date: July 6, 2020



Bonnie Savine
Vice President, Human Resources

APPROVED:



Mark A. Mendenhall
Senior Vice President, General Counsel



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

July 27, 2020

Subject: FOURTH LEGISLATIVE REPORT – 2020 SESSION

To: Judiciary and Legislative Committee
cc: All Board Members; Doyle, Mendenhall, Ausdemore, DeBoer, Schaffart;
all Vice Presidents; Nowka

From: Rick Kubat, Government Relations Attorney

Provided below are updates on legislative positions taken by the Board of Directors from the 2019 and 2020 sessions. The Legislature is scheduled to adjourn on August 13. Major legislative items that have yet to be resolved include property tax credits, updating the state's business incentive program and a proposal for the state to contribute \$300 million over several years to the University of Nebraska Medical Center for a hazard disaster response center.

LB 148 (Groene) – Requires the public hearing on a proposed budget statement be held separately from any regularly-scheduled meeting of the governing body. The public hearing on the budget shall not be limited by time, and any member of the public desiring to speak on the proposed budget statement must be given a reasonable amount of time to speak. LB 148 also requires the governing body make a detailed presentation of the proposed budget statement and make at least three copies of the budget statement available to the public. Additionally, LB 148 requires budget notice be published in a newspaper of general circulation within the public body's jurisdiction and, if available, in a digital advertisement on such newspaper's website. The public body would be required to record the methods and dates of such notice in its minutes.

Board Position: Neutral
Status: Signed into law by the Governor

LB 150 (Brewer) – Permits political subdivisions to charge a fee for the fulfillment of public record requests by non-residents of Nebraska. Unlike the charge for Nebraska residents, the fee for non-residents would include a charge for the existing salary for public employees who do the work to fulfill the request. An exception is provided for news media regardless of their state of domicile.

Board Position: Support
Status: Remains in Gov't, Military and Veterans Affairs Committee

LB 242 (Lindstrom) – Provides for a turn-back of a portion of the 5.5% of state sales tax dollars collected for sewer and potable water services. The turn-back of revenue is specifically designated and earmarked for potable water and wastewater infrastructure assistance. As amended, LB 242 would turn-back 36% of the 5.5% of state sales tax dollars collected for water and sewer services from July 1, 2019 through June 30, 2021,

a turn-back of 56% of the 5.5% of state sales tax dollars collected from July 1, 2021 through June 30, 2023, and a turn-back of 76% of the 5.5% of state sales tax dollars collected after July 1, 2023. The legislation is supported by the Nebraska League of Municipalities, Omaha-Council Bluffs Metropolitan Area Planning Agency, Natural Resource District Rural Water Providers, Nebraska Chapter of Utility Contractors Association (NUCA), Nebraska Beef, Nebraska Coalition of Agriculture Manufacturers, Omaha and Lincoln Chambers of Commerce, and the Cities of Lincoln, Omaha, Beatrice, Hastings, Plattsmouth, Grand Island, Blair, South Sioux City and Waverly. LB 242 was prioritized by Senator Lindstrom and was debated by the full legislature on February 10. LB 242 likely had the support necessary to advance from General File, however the bill did not have the necessary votes to survive a filibuster (33 votes). Opponents of the bill were primarily concerned with the LB 242's fiscal note. The impact to the state's general fund is \$9 million per year in the first phase and results in roughly \$24 million per year when fully implemented at the 76% turn back rate. Senator Lindstrom will need to show the speaker a vote card with 33 votes for LB 242 to be placed back on the agenda.

Board Position: Support
Status: Senator Lindstrom priority, remains on General File.

LB 289 (Linehan) – LB 289 was introduced as a placeholder bill to allow the Revenue Committee to formulate an omnibus property tax relief proposal. As amended, the bill includes a three-quarter cent increase in state sales tax beginning July 1, 2019. LB 284 makes numerous statutory changes. These changes include, but are not limited to, altering the state aid to schools' formula, the elimination of some sales tax exemptions, increasing the cigarette tax and altering the real property valuation methodology. In accordance with previous direction from the Board, the Revenue Committee has been notified of the District's opposition to any proposed increase in state sales tax.

Board Position: Oppose any proposal to increase the state sales tax rate
Status: Placed on General File with various amendments

LB 368 (Hughes) – Eliminates all "overappropriated" references in state statute. LB 368 declares all basins previously deemed overappropriated as fully appropriated following the effective date of the legislation. It requires surface water controls be included in an integrated management plan and be adopted by the Department of Natural Resources (DNR) to maintain compliance with any compact, decree, formal state contract or agreement. LB 368 would require the DNR to manage reservoirs in fully-appropriated river basins. Such reservoirs shall not exceed 80% of capacity prior to March 1 of any year so that said structures would be capable of capturing snow melt and runoff. The DNR would develop a management plan for such structures as part of an integrated management plan.

Board Position: Neutral
Status: Indefinitely Postponed

LB 412 (Geist) – Requires a vote of the registered voters of political subdivisions before a joint public agency could be created. The political subdivisions would be prohibited from entering into an agreement until the voters of each political subdivision have approved the creation of the joint agency.

Board Position: Neutral
Status: Remains in Gov't, Military and Veterans Affairs Committee

LEGISLATION INTRODUCED IN THE 2020 SESSION

MANAGEMENT'S RECOMMENDATIONS

LB 749 (Blood) – Enacts the Nebraska Anti-Terrorism Act, which creates new felony offenses for engaging in terrorist activities in Nebraska. Creates a new felony offense for introducing poisons or harmful chemicals into waters of the state or any food, drink or medicine.

Board Position: Support
Status: Remains in Judiciary Committee

LB 802 (Hughes) – Finds and declares the right to use ground water is an attribute of owning fee simple title to land overlaying the source of the ground water and is inseparable from the land to which the right applies. LB 802 does not alter, modify or change the regulatory authority granted under the Nebraska Ground Water Management and Protection Act. The proposed legislation does not alter or change in any way the District's water rights. LB 802 is a re-statement of the common law as applied in Nebraska.

Board Position: Neutral
Status: Remains in Natural Resources Committee

LB 845 (Groene) – Allows property owners of augmentation projects for streamflow enhancement to sell the above ground real property and retain the rights to ground water. LB 845 is offered primarily to address the Nebraska Cooperative Republican Platte Enhancement project (N-CORPE) public ownership of land used to augment streamflow to meet compact compliance with Kansas.

Board Position: Neutral
Status: Remains in Natural Resources Committee

LB 890 (Hilgers) – Specifically allows political subdivisions to use "design-build," a one-step bidding process for water, waste water, utility or sewer construction projects. LB 890 provides permissive authority to political subdivisions in terms of another way to bid predominantly large projects. LB 890 has been amended into LB 790 via AM 2436 and has advanced to Select File.

Board Position: Support
Status: Amended into LB 790 and placed on Select File

LB 899 (Hughes) – Authorizes public power districts to develop, manufacture, use, purchase or sell biofuels or biofuel byproducts to reduce greenhouse emissions. LB 899 was introduced on behalf of Nebraska Public Power District (NPPD). The bill provides clarity that NPPD can process and sell energy from Monolith Materials via the hydrogen that is collected as a byproduct of carbon black manufacturing. LB 899 provides all public power districts the authority to manufacture and sell biofuel energy byproducts if the process reduces greenhouse gasses.

Board Position: Neutral
Status: Senator Moser priority, placed on Final Reading

LB 933 (Crawford) – Changes provisions regarding the discontinuance of gas, water or electric utility services. Provides that utilities may not charge a fee more than “reasonable costs” for the disconnection or reconnection of services. Current law provides that a “duly licensed physician” may certify that a customer has an existing illness or handicap which would cause the customer to suffer an immediate and serious health hazard due to disconnection of utility service. LB 933 adds physician assistant and advanced practice registered nurse as medical providers to those who may make such certification. The District will be further required to provide service termination information on our web site and available by mail upon request. LB 933 has been amended into LB 632.

Board Position: Neutral
Status: Amended into LB 632 and placed on Select File

LB 1109 (Chambers) – Provides a sales and use tax exemption for furnishing water services.

Board Position: Support
Status: Remains in Revenue Committee

LB 1201 (Bostelman) – Creates the Flood Mitigation and Planning Task Force. The duties include examining and coordinating flood planning and mitigation efforts in Nebraska and to develop strategies to address flooding. Requires reporting to the Legislature’s Executive Committee. Task Force members include the Directors of Natural Resources, Environment and Energy, State Engineer, Nebraska Emergency Management Agency, Agriculture, a representative from a natural resource district, and chairperson of the Natural Resources Committee.

Board Position: Support
Status: Placed on General File

LB 1205 (McCollister) – Creates the Renewable Energy Standards Act. LB 1205 requires public power suppliers to phase in an increased amount of power generation capacity to come from renewable energy sources. These sources include solar, wind, waste management, a cogeneration facility, an agricultural crop or residue energy generation facility or wood burning facility. Before the end of 2022, renewable power generation capacity equal to 35% of the supplier’s median annual generation for calendar years 2019 through 2021. Before the end of 2026, renewable power generation capacity equal to

50% of the supplier's median annual generation for calendar years 2023 through 2025. Before the end of 2030, renewable power generation capacity equal to 75% of the supplier's median annual generation for calendar years 2027 through 2029.

Board Position: Oppose
Status: Remains in the Natural Resources Committee



Richard A. Kubat
Government Relations Attorney

Approved:



Mark Mendenhall
Senior Vice President/General Counsel



Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Departmental Communication

July 28, 2020

Subject: FINANCIAL IMPLICATIONS OF COVID-19 PANDEMIC

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

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

The COVID-19 pandemic has caused world-wide hardship and disruption, which is most certainly being felt by the Metropolitan Utilities District and our customer owners. In response to the pandemic, we have been conducting a daily call with the management team to address the widespread challenges associated with this ongoing event; this call has been occurring since mid-March. Additionally, we are closely monitoring the financial implications of the pandemic to enable us to take the necessary steps to preserve the financial strength of the District. In the pages to follow, I will address:

- 1) Unemployment statistics
- 2) Metrics that we are using to monitor the impact of the pandemic, including Accounts Receivable statistics as well as statistics on the increase in customers eligible for shut off
- 3) Spending associated with COVID-19
- 4) Measures to preserve our financial strength
- 5) Unrestricted cash balances

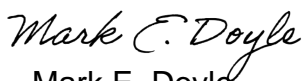
The employees of the District have performed in an exemplary manner during this unprecedented event as we continue to provide life essential services to our customers. We have remained sensitive to the hardships faced by our customers as evidenced by our decision to suspend late fees and shut offs for a period of time. We also successfully advocated for CARES Act funding from Douglas County to assist qualifying customers in paying their utility bills. To mitigate the financial impact of the pandemic, we have deferred a portion of capital spending as well as the hiring of selected staff additions that were reflected in the 2020 budget. Additionally, we will be seeking reimbursement for pandemic-related spending from FEMA, the state and the county.

The support and guidance of the Board is appreciated as we continue to respond to this challenge. The documents attached and referred to above will be on the Committee Agenda for the August 6, 2020 Board meeting. Please advise with any questions on the material attached.



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

Approved:



Mark E. Doyle
President

Attachments

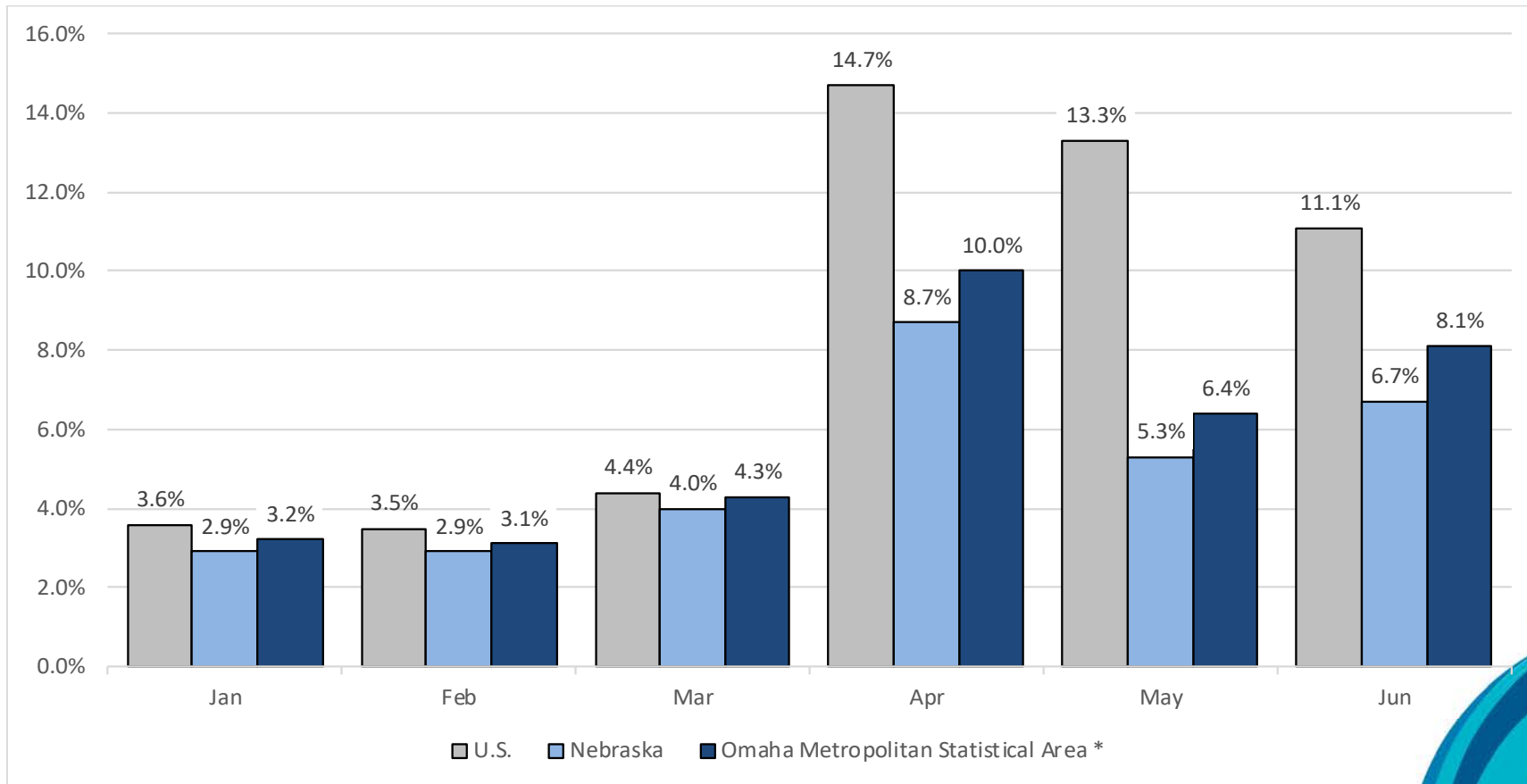
Financial Implications of COVID-19

August 6, 2020



Unemployment Statistics

Per U.S. Bureau of Labor Statistics

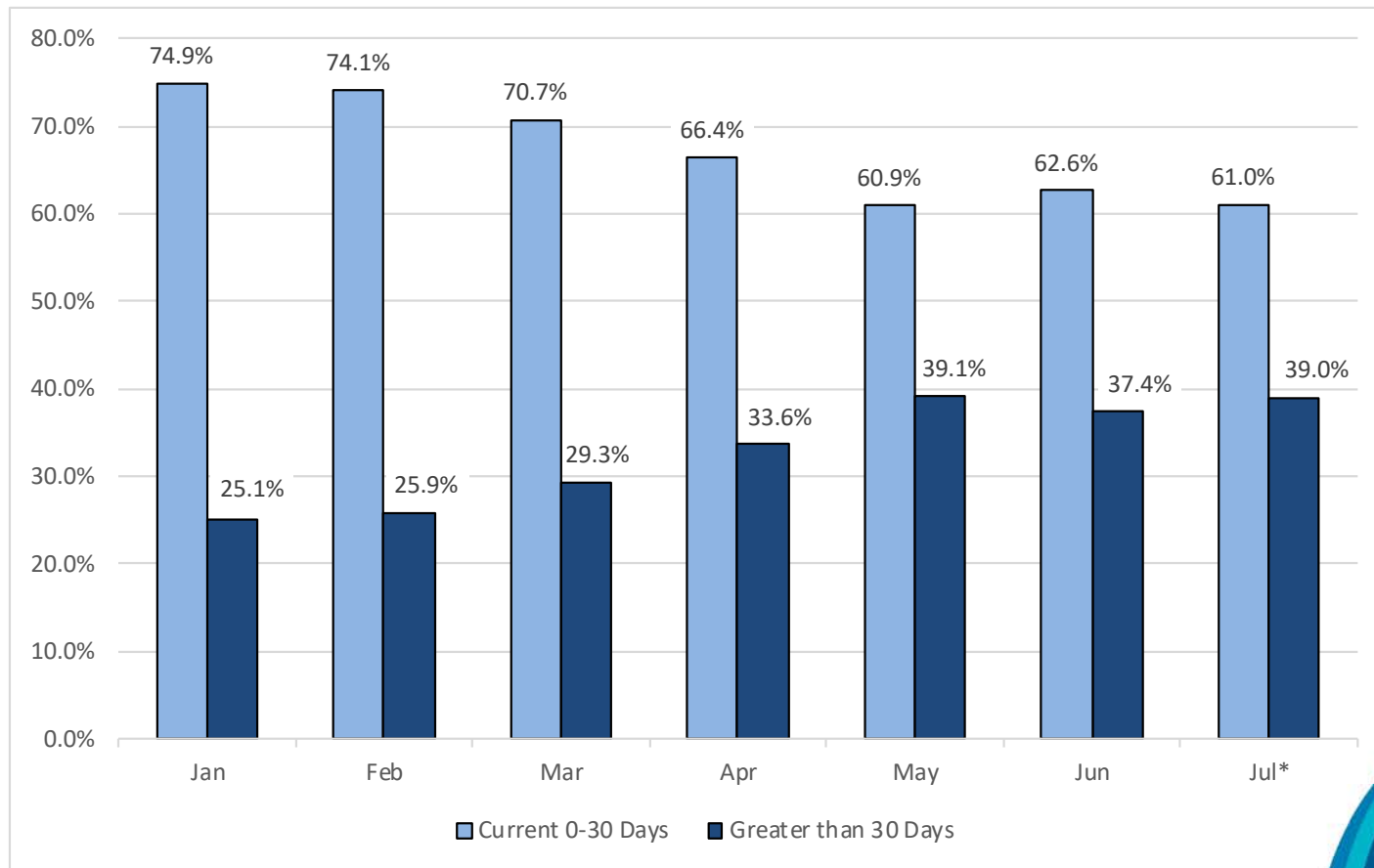


* Omaha Metropolitan Statistical Area comprised of:

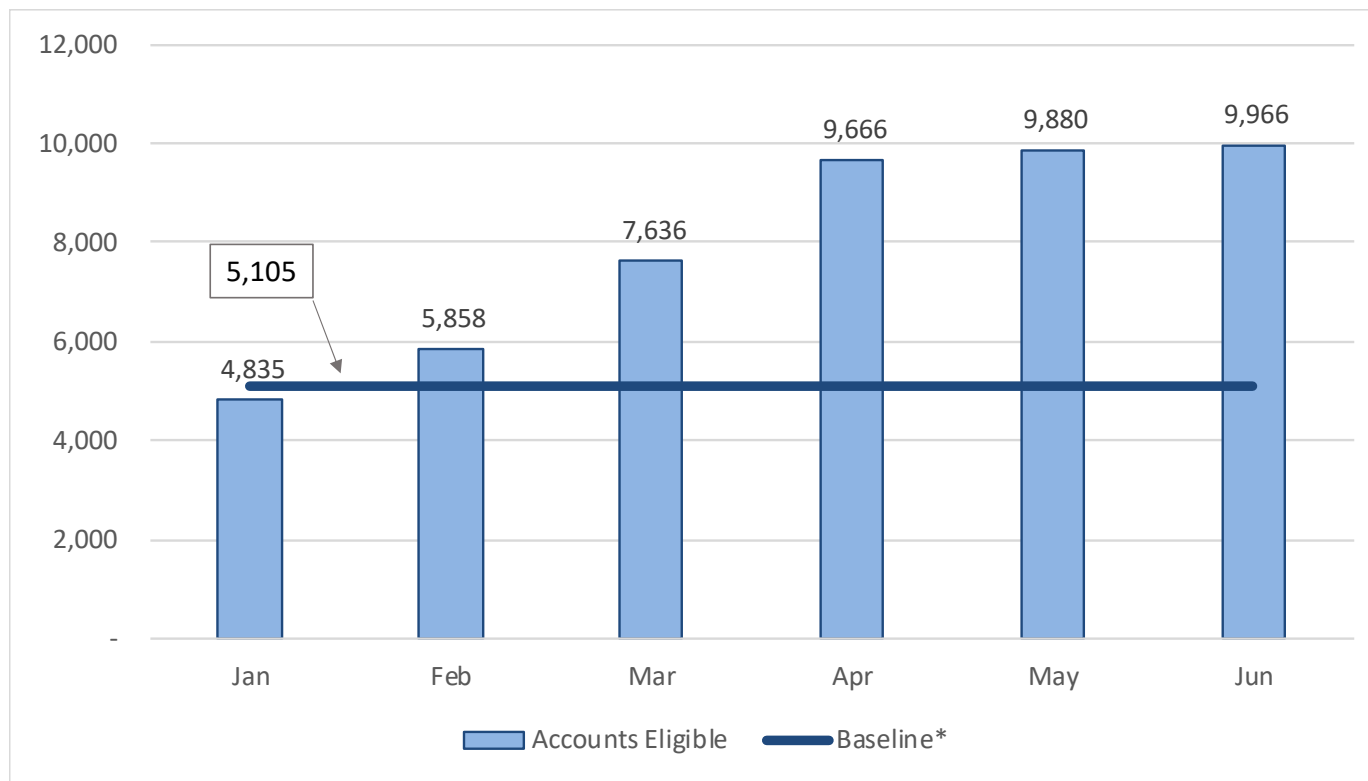
- 5 counties in Nebraska (Douglas, Sarpy, Washington, Cass and Saunders)
- 3 counties in Iowa (Pottawattamie, Harrison and Mills)

Accounts Receivable Aging Statistics

% of Receivables



Accounts Eligible for Disconnect



Accounts Receivable Eligible for Disconnect

(in millions)



COVID Spending Through June 30, 2020

(in millions)

Labor-Premium Pay	\$ 0.7
Labor-Pandemic Leave	\$ 0.2
Labor-District Directed Leave	\$ 1.0
Incremental Fringe Benefits	\$ 1.1
Total Labor & Benefits	\$ 3.0
Appliances/Food/Trailers	\$ 0.3
All Other*	\$ 0.2
Total Other	\$ 0.5
Total Costs	\$ 3.5

* All Other includes Information Technology related items, Supplies, additional Cleaning/Disinfecting services, and Personal Protective Equipment



Measures to Preserve Financial Strength

(in millions)

Capital Spending/Consulting Reductions/Deferrals

Capital

Water Department	\$	10.0
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Gas Department	\$	6.8
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Professional Fees/Consulting	\$	0.6
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Total Capital/Consulting	\$	17.4
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Staffing

Defer hiring of 32 positions in budget (23 OAC & 9 SPA)

Wage Savings	\$	1.6
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Benefit Savings @77.9% of Wages	\$	1.1
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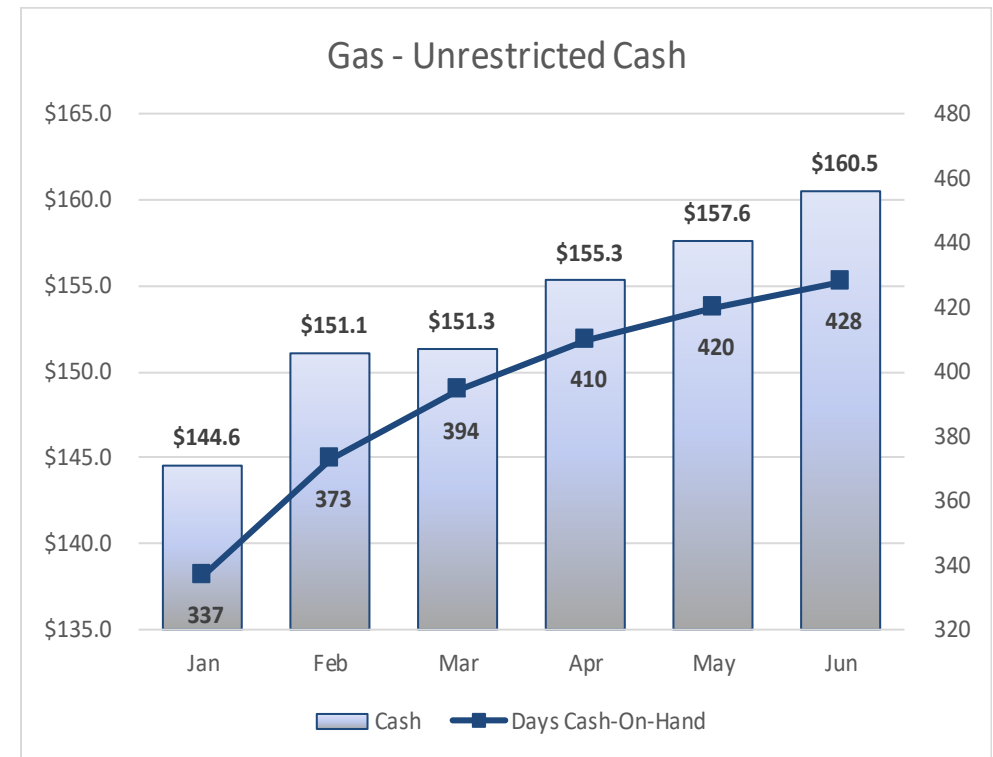
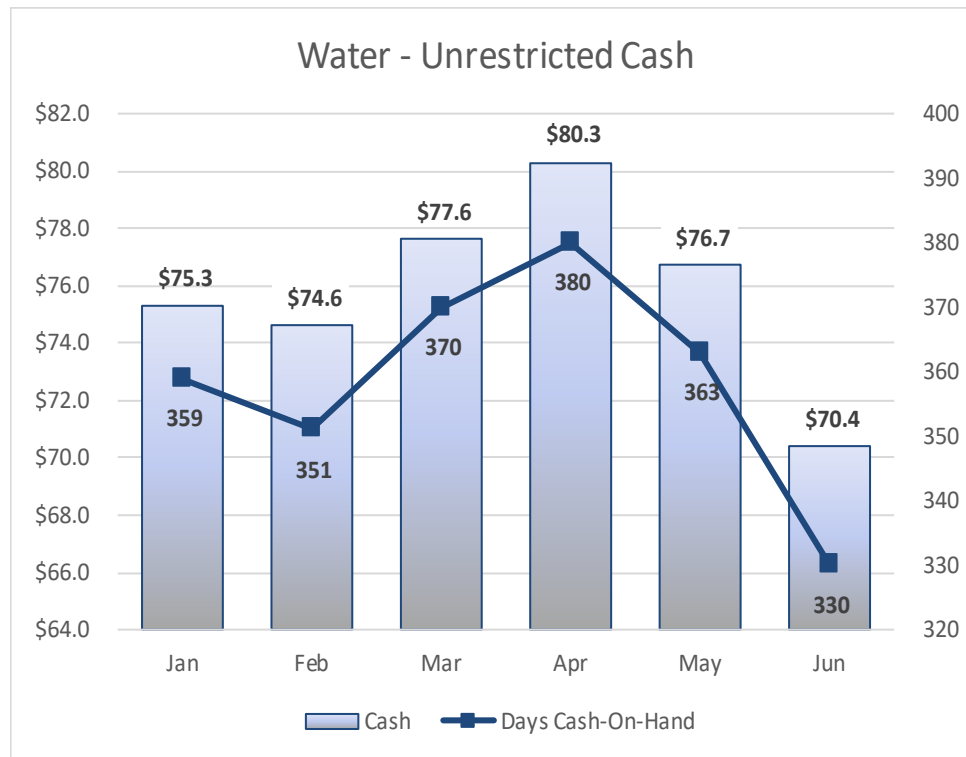
Total Wage & Benefit Savings	\$	2.7
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Total Reductions/Deferrals	\$	20.1
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Cash Position

(in millions)



Appendix



Water Capital Reductions/Deferrals

(in millions)

Water Mains

Water Construction Mains (WCM)	\$ 0.710
Water Construction Relocation Mains (WCR)	\$ (1.215)
Water Construction Pioneer Main (WCP)	\$ 0.790
Water Cast Iron Main Replacement (WCI)	\$ 5.790
Total Water Mains	<u>\$ 6.075</u>

Repumps	\$ 0.302
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Buildings, Land & Equipment

Florence	\$ 0.495
Platte South	\$ 1.777
Platte West	\$ 0.735
Total Buildings, Land & Equipment	<u>\$ 3.007</u>

Furniture, Equipment & All Other	\$ 0.620
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Total Water Capital	<u>\$ 10.004</u>
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Gas Capital Reductions/Deferrals

(in millions)

Gas Mains

Gas Construction Mains (GCM)	\$ 0.787
Gas Construction Relocation Mains (GCR)	\$ 0.034
Gas Revenue Mains (GRM)	\$ 0.700
Total Gas Mains	\$ 1.521

Information Technology

18 & Harney/SAP Invoice Redesign	\$ 0.195
SuccessFactors Employee Central	\$ 0.200
SAP ILM	\$ 0.250
SAP HANA	\$ 0.150
Website Redesign	\$ 0.125
PG82 On Track Tool Tracking Software	\$ 0.010
PG82 Accuportal Inventory Management System MDO	\$ 0.085
	\$ 1.015

Buildings, Land & Equipment \$ 1.061

Motor Vehicles \$ 3.077

Furniture & Equipment \$ 0.100

Total Gas Capital \$ 6.774



Professional Services/Consulting Reductions/Deferrals

(in millions)

Human Resources

Consulting and programs/plans to provide leadership development training	
Reduced in-class and onsite conferences during pandemic affected months, already contracted for ICAN sponsorship and participants	\$ 0.015
SPA Supervisor Training, MUD University	
Reduced in-class training during pandemic affected months	0.005
	<u>0.020</u>

Gas Operations

Drawing updates/improvements	0.020
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Water Operations

Platte West - Other	0.005
Water Quality	
On site training on Gas Chromatograph and software for chemistry staff	0.005
On site training on ICPMS and software for chemistry staff	0.005
On site training on GC/MS and software for chemistry staff	0.005
	<u>0.020</u>

Engineering

Plant Engineering

Design West Dodge Zone 3 pump station	\$ (0.025)
Concrete & soil inspection & testing for Water IR projects	0.025
Storm water pollution prevention plan (regulatory compliance requirement)	0.025
Soil & Concrete Testing	0.020

Engineering Design

Topographic surveys for internal use in designing water main replacements and extensions	0.025
Wetlands delineation surveys, reporting and permitting	0.020
Drone inspection of mains on bridges and supports	0.050
	<u>0.140</u>

Construction

Condition assessment	0.400
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Corporate Communications

Customer 1st Success Training	0.010
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Total Professional Services/Consulting \$ 0.610

Staffing Reductions/Deferrals

(in millions)

	Full-Time Positions		Wage
	SPA	OAC	
President's Office	1		\$ 0.125
Safety, Security, Locating & Dispatch	2	2	0.161
Field Services		2	0.119
Transportation		0	0.008
Purchasing	0		(0.047)
Meter Services		5	0.175
Facilities Management	1	2	0.168
Information Technology	2		0.128
Customer Service	1	2	0.129
Water Distribution		3	0.080
Plant Engineering	1		0.047
Design Engineering	1		0.057
Construction		7	0.316
Summer Help			0.098
Total Wages			1.563
Benefits @ 77.9% of Wages			1.124
Totals	9	23	\$ 2.687

