

# METROPOLITAN UTILITIES DISTRICT

## Committee Meetings & Public Hearing

8:15 a.m.

December 1, 2021

### AGENDA

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

#### **Construction and Operations – Frost, Friend, Cavanaugh**

1. Capital Expenditures [Gina Langel - SVP, Chief Operations Officer] – **Tab 5**
2. Renewal of Agreement with HGM, Water Main Design Consultant  
[Jeff Schovanec – Director, Engineering Design] – **Tab 6**
3. Acceptance of Contracts and Payment of Final Estimates  
[Stephanie Henn, Director - Plant Engineering] – **Tab 7**
4. Bids on Materials and Contracts [Jon Zellars, VP- Procurement & Enterprise Services] – **Tab 8**

#### **Services & Extensions – Friend, Begley, Howard**

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

#### **Personnel – Begley, Frost, Friend**

1. Wage and/or Salary Increases and Ratifications  
[Bonnie Savine, VP- Human Resources] - **Tab 10**

#### **Judicial and Legislative - Cook, Cavanaugh, Howard**

1. District Election Subdivision Boundary Adjustments  
[Mark Mendenhall, SVP & General Counsel] – **Tab 11**
2. Settlement of Civil Litigation with OPPD at 24<sup>th</sup> & Vinton Streets  
[Mark Mendenhall, SVP & General Counsel] – **Tab 12**
3. Settlement of Civil Litigation [Mark Mendenhall, SVP & General Counsel] – **Tab 13**
4. Condemnation Authority for 16<sup>th</sup> & Ohio Streets – [Justin Cooper, Staff Attorney] – **Tab 14**
5. Legislative Update [Rick Kubat, Governmental Relations Attorney] – **[INFORMATION ONLY]**

#### **Insurance & Pension – Howard, McGowan, Cook**

1. Revision to Investment Policy Statement for Pension Trust  
[Joseph Schaffart – SVP, Chief Financial Officer] – **Tab 15**

#### **Public Hearing**

1. Proposed 2022 Gas and Water Budget [Joe Schaffart - SVP & Chief Financial Officer and Geneva Patterson – Manager, Rates and Regulatory Affairs] - **Tab 16**
2. Proposed Water Rate Increase  
[Geneva Patterson – Manager, Rates and Regulatory Affairs] – **Tab 17**
3. Invitation for Public to Comment

**METROPOLITAN UTILITIES DISTRICT**  
**Regular Monthly Board Meeting**

**9:00 a.m.**

**December 1, 2021**

**AGENDA**

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Board Meeting for November 3, 2021
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Renewal of Agreement with HGM, Water Main Design Consultant
7. Acceptance of Contracts and Payment of Final Estimates
8. Bids on Materials and Contracts
- SERVICES & EXTENSIONS 9. Main Extensions
- PERSONNEL 10. Wage and/or Salary Increases and Ratifications
- JUDICIAL & LEGISLATIVE 11. District Election Subdivision Boundary Adjustments
12. Settlement of Civil Litigation with OPPD at 24<sup>th</sup> & Vinton Streets
13. Settlement of Civil Litigation
14. Condemnation Authority for 16<sup>th</sup> & Ohio Streets (RESOLUTIONS)
- INSURANCE & PENSION 15. Revision to Investment Policy Statement for Pension Trust
- ACCOUNTS, EXPENDITURES, FINANCE & RATES 16. 2022 Gas and Water Budget (RESOLUTION)
17. Proposed Water Rate Increase (RESOLUTION)
- BOARD 18. Other Matters of District Business for Discussion  
(a) 2022 Marketing Budget **[INFORMATION ONLY-Tab A]**
19. **CLOSED SESSION – Real Estate, Personnel, and Litigation Matters**

**Adjourn Regular Board Meeting and Public Hearing**

**METROPOLITAN UTILITIES DISTRICT****Minutes of Committee Meetings****November 3, 2021**

Chairperson Mike McGowan 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 meetings was published in the print version of *The Omaha World-Herald* on Sunday, October 24, 2021, and the online version from October 24, 2021, through October 30, 2021. Notice was also provided on the M.U.D. website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and pertinent documents to be presented at the November 3, 2021, meetings were delivered to Board Members and posted to the M.U.D. website on October 29, 2021.

Chairperson McGowan announced that the meeting was being livestreamed and a recording of the meeting would be uploaded to the M.U.D. website after the meeting's conclusion. He also announced that due to COVID, the number of attendees at the meeting was limited to the extent possible, unvaccinated people were required to wear masks, and all attendees were encouraged to abide by the six-foot social distancing rule.

**Safety Briefing**

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

**Roll Call**

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

**Open Meetings Act Notice**

Chairperson McGowan announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room as well as in the conference room designated for any members of the public who may attend.

**Construction and Operations – Frost, Friend, Cavanaugh**

Vice-President of Gas Operations Jim Knight reviewed the proposed capital expenditures as outlined in the letter to the Committee dated October 26, 2021 from Senior Vice-President and Chief Operations Officer Gina Langel.



Director of Plant Engineering Stephanie Henn reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in her letter dated October 25, 2021.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in the letter from Director of Procurement Sherri Meisinger to the Committee dated October 22, 2021. He noted that the item on page one pertaining to the bid selection of Cedar Construction for main installation in the Serenity Estates housing development had been tabled at the request of the developer.

**Services & Extensions – Friend, Begley, Howard**

Only one main extension was proposed in the letter from Mr. O'Brien dated October 26, 2021 and it was tabled at the request of the developer. This item was associated with the same Serenity Estates housing development referenced by Mr. Zellars in the presentation of his bid letter.

**Personnel - Begley, Frost, Friend**

Vice-President of Human Resources Bonnie Savine provided an update on the current number of employees and the current status of open employee positions and job applicants. Ms. Savine also reviewed the proposed wage and/or salary increases and ratifications as outlined in her letter to the Committee dated October 20, 2021.

Some Directors engaged in a discussion about Management providing what may or may not be confidential employee information to Directors pertaining to factors surrounding an employee's hiring, promotion or salary adjustment. Ms. Savine agreed that such information would not be provided in a public setting.

**Insurance & Pension – Howard, McGowan, Cook**

Senior Vice-President and Chief Financial Officer Joseph Schaffart introduced the Experience Study prepared by the District's actuarial consultant, Cavanaugh Macdonald. The purpose of the "Experience Study" is to determine whether the actuarial assumptions currently in use are consistent with actual emerging experience. Principal and Consulting Actuary Pat Beckham presented the summary of findings and recommendations. The recommended changes to the pension assumptions, most notably a reduction to the investment return assumption to 6.75%, will increase the unfunded actuarial liability by \$5.8 million, thereby reducing the actuarial funded ratio from 94% to 93.92% (as of January 1, 2021, had the revised assumptions been in place at that time).

Senior Vice-President and General Counsel Mark Mendenhall reviewed the proposed recommendation for engaging a third party to act as fiduciary for the District's 457b Defined Contribution Plan, which is a type of retirement plan the District offers to employees. The plan will continue to be administered by Voya Financial; the proposal recommends hiring a registered investment advisor, in this case Advanced Capital Group



(ACG), to serve as fiduciary for the Plan and advise the District's internal committee as to appropriate investment options. There would be no additional cost to the District or to plan participants.

**Accounts, Expenditures, Finance & Rates - McGowan, Begley, Cook**

Senior Vice-President & Chief Financial Officer Joseph Schaffart and Vice President of Accounting Mark Myers presented a budget workshop on personnel and capital projects "for information purposes only" in preparation for the final presentation at the December Board Meeting. Board Members were given a hard copy report of the 2022 Budget Working Draft which included a comprehensive Appendix reference for additional information.

Mr. Schaffart noted that the budget is a 'work in progress' and that it is intended to facilitate understanding, discussion and Board Member input. He noted not all proposed initiatives will find their way into the final version when presented for approval at the December Board Meeting. Those final decisions will be dependent upon completion of associated cash flows and any rate increase assumptions that might be necessary. He also noted that there will be strategic reductions in the budget proposals being presented because not all worthy initiatives can be executed while maintaining a palatable rate structure for customer-owners. However, it does serve as a useful depiction of the many important initiatives that the District seeks to implement over the course of the next five to ten years.

Mr. Myers provided a presentation on the personnel budget including other related operating costs such as memberships and travel, followed then by Mr. Schaffart's review of the capital projects.

At 10:30 a.m., Chairperson McGowan called for a brief ten-minute recess.

At 10:40 a.m., Chairperson McGowan announced that Mr. Schaffart would continue with the budget presentation and that the Board would move directly to the regular Board Meeting segment upon its conclusion.

At 10:50 a.m., Chairperson McGowan asked whether any Board Members had any further comments. There were none.

Chairperson McGowan announced that due to COVID-related precautions, any members of the public interested in speaking at the meeting were provided access via a Webex connection set up in a conference room adjacent to the Board Room at the Headquarters Building. He asked whether any members of the public were present and wished to speak, and if so, to please relay that information to the conference room moderator. There were none.

At 10:53 a.m., Chairperson McGowan announced that the Committee Meetings had concluded and that the Board would immediately take up the regular monthly Board Meeting.



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Mark E. Doyle  
Secretary and President

MED/mjm

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Regular Monthly Board Meeting**  
**November 3, 2021**

Chairperson McGowan called to order the Board Meeting of the Metropolitan Utilities District Board of Directors at 10:53 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meetings was published in the print version of *The Omaha World-Herald* on Sunday, October 24, 2021, and the online version from October 24, 2021, through October 30, 2021. Notice was also provided on the M.U.D. website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and pertinent documents to be presented at the November 3, 2021, meetings were delivered to Board Members and posted to the M.U.D. website on October 29, 2021.

**AGENDA NO. 1**

**ROLL CALL**

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

**AGENDA NO. 2**

**OPEN MEETINGS ACT NOTICE**

Chairperson McGowan announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room as well as in the conference room designated for any members of the public who may attend.

**AGENDA NO. 3**

**PLEDGE OF ALLEGIANCE**

Chairperson McGowan 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 OCTOBER 6, 2021**

Director Frost moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for October 6, 2021, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None



#### **AGENDA NO. 5**

##### **CAPITAL EXPENDITURES**

Director Frost moved to approve the capital expenditures as presented by Mr. Knight and as outlined in Ms. Langel's letter to the Committee dated October 26, 2021, which was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

#### **AGENDA NO. 6**

##### **ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES**

Director Frost moved to approve the acceptance of contracts and payment of final estimates as outlined in the letter from Ms. Henn to the Committee dated October 25, 2021, which was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

#### **AGENDA NO. 7**

##### **BIDS ON MATERIALS AND CONTRACTS**

Director Frost moved to approve Management's recommendations regarding the bids on materials and contracts as reviewed by Mr. Zellars at the Committee Meetings and as outlined in the letter to the Committee from Director of Procurement Sherri Meisinger dated October 22, 2021, with the exception of the item pertaining to Serenity Estates on page one of the letter as discussed in the Committee Meetings. The motion was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

#### **AGENDA NO. 8**

##### **MAIN EXTENSIONS**

Director Friend announced that the only main extension proposed in the letter from Mr. O'Brien dated October 26, 2021 in the Serenity Estates housing development was tabled and no vote on the Main Extensions letter would be necessary.

#### **AGENDA NO. 9**

##### **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 October 20, 2021. The motion was seconded by Director Howard and carried on a roll call vote.

Director Friend offered a substitute motion to approve the wage and/or salary increases and ratifications and also to direct Management not to reveal any information

that is personal, personnel-related or medical-related, absent other circumstances. Director Begley seconded the motion for purposes of discussion.

Mr. Doyle explained that the rationale behind the degree of disclosure is due to a state statutory requirement for disclosing any employee salary increase to the Board for approval if he/she earns more than \$10,000 per year. As a matter of historical perspective, the statute dates back to an era when only the President of the utility earned that amount. He pointed out that if not for that provision, none of the detailed information would be publicly presented to the Board and subject to its approval.

Following further discussion, Director Friend withdrew his motion. Director Begley restated the original motion which was again seconded by Director Howard and carried on a roll call vote.

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

**AGENDA NO. 10**  
**EXPERIENCE STUDY FOR THE PENSION PLAN**

Director Howard moved to approve the changes to the pension plan assumptions as recommended by the Cavanaugh MacDonald Experience Study, as outlined in the letter from Joseph Schaffart dated October 26, 2021 and as presented by Principal and Consulting Actuary Pat Beckham in the Committee Meetings. The motion was seconded by Director Friend and carried on a roll call vote.

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

**AGENDA NO. 11**  
**FIDUCIARY RECOMMENDATION FOR 457b DEFINED CONTRIBUTION PLAN**

Director Howard moved to authorize the President to enter into a services agreement with Advanced Capital Group to act as fiduciary for the 457b defined contribution plan as presented by Mr. Mendenhall in the Committee Meetings and as outlined in his letter dated October 26, 2021. The motion was seconded by Director Friend and carried on a roll call vote.

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

**AGENDA NO. 12**  
**OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION**

Chairperson McGowan asked whether any Board Members had any further comments. Director Friend announced that he had spoken with Mr. Doyle and Mr.



Mendenhall about having the opportunity to review the proposed District subdivision boundary adjustments that had been drawn by the University of Nebraska at Omaha's Center for Public Affairs in light of recent redistricting efforts. Director Cook also requested the opportunity to be involved in any review of the boundaries.

Chairperson McGowan announced that due to COVID-related precautions, any members of the public interested in speaking at the meeting were provided access via a Webex connection set up in a conference room adjacent to the Board Room at the Headquarters Building. He asked whether any members of the public were present and wished to address the Board. There were none.

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

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

The regular monthly meeting was adjourned at 11:10 a.m.



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Mark E. Doyle  
Secretary and President

MED/mjm

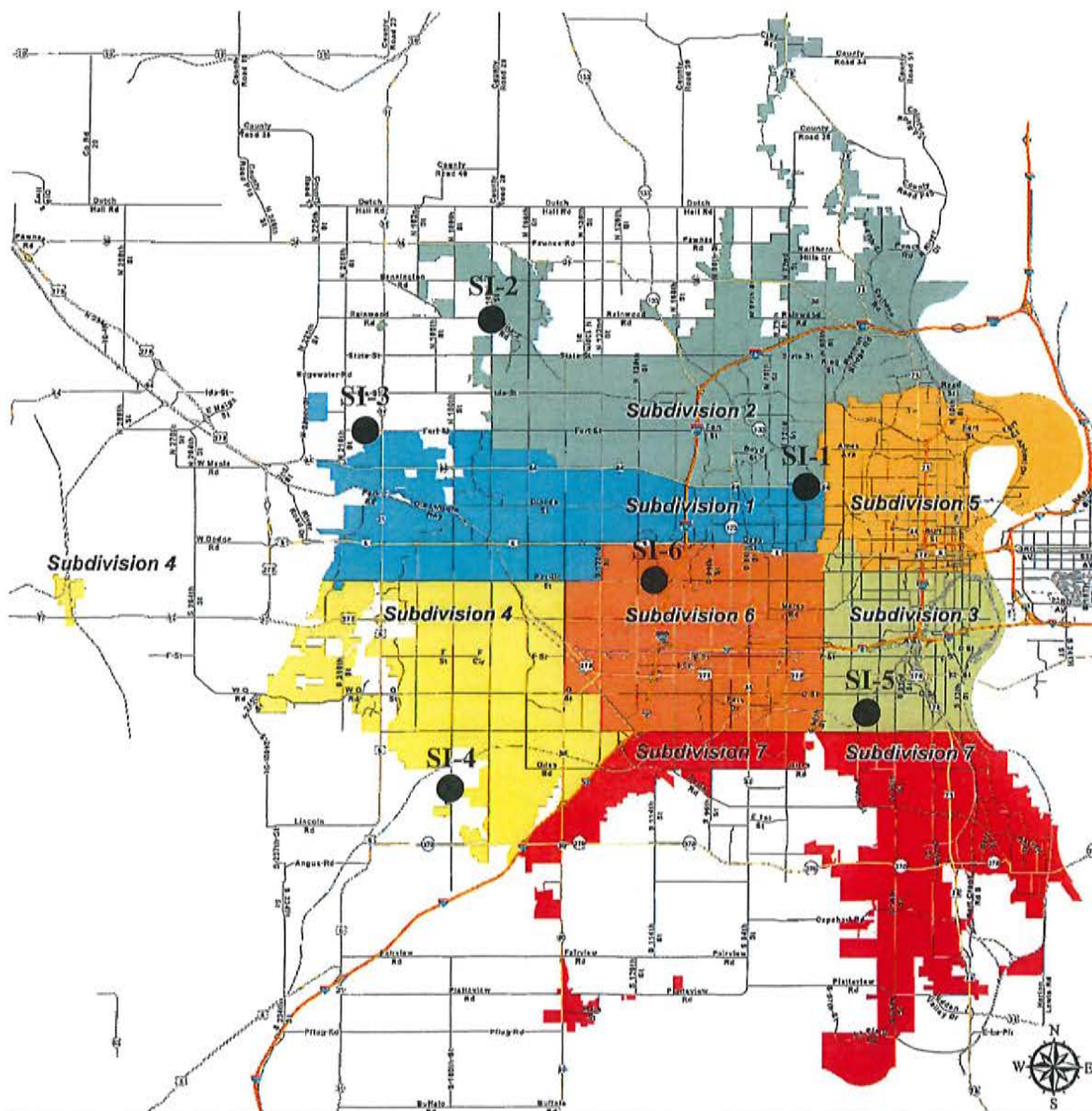


**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 22, 2021

**Subject:** CAPITAL EXPENDITURES**To:** Committee on Construction and Operations  
**cc:** all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger,  
and all Vice Presidents**From:** Gina Langel, Senior Vice President, Chief Operations Officer

The following items will be on the December 1, 2021, Committee Agenda for consideration and the Board Agenda for approval:

**MUD Subdivision Map**



## **SYSTEM IMPROVEMENTS**

1. **R1933 - (100054001047 and associated job numbers) - \$852,000 - Install 4,625 feet of 1¼-, 2-, 4-, 8-, 12-, and 18-inch gas mains and valves, Ohio St. to Bedford Ave. from N. 66<sup>th</sup> to N. 72<sup>nd</sup> Streets.** This work is required to eliminate conflicts with proposed grading, paving, and storm sewers being done for City of Omaha CSO Project. This project is anticipated to start in January 2022. This work is not reimbursable as the mains are in public right-of-way. The existing 16" and 12" gas valves that are being abandoned were installed in 1952 and 1954 and do not operate properly. Twenty-six (26) residential gas services will be replaced and reconnected with an estimated cost of \$78,000. **(Subdivision 1 & 2 – Begley & Friend)**

2. **R2040 - (100053001481 and associated job numbers) - \$355,300 – Install 910 feet of 8- and 12-inch water mains and 720 feet of 3- and 4-inch gas mains in N. 168<sup>th</sup> St from Military Rd. to Rachel Snowden Pkwy.** This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for the N. 168<sup>th</sup> Street improvements for a Douglas County and City of Omaha project. This project is anticipated to start in December 2021. This work is not reimbursable as the mains are in public right-of-way. Four (4) residential gas services will be reconnected to the new gas main with an estimated cost of \$12,000. Four (4) residential water services will be reconnected to the new water main with an estimate cost of \$17,600. **(Subdivision 2 – Friend)**

3. **R2056 – (100054001094, 100068001076) - \$73,600 – Install 2,210 feet of 4-inch gas main in Fort Street from 208<sup>th</sup> to 214<sup>th</sup> Street.** This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for the Fort Street Improvements from 208<sup>th</sup> Street to 214<sup>th</sup> Street for a Douglas County project. Proposed grading cuts, storm sewer work, and paving cuts require relocation of these mains. This project is anticipated to start Spring 2022. This work is not reimbursable as the mains are in public right-of-way. **(Subdivision 1 – Begley)**

4. **R2128 – (100053001448,100067001469) - \$ 276,500 – Install 635 feet of 8- and 16-inch water mains in South 180th Street from Cornhusker Road to Camelback Avenue.** This work is required to eliminate conflicts with proposed grading for a Sarpy County roadway improvement project under the CONNECTSarpy program. These improvements will expand 180th Street from a paved rural 2-lane section to a paved urban 3-lane section with roundabouts and a recreational trail. This project is anticipated to start December 2021. This work is not reimbursable as the mains are in public right-of-way. **(Subdivision 4 – Cavanaugh)**

5. **R2140 – (100053001507 and associated job numbers) - \$88,000 – Install 110 feet of 8-inch water mains at S. 42<sup>nd</sup> Street and "X" Street and install 670 feet of 2-inch gas mains in Y Street from S. 42<sup>nd</sup> Street to S. 43<sup>rd</sup> Avenue.** This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for a City of Omaha project related to a new middle school. This project is anticipated to start in April 2022. This work is not reimbursable as the mains are in public right-of-way. Three (3) residential gas services will be reconnected to the new gas main. One (1) commercial water service will be reconnected to the new water main with an estimated cost of \$4,400. **(Subdivision 3 – Howard)**



**6. GP2683 (100052001824) - \$141,800. Install 1,840 feet of 6-inch gas main at Pacific Street from 113th Street to east of I-680.** The multi-bay building at 107<sup>th</sup> and Pacific Streets is being renovated and will use significantly more gas than previously. The gas infrastructure is being reinforced to accommodate the increased gas needs now and for additional commercial growth. (Subdivision 6 – McGowan)

## **BUILDINGS, PLANTS AND EQUIPMENT**

**1. GP2678 (100084001296 and associated job numbers) - \$ 302,500 – Construction modifications to M.U.D. North Gate Public CNG Fill Station; Design Services for Station Access Modifications.** This project is needed to complete modifications to allow large vehicle access to the District's North Gate public CNG fill station. This is the first phase of a two-phase project. In 2011, the District developed two public CNG fill stations options near the I-80 corridor. The first, I-80 Fuels, was located at 52<sup>nd</sup> & L Street and accommodated large vehicle filling. The second, North Gate CNG station, was built just north of the Construction Center and due to site constraints is limited to medium and smaller size vehicle filling.

Recently, I-80 Fuels sold their property. This impacts the ability to fuel large vehicle CNG customers. The North Gate public CNG fill station is also a backup to customers with CNG fleets and was used during February's polar vortex to fuel fleets whose CNG stations were impacted by propane peak shaving operations. The North Gate station's location within the gas distribution system is not impacted by propane peak shaving operations.

Phase I will modify the North Gate public CNG fill station to accommodate large vehicles such as the City of Omaha's new ORBIT articulating buses, tractor trailer combinations, and waste refuse trucks. Phase II will occur in the spring of 2022 and will reduce fueling time and increase storage capacity. Phase II will be presented to the Board at a later date with an estimated cost of \$150,000. Phase II costs are not reflected in this proposed capital expenditure.

**2. 100083001149 - \$175,000 – Platte West Surge Tank Repair – Platte West WTP – EMERGENCY.** The Platte West Surge Tanks were recently inspected by manufacturer's representatives and Platte West personnel in October 2021. The tanks are designed to limit pressure transients resulting from High Service pump and valve operations into the Zone 2 and Zone 3 distribution systems. The Zone 2 Surge Tank bladder was determined to have failed. The bladder average life expectancy of 20 to 25 years, yet this bladder failed after 15 years. This project includes bladder replacement and parts to improve operational aspects for both tanks, removal and replacement of the failed Zone 2 bladder and improvements to facilitate easier repairs for both tanks. The second bladder will be stored on-site for future repairs. This had emergency approval to order the materials needed to meet the schedule because of supply chain disruptions and the volatility of pricing. The installation is planned for 2022. This project is included in the 2022 Budget.



3. 100090001395 - \$75,880 - Purchase three small boring rig locating units for Construction - EMERGENCY. This C&A is to purchase three small boring rig locating units for the Construction Division. The new locating units will replace current locating units that are malfunctioning and now obsolete. Repair parts are not available due to the age of the existing units. Three bore rigs are out of service until the locating units are replaced.



Gina Langel  
Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle  
President

## METROPOLITAN UTILITIES DISTRICT

*Inter-Department Communication*

November 23, 2021

**Subject:** RENEWAL OF CONSULTANT AGREEMENT FOR WATER MAIN DESIGN SERVICES

**To:** Committee on Construction and Operations  
**cc:** all Board members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger and all Vice Presidents

**From:** Jeffery W. Schovanec, Director, Engineering Design

**Engineering recommends that the District enter into a new three-year professional services agreement for water main design services with HGM Associates, Inc. (HGM).**

The current 3-year agreement expires December 31, 2021.

HGM designs water main extensions related to new development and distribution/transmission system growth and reinforcement as well as water main replacements associated with the District's Water IR Program. HGM has provided these water main design (and related) services for the District since early 2013, under multiple, consecutive contracts. HGM continues to perform very well and is an essential partner whose services are vital to meeting critical needs.

The District has now gone through a rigorous RFQ/RFP process twice (concluding first in early 2013 and again in late 2018) and on both occasions HGM was chosen (by a District selection team) as the preferred design consultant from a number of other qualified local firms. That said, these professional design services agreements with HGM have not precluded the District from engaging other water main design consultants as needed or desired.

To affirm the efforts to utilize other qualified local engineering firms, the Omaha offices of two (2) additional engineering design firms have been engaged to design significant water main extensions (for new development) or replacements. One consultant has completed multiple designs (and related services) and is in the process of designing other significant main extensions, each via an individual agreement. Another consultant is expected to be performing significant design (and related) services for a major project in the coming months, again via an individual agreement. Engineering is exploring the possibility of initiating a new professional services agreement with one of the aforementioned preferred, qualified local firms and bringing a recommendation to the Board in 2022.

In summary, external professional engineering design services are required to supplemental internal Design staff resources to meet the District's needs in serving new customers and improving our water transmission and distribution systems. This need for supplemental design resources has been strong in recent years and will remain so given anticipated heavy design workloads. The new agreement includes annual 3% increases to HGM's rate schedule.

Approval of this item will allow the President to enter into a new 3-year professional services agreement with HGM Associates, Inc. for water main design and associated services, effective January 1, 2022.



Jeffery W. Schovanec,  
Director, Engineering Design

Approved:



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



Gina Langel  
Sr. Vice President, Chief Operations Officer



Mark E. Doyle  
President



METROPOLITAN UTILITIES DISTRICT  
Inter-Department Communication

APPROVED BY BOARD

November 19, 2021

**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 December 1, 2021 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	
		Contract Bid	Actual
a. MCL Construction, 100084001294, MUD Construction Center CMU Wall Demolition	August 20, 2021	\$141,864.00	\$141,864.00

**Comments:** All work required by the contract has been completed by the contractor and is acceptable and in compliance with the contract and specifications.



Stephanie L. Henn  
Director, Plant Engineering

Approved:



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



Gina Langel  
Senior Vice President, Chief Operations Officer



Mark E. Doyle  
President

METROPOLITAN UTILITIES DISTRICT  
Inter-Department Communication

November 19, 2021

**Subject:** BIDS ON MATERIALS AND CONTRACTS DURING THE MONTH OF NOVEMBER

**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 December 1, 2021, Committee Agenda for consideration and the December 1, 2021, 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>
Sundance, N. 195 <sup>th</sup> Street and S. HWS Cleveland Blvd. 100055001383 WP1856 Engineering Estimate: \$392,700.00 (A C&A in the amount of \$410,098.00 will be presented to the Board on December 1, 2021, for approval.)	18/3	<b>Cedar Construction</b> <i>Kersten Construction</i> <i>Pat Thomas Constr.</i>	<b>\$343,588.00</b> 389,060.00 392,730.00
Install Water Mains in Serenity Estates, Stanford St and Skyline Drive 100055001384 WP1858 Engineering Estimate: \$216,080.00 (A C&A in the amount of \$273,333.00 will be presented to the Board on December 1, 2021 for Approval.)	18/1	<b>Cedar Construction</b>	<b>\$180,776.00</b>

### RATIFICATION

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
SCADA Lifecycle Hardware Refresh (Gas Production) 100086000736 (C&A for 100086000736 approved April 7, 2021 in the amount of \$330,000.00.)	3/3	<b><i>Sterling</i></b> <i>Dell Technologies</i> <i>Regency Consulting</i>	<b><i>\$114,548.34</i></b> <i>116,123.95</i> <i>126,003.15</i>
3600' of 16" Wrapped Steel Gas Pipe for OPPD Standing Bear Lake Generation Station (14-700-16) 100060001429 GP 2675 (C&A for 100060001429 approved October 6, 2021 in the amount of \$1,650,000.00.)	2/2	<b><i>Edgen Murray</i></b> <i>Pioneer</i>	<b><i>\$240,120.00</i></b> <i>374,400.00</i>

### INFORMATION TECHNOLOGY

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
ESRI – Geographic Information Systems (GIS) Enterprise License Renewal (December 31, 2021 to December 30, 2024)	1/1	<b><i>ESRI</i></b>	<b><i>\$1,209,990.00</i></b>

### OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
MUD CNG Filling Station Access Modifications 100084001299 GP2678 (A C&A in the amount of \$271,000.00 will be presented to the Board on December 1, 2021, for approval.)	6/2	<b><i>Midwest DCM</i></b> <i>Ronco Construction</i>	<b><i>\$215,000.00</i></b> <i>281,496.00</i>
Four (4) Cube Van Shelving and Uplift Units 100088000749 (C&A for 100088000749 approved October 1, 2020 in the amount of \$290,072.00.)	4/1	<b><i>ProTech</i></b>	<b><i>\$79,200.00</i></b>




**ANNUALS**

<b><u>Item</u></b>	<b><u>Bids Sent / Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Activated Carbon for Florence WTP Extension #2 (40 Tons) (March 1, 2022 to August 31, 2022)	1/1	<b><i>Carbon Activated Corp</i></b>	<b><i>\$78,297.60</i></b>
Polyethylene Pipe Extension #3 (January 1, 2022 to December 31, 2022)	1/1	<b><i>Performance Pipe</i></b>	<b><i>\$507,833.80</i></b>



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

APPROVED BY BOARD

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 22, 2021

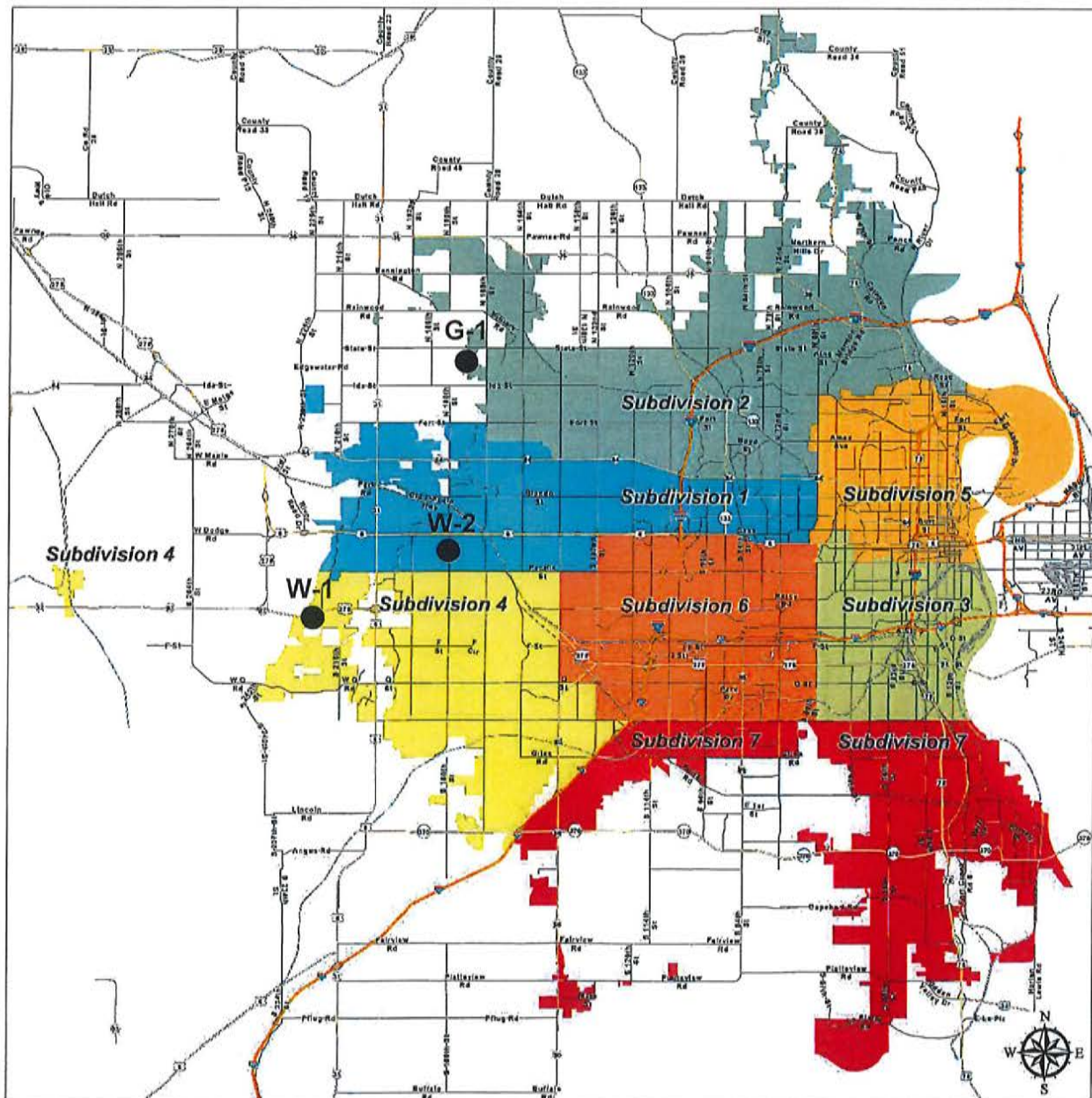
**Subject:** MAIN EXTENSIONS

**To:** Services and Extensions Committee

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

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

The following main extensions will be on the December 1, 2021, Committee Agenda for consideration and the Board Agenda for approval:



**MUD Subdivision Map**

## **WATER MAINS:**

1. **SERENITY ESTATES, Subdivision 4, Cavanaugh:** These mains are being installed to provide domestic water service and fire protection to 21 single-residence lots in the Serenity Estates Subdivision at Stanford St. & Skyline Dr. A pioneer main fee in the amount of \$31,342 is due to the existing 16-inch water main in 222<sup>nd</sup> St. Work is requested to be completed by March 2022. Applicant has also requested District gas service. (City of Omaha Zoning, Skyline Ridge Estates, LLC)

**Subdivision:** Serenity Estates

**Project Number:** WP 1858

**Project Cost** \$273,333

**Applicant Contribution:** \$304,675

**Construction by Applicant:** \$0

**MUD Contribution:** \$0

2. **SUNDANCE, Subdivision 1, Begley:** These mains are being installed to provide domestic water service and fire protection to 4 multi-residence lots in the Sundance Subdivision at 195<sup>th</sup> St. and H.W.S. Cleveland Blvd. A pioneer main fee in the amount of \$37,566 is due to the existing 30-inch water main in Pacific St., and 192<sup>nd</sup> St. There is also a connection charge due in the amount of \$18,115. Work is requested to be completed by June 2022. Applicant has also requested District gas service. (City of Omaha Zoning, Timberland Partners)

**Subdivision:** Sundance

**Project Number:** WP 1856

**Project Cost:** \$410,098

**Applicant Contribution:** \$465,779

**Construction by Applicant:** \$0

**MUD Contribution:** \$0

## **GAS MAINS:**

1. **ANCHOR VIEW, Subdivision 2, Friend:** These mains are being installed to provide gas service to 132 single-residence lots in the Anchor View Subdivision at 177<sup>th</sup> St. and Potter St. Management is recommending oversizing approximately 1,340 feet of gas main as a 4-inch main at an estimated District cost of \$18,616. Work is requested to be completed by March 2022. (City of Omaha Zoning, Hubbell Realty)

**Subdivision:** Anchor View

**Project Number:** GP 2652

**Total Estimated Project Cost:** \$108,327

**Developer Equivalent:** \$89,711

**Developer Estimate:** \$80,532

**Developer Allowable Revenue Credits:** \$142,428

**Deficiency:** \$0





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

Approved:



Gina Langel  
Sr. Vice President, Chief Operations Officer



Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

**APPROVED BY BOARD**

November 18, 2021

**Subject: Wage and/or Salary Increases and Ratifications, December 2021 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.

<b>Employee:</b>	<b>Stephen Houston</b>
<b>Current position (department):</b>	General Maintenance Mechanic (Water Distribution)
<b>New position (department):</b>	Valve Maintenance Mechanic (Water Distribution)
<b>Current rate; step/grade:</b>	\$36.25; Step 4
<b>Proposed rate; step/grade:</b>	\$37.94; Step 4
<b>Percent of increase:</b>	4.66%
<b>District hire date:</b>	October 3, 2011

<b>Employee:</b>	<b>Chris Majeres</b>
<b>Current position (department):</b>	Instrument and Control Technician (Maintenance)
<b>New position (department):</b>	Sr. Instrument and Control Technician (Maintenance)
<b>Current rate; step/grade:</b>	\$44.60; Step 4
<b>Proposed rate; step/grade:</b>	\$46.05; Step 4
<b>Percent of increase:</b>	3.25%
<b>District hire date:</b>	March 7, 2016

<b>Employee:</b>	<b>Shawn McMahon</b>
<b>Current position (department):</b>	General Maintenance Mechanic (Water Distribution)
<b>New position (department):</b>	Valve Maintenance Mechanic (Water Distribution)
<b>Current rate; step/grade:</b>	\$36.25; Step 4
<b>Proposed rate; step/grade:</b>	\$37.94; Step 4
<b>Percent of increase:</b>	4.66%
<b>District hire date:</b>	July 14, 2014

**Employee:** Esmeralda Ocana  
**Current position (department):** Customer Account Clerk V (Customer Accounting)  
**New position (department):** Customer Account Clerk VI (Customer Accounting)  
**Current rate; step/grade:** \$34.99; Step 4  
**Proposed rate; step/grade:** \$36.52; Step 4  
**Percent of increase:** 4.37%  
**District hire date:** December 5, 2005

**Employee:** Kyle Palmesano  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Customer Service Technician Trainee (Field Services)  
**Current rate; step/grade:** \$27.10; Step 3  
**Proposed rate; step/grade:** \$28.18; Step 4  
**Percent of increase:** 3.99%  
**District hire date:** March 30, 2020

## **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.

**There are no recommendations for approval this month**



**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.

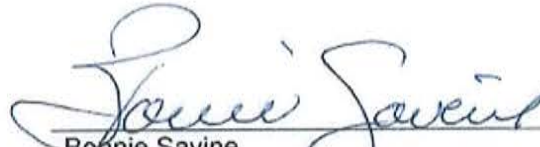
<b>Employee:</b>	<b>David Allen</b>
<b>Current position (department):</b>	ERP Technical/Functional Analyst I (Information Technology)
<b>New position (department):</b>	ERP Technical/Functional Analyst II (Information Technology)
<b>Current rate; step/grade:</b>	\$100,027; SPA – 04
<b>Proposed rate; step/grade:</b>	\$105,028; SPA – 05
<b>Percent of increase:</b>	5.00%
<b>District hire date:</b>	August 31, 2015

<b>Employee:</b>	<b>Joshua Gifford</b>
<b>Current position (department):</b>	Engineer II (Engineering Design)
<b>New position (department):</b>	Design Engineer (Engineering Design)
<b>Current rate; step/grade:</b>	\$88,192; SPA – 04
<b>Proposed rate; step/grade:</b>	\$92,602; SPA – 05
<b>Percent of increase:</b>	5.00%
<b>District hire date:</b>	January 6, 2020

**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.

<b>Employee:</b>	<b>Kristine Zeitner</b>
<b>Current position (department):</b>	Supervisor, Customer Accounting - Receivables
<b>Current rate; step/grade:</b>	\$85,000; SPA – 04
<b>District hire date:</b>	November 8, 2021

  
Bonnie Savine  
Vice President, Human Resources

**APPROVED:**



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Mark A. Mendenhall  
Senior Vice President, General Counsel



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Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 24, 2021

**Subject:** DISTRICT ELECTION SUBDIVISION BOUNDARY ADJUSTMENTS

**To:** J & L Committee

**Cc:** All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Langel, Lobsiger and Schaffart; and all Vice Presidents

**From:** Mark Mendenhall, Senior Vice President/ General Counsel

On May 6, 2015, this Board approved a Resolution establishing seven election subdivisions pursuant to a change in the Nebraska Election Act, specifically Neb. Rev. Stat. § 32-540. The Resolution assigned Directors to specific subdivisions with those subdivisions being composed of substantially equal population.

Neb. Rev. Stat. § 32-540 (d) provides that "[a]fter each decennial census, the board of directors shall create new boundaries for the election subdivisions. In establishing the boundaries of the election subdivisions, the board of directors shall follow county lines wherever practicable, shall provide for the subdivisions to be composed of substantially equal population and compact and contiguous territory, and shall, as nearly as possible, follow the precinct lines created by the election commissioner or county clerk after each federal decennial census."

Earlier this year, the District engaged the University of Nebraska at Omaha's Center for Public Affairs Research to assist with this effort. UNO was selected based on its prior experience working with the District in 2015 and its familiarity with the Nebraska Election Act.

Federal decennial census numbers were released on August 12, 2012. The next month, the State of Nebraska convened a special session of the Unicameral to address redistricting. The Legislature approved newly created legislative districts and other political subdivisions on September 30, 2021.

After legislative districts were approved, Election Commissioners of Douglas, Sarpy, Saunders and Washington Counties were able to provide new precinct lines to the various political subdivisions. During this time, UNO was working to prepare a new boundary map to comply with Neb. Rev. Stat. § 32-540.

Attached, please find the draft election subdivision boundary map for all seven election subdivisions.

The map provides for Director Jim Begley to continue serving Subdistrict 1,



Director David Friend serving Subdistrict 2, Director Gwen Howard serving Subdistrict 3, Director, Director Tim Cavanaugh serving Subdistrict 4, Director Tanya Cook serving Subdistrict 5, Director Mike McGowan serving Subdistrict 6 and Director Jack Frost serving Subdistrict 7. Each Subdistrict is labeled numerically and with a different color.

With the exception of Director Frost, all Directors reside within their respective Subdistricts, all Subdistricts are composed of substantially equal population are compact and contiguous and follow, as nearly as possible, precinct lines.

If approved, I will provide the map in appropriate formats to the four Election Commissioners' Offices and certify the same as being approved by the Board.

If you have any questions, please feel free to contact me.

A handwritten signature in blue ink, appearing to read "Mark Mendenhall".

Approved:

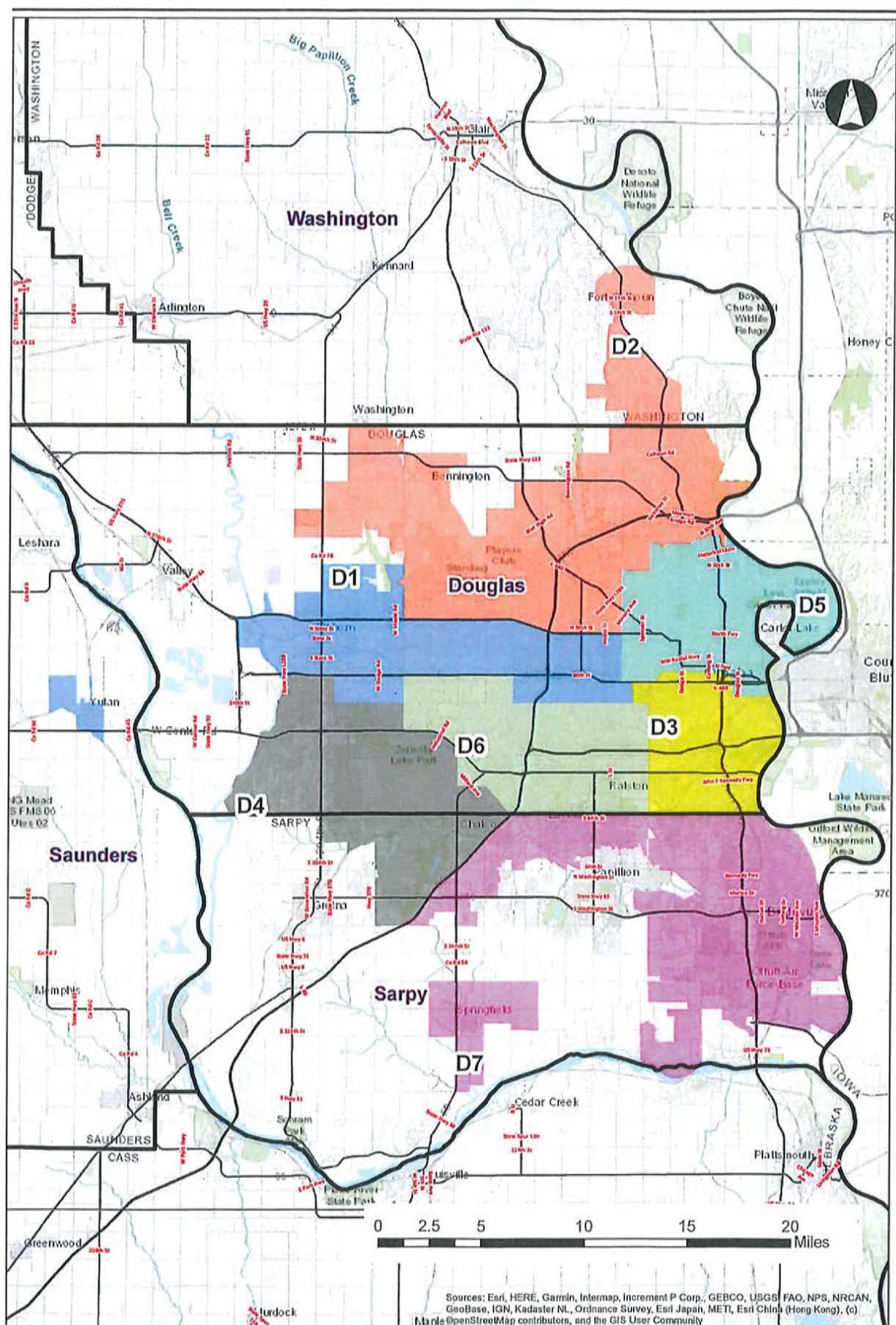
Mark Mendenhall  
SVP/ General Counsel

A handwritten signature in blue ink, appearing to read "Mark Doyle".

Mark Doyle  
President

UNIVERSITY OF NEBRASKA AT OMAHA  
CENTER FOR PUBLIC  
AFFAIRS RESEARCH

**LEGEND** D1 D2 D3 D4 D5 D6 D7





APPROVED BY BOARD

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 24, 2021

**Subject:** SETTLEMENT OF CIVIL LITIGATION, OPPD DAMAGES NEAR 24<sup>TH</sup> AND VINTON

**To:** J & L Committee

**Cc:** All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Langel, Lobsiger and Schaffart; and all Vice Presidents

**From:** Mark Mendenhall, Senior Vice President/ General Counsel

On May 31, 2020, the District experienced a large loss water main break at 24<sup>th</sup> and Vinton Streets. A 16-inch water main, originally installed in 1889, broke causing damage to the street and nearby underground facilities. The intersection in question is congested in terms of underground utilities including a 30-inch water main, sewer and underground power.

The water caused damage to multiple underground power lines and two manholes owned and operated by the Omaha Public Power District (OPPD). As part of restoration efforts, those power lines and manholes had to be relocated in order for District crews to replace the damaged section of the water main.

Shortly thereafter, OPPD asserted a claim against the District for \$334,454.01 which represented its costs to repair its equipment. The District engaged OPPD in a negotiation and have agreed to split costs to repair. Accordingly, I am recommending the Board authorize a settlement with OPPD in the amount of \$167,727.00.


I believe this amount reflects a result that recognizes what is in the best interest of both entities' mutual ratepayers.

If you have any questions, please feel free to contact me.



Approved:

Mark Mendenhall  
SVP/ General Counsel



Mark Doyle  
President



APPROVED BY BOARD

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 24, 2021

**Subject:** SETTLEMENT OF CIVIL LITIGATION

**To:** J & L Committee

**Cc:** All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Langel, Lobsiger and Schaffart; and all Vice Presidents

**From:** Mark Mendenhall, Senior Vice President/ General Counsel

An action was filed against the Metropolitan Utilities District of Omaha ("District") in the Douglas County District Court in 2016. The action has been in litigation since the date the Complaint was filed and remains in litigation as to other parties.

The District's Law Department, including its outside counsel, have reached a settlement agreement with the law firm of Falk Spinasanta LLC. This settlement is pending this Board's approval. The settlement amount is being withheld pursuant to Neb. Rev. Stat. § 84-713(2).

Pursuant to Neb. Rev. Stat. § 84-713(3), this matter must be placed upon the agenda, and we have done so with a memo that does not go into the details of the District's legal position, which is a matter that is allowed to be kept confidential under Neb. Rev. Stat. § 84-713(2).

If the Board desires, further discussion of this matter can be held in a Closed Session.

If you have any questions, please feel free to contact me.



Approved:

Mark Mendenhall  
SVP/ General Counsel



Mark Doyle  
President

## METROPOLITAN UTILITIES DISTRICT

*Inter-Department Communication*

November 24, 2021

**Subject:** CONDEMNATION AUTHORITY:

- (1) Elton Foster – 2602 North 16th Street – Millard & Caldwell's Addition, Lot 18.5
- (2) Willie L. Moise (J & WB Enterprise) (William Mora) – 2604 North 16th Street – Millard & Caldwell's Addition, Lot 18.5
- (3) Gregory Robinson – 2603 North 18th Street – Pruyne's Subdivision Lot 25-Lot 9

**To:** J & L Committee**Cc:** All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Langel, Lobsiger and Schaffart, and all Vice Presidents**From:** Mark Mendenhall, Senior Vice President, General Counsel

For over a year, the Law Department has been attempting to contact several owners of property near 16<sup>th</sup> Street and Ohio Avenue to obtain a water main easement. The water main being installed is part of the City of Omaha's Clean Solutions for Omaha (CSO) sewer separation project. Due to limitations of other utilities in the right-of-way, there is insufficient room in 16<sup>th</sup> Street. Once installed, the new water main will provide the property owners improved water services, including enhanced fire protection. We are seeking easement rights to a small portion of the above three properties.

The Law Department seeks condemnation authority to acquire the necessary portions of the parcels by eminent domain. Eminent domain requires that the District make a good faith offer to compensate property owners prior to seeking the Court's intervention. Despite repeated efforts to contact these property owners, we have not been able to negotiate a price for the easement right. The Foster and Moise properties are vacant lots, and the Robinson property contains a residence.

Efforts made to date to discuss the requested easements include: a series of letters and certified letters to last known addresses, canvassing neighbors, placing large signs on the Foster and Moise properties to contact the District's law department, hand posting easement documents on the Robinson residence, and the hiring of a private investigator. Due to the minimal size of the easement request, the easement compensation offer has been nominal to each of the property owners.

To avoid possible delays in the project, Board authority is sought to authorize condemnation proceedings for these easements. If possible, the easement will be acquired through negotiations before or even after the condemnation is filed.

A resolution authorizing the condemnation has been prepared for consideration, and this matter will appear on the agenda at the J & L Committee meeting for discussion on December 1, 2021, and on the agenda of the December 1, 2021 Board Meeting.



Mark Mendenhall  
Senior Vice President/General Counsel

Approved:



Mark Doyle  
President



## **RESOLUTION**

WHEREAS, the Metropolitan Utilities District of Omaha has sought to acquire and purchase permanent easement rights in the property of Elton Foster for the installation of a water main that will be placed on his property further described in Exhibit "A";

WHEREAS, after diligent efforts by the Law Department, the whereabouts of Elton Foster cannot be located;

WHEREAS, a good faith offer was tendered via first class and return receipt mail to Elton Foster for the acquisition of the easement for the water main.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Metropolitan Utilities District of Omaha determines that it is necessary to appropriate the property for the public purpose of installing and maintaining a water main and that the acquisition of permanent easement rights is necessary for the stated public purposes.

BE IT FURTHER RESOLVED that the Senior Vice President, General Counsel is authorized to institute condemnation proceedings on behalf of the District to obtain permanent easement rights on the property as provided by Nebraska Revised Statute §14-2116.

Adopted:

**EXHIBIT A**

A parcel of land being a portion of the Northeast Quarter of the Southwest Quarter of Section 10, Township 15 North, Range 13 East of the 6<sup>th</sup> Principal Meridian, Douglas County, Nebraska, being more particularly described as follows:

The southerly 10' of Lot 18.5, Millard & Caldwell's Addition, in Douglas County, Nebraska.

## RESOLUTION

WHEREAS, the Metropolitan Utilities District of Omaha has sought to acquire and purchase permanent easement rights in the property of Willie J. Moise and J & WB Enterprise for the installation of a water main that will be placed on their property further described in Exhibit "A";

WHEREAS, after diligent efforts by the Law Department, the whereabouts of Willie Moise or a representative of J & WB Enterprise cannot be located;

WHEREAS, a good faith offer was tendered via first class and return receipt mail to Willie Moise and a representative of J & WB Enterprise for the acquisition of the easement for the water main.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Metropolitan Utilities District of Omaha determines that it is necessary to appropriate the property for the public purpose of installing and maintaining a water main and that the acquisition of permanent easement rights is necessary for the stated public purposes.

BE IT FURTHER RESOLVED that the Senior Vice President, General Counsel is authorized to institute condemnation proceedings on behalf of the District to obtain permanent easement rights on the property as provided by Nebraska Revised Statute §14-2116.

Adopted:



**EXHIBIT A**

A parcel of land being a portion of the Northeast Quarter and Southwest Quarter of Section 10, Township 15 North, Range 13 East of the 6<sup>th</sup> Principal Meridian, Douglas County, Nebraska, being more particularly described as follows:

The southerly 10' of the westerly 11' of Millard & Caldwell's Addition Lot 18.5, in Douglas County, Nebraska.

## RESOLUTION

WHEREAS, the Metropolitan Utilities District of Omaha has sought to acquire and purchase permanent easement rights in the property of Gregory Robinson for the installation of a water main that will be placed on his property further described in Exhibit "A";

WHEREAS, after diligent efforts by the Law Department to make contact with Mr. Robinson, he has failed to respond to first class letters, signs posted in his yard and residential posting on his door informing him of the request for a permanent water main easement on a portion of his property;

WHEREAS, a good faith offer was tendered via first class, return receipt mail, and posting to his residence, to Gregory Robinson, for the acquisition of the easement for the water main.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Metropolitan Utilities District of Omaha determines that it is necessary to appropriate the property for the public purpose of installing and maintaining a water main and that the acquisition of permanent easement rights is necessary for the stated public purposes.

BE IT FURTHER RESOLVED that the Senior Vice President, General Counsel is authorized to institute condemnation proceedings on behalf of the District to obtain permanent easement rights on the property as provided by Nebraska Revised Statute §14-2116.

Adopted:

### **EXHIBIT A**

A parcel of land being a portion of the Northeast Quarter of the Southwest Quarter of Section 10, Township 15 North, Range 13 East of the 6<sup>th</sup> Principal Meridian, Douglas County, Nebraska, being more particularly described as follows:

The southerly 10' of the easterly 6' of the Pruynes Subdivision Div. Lot 25, a platted subdivision in Douglas County, Nebraska.



APPROVED BY BOARD

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Departmental Communication*

November 23, 2021

**Subject:** REVISION TO INVESTMENT POLICY STATEMENT FOR PENSION TRUST

**To:** Insurance and Pensions Committee

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

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

During the November 3, 2021, Board meeting, Pat Beckham, Principal Consulting Actuary with Cavanaugh Macdonald, presented findings and recommendations from the recently completed "Experience Study" for the Retirement Plan of our employees. One of the recommendations was to lower the assumed investment return from 6.9% to 6.75%; this recommendation is supported by management and was approved by the Board.

The change to the investment return assumption requires an update to the Investment Policy Statement for the Retirement Plan. The Investment Policy Statement controlling investments for the Other Post-Employment Benefits (OPEB) trust does not require a change, as its investment return objective is addressed as follows: "The Fund's long-term total return objective (income plus market appreciations) is to earn the highest possible rate of return consistent with the Plan's tolerance for risk." The primary purpose of the Investment Policy Statement is to provide guidance on the manner in which trust plan assets are to be invested as well as to define roles of all parties involved in this process. To that end, attached please find a revised Investment Policy statement for the Retirement Plan that reflects the revised investment return assumption; there are no other changes to this document.

Please advise with questions.



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

Approved:



Mark E. Doyle  
President

Attachment

**Approved: November 7, 2019**

**Draft: December 1, 2021**

**Investment Policy Statement for  
The Retirement Plan for Employees of  
The Metropolitan Utilities District of Omaha (Pension Plan)**

Objectives and Guidelines

**A. Purpose and Scope**

The purpose of the Retirement Plan is to provide eligible employees with retirement pension benefits. This is a "defined benefit" plan with contributions to the plan made periodically by both employees and the District. The investment policy is premised upon restrictions set out in State of Nebraska Statute, Section 30-3209 (2), a copy of which is attached to the policy. The "Prudent Investor" guideline is to be followed in regard to the investment management of the Plan. Consistent with prudent standards for the preservation of capital and maintenance of liquidity, the goal of the plan is to earn the highest possible rate of return consistent with the Plan's tolerance for risk. The level of risk is determined by the Board of Directors of the District with guidance from their Investment Advisor. Short-term fluctuations in the asset value of the Plan shall be considered secondary to long-term investment results.

The Board of Directors has the fiduciary responsibility for the Retirement Plan. They have delegated the administrative responsibility for the Plan to the Board's Insurance and Pension Committee, but have retained overall fiduciary oversight. The Plan's Investment Advisor will provide guidance when implementing the policies as stated in the following investment policy statement. The General Counsel of the District will provide legal advice for the Plan whenever needed.

The Investment Policy shall:

1. Define and assign the responsibilities of all parties.
2. Establish a clear understanding for all involved parties of the investment goals, risk tolerance and objectives for plan assets. Set asset allocation guidelines.
3. Offer guidance and limitations to the Investment Advisor regarding the investment of Plan assets.
4. Establish a basis for evaluating investment results.
5. Manage Plan assets according to prudent standards as established by Nebraska law.

In general, the purpose of this statement is to outline a philosophy and attitude, which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

**B. Delegation of Authority**

The Insurance and Pension Committee of the Board is responsible for directing and monitoring



the investment management of Pension Plan assets. The Committee's decisions and direction will be implemented by the Management Pension Committee. This Management Pension Committee is composed of the following Metropolitan Utilities District officers: The President, the Chief Financial Officer, the General Counsel and the Vice President of Accounting. The Insurance and Pension Committee is authorized to retain, and to delegate certain responsibilities and duties to professional experts in various fields. Their fields include, but are not limited to:

1. Investment Advisor. The Advisor will assist the Committee in establishing investment policy, objectives and guidelines; selecting investment funds; reviewing such investments over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Custodian. The custodian will physically (or through agreement with a sub- custodian) maintain possession of securities owned by the Plan, collect dividend and interest payments, redeem maturing securities, and affect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of assets owned, purchased or sold, as well as movement of assets into and out of Plan accounts.
3. Consulting Actuary. The Consulting Actuary will provide the Plan with all actuarial services required.
4. Additional specialists such as attorneys, auditors and others may be employed to assist in meeting responsibilities and obligations to administer Plan assets prudently.

#### C. Responsibilities

1. The Board of Directors
  - a. Serve as a Plan co-fiduciary with the Investment Advisor.
  - b. Appoint the three members of the Insurance and Pension Committee and designate a Chair.
  - c. Approve the Insurance and Pension Committee's annual review of the Investment Policy in the event there are significant recommended changes.
  - d. On an annual basis, review investment performance reports of the Plan as presented by the Investment Advisor.
  - e. Review the annual actuarial valuations report. Approve any necessary changes in the Plan's funding requirements based upon input from the Management Pension Committee and Consulting Actuary.
  - f. Approve the selection of an Investment Advisor for the plan.
2. The Insurance and Pension Committee

The Committee shall consist of three Board members, who are appointed by the full Board. They will meet as often as necessary to fulfill their responsibilities. The Committee is responsible for:



- a. Supervision of the Policy, including the annual review and recommendations for appropriate changes. Such changes must be approved by the Board.
- b. Retain an Investment Advisor to serve as a discretionary advisor and co-fiduciary for investment decisions with regard to the plan.
- c. Review quarterly investment performance reports for the Plan.
- d. Evaluating performance of investments in accordance with defined objectives and changing funds when needed.
- e. Retaining a custodian for the Plan's assets.
- f. Retaining Investment Consultant(s) to assist with the management of the Plan's investments if deemed necessary.
- g. Retaining a Consulting Actuary for the Plan.
- h. Reviewing the total cost for the investment and administration of the Plan annually. Consider cost implications in making any decisions for the Plan.

### 3. Consulting Actuary

The actuarial consultant will provide an annual actuarial valuation of the Retirement Plan. The primary purposes of performing the valuation are:

- a. To estimate the liabilities for the future benefits expected to be provided by the Plan.
- b. To determine the recommended contribution level, based on the District's funding policy.
- c. To measure and disclose various asset and liability measures.
- d. To monitor any deviation between actual plan experience and experience predicted by the actuarial assumptions so that recommendations for assumption changes can be made when appropriate.
- e. To analyze and report on any significant trends in contributions, assets and liabilities over the past several years.

The actuarial consultant will also provide Retirement Plan Experience Studies. The basic purpose of an experience study is to determine whether the actuarial assumptions currently in use have accurately anticipated actual emerging experience.

In addition, the Consulting Actuary may be asked to offer an opinion as to the Plan's absolute long-term total return investment objective, the Plan's asset allocation targets with respect to its peer group, and the Plan's tolerance for risk.

### 4. Management Pension Committee

The Committee is composed of the following District officers: the President, the Chief

Financial Officer, the General Counsel and the Vice President of Accounting. The Chief Financial Officer will serve as Chair, and will coordinate all Committee responsibilities and duties. The Committee's responsibilities are:

- a. Authorize all distributions to eligible retired employees. This responsibility has been delegated to the Human Resource Department.
- b. Oversee the accumulation of performance measurement data required by the Insurance and Pension Committee for the ongoing evaluation of investment performance.
- c. The Chief Financial Officer will act as the primary contact with the Insurance and Pension Committee, the Investment Advisor, and the Consulting Actuary.
- d. Providing the Board with quarterly investment reports for the Plan.
- e. Provide ongoing reports necessary for the administration of the Plan.
- f. Review the annual report of the Consulting Actuary and recommend to the Board any changes in funding requirements for the plan which are needed to keep the Plan's funding level at an acceptable level.

#### 5. The Investment Advisor

The Investment Advisor's role is to serve as a discretionary advisor and co-fiduciary for investment decisions with regard to the Plan. The Investment Advisor will have full discretion to make all investment decisions for the assets placed under their jurisdiction, while observing and operating within the Policy and any specific guidelines and constraints applied specifically to them. Investment advice concerning the management of Plan assets will be offered by the Advisor and will be consistent with investment objectives, policies, guidelines and constraints as established in the Policy. Specific responsibilities of the advisor may include:

- a. Assisting in the development and periodic review of the Investment Policy.
- b. Monitoring the asset allocation targets compared to the individual fund valuations and rebalancing between the various funds as necessary.
- c. Balancing preservation and growth of capital prudently.
- d. Monitoring the performance of the investments and provide the basis for evaluating the achievement of investment objectives and fund performance compared to benchmarks. Recommend changes if necessary.
- e. Providing information regarding any qualitative changes to investment management organizations. Examples include changes in personnel, ownership structure, investment philosophy and style.
- f. Performing other tasks which help in the effective management of Plan assets.
- g. Comply with all Nebraska Statutes relating to pension investments and any other legal



and regulatory requirements required for the investment of pension fund assets.

h. Communication

- i. Investment performance reports on a timely basis.
- ii. Any significant changes in the management or research personnel or ownership within the investment management firm.
- iii. Access for telephone consultations on a reasonable basis.
- iv. Presentations to the Insurance and Pension Committee as requested, but at least annually.
- v. Presentations to the Board of Directors as requested (generally on an annual basis).
- vi. Other reporting and analysis as requested.

D. Investment Return Objectives

1. Absolute Return Objective: The Fund's long-term total return objective (income plus market appreciations) is ~~6.9%~~6.75% after investment expenses. This objective is based upon the Asset Allocation Guidelines for the Plan (section F).
2. Relative Total Return Objectives to meet or exceed the following benchmarks:

U.S. Equity	CRSP US Total Market Index or a similar broad domestic equity index
Non-U.S. Equity	FTSE Global All Cap ex US Index or a similar broad international equity index
Investment-Grade Fixed Income	Barclays Capital US Aggregate Float Adjusted Index, or a similar aggregate bond index
REITs	MSCI US REIT Index or a similar REIT index

These Benchmarks will be used to compute a blended Benchmark Index for the Plan. If a new investment category is used, then a benchmark would be identified. This will be compared to actual investment returns.

E. Investment Guidelines and Limitations

1. Permitted Investments

a. Cash Equivalents

- i. Treasury Bills
- ii. Money Market Funds
- iii. Commercial Paper



- iv. Certificate of Deposits and Checking Accounts (Limited to \$250,000 less the anticipated interest per FDIC insured financial institution)
- b. Fixed Income Securities
  - i. US Government and Agency Securities
  - ii. Corporate Notes and Bonds
  - iii. Private and Agency residential mortgage-backed securities, including both pass-through securities and collateralized mortgage obligations
  - iv. Private and agency commercial mortgage-backed securities
  - v. Asset-backed securities
  - vi. Taxable municipal securities
- c. Equity Securities
  - i. Common Stocks
  - ii. Convertible Notes and Bonds
  - iii. American Depository Receipts (ADR's)
- d. Mutual Funds\*
  - i. Equity
  - ii. Fixed Income
  - iii. Exchange Traded Funds
- \* Investment Limitations shall not apply to Mutual Funds. However, Mutual Funds selected by the Investment Advisor shall comply with all SEC requirements, statements contained in their prospectus and give notice of any significant changes in personnel, style or objectives. The Investment Advisor shall manage compliance.*
- e. Other Securities
  - i. Securities not listed above with the specific prior approval of the Insurance and Pension Committee.

## 2. Prohibited Investments

- a. Private placements and letter stock
- b. Options

c. Commodities

d. Asset backed money market funds

### 3. Prohibited Transactions

Unless expressly authorized by the Committee, the Portfolio and its investment funds are prohibited from:

- a. Purchasing securities on margin, or executing short sales.
- b. Pledging or hypothecating securities, except for loans of securities that are fully collateralized.
- c. Purchasing or selling derivative securities for speculation or leverage.
- d. Engaging in investment strategies that have the potential to amplify or distort the risk of loss beyond a level that is reasonably expected given the objectives of their portfolios

### 4. Diversification Policy

Diversification across and within asset classes is the primary means by which the Committee expects the Portfolio to avoid undue risk of large losses over long time periods. To protect the Portfolio against unfavorable outcomes within an asset class due to the assumption of large risks, the Committee will take reasonable precautions to avoid excessive investment concentrations. Specifically, the following guidelines will be in place:

- a. With the exception of fixed income investments explicitly guaranteed by the U.S. government, no single investment security shall represent more than 5% of total Portfolio assets.
- b. With the exception of passively managed investment vehicles seeking to match the returns on a broadly diversified market index, no single investment pool or investment company (mutual fund) shall comprise more than 20% of total Portfolio assets.
- c. With respect to fixed income investments, the minimum average credit quality of these investments shall be investment grade (Standard & Poor's BBB or Moody's Baa or higher).

### F. Asset Allocation Guidelines for the Plan

Asset Class	Sub-Asset Class	Target Allocation
Equity		60%
	Domestic (U.S.) Equities	36%
	International (Non-U.S.) Equities	24%
Fixed Income		32%
	U.S. Aggregate Bonds	15%
	International Bonds	3%
	Intermediate Term Credit	11%
	Short Term Credit	3%
	Intermediate Terms TIPS	0%
REITS		8%

<b>Total</b>		<b>100%</b>
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The Portfolio will be rebalanced to the target asset allocation described above as follows:

1. Utilizing incoming cash flow (contributions) or outgoing money movements (disbursements) to realign the current weightings closer to the target asset allocation of the Portfolio on an ongoing basis.
2. Reviewing the Portfolio quarterly (March 31, June 30, September 30, and December 31) to identify any deviation(s) from target weightings and acting within a reasonable period of time under the following circumstances:
  - a. If any asset class (equity, fixed income, alternatives or cash) within the Portfolio is +/- 5 percentage points from its target weighting, the Portfolio will be rebalanced.
  - b. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the Portfolio may be rebalanced.
  - c. Rebalancing the Portfolio at any other time if the Investment Advisor in its discretion deems it appropriate to do so.

#### G. Performance Measurement

Performance will be monitored quarterly. The Investment Advisor will provide investment return data for each quarter, year-to-date, last twelve months, three year and five year periods; and since inception of the Advisor's engagement. Actions may be taken at any time to replace an investment if the Insurance and Pension Committee deems it appropriate for performance or other reasons.

The Management Pension Committee shall report quarterly to the Board on the actual performance of the Plan compared to goals, objectives and Benchmarks.

#### H. Review and Amendment

The Insurance and Pension Committee will review this Policy at least annually in order to ascertain whether there have been any changes in the needs of the Plan and/or major changes in the structure of the capital markets, which require this Policy to be amended. The Committee will recommend changes to the Policy whenever it is deemed necessary to the Board for approval.

#### I. Approval of Investment Policy

Approval shall be documented by attaching a copy of the Minutes from the Board Meeting.



30-3209.

Corporate trustee; retirement or pension funds of governmental employees; investments authorized.

(1) Corporate trustees authorized by Nebraska law to exercise fiduciary powers and holding retirement or pension funds for the benefit of employees or former employees of cities, villages, school districts, or other governmental or political subdivisions may invest and reinvest such funds in such securities and investments as are authorized for trustees, guardians, conservators, personal representatives, or administrators under the laws of Nebraska. Retirement or pension funds of such cities, villages, districts, or subdivisions may be invested in annuities issued by life insurance companies authorized to do business in Nebraska. Except as provided in subsection (2) of this section, any other retirement or pension funds of cities, including cities operating under home rule charters, villages, school districts except as provided in section 79-9.107, and all other governmental or political subdivisions may be invested and reinvested, as the governing body of such city, village, school district, or other governmental or political subdivision may determine, in the following classes of securities and investments: (a) Bonds, notes, or other obligations of the United States or those guaranteed by or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof; (b) bonds or other evidences of indebtedness of the State of Nebraska and full faith and credit obligations of or obligations unconditionally guaranteed as to principal and interest by any other state of the United States; (c) bonds, notes, or obligations of any municipal or political subdivision of the State of Nebraska which are general obligations of the issuer thereof and revenue bonds or debentures of any city, county, or utility district of this state when the earnings available for debt service have, for a five-year period immediately preceding the date of purchase, averaged not less than one and one-half times such debt service requirements; (d) bonds and debentures issued either singly or collectively by any of the twelve federal land banks, the twelve intermediate credit banks, or the thirteen banks for cooperatives under the supervision of the Farm Credit Administration; (e) certificates of deposit of banks which are members of the Federal Deposit Insurance Corporation or capital stock financial institutions, and if the amount deposited exceeds the amount of insurance available thereon, then the excess shall be secured in the same manner as for the deposit of public funds; (f) accounts with building and loan associations, qualifying mutual financial institutions, or federal savings and loan associations in the State of Nebraska to the extent that such accounts are insured or guaranteed by the Federal Deposit Insurance Corporation; (g) bonds or other interest-bearing obligations of any corporation organized under the laws of the United States or any state thereof if (i) at the time the purchase is made, they are given, by at least one statistical organization whose publication is in general use, one of the three highest ratings given by such organization and (ii) not more than five percent of the fund shall be invested in the obligations of any one issuer; (h) direct short-term obligations, generally classified as commercial paper, of any corporation organized or existing under the laws of the United States or any state thereof with a net worth of ten million dollars or more; and (i) preferred or common stock of any corporation organized under the laws of the United States or of any state thereof with a net worth of ten million dollars or more if (i) not more than fifty percent of the total investments at the time such investment is made is in this class and not more than five percent is invested in each of the first five years and (ii) not more than five percent thereof is invested in the securities of any one corporation. Notwithstanding the percentage limits stated in this subsection, the cash proceeds of the sale of such preferred or common stock may be reinvested in any securities authorized under this subdivision. No city, village, school district, or other governmental subdivision or the governing body thereof shall be authorized to sell any securities short, buy on margin, or buy, sell, or engage in puts and calls. Section 77-2366 shall apply to deposits in capital stock financial institutions. Section 77-2365.01 shall apply to deposits in qualifying mutual financial institutions.

(2) Notwithstanding the limitations prescribed in subsection (1) of this section, trustees or custodians holding retirement or pension funds for the benefit of employees or former employees of any city of the primary class, city of the metropolitan class, metropolitan utilities district, county in which a city of the

metropolitan class is located, or public power district shall invest such funds in investments of the nature which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another. Such investments shall not be made for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived. The trustees or custodians shall not buy on margin, buy call options, or buy put options. The trustees or custodians may lend any security if cash, United States Government obligations, or United States Government agency obligations with a market value equal to or exceeding the market value of the security lent are received as collateral. If shares of stock are purchased under this subsection, all proxies may be voted by the trustees or custodians. The asset allocation restrictions set forth in subsection (1) of this section shall not be applicable to the funds of pension or retirement systems administered by or on behalf of a city of the primary class, city of the metropolitan class, metropolitan utilities district, county in which a city of the metropolitan class is located, or public power district.

(3) For purposes of subsection (2) of this section, a custodian means a custodian meeting the requirements of section 401(f)(2) of the Internal Revenue Code.

## Source

- Laws 1967, c. 257, § 1, p. 678;
- Laws 1984, LB 752, § 1;
- Laws 1989, LB 33, § 25;
- R.S.Supp., 1989, § 24-601.04;
- Laws 1992, LB 757, § 21;
- Laws 1996, LB 900, § 1036;
- Laws 1998, LB 1321, § 78;
- Laws 2001, LB 362, § 29;
- Laws 2001, LB 408, § 12;
- Laws 2009, LB259, § 12;
- Laws 2014, LB759, § 18.



**RESOLUTION**

WHEREAS, the Management Budget Committee has submitted to the President the "Budget for 2022"; and

WHEREAS, the Budget has been considered and reviewed by the Senior Staff, the Vice Presidents of the respective Departments and Divisions affected thereby, the District's Management Budget Committee, and by the Board of Directors at a public hearing held on December 1, 2021, notice of which was duly published; and

WHEREAS, the By-Laws of the Board of Directors provide that an annual budget shall be adopted by the Board of Directors and that no substantial departure that exceeds the total approved budget shall be made without first obtaining the approval of the Board of Directors; and

WHEREAS, the Board of Directors determines that the Budget for 2022 should be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that the Budget for 2022, a copy of which is made a part of this resolution, is hereby adopted.

BE IT FURTHER RESOLVED that there are hereby appropriated from the Water and Gas funds, respectively, the estimated sums, or so much thereof as may be necessary, as determined in the Budget for the purposes described therein, and not heretofore appropriated, as funds are available therefore; provided that, notwithstanding this general appropriation, no expenditure shall be made or committed to be made until prior approval of the Board for such specific expenditure has been granted; and provided further, that such limitations shall not apply to the usual and necessary expenditures for operations, nor in emergency situations where prior Board approval is not reasonably possible, nor to purchases made within limitations pursuant to special authority granted to the President by the Board of Directors.

Adopted:



APPROVED BY BOARD

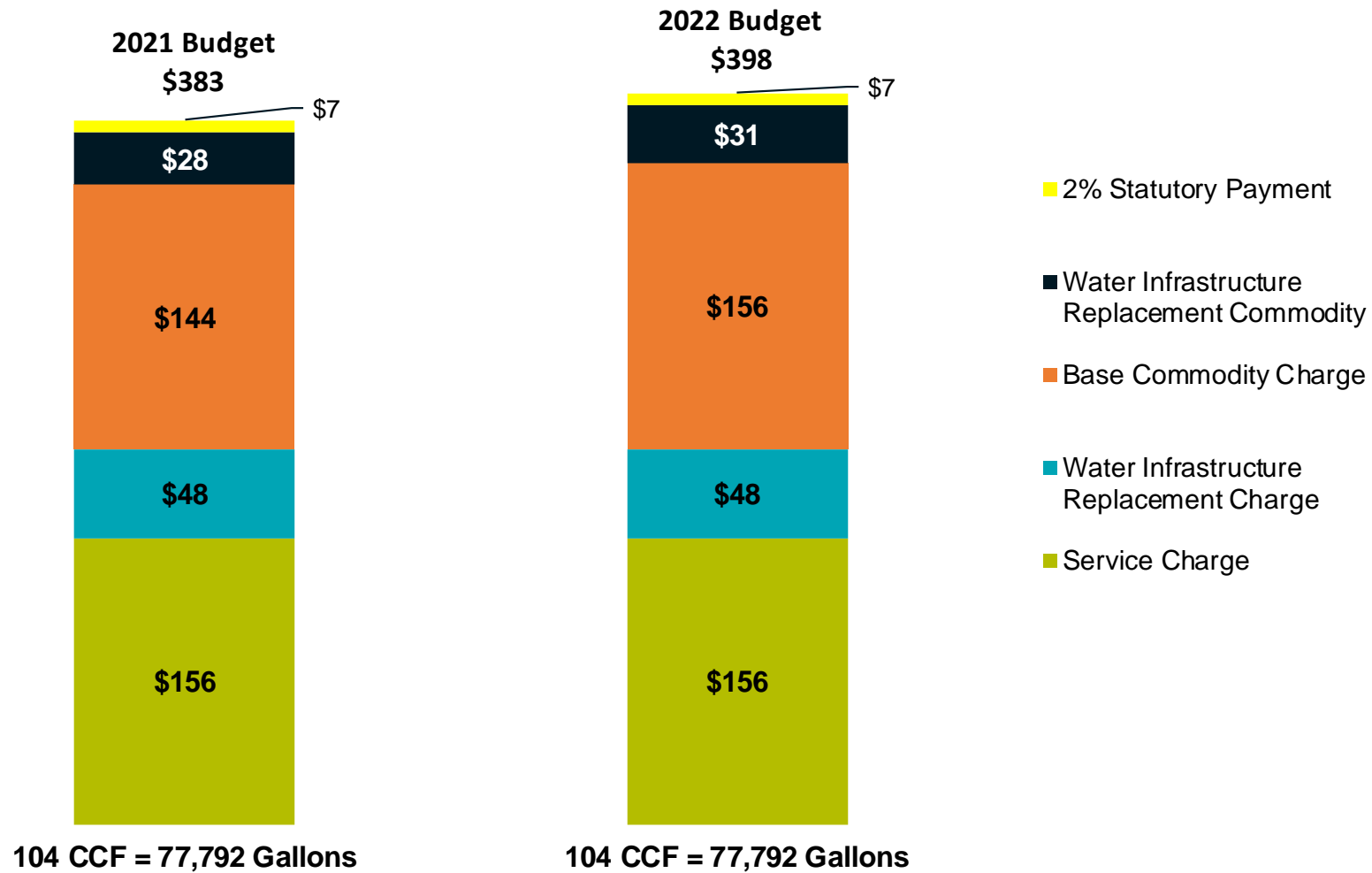
# 2022 BUDGET

December 2021

# Water Rates Discussion

- Budget contains a 4% increase to the average residential customer bill recovered via a 7.8% increase to commodity charge (\$1.28 per month, or \$15.38 per year) ; the same 7.8% commodity increase will be applied to small volume Commercial customers
- Large Commercial and Industrial, Commercial Sprinkling and Wholesale customers will experience a 5.6% increase to the Commodity component of rates, as usage is the largest "driver" of their bill (fixed charges are a significantly smaller percentage of the total bill as compared with Residential customers)
- Increase will generate approximately \$5.5 million in incremental funds
- Rate increase effective January 2, 2022
- The increase is necessary to fund:
  - Increased cost of operations
  - Increased rate of water main replacement, condition assessment and rehabilitation
  - Debt service costs associated with a planned bond issuance of \$67 million to fund capital improvement plans for the Florence and Platte South water treatment plants, as well as the construction of the West Dodge pump station and other system improvements

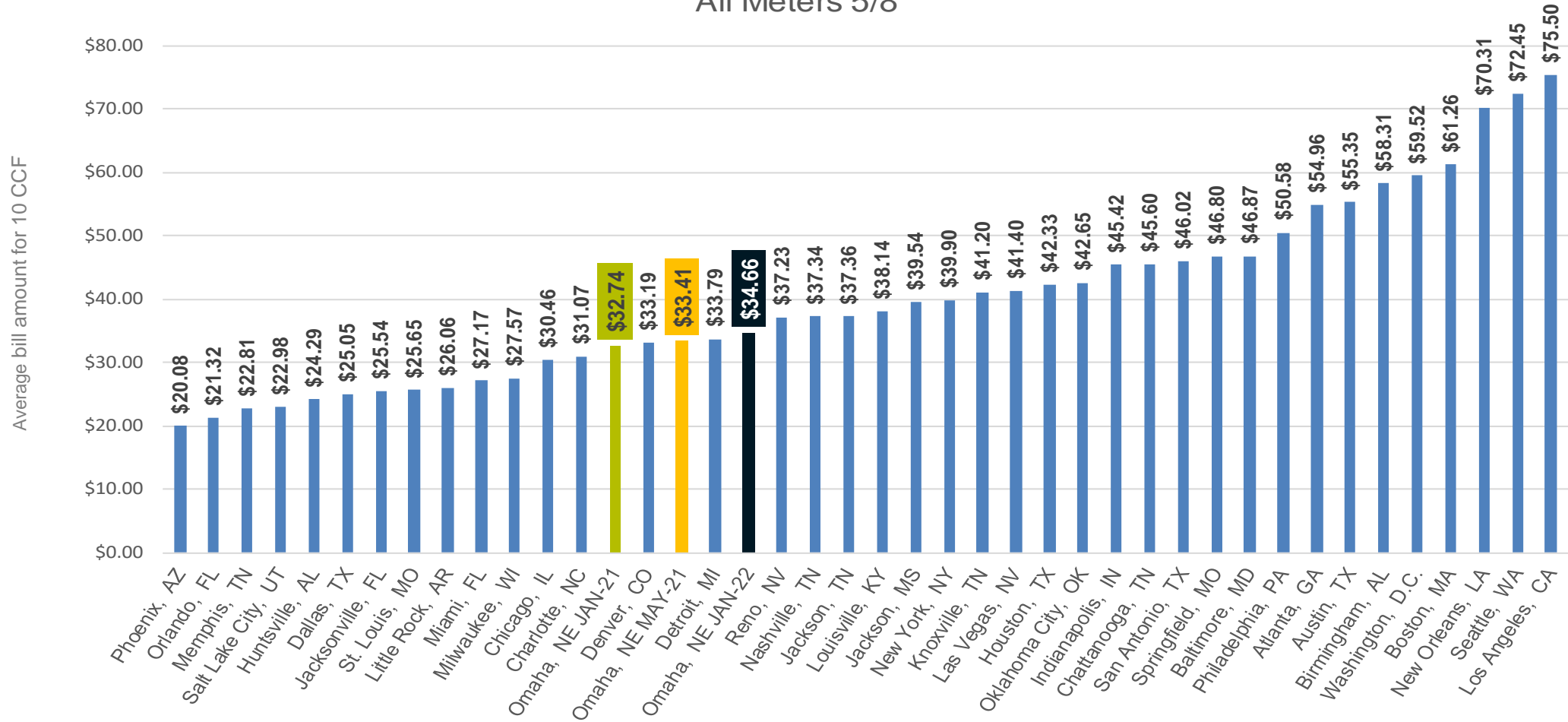
# Average Annual Residential Water Bill





# National Comparison – Residential Water Bills

Rates in effect January 2021  
10 CCF  
All Meters 5/8"



# Gas Rates Discussion

- Budget contains no rate increase
- Cash reserves on hand will be "spent down" to address modestly increased operating costs, while maintaining strong liquidity

# Gas Bill for Average Residential Customer

- The total bill for the average residential customer is projected to increase by \$191 per year, or 32% as compared with the 2021 budget, as follows:

- Increased "Pass Through Costs" - collected and remitted to others

Cost of natural gas	+ \$	184	
2% Statutory Payment Charge (remitted to Cities)	+ \$	4	
Transportation Demand Charges	- \$	(1)	* Fixed costs spread over increased volumes
Subtotal - Remitted to Others		<u>\$ 187</u>	

- Increased cost to fund MUD operations

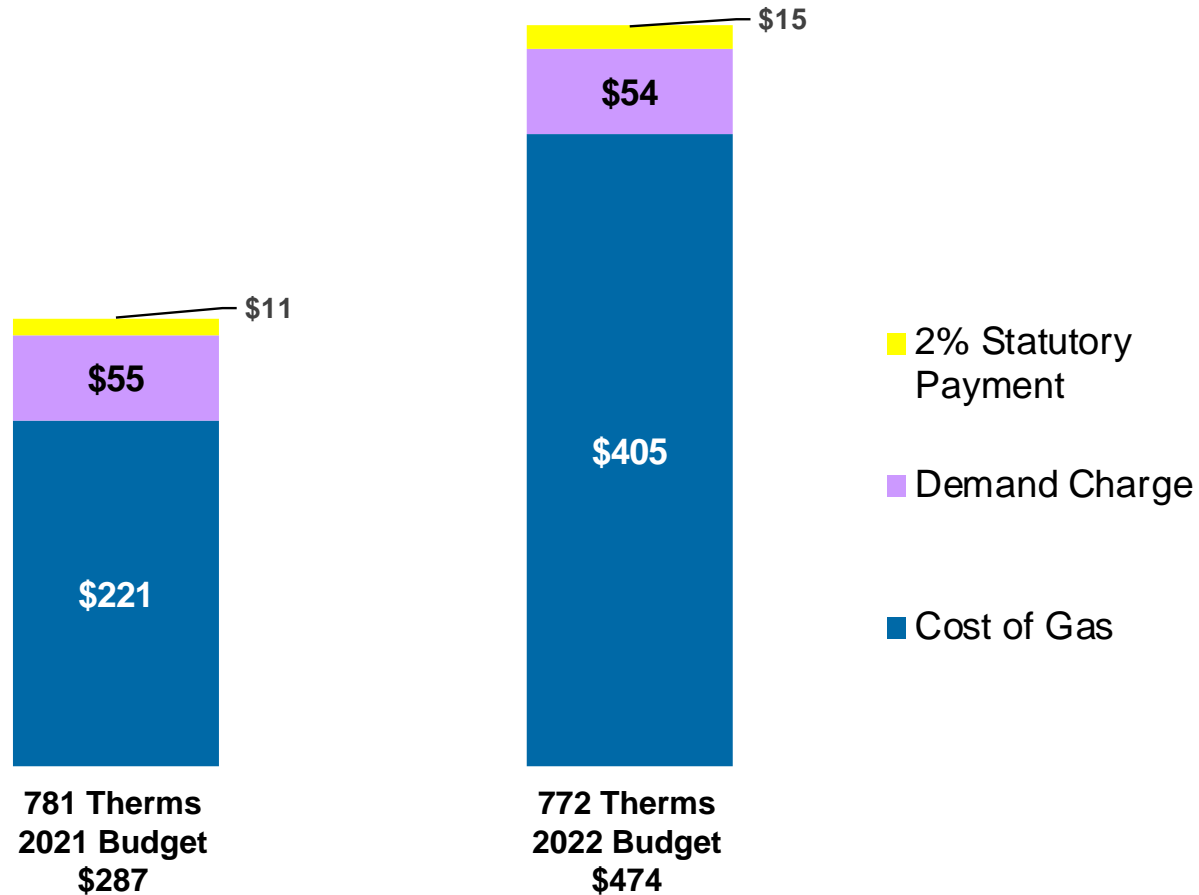
Peak Shave Costs - primarily LNG plant expansion	+ \$	5	To fund bond carrying costs
Commodity Charge	\$	(1)	
Service Charge - no change	\$	-	
Gas Infrastructure Replacement "Rider" - no change	\$	-	
Subtotal - MUD Operations		<u>\$ 4</u>	

Total		<u><u>\$ 191</u></u>	
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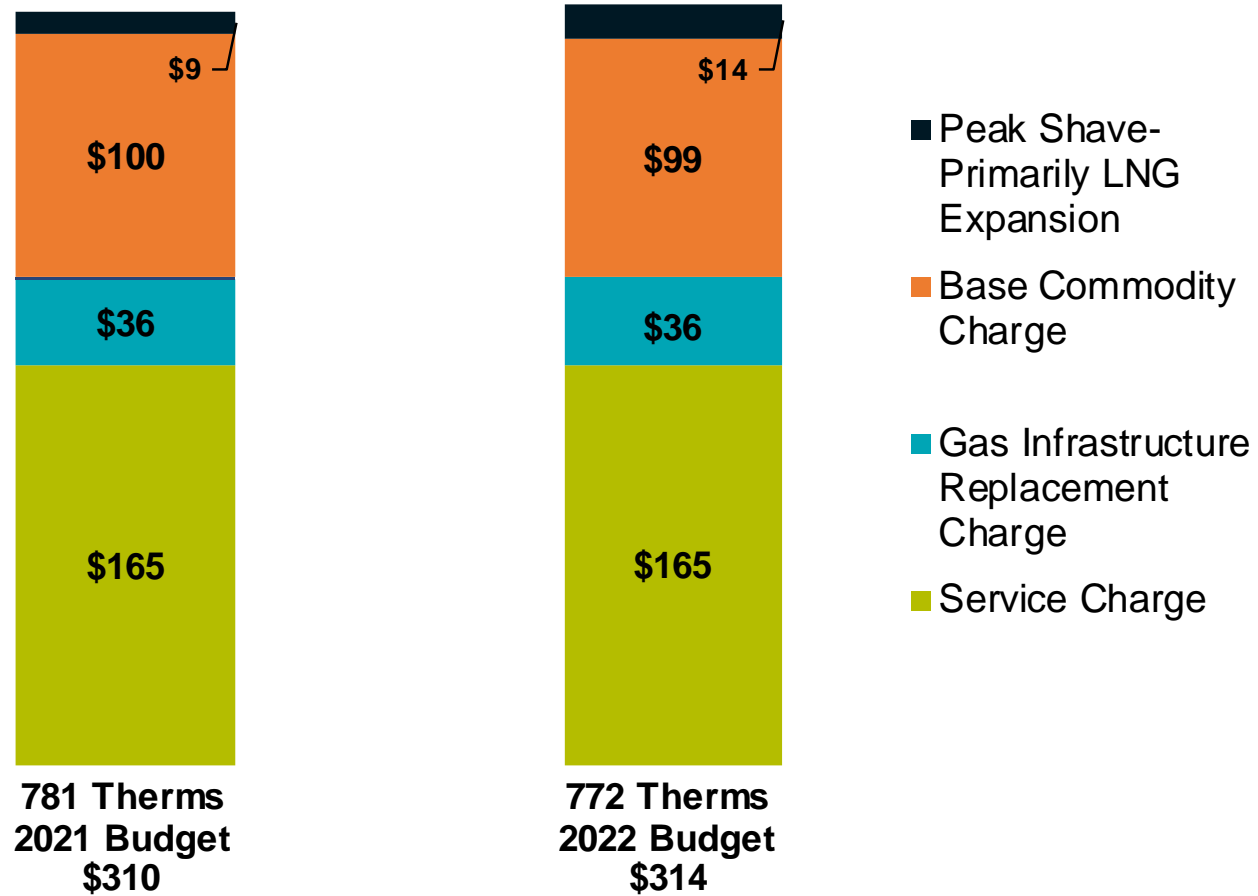
# Average Annual Residential Gas Bill

## Passthrough Components: Collected & Remitted to Others

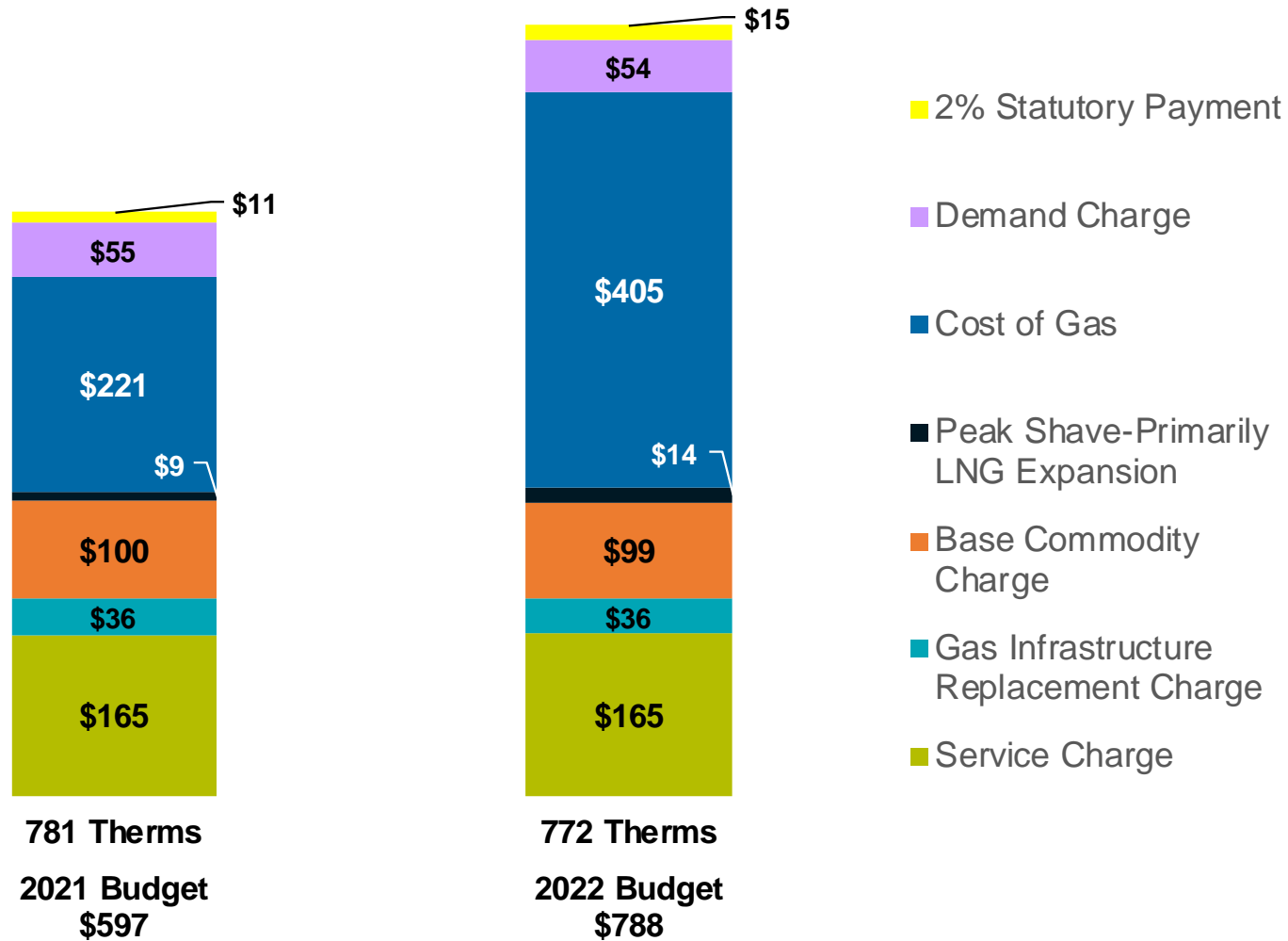


# Average Annual Residential Gas Bill

## MUD Operations Funding

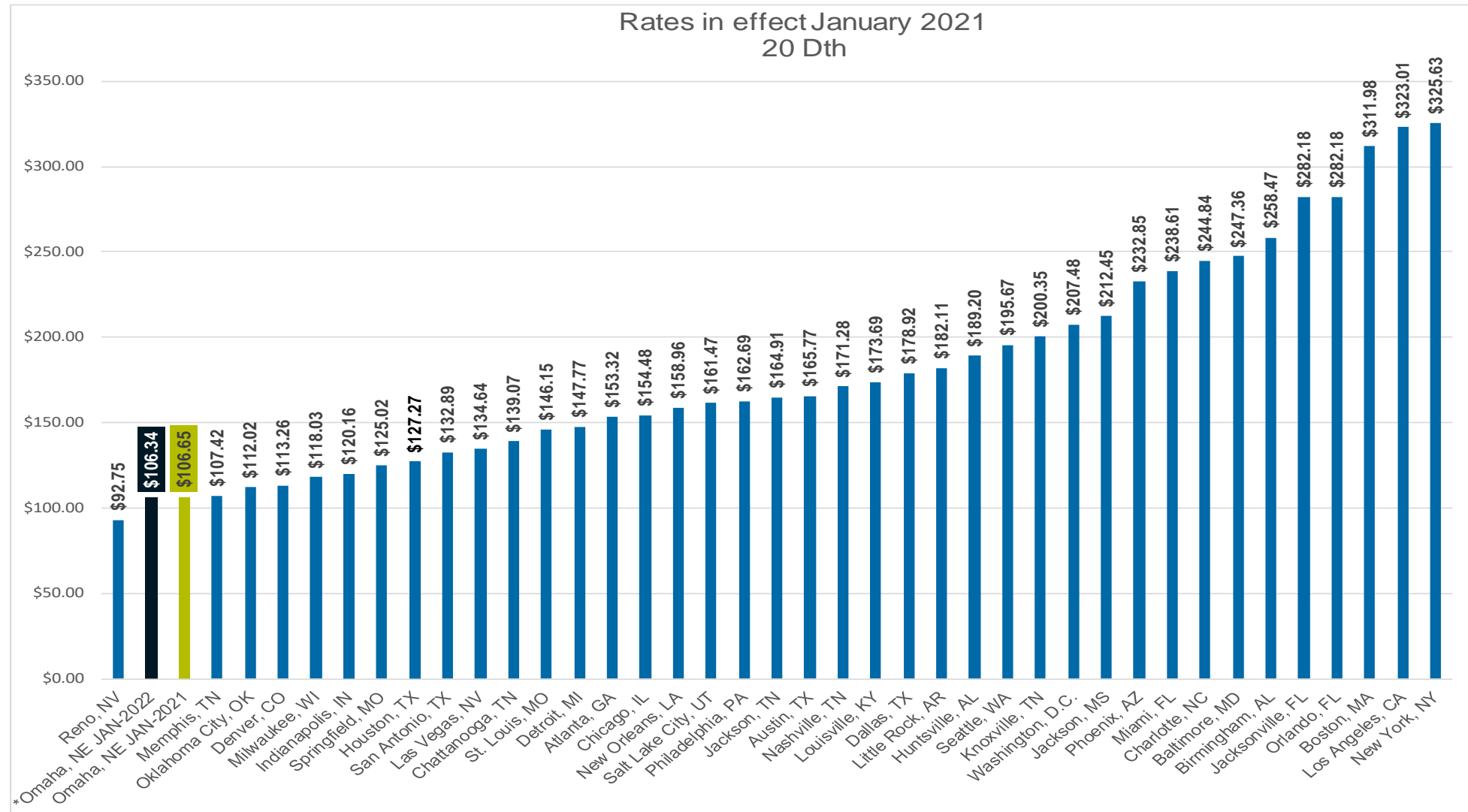


# Average Annual Residential Gas Bill





# National Comparison – Residential Gas Bills



Source: 2021 Memphis Light Gas & Water Annual Survey

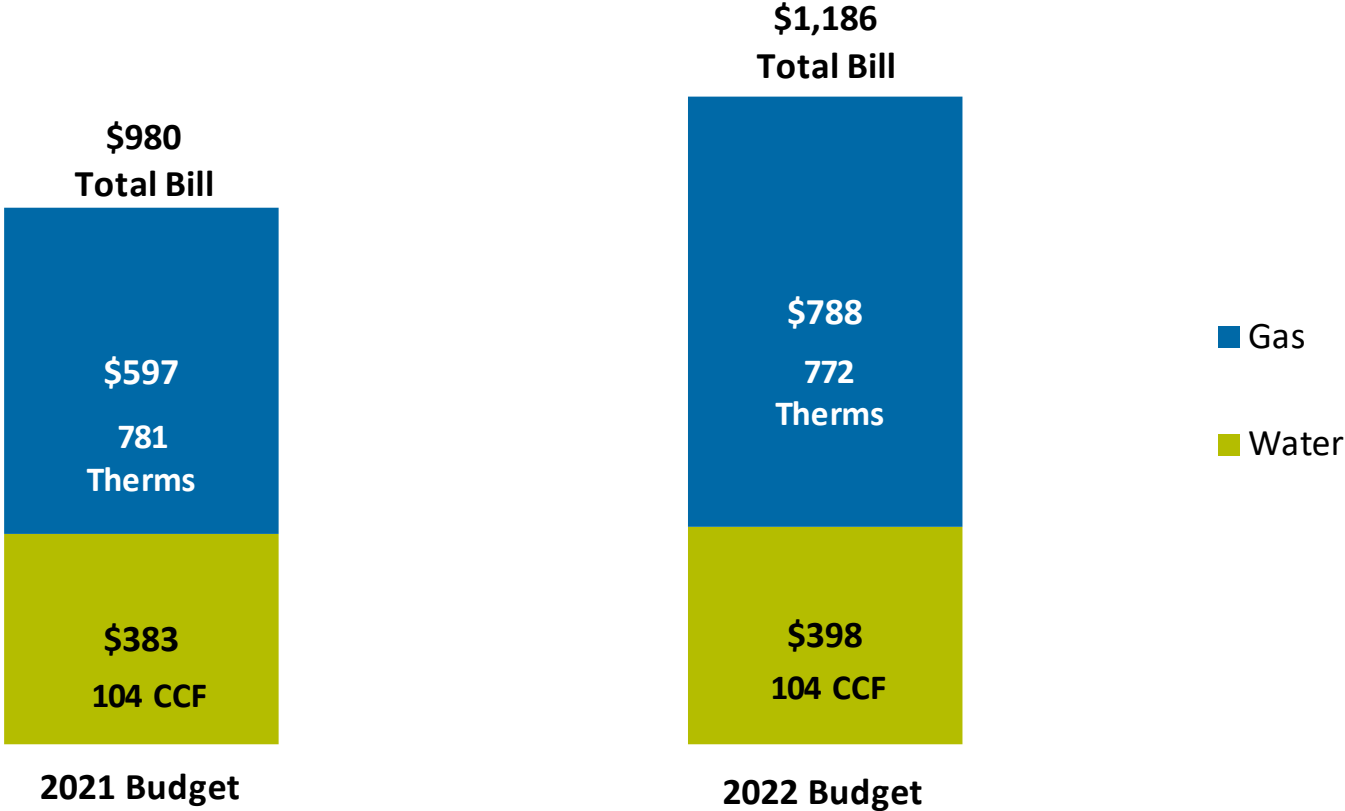
\* The District's JAN-2022 bar utilizes 2021's cost of gas to give a better idea of how the District will likely rank against other participants in 2022

2022 BUDGET WORKING DRAFT

**METROPOLITAN**  
UTILITIES DISTRICT

# Gas & Water Annual Bill Comparison

(Average Residential Customer)



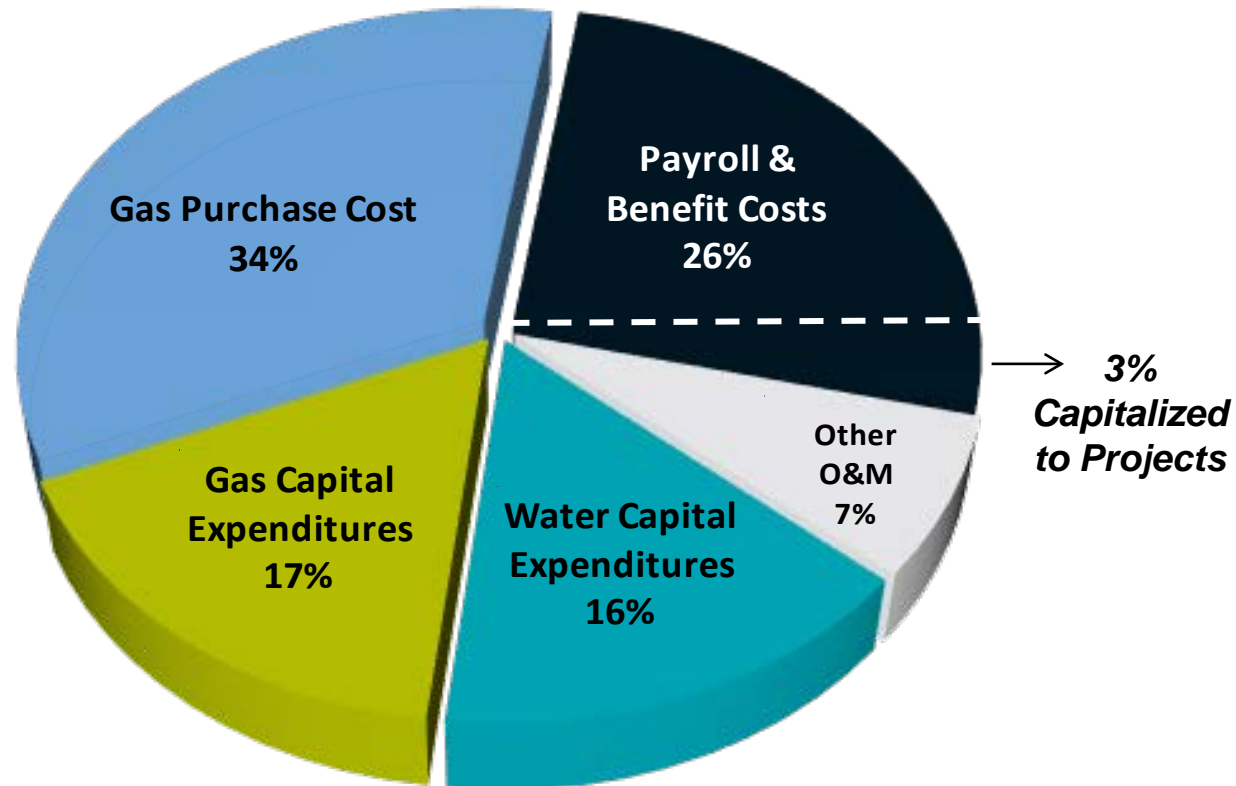
# Water & Gas Operations

## Shared Expenditures



# Components of District Spending (Water & Gas Combined)

**2022 PROJECTED SPEND = \$505.2M**



# Water & Gas Operations – Shared Expenditures

## 2022 Budget Assumptions

- Reflects a 2.25% OAC pay increase effective April 1, 2022 - per Labor Agreement  
Current Labor Agreement is valid through March 31, 2023
- Reflects a 2.25% SPA pay increase effective March 1, 2022
- Reflects full funding of “promises to employees”
  - Pension and OPEB (retiree medical funding reflected in budget as follows:
    - Pension - \$12 million
    - OPEB - \$10.8 million – combination of “pay as you go” claims funding and contributions to trust
- Consistent with our prior practice, contributions to Pension and OPEB exceed the estimated actuarially required contributions, by \$1.2 million and \$.2 million respectively
- Contributions to Pension and OPEB are reflective of revised long-term investment return assumption of 6.75%; employer pension contributions are also impacted by increased employee contributions - from 8.0% to 8.5% of "pensionable" wages

# Water Operations



# Water Operations 2022 Budget Assumptions

## Expenditures

- Capital expenditures of \$87.1 million, which are \$7 million higher than the 2021 budget; due primarily to:
  - Cast iron water main replacement increased by \$3.5 million - 16 miles in 2022 vs. 14.5 miles in 2021
  - Construction equipment increased by \$2.0 million due to efforts to right-size the age of the construction fleet
  - Water Construction Main spending increased by \$1.4 million primarily due to the main in support of West Dodge pump station
- Planned bond issuance of \$67 million to fund capital improvement plans for the Florence and Platte South water treatment plants, as well as the construction of the West Dodge pump station and other system improvements

# Water Operations 2022 Budget Assumptions

## Expenditures (cont'd)

- Water Infrastructure Replacement/Condition Assessment
  - Target 16 miles of replacement in 2022 at a cost of approximately \$2 million per mile; we expect to abandon approximately 14.5 miles of cast iron water mains in 2021
  - Budget includes funds to perform conditional assessment on 2 miles of large water distribution mains (1 mile conditionally assessed in 2021); can result in significant cost avoidance vs. replacing mains
  - 3,068 total miles of water mains in our system at end of 2020
  - Approximately 1,172 miles of cast iron water mains remaining in our system at the end of 2021; infrastructure improvement efforts are not limited to cast iron mains

# Water Operations 2022 Budget Assumptions

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## Expenditures (cont'd)

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- Water Infrastructure Replacement/Condition Assessment (cont'd)
  - We continue to work diligently on efforts to reduce the per-mile cost of water main replacement - plan to rely on pipe-bursting to replace 3 - 5 miles of mains in 2022
  - While main replacement continues to be a significant focus in terms of improving system reliability, we are broadening our efforts to rely on condition assessment, leak detection and extensive data analysis of main breaks to ensure the most cost-effective approaches to system reliability are employed - our focus is "outcome-based" - reduced main breaks



# Water Operations 2022 Budget Assumptions

## Expenditures (cont'd)

- Water Infrastructure Replacement/Condition Assessment (cont'd)
  - Due to cost considerations, we have flattened the rate of increase for water infrastructure replacement, as depicted below, while at the same time placing increased emphasis on conditional assessment

(\$ in millions)	Main Replacement Goals		Condition Assessment Goals	Main Replacement Goals As Presented at November Board Meeting	
	Miles	Cost	Miles	Miles	Cost
<b>2022</b>	16.0	\$ 31.7	2.0	18.0	\$ 35.7
<b>2023</b>	16.0	\$ 32.7	4.0	20.0	\$ 40.9
<b>2024</b>	17.0	\$ 35.9	6.0	22.5	\$ 47.3
<b>2025</b>	17.0	\$ 37.1	8.0	25.0	\$ 54.2
<b>2026</b>	17.0	\$ 38.2	8.0	25.0	\$ 55.8

# Water Operations

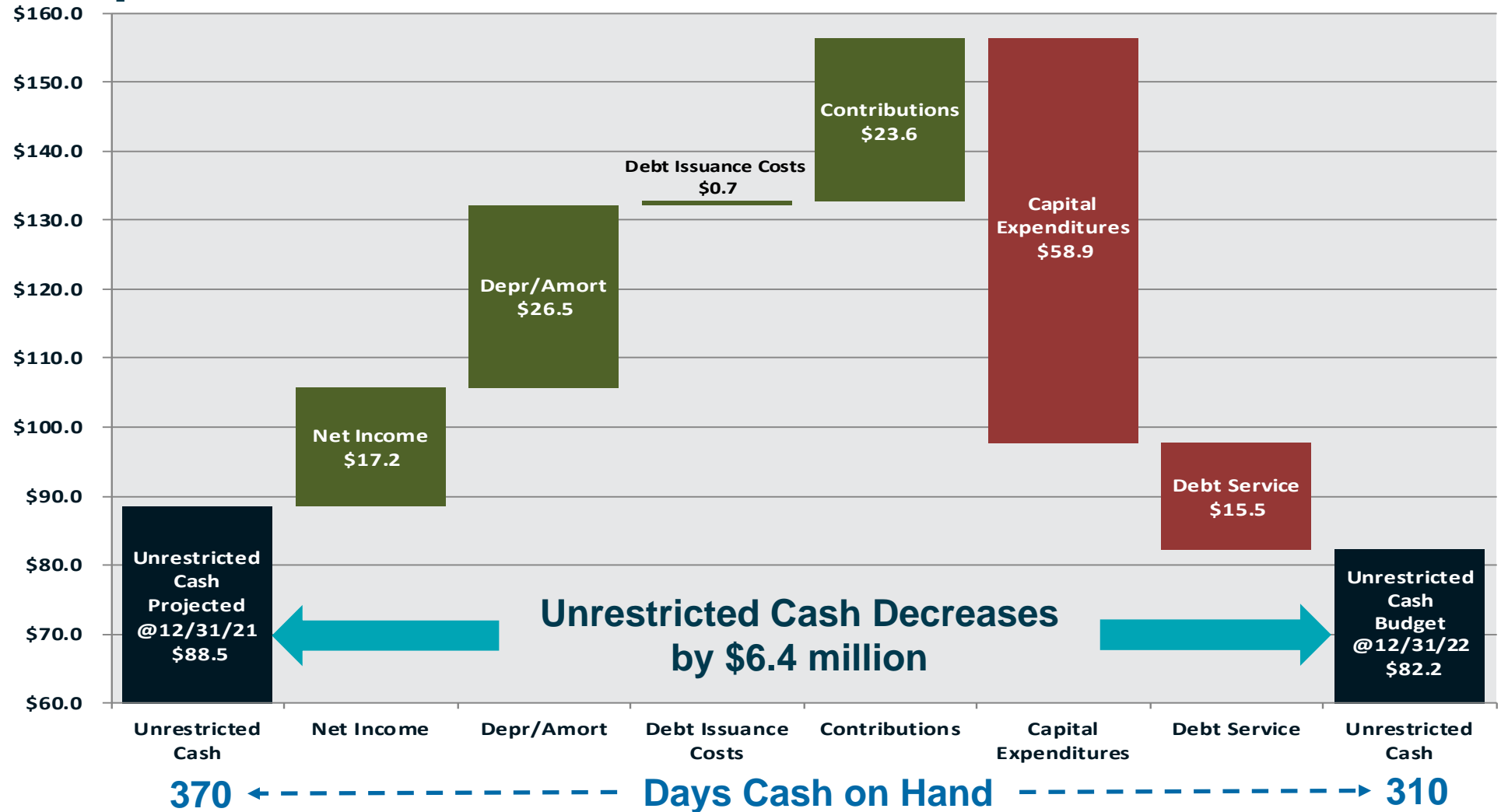
## Revenue & Expense Statement

(\$ in Millions)

	2021 Projection	2022 Budget	Increase / (Decrease)	
			\$	%
<b>Revenue:</b>				
Water Sales	\$ 125.1	\$ 128.6	\$ 3.5	2.8%
Infrastructure Charge	15.1	15.2	0.1	0.7%
Other Operating	4.2	4.2	-	0.0%
<b>Total Revenue</b>	<b>\$ 144.4</b>	<b>\$ 148.0</b>	<b>\$ 3.6</b>	<b>2.5%</b>
<b>Expense:</b>				
Operating & Maintenance	87.1	97.3	10.2	11.7%
Depreciation	16.1	23.5	7.4	45.9%
Bond Issuance Costs	-	0.7	0.7	NM
Interest Expense, Net	7.1	7.6	0.5	7.0%
Other	2.1	2.1	(0.1)	(4.7%)
<b>Total Expense</b>	<b>112.5</b>	<b>131.2</b>	<b>18.7</b>	<b>16.6%</b>
Interest Income	0.3	0.4	0.1	52.6%
<b>Net Income</b>	<b>\$ 32.2</b>	<b>\$ 17.2</b>	<b>\$ (15.0)</b>	<b>(46.5%)</b>

# Water Operations - Cash Flow

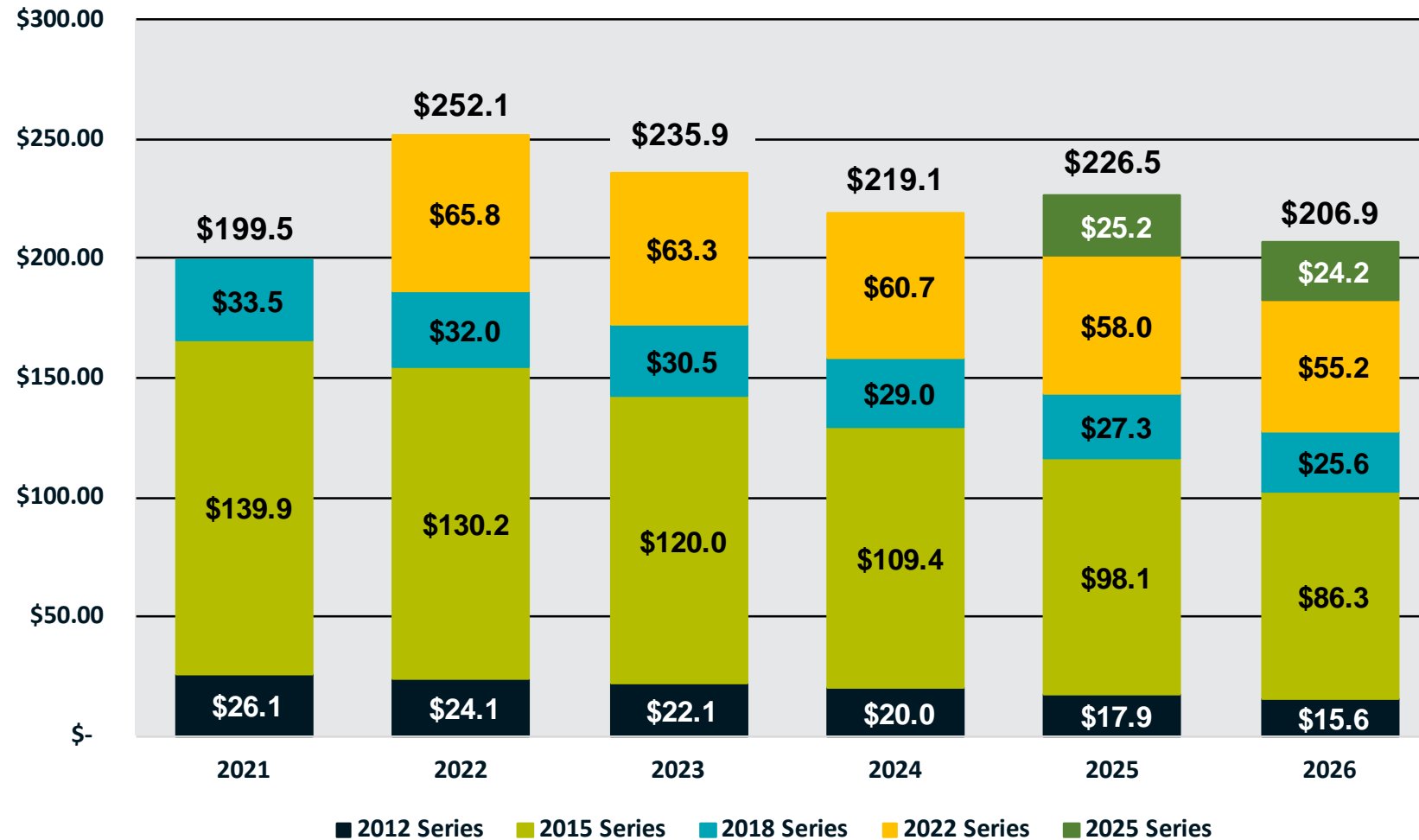
(\$ in Millions)



# Water Operations

## Bonded Debt Outstanding as of December 31

(\$ in Millions)

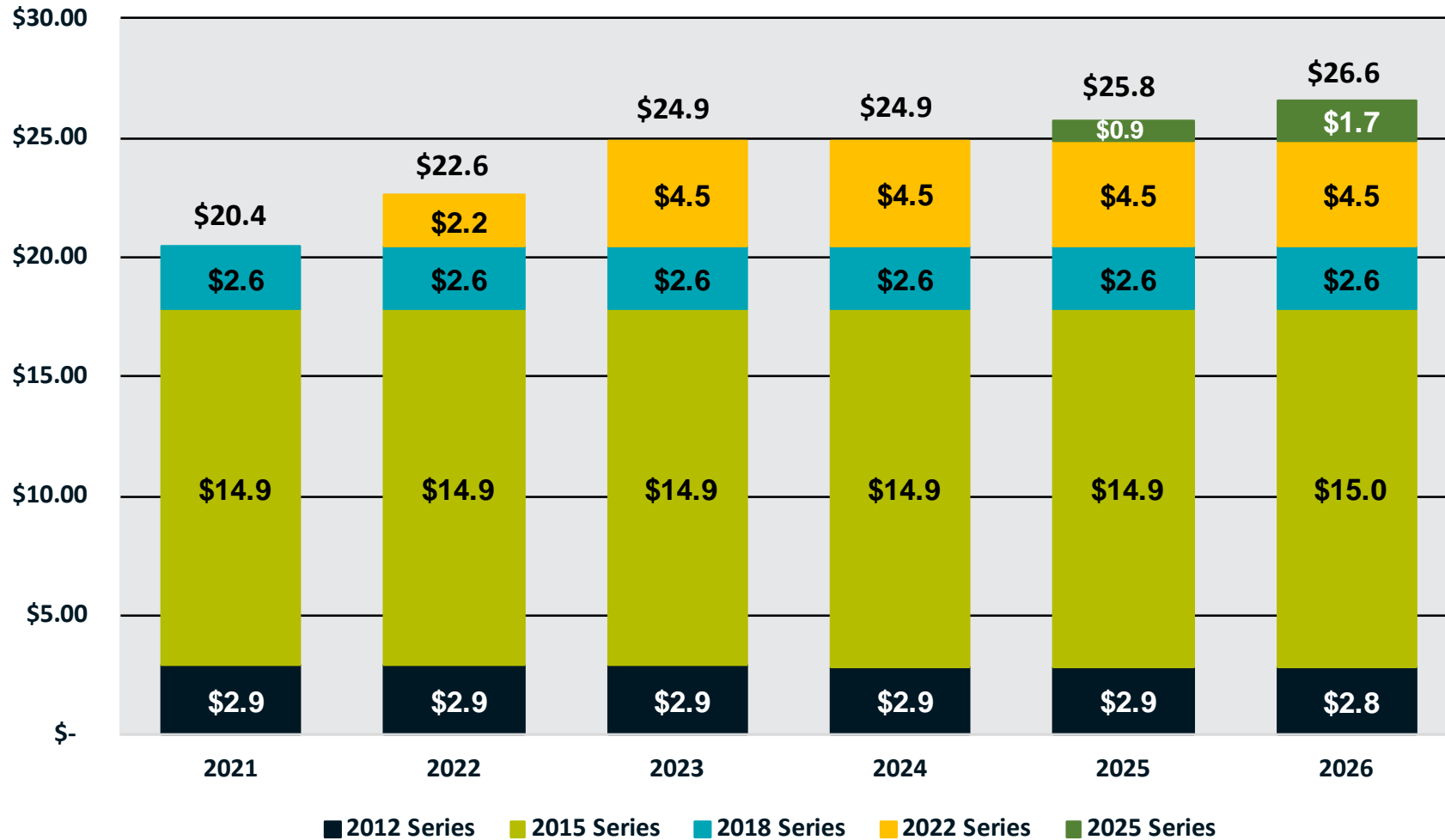




# Water Operations

## Bond Debt Service Requirements

(\$ in Millions)



# Gas Operations

# Gas Operations 2022 Budget Assumptions

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## Expenditures

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- Capital expenditures of \$92.8 million, which are \$13 million higher than the 2021 budget due primarily to:
  - LNG expansion increased by \$11.9 million (bond financed)
  - Motor vehicles increased by \$1.7 million due to efforts to right-size the age of the fleet
- Expansion of Liquefied Natural Gas (LNG) plant
  - Stored gas in liquid form to minimize the likelihood of purchasing natural gas on the spot market during the coldest days of the year - allows for significant cost avoidance
  - 4+ year project to be funded by bond offering of approximately \$80 million - results in full year carrying costs (principal and interest payments) of \$4.3 million (20 year bond)

# Gas Operations 2022 Budget Assumptions

## Expenditures (cont'd)

- Ongoing accelerated gas infrastructure replacement to be partially funded by planned \$42 million bond issuance - addresses the difference between spending and revenue raised via the Gas Infrastructure Replacement Rider for the 2022 - 2025 time period
  - 40 miles per year replacement
  - Cast iron main replacement to completed by 2027
  - Approximately 157 miles of cast iron gas mains remaining in our system at the end of 2021
  - 2,914 total miles of gas mains in our system at end of 2020
- 2022 Budget includes \$2.8 million of design costs for the second Construction Center as well as for improvements to the Operating Center; majority of Construction spending, which will also include improvements to our existing Construction Center, will occur over the 2023 - 2025 time period and will be funded with a \$51 million bond offering planned for 2023



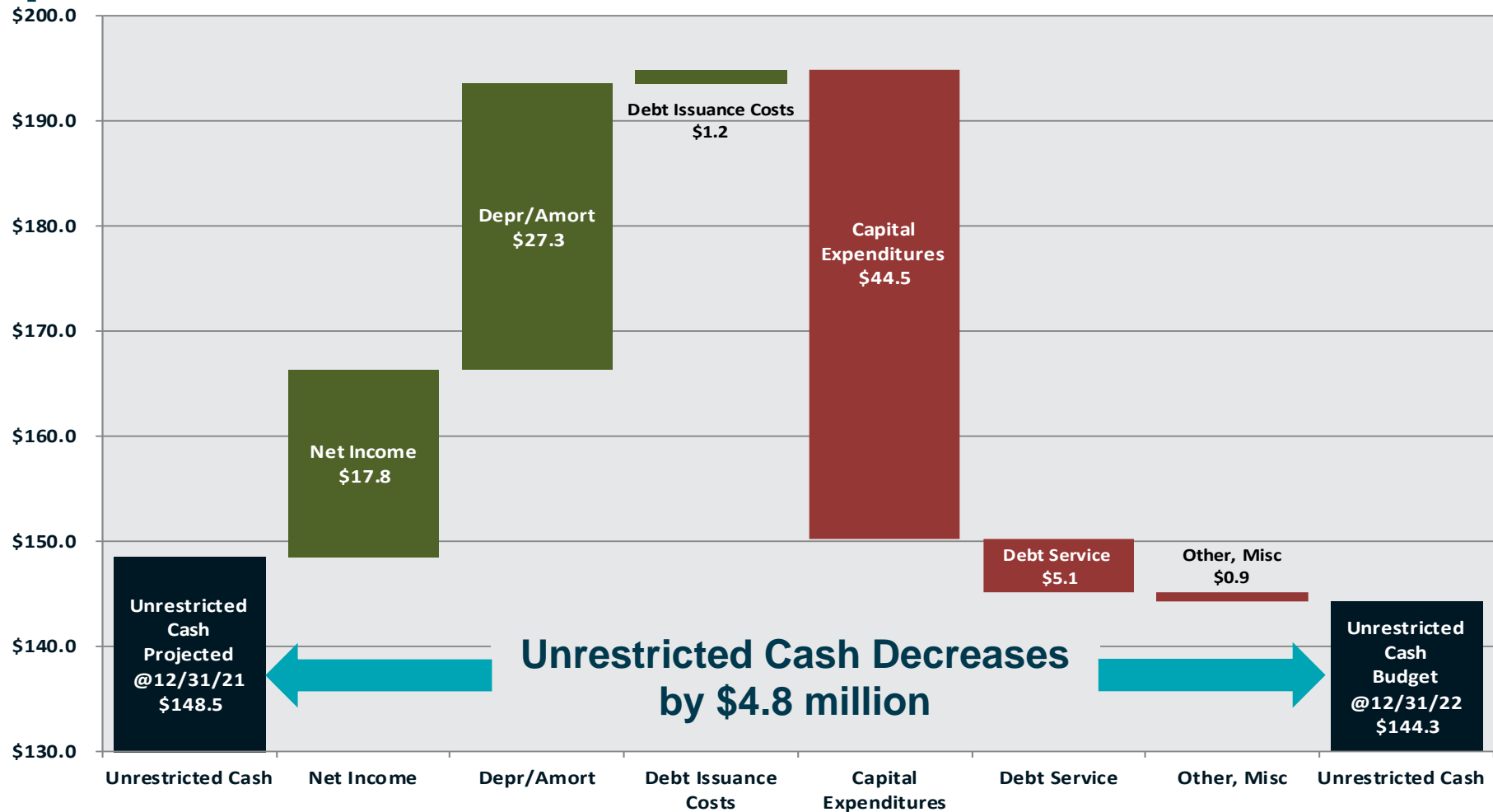
# Gas Operations Revenue & Expense Statement

(\$ in Millions)

	2021 Projection	2022 Budget	Increase / (Decrease)	
			\$	%
<b>Revenue:</b>				
Gas Sales	\$ 208.9	\$ 260.8	\$ 51.9	24.8%
Infrastructure Charge	13.4	13.4	-	0.0%
Other Operating	4.7	4.2	(0.5)	(11.2%)
Total Revenue	\$ 227.0	\$ 278.4	\$ 51.4	22.6%
Less Cost of Gas Sold	119.8	171.8	52.0	43.4%
<b>Net Revenue</b>	<b>\$ 107.2</b>	<b>\$ 106.6</b>	<b>\$ (0.6)</b>	<b>(0.6%)</b>
<b>Expenses:</b>				
Operating & Maintenance	56.8	59.9	3.1	5.4%
Depreciation	18.6	19.4	0.8	4.2%
Bond Issuance Costs	-	1.2	1.2	NM
Interest Expense	1.0	4.0	3.0	291.4%
Other, Net	3.9	5.1	1.2	32.3%
<b>Total Expenses</b>	<b>80.3</b>	<b>89.6</b>	<b>9.3</b>	<b>11.6%</b>
Interest Income	0.2	0.8	0.6	299.4%
<b>Net Income</b>	<b>\$ 27.1</b>	<b>\$ 17.8</b>	<b>\$ (9.3)</b>	<b>(34.3%)</b>

# Gas Operations - Cash Flow

(\$ in Millions)

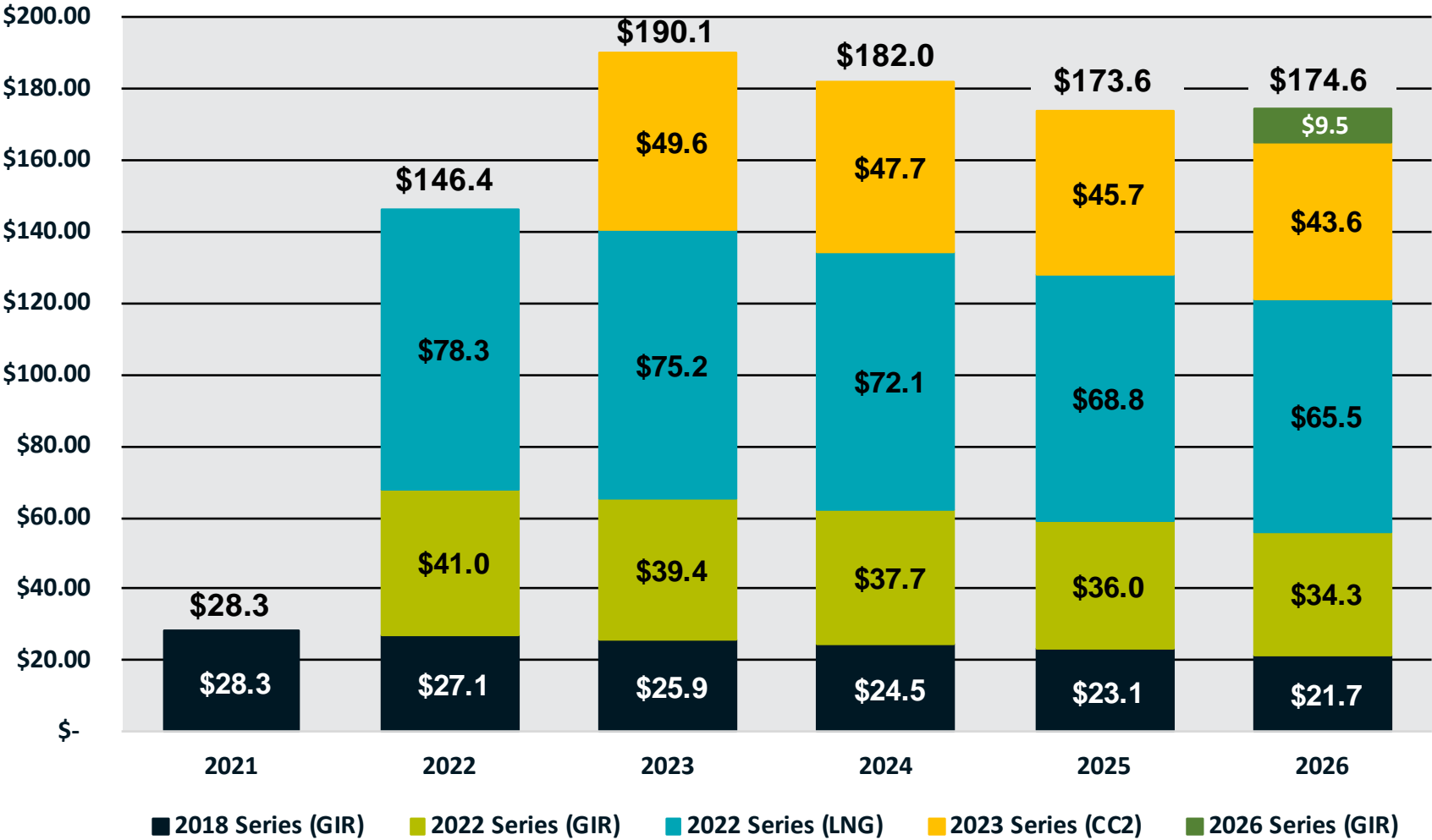


311 ← --- Days Cash on Hand --- → 230

# Gas Operations

## Bonded Debt Outstanding as of December 31

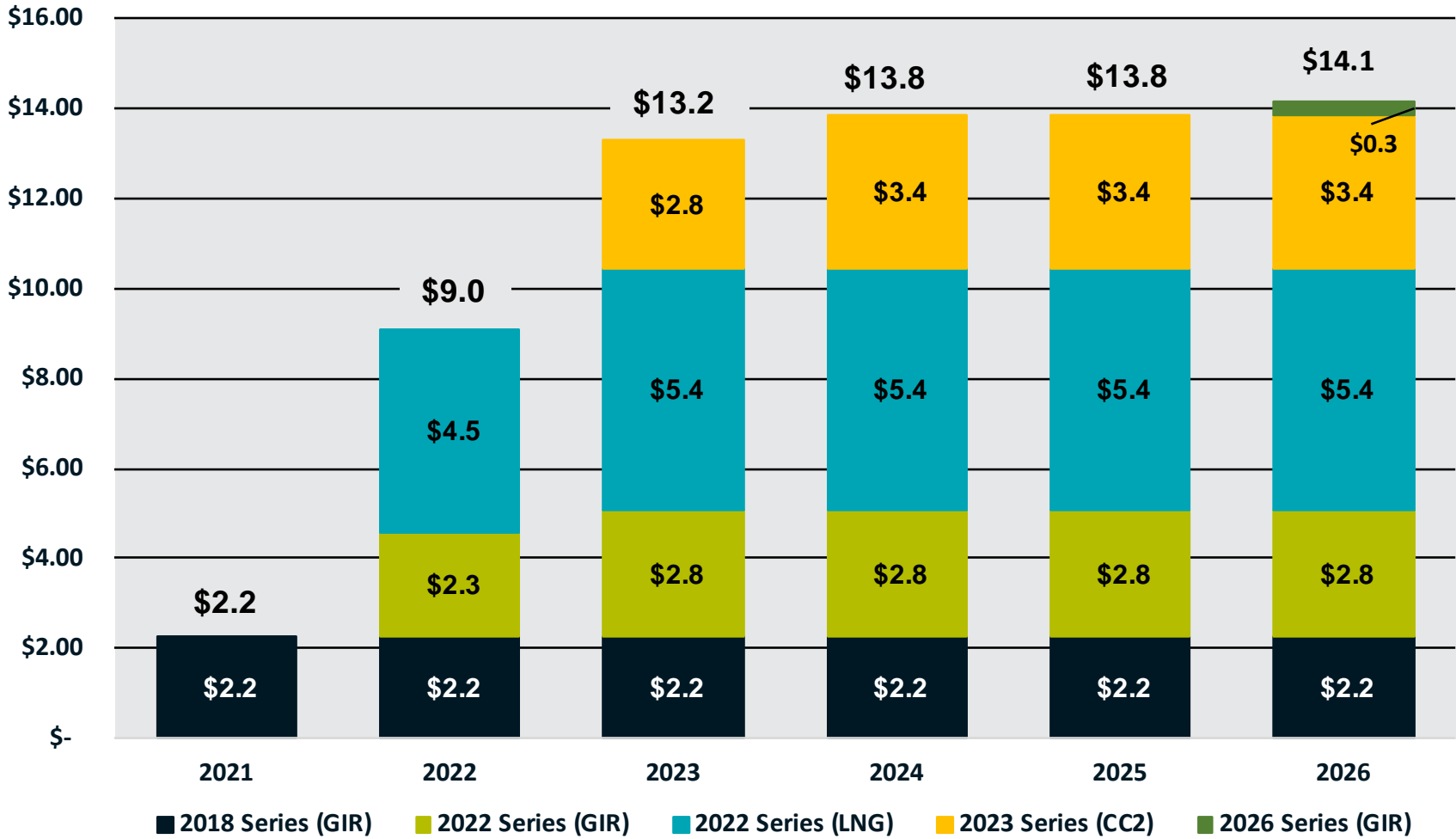
(\$ in Millions)



# Gas Operations

## Bond Debt Service Requirements

(\$ in Millions)







# Thank You

**RESOLUTION**

WHEREAS, the Board of Directors of the Metropolitan Utilities District of Omaha finds that the District's water rates are no longer adequate to provide the revenues necessary to support the replacement of critical water main infrastructure; and

WHEREAS, the Board has reviewed the District's water rates, the effect of an increase to water rate schedules, and proposed revisions to impact fees as described in the attached memorandum dated November 24, 2021, signed by Senior Vice President, Chief Financial Officer Joseph J. Schaffart and President Mark Doyle.

WHEREAS, the Board submitted this matter to a public hearing on December 1, 2021, for public comment; and

WHEREAS, the Board finds that the recommendations of the District's staff, as presented to the Board in that memorandum, should be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that a water rate increase and proposed revisions to the water rate schedules as described in the attached memorandum dated November 24, 2021, and signed by Joseph J. Schaffart, Senior Vice President, Chief Financial Officer be and is hereby adopted and made effective as to billings for water service for usage occurring on or after January 2, 2022.

BE IT FURTHER RESOLVED that the rate schedules for water service rendered by the District to customers under franchise be adjusted in accordance with the schedules hereby adopted as permitted by such franchises.

BE IT FURTHER RESOLVED that the current water rate schedules for all water service be, and are hereby rescinded concurrent with the effective date of the rate schedules adopted herein.

Adopted:

**METROPOLITAN**  
UTILITIES DISTRICT

**Schedule W-1**  
**RESIDENTIAL WATER SERVICE**  
Effective ~~May~~January 2, 2021~~2022~~

(Supersedes Schedule W-1 Effective ~~January~~May 2, 2021)

**AVAILABILITY**

This rate schedule is available to and applies to customers purchasing water for residential purposes, including lawn irrigation, provided that:

1. Customer resides within District boundaries or customer resides outside of District boundaries but also outside of cities and villages served under franchise.
2. Not more than three apartment units or not more than eight sleeping rooms are connected to one meter, unless all units are occupied by one family.
3. This Rate Schedule is not available for water used in connection with common areas associated with home owner associations or sanitary improvement districts.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

<b>Service Charge:</b>	<b><u>Meter Size</u></b>	<b><u>Monthly Charge</u></b>
	5/8"	\$13.02
	3/4"	\$19.54
	1"	\$32.55
	1 1/2"	\$65.11
	2"	\$104.18
	3"	\$208.34

<b>Commodity Charge (Per 100 Cubic Feet)</b>	<b><u>November-May</u></b>	<b><u>June-October*</u></b>
First 900 cubic feet	<del>\$1.5797</del> <u>\$1.7028</u>	<del>\$1.5797</del> <u>\$1.7028</u>
Next 2,100 cubic feet	<del>\$1.5797</del> <u>\$1.7028</u>	<del>\$2.2115</del> <u>\$2.3839</u>
Over 3,000 cubic feet	<del>\$1.5797</del> <u>\$1.7028</u>	<del>\$2.8434</del> <u>\$3.0651</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

**Minimum Monthly Bill:**

The minimum monthly charge shall be the monthly service charge as indicated above.

**STATUTORY PAYMENT TO CITIES AND VILLAGES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.



# METROPOLITAN UTILITIES DISTRICT

## Schedule W-2 COMMERCIAL & INDUSTRIAL WATER SERVICE

Effective ~~May~~January 2, 20212022

(Supersedes Schedule W-2 Effective ~~January~~May 2, 2021)

### AVAILABILITY

This rate schedule is available to customers purchasing water for commercial and industrial purposes provided customer resides within the District boundaries or outside District boundaries, but also outside cities and villages served under franchise.

### METERING

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

### RATE - MONTHLY BILLING

Service Charge:	Meter Size	Monthly Charge
	5/8"	\$13.02
	3/4"	\$19.54
	1"	\$32.55
	1 1/2"	\$65.11
	2"	\$104.18
	3"	\$208.34
	4"	\$240.00
	6"	\$475.00
	8"	\$700.00
	10"	\$940.00
	12"	\$1,405.00
Commodity Charge (Per 100 Cubic Feet)	<u>November-May</u>	<u>June-October*</u>
All Water Used	<del>\$1.3896</del> <u>\$1.4979</u>	<del>\$1.8603</del> <u>\$2.0053</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

### Minimum Monthly Bill:

The minimum monthly charge shall be the monthly service charge as indicated above.

### STATUTORY PAYMENT TO CITIES AND VILLAGES

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rates. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**WATER QUALITY REPORTS**

One water quality report per month shall be available to customers under Water Rate Schedule W-2 at no charge IF the report is delivered by E-mail.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN**  
UTILITIES DISTRICT

**Schedule W-3**  
**LARGE VOLUME INDUSTRIAL WATER SERVICE**

Effective ~~May~~January 2, 20212022

Supersedes Schedule W-3 Effective ~~January~~May 2, 2021

**AVAILABILITY**

This rate is available to industrial customers whose primary water requirement is for use in the process in which the customer is primarily engaged; whose normal water consumption is 5,000 hundred cubic feet or more per month; and who agree to remain on this rate for a period of not less than one year.

An industrial customer is generally defined as a customer who is engaged primarily in a process which creates or changes any raw or unfinished materials into another form or product, but may include other processes where District determines that load characteristics are similar. Irrigation is specifically excluded.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

**Service Charge:**

**Meter Size**

**Monthly Charge**

5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge**

First 5,000 CCF (100 cubic feet) or less

~~\$7,998.00~~\$8,444.00

Over 5,000 CCF (per 100 cubic feet)

~~\$1.3724~~\$1.4489

**Minimum Monthly Bill:**

The minimum monthly charge shall be ~~\$7,998.00~~\$8,444.00 plus the monthly service charge as indicated above.

**STATUTORY PAYMENT TO CITIES AND VILLAGES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.



**METROPOLITAN**  
UTILITIES DISTRICT

**Schedule W-4**  
**COMMERCIAL & INDUSTRIAL WATER SERVICE**  
**SPRINKLING - LAKE RECHARGE - COOLING**

Effective ~~May~~January 2, 20212022

(Supersedes Schedule W-4 Effective ~~January~~May 2, 2021)

**AVAILABILITY**

This rate schedule is available to and required of commercial and industrial customers purchasing water for the primary purposes of sprinkling/irrigation, lake/lagoon recharge, and/or cooling. This rate schedule may also apply to other water uses having high summertime peak demands that can be expected to coincide with system peak water demands.

This rate schedule shall apply to customers residing within District boundaries, and to customers residing outside District boundaries who also reside outside cities and villages served under franchise.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

**Service Charge:**

**Meter Size**

**Monthly Charge**

5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge (Per 100 Cubic Feet):**

**November-May**

**June-October\***

First 100 CCF	<del>\$1.4035</del> <u>\$1.4818</u>	<del>\$1.8789</del> <u>\$1.9837</u>
Next 1,000 CCF	<del>\$1.4035</del> <u>\$1.4818</u>	<del>\$3.7577</del> <u>\$3.9674</u>
Over 1,100 CCF	<del>\$1.4035</del> <u>\$1.4818</u>	<del>\$2.8184</del> <u>\$2.9756</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

**Minimum Monthly Bill:**

The minimum monthly charge shall be the monthly service charge as indicated above.

**STATUTORY PAYMENT TO CITIES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**Schedule WWS**  
**WHOLESALE WATER SERVICE**  
Effective ~~May~~January 2, 20212022

(Supersedes Schedule WWS Effective ~~January~~May 2, 2021)

**AVAILABILITY**

Subject to approval by the Board of Directors of each contract for deliveries here under, this rate is available for and required of municipal and other governmental entities purchasing water for distribution and/or resale to ultimate consumers for residential, commercial, industrial, irrigation and other purposes.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**SERVICE CHARGE - MONTHLY BILLING**

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge**

First 5,000 CCF (100 cubic feet) or less

~~\$6,136.00~~\$6,479.00

Over 5,000 CCF (per 100 cubic feet)

~~\$1.0555~~\$1.1145

**MINIMUM MONTHLY BILL**

The minimum monthly charge shall be ~~\$6,136.00~~\$6,479.00 plus the monthly service charge as indicated above.

**PAYMENT**

Bills rendered at the above schedules are due and payable within 15 days of date of bill unless otherwise provided for by contract.

**CONTRACT**

Customer must execute written agreement with District for a term of not less than five (5) years which is made a part of this rate schedule.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 24, 2021

**Subject: PROPOSED WATER RATE INCREASE - 2022**

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

**From:** Joseph J. Schaffart, Senior Vice President, CFO

**RECOMMENDATION**

Management is requesting a two-tiered increase to the overall Commodity component of water rates for 2022, as follows:

- 1) 7.79% increase for Rate schedules W-1 Residential and W-2 Commercial and Industrial
- 2) 5.58% increase for Rate schedules W-3 Large Volume Industrial, W-4 Commercial & Industrial-Sprinkling and WWS Wholesale.

This two-tiered increase recognizes the varying rate designs associated with the different rate classes in terms of the extent to which usage determines the total bill. The proposed rate increases are projected to generate approximately \$5.5 million in incremental revenue in 2022 as compared with 2021 budgeted revenues. The additional revenue in 2022 will contribute towards the cost of funding ongoing operations, expanded initiatives relative to water main replacement and condition assessment coupled with increased borrowing costs primarily associated with water treatment plant improvements.

**WATER RATE COMPARISON  
 AVERAGE RESIDENTIAL CUSTOMER**

For the average use residential customer using a 5/8" water meter, the annualized increase will be \$15.38 or 4% higher than what was assumed for the 2021 budget. This is based on inside city rates and 2021 budgeted annual use of 104 CCF (77,792 gallons). The typical residential annual water bills will change as follows:

**Budget to Budget**

Projected 2022 Annual Bill	\$ 398.48 (104 CCF)
2021 Annual Bill	\$ 383.10 (104 CCF)
Annual Change to Average Bill	\$ 15.38    4.0%



Our water rates continue to trend mid-range when compared with others nationally and regionally. We are also one of the few utilities who operate three water treatment plants, which greatly enhances our reliability during all weather conditions.

### **SUMMARY**

As discussed above, the recommended water rate increase to the Commodity component of rates will generate approximately \$5.5 million in 2022.

The impact of this increase will be reflected in the budget presentation at the December 1, 2021 Board meeting, at which time a public hearing is also scheduled.

A handwritten signature in blue ink, appearing to read "Joseph J. Schaffart".

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

APPROVED:

A handwritten signature in blue ink, appearing to read "Mark Doyle".

Mark Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 19, 2021

**Subject:** 2022 MARKETING PROGRAMS BUDGET

**To:** Marketing and Consumer Information Committee

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

**From:** Jason Stanek, Director – Marketing and Contractor Services

In conjunction with the annual budget process, management has provided an overview of the annual Marketing Department Programs Budget. Along with this letter, please find attached the following:

- A summary of the 2022 District Marketing Programs
- A tabulated listing of the 2022 Marketing Program Budget



Jason Stanek  
Director – Marketing and Contractor Services

APPROVED:



Gina Langel  
Senior Vice President – Chief Operations Officer



Mark Doyle  
President

## **2022 Marketing Programs**

### Here to Help

This program is intended to target potential commercial and industrial customers who are considering establishing a facility within the Omaha Metro area. These potential customers will be identified via chamber or other organization requests and/or direct customer contacts. Commercial and industrial customers are normally interested in both qualitative and quantitative factors for potential sites. It is designed to stimulate growth in the local economy by attracting new business to the area and add or retain load to our system through participative efforts of local economic development entities and personnel. We will continue to provide the best service/best rate package appropriate to user needs and will increase our involvement with surrounding communities and city officials.

### Community Connections

The focus of Community Connections is to raise consumer awareness of energy conservation, sustainability and cost comparisons of both gas and water. The District educates our customers on the features, benefits and economics of sustainability. Through media avenues we will inform customers of rebates we offer. Additionally, the District will continue to build upon our tap water quality and branding campaigns.

### Habitat for Humanity

Habitat adheres to EnergyStar requirements for new home construction, which has more stringent guidelines than typical building energy codes. In order to meet these guidelines, Habitat was challenged with either installing electric furnaces and water heaters or transitioning to more expensive, high-efficient gas furnaces and power vent water heaters. This program assists Habitat with the installation of these high-efficient gas appliances as well as the installation of fuel line piping for natural gas ranges and dryers. Habitat realizes the benefits and operating costs are better for a homeowner using natural gas appliances and that is what Habitat for Humanity's vision is: "A world where everyone has a decent place to live."

### Residential Conversion

This program is intended to promote the installation of residential gas services to existing homes on District gas mains. These homes are currently using alternative energy sources such as propane, oil or electricity for space and water heating. This program is also intended to encourage existing customers to change their electric furnaces and/or water heaters to natural gas.



### Residential Trade Show/Events

Intended to encourage the use of incremental, highly visible gas appliances, and discourage the use of heat pump and electric heating equipment. This program helps support Street of Dreams and other tours such as Parade of Homes, Remodel Tour and Holiday Tour. Maintaining relationships with trade allies and the general public is essential to this program's success.

### Residential Gas Dryer & Range Rebate

This program is intended to bring attention to the buyer in advance of their appliance purchase and encourage them to convert to a natural gas dryer/range as well as retain those homeowners currently using a gas dryer/range when it is time to replace these appliances. It can be difficult for homeowners to convert to natural gas appliances if their house does not include gas fuel lines to these appliance locations.

### Rain Sensor Rebate

Landscape irrigation accounts for more than one-third of all residential water use. Additionally, estimates show that up to 50 percent of commercial and residential irrigation water use goes to waste due to evaporation, wind, improper system design, or overwatering. This program is intended to help the customers use less water by having a Rain Shut-Off Device installed on their irrigation system.

### Multi-Family Housing

Multi-family apartments are standardizing the HVAC designs to use all electric appliances because the equipment and installation costs are lower. This program is intended to encourage developers of multi-family projects to install natural gas furnaces and individual metering for tenants along with options for natural gas water heaters, ranges, dryers and fireplaces. This plan supports new construction, building renovations and conversions to natural gas for multi-family housing use only.

### Go Gas-Get Cash

This program encourages area HVAC contractors to promote an air-cooled condenser with a high-efficient natural gas furnace to those residential customers who are evaluating the replacement of an electric heat pump. With focus on high efficiency appliances and cost savings strategies, this program is designed to grow the District's gas load while also providing incentives to homeowners for high-efficiency furnaces. In addition, this program will provide support and visibility to licensed HVAC Contractors who are members of the Heating and Cooling Contractors Association, (HACCA) and other licensed HVAC Contractors who are not members of HACCA at this time.



### Customer Events & Conversions

This program is intended to provide information to our major customers and encourage the use of natural gas for process equipment, fuel cells, cooling, desiccants, and conversions. It combines the use of personal visits, mailings and capital contribution program (CCP) funds to add incremental gas sales. A large customer luncheon is also held in the fall of each year.

### Engineering Support

This program is intended to provide engineering support to area architectural & engineering firms by meeting with them to discuss updates to the National Fuel Gas Code as well as the District Rules & Regulations. The program will also provide support to large gas customers through energy efficiency studies of a customer's facility as well as hosting an energy efficiency seminar.

### CNG Program

This program is intended to help increase the adoption of compressed natural gas (CNG) vehicles by fleets and individuals in the District service area. The District will provide incentives to offset the costs of CNG vehicles and private fueling equipment.

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## 2022 MARKETING PROGRAMS BUDGET

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### Area Economic Development

Here to Help	\$	200,000
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### Advertising

Community Connections	\$	300,000
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### Residential

Gas Dryer Program	\$	45,000
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Gas Range Program	\$	45,000
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Residential Conversion	\$	1,000
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Trade Show / Events	\$	75,000
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Habitat for Humanity	\$	51,500
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Rain Sensor Rebate	\$	15,000
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### Commercial / Industrial

Multi-Family Housing Program	\$	190,000
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CNG Rebate Program	\$	50,000
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Go Gas – Get Cash	\$	10,000
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Engineering Support	\$	10,000
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Major Customer Events	\$	7,500
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### Total Budget

\$	1,000,000
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Northern Natural Gas Contribution	\$	650,000
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M.U.D. Contribution	\$	350,000
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