

**METROPOLITAN UTILITIES DISTRICT**  
**Committee Meetings & Public Hearing**

8:15 a.m.

December 3, 2020

**AGENDA**

1. Safety Briefing
2. Roll Call
3. Open Meetings Act Notice
4. Community Giving Drive - Update and Recognition

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

1. Capital Expenditures [Cory O'Brien - Interim SVP, Chief Operations Officer] – **Tab 5**
2. Change Order No. 1 for Electrical Upgrades to Pump Station at 36<sup>th</sup> & Edna Streets [Cory O'Brien - Interim SVP, Chief Operations Officer] – **Tab 6**
3. Ratification of Change Order No. 2 for Headquarters Renovation [Steve Ausdemore – SVP – Safety, Security and Field Operations] – **Tab 7**
4. Acceptance of Contracts and Payment of Final Estimates [Stephanie Henn – Director, Plant Engineering] – **Tab 8**
5. Bids on Materials and Contracts [Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 9**

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

1. Main Extensions [Cory O'Brien – Interim SVP, Chief Operations Officer] – **Tab 10**

**Marketing & Consumer Information – Cook, Frost, Cavanaugh**

1. Annual Marketing Budget [Jason Stanek – Director, Marketing and Contractor Services] - **Tab 11**

**Personnel – Begley, Frost, Friend**

1. Wage and/or Salary Increases and Ratifications [Bonnie Savine – VP, Human Resources] - **Tab 12**
2. 2020 Bargaining Unit Wage Reopener [Bonnie Savine – VP, Human Resources] - **Tab 13**

**Judicial and Legislative – Cook, Cavanaugh, Howard**

1. Settlement of Workers Compensation Claim [Mark Mendenhall - SVP, General Counsel] – **Tab 14**

**Public Hearing – 2021 Budget**

1. Proposed 2021 Gas and Water Budget [Joe Schaffart - SVP & Chief Financial Officer and Geneva Patterson – Manager, Rates and Regulatory Affairs] - **Tab 15**
2. Proposed Water Rate Increase [Joe Schaffart, SVP & Chief Financial Officer and Geneva Patterson – Manager, Rates and Regulatory Affairs] – **Tab 16**
3. Invitation for Public to Comment

***(Turn over for regular monthly Board Meeting agenda)***

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

**9:00 a.m.**

**December 3, 2020**

**AGENDA**

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Board Meeting for November 5, 2020
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Change Order No. 1 for Electrical Upgrades to Pump Station at 36<sup>th</sup> & Edna Streets
7. Ratification of Change Order No. 2 for Headquarters Renovation
8. Acceptance of Contracts and Payment of Final Estimates
9. Bids on Materials and Contracts
- SERVICES & EXTENSIONS 10. Main Extensions
- MARKETING & CONSUMER INFORMATION 11. Annual Marketing Budget
- PERSONNEL 12. Wage and/or Salary Increases and Ratifications
13. 2020 Bargaining Unit Wage Reopener
- JUDICIAL & LEGISLATIVE 14. Settlement of Workers Compensation Claim
- ACCOUNTS, EXPENDITURES, FINANCE & RATES 15. Approval of 2021 Gas and Water Budget (RESOLUTION)
16. Approval of Proposed Water Rate Increase (RESOLUTION)
- BOARD 17. Other Matters of District Business for Discussion
18. CLOSED SESSION – Litigation Matters

**Adjourn Regular Board Meeting and Public Hearing**

*(Turn over for Committee Meetings agenda)*

## METROPOLITAN UTILITIES DISTRICT

### Minutes of Committee Meetings

**November 5, 2020**

Chairperson Gwen Howard called to order the Committee Meetings for the Metropolitan Utilities District Board of Directors at 8:15 a.m. at the Omaha Douglas Civic Center's Legislative Chamber located at 1819 Farnam Street.

Advance notice of the Committee Meetings and regular monthly Board Meeting was published in the print version of *The Omaha World-Herald* on October 25, 2020 and its online version from October 25 through October 31, 2020. The notice also appeared on the M.U.D. website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and all pertinent documents to be presented at the November 5, 2020 meetings were posted to the M.U.D. website on October 28, 2020. The meetings were livestreamed and uploaded to the District website after the meetings concluded.

Chairperson Howard reminded those in attendance in the Chamber that due to an Omaha City Council ordinance, all attendees must abide by the requirement for wearing a facemask or face covering in indoor public settings in response to the COVID-19 pandemic, and she urged all those in attendance to continue to be mindful of social distancing.

#### **Roll Call**

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

#### **Safety Briefing**

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

#### **Open Meetings Act Notice**

Chairperson Howard announced that a copy of the Open Meetings Act was located on the wall of the Legislative Chamber.

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

Interim Senior Vice-President & Chief Operations Officer Cory O'Brien reviewed the proposed capital expenditures as outlined in the letter from Dave DeBoer to the Committee dated October 28, 2020.

Director of Plant Engineering Stephanie Henn reviewed the acceptance of contracts and payment of final estimates as outlined in her letter to the Committee dated October 26, 2020.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in his letter dated October 22, 2020.

**Judicial & Legislative – Cook, Cavanaugh, Howard**

Governmental Relations Attorney Rick Kubat reviewed his letter to the Committee dated October 23, 2020 regarding the proposed declaration and sale of a surplus land parcel on South 148<sup>th</sup> Street.

Senior Vice President and General Counsel Mark Mendenhall reviewed his letter to the Committee dated October 27, 2020 seeking ratification of a proposed purchase agreement for property near Blair High Road and State Street. The property acquisition is under consideration for a second Construction Center site due to space and security concerns. The alternate site will mitigate the concentration of all District construction equipment in one location. The proposed property purchase will be evaluated to determine suitability for the District's needs and if favorable, the capital expenditure recommendation will be presented to the Board for approval at a future date.

**Personnel - Begley, Frost, Friend**

Vice-President of Human Resources Bonnie Savine reviewed the proposed wage and/or salary increases and ratifications as outlined in her letter to the Committee dated October 22, 2020

Ms. Savine reviewed the Open Enrollment informational presentations for employees and retirees that are being provided via a virtual format due to the pandemic concerns.

Director McGowan inquired about the status and number of current job postings at the District and requested that Ms. Savine routinely include that information when providing reports at future Board Meetings.

Director Begley inquired about how the District is managing the potential dilemma when an employee who has exhausted his or her pandemic leave is exposed again to the COVID-19 virus, thus requiring a voluntary quarantine at home without pay. Ms. Savine and Mr. Mendenhall extensively reviewed the current approach to reviewing individual circumstances on a case-by-case basis in an effort to reach a reasonable result. The review process is ongoing and will continue to evolve as more information is obtained about the virus and safety protocols.

Chairperson Howard requested that Ms. Savine review the District's current program for offering flu and other vaccinations. Ms. Savine provided that information.

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

Senior Vice-President & Chief Financial Officer Joseph Schaffart presented the 2021 Budget Workshop for personnel and capital. Mr. Schaffart pointed out that the segment was entitled a 'workshop' because it presented an opportunity to educate Board Members and share information about the budgetary process prior to the formal presentation of the proposed budget at the December Board Meeting.

The past 2020 calendar year has been extremely unusual due to the pandemic and its related financial challenges, which included the temporary deferral of capital expenditures and staff hires until more was known about the impact on District operations. The District intends to move forward with the planned new hires before the end of the year. Mr. Schaffart reviewed the budget for Travel and Memberships, noting that most if not all travel which was largely related to training as well as employee involvement with various industry associations was suspended at the onset of the pandemic in March. Relative to 2021 travel, the budget as submitted has been adjusted to remove travel for January through April in light of the ongoing impact of the pandemic. The Memberships category involves District employees' association dues and includes such positions as accountants, engineers, water operators, safety personnel, attorneys, and others.

Mr. Schaffart presented a 5-year projected view of (gas and water) plant additions and replacements which covers such items as vehicles, construction equipment, meters, service replacements, regulator stations and mains. The gas department is on schedule to continue with its 40 miles of gas main replacement and is on target for completion in the year 2027. The water department will continue with its infrastructure replacement program, with a goal to abandon/replace 16 miles of cast iron water mains in 2021 with 1,168 miles remaining at the end of 2021.

Mr. Schaffart alerted Board Members that a bond offering to finance gas infrastructure replacement (GIR) would likely be recommended at the end of 2021 or early 2022. The Infrastructure Replacement fee (\$3) that currently appears on customers' monthly billing statements will cover a significant portion (\$67 million) of the cost of replacing the remaining 176 miles of cast iron gas mains for the 2021-2025 planning period, but an additional \$50 million supplied through a bond issuance will likely be necessary to complete the project.

Mr. Schaffart noted that the fiscal picture for water operations appears particularly strong as shown in the presentation slides because the District has built a 'water infrastructure replacement' (WIR) fund intended to assist with the accelerated pace of the WIR program, and would recommend against diverting those particular funds for other purposes in the interest of transparency. He indicated that given the size and age of the District's gas and water systems, it becomes very difficult to postpone expenditures much beyond the current fiscal year without bearing some risk or incurring additional costs.


If a water rate increase is recommended in the near future, Board Members expressed a preference for deferring it for a matter of months while the pandemic is in full

force. Director Begley posed a question for Mr. Mendenhall as to whether the Board was authorized to increase rates at times other than the December 2020 Board Meeting. Mr. Mendenhall indicated that so long as the proper notice requirements under the Open Meetings Act were met, that course of action could occur at any Board Meeting throughout the fiscal year.

Director Howard suggested to Mr. Schaffart that since key information is not yet available, providing alternate budgetary scenarios would be helpful to enable Board Members to draw comparisons. Mr. Schaffart agreed and indicated there would be many more opportunities to discuss budget matters prior to the December Board Meeting.

Director Howard inquired as to the status of ongoing delinquent customer accounts. Mr. Schaffart responded that the numbers of applicants for CARES Act funds had not reached the numbers as expected despite the District's outreach and promotional efforts to advertise the availability of the funding available to customers who are struggling to pay their utility bills. Just under \$800,000 of the original \$2 million CARES Act allotment to Dollar Energy Fund has been applied to customer accounts thus far. Mr. Schaffart asked Mr. Kubat to comment on the status of the CARES Act funding and the expiration date. Mr. Kubat reported that the deadline for using the CARES Act funds is December 30, 2020. Mr. Kubat also reported that he and representatives from OPPD will be appearing at the Douglas County Board Meeting the following Tuesday (November 10<sup>th</sup>) to request that the current individual allocation of \$750 be raised to \$1200 for customers unable to pay their utility bills due to the pandemic-related financial challenges.

At 9:51 a.m., Chairperson Howard asked whether any Board Members had any further comments to make or whether there were any members of the public who wished to speak. There were none. Chairperson Howard announced that the regular monthly Board Meeting would convene at 10:01 a.m.

  
Mark E. Doyle  
Secretary and President

MED/mjm

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Regular Monthly Board Meeting**  
**November 5, 2020**

Chairperson Gwen Howard called to order the regular monthly Board Meeting for the Metropolitan Utilities District Board of Directors at 10:05 a.m. at the Omaha Douglas Civic Center's Legislative Chamber located at 1819 Farnam Street.

Advance notice of the Committee Meetings and regular monthly Board Meeting was published in the print version of *The Omaha World-Herald* on October 25, 2020 and its online version from October 25 through October 31, 2020. The notice also appeared on the M.U.D. website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and all pertinent documents to be presented at the November 5, 2020 meetings were posted to the M.U.D. website on October 28, 2020. The meetings were livestreamed and uploaded to the District website after the meetings concluded.

Chairperson Howard reminded those in attendance in the Chamber that due to an Omaha City Council ordinance, all attendees must abide by the requirement for wearing a facemask or face covering in indoor public settings in response to the COVID-19 pandemic, and she urged all those in attendance to continue to be mindful of social distancing.

**AGENDA NO. 1**

**ROLL CALL**

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

**AGENDA NO. 2**

**OPEN MEETINGS ACT NOTICE**

Chairperson Howard announced that a copy of the Open Meetings Act was located on the wall of the Legislative Chamber.

**AGENDA NO. 3**

**PLEDGE OF ALLEGIANCE**

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

**AGENDA NO. 4**

**APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR MONTHLY BOARD MEETING FOR OCTOBER 1, 2020**

Director Friend moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for October 1, 2020, which was seconded by Director Cook and carried on a roll call vote.

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

**AGENDA NO. 5**

**CAPITAL EXPENDITURES**

Director Friend moved to approve the capital expenditures as outlined in Mr. DeBoer's letter to the Committee dated October 28, 2020, and as presented by Mr. O'Brien. The motion was seconded by Director Begley and carried on a roll call vote.

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

**AGENDA NO. 6**

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

Director Friend moved to approve the acceptance of contracts and payment of final estimates as outlined in the letter to the Committee dated October 26, 2020 from Ms. Henn. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

**AGENDA NO. 7**

**BIDS ON MATERIALS AND CONTRACTS**

Director Friend moved to approve Management's recommendation regarding the bids on materials and contracts as outlined in the letter dated October 22, 2020 from Mr. Zellars. The motion was seconded by Director Frost and carried on a roll call vote.

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

**AGENDA NO. 8**

**NOTICE OF PURCHASES FROM \$25,000 TO \$50,000**

Director Friend requested that the Notice of Purchases letter be placed on file.

**AGENDA NO. 9**

**DECLARATION AND SALE OF SURPLUS LAND PARCEL ON SOUTH 148<sup>TH</sup> STREET**

Director Cook moved to approve the declaration and sale of a surplus land parcel on South 148<sup>th</sup> Street as presented in Mr. Kubat's letter to the Committee dated October 23, 2020. The motion was seconded by Director Cavanaugh.

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



**AGENDA NO.10**

**PURCHASE AGREEMENT FOR PROPERTY NEAR BLAIR HIGH ROAD AND STATE STREET**

Director Cook moved to approve the purchase agreement for property near Blair High Road and State Street as explained in Mr. Mendenhall's letter to the Committee dated October 27, 2020. The motion was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

**AGENDA NO. 11**

**WAGE AND/OR SALARY INCREASES AND RATIFICATIONS**

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

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

Voting No: None

**AGENDA NO. 10**

**OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION**

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

Chairperson Howard announced that the December 3, 2020 regular monthly Board Meeting would be held in a different location at the Omaha Douglas Civic Center in Conference Room 702. *[Due to scheduling changes at the Omaha Douglas Civic Center, this announcement was later retracted permitting the December 3<sup>rd</sup> M.U.D. Board Meeting to take place as originally scheduled in the Legislative Chamber.]*

**AGENDA NO. 12**

**CLOSED SESSION – LITIGATION**

At 10:08 a.m. Chairperson Howard announced the Board would be going into Closed Session for the purpose of discussing litigation. She requested that all those not participating in the Closed Session leave the Chamber through the main doors in the back of the room.

Director Frost offered a motion to go into Closed Session which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

Director McGowan departed the meeting at 10:10 a.m.

At 10:54 a.m., a motion was made and seconded to return to Open Session and carried on a roll call vote.

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

Director Begley offered a motion to adjourn which was seconded by Director Friend and carried on a roll call vote.

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

The meeting was adjourned at 10:55 a.m.



Mark E. Doyle  
Secretary and President

MED/mjm

# METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

November 23, 2020

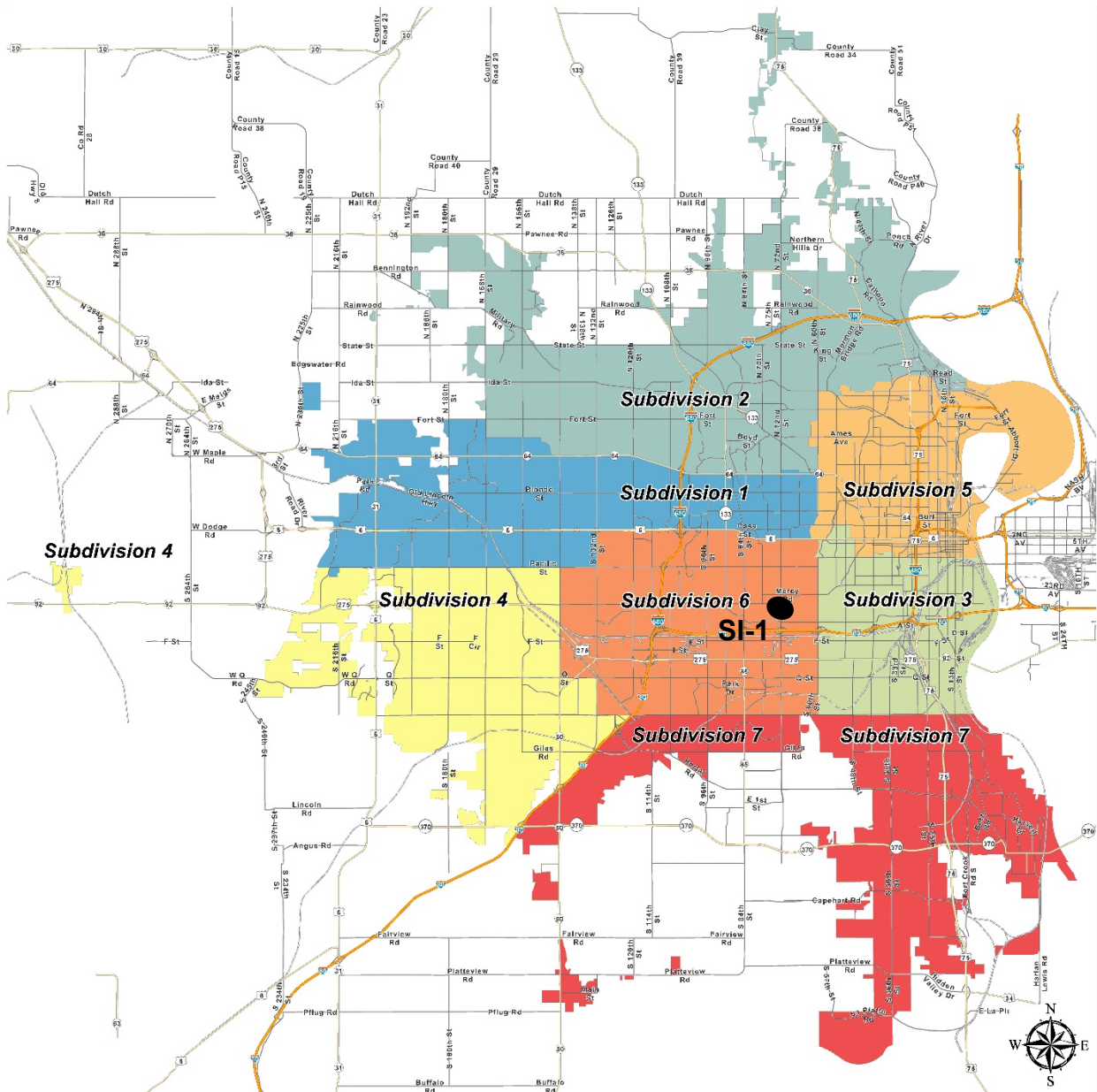
**Subject:** CAPITAL EXPENDITURES

**To:** Committee on Construction and Operations

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

**From:** Cory J. O'Brien, Interim Senior Vice President, Chief Operations Officer

The following items will be on the December 3, 2020 Committee Agenda for consideration and the Board Agenda for ratification:



MUD Subdivision Map

## **SYSTEM IMPROVEMENTS**

**1. 100053001465 and associated job numbers - \$121,500 – Install 170 feet of 6-inch gas main and install two hydrant branches in Oak Street between 72<sup>nd</sup> Street and 72<sup>nd</sup> Avenue.** This work is required to eliminate conflicts with proposed grading for the Shark Club renovation project. This project is anticipated to start in 2021 with the District's work starting in December 2020. This work is reimbursable as the renovations are private in nature. **(Subdivision 6 – McGowan)**

## **BUILDINGS, PLANTS AND EQUIPMENT**

**1. 100085000654 - \$153,000 – EMERGENCY – Repair of low service pump #5, Florence.** In June 2020, District staff identified an elevated motor bearing temperature, and a vibration was identified in low service pump #5. Based on the Maintenance Department's recommendation and review by the operations team, the vertical turbine pump was placed on emergency standby use only throughout the high pumpage season to limit any damage to the pump and motor. Once the summer pumpage season passed, the pump was removed, disassembled, and evaluated by District staff and pump manufacturer's representative. Inspection of the pump and motor by both District and outside repair shops revealed significant repair is required. Due to the large machining equipment required to complete this specialized work, it was determined that all work would need to be performed by an outside shop. The District also gathered replacement quotes for this pump and the replacement quote was nearly double the repair cost. Comparing the repair cost against the replacement cost, and the overall condition of the pump, repair of the pump has been selected as the best option. The repair work includes a one-year operational warranty on these high revolution components.

**2. 100088000764 - \$535,000 – Purchase five fiberglass service truck bodies with hydraulic valve operators for Water Distribution.** The valve operator trucks will be used to perform maintenance and emergency services on water and gas valves. The vehicles will be replacement for 17-year old vehicles that have reached a point wherein they are no longer economical to maintain for use within the District's fleet.

**3. 100083001126 - \$1,750,000 – Site header piping, Florence.** In late 2010, the District completed a Capital Improvement Plan (CIP) at Florence which identified several projects to be completed between 2021 and 2025 known as Phase IV. Phase IV of the CIP consists of both treatment capacity projects and chemical system related improvement projects. One of the projects included in Phase IV of the CIP is the site header piping. Most of the pump header system and valves (suction and discharge) are original to the plant and in need of replacement and consolidation. This request is for approval to hire an engineering firm to perform the design of the replacement of the site piping between the clear well and Minne Lusa Pump Station. This design will also include a hydraulic surge analysis for the discharge header, site drainage, site lighting for Minne Lusa, landscape and upgrading the fountain and rough ins for potential future UV disinfection.

**4. 100090001368 - \$399,360.94 – Emergency communication system.** This project is Phase III of the overall emergency communications system project. Phase I was approved January 5, 2018 and Phase II was approved August 1, 2018. Since implementation of this equipment in the field, emergency communications have increased in accuracy and proficiency. However, the current number of radios (49) only allow foreman to have radios in-hand for response. Only when the foreman is on scene can they communicate an update in real time. Phase III will put radios in the hands of all field service personnel who are the front-line responders for emergency orders. This will allow a faster, more accurate relay of information to the dispatch

center in order to initiate the response of additional resources. Normal operations will transition to the use of the radio system as the primary mode of communication during route work. This will allow for a seamless transition from normal operations to emergency operations using the same methods and communication tools.



Cory J. O'Brien  
Interim Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 20, 2020

**Subject:** CHANGE ORDER NO. 1 – 36<sup>TH</sup> AND EDNA ELECTRICAL UPGRADES;  
COMMONWEALTH ELECTRIC COMPANY; WP1630 (100083001080)

**To:** Committee on Construction & Operations – Dave Friend, Chairperson; Jack Frost and Timothy W. Cavanaugh  
**Cc:** All Board Members and Messrs. Doyle, Schaffart, Mendenhall, O'Brien, Ausdemore, and All Vice Presidents

**From:** Cory J. O'Brien, Interim Sr. Vice President, Chief Operations Officer

On December 3, 2019, the Board awarded a contract to Commonwealth Electric Company to complete upgrades to the pump station at 36th and Edna Streets. The original contract price was \$1,022,525.00. Change Order No. 1 results in an increase of \$43,158.00 for a total contract price to \$1,065,683.00 and consists of the following items.

Item Nos. 1 and 7 represent a net increase of \$4,916.00 for a revised scope of work for OPPD to install new conduit and feeders to a transformer and reuse a transformer pad.

Item Nos. 2 and 3 represent a net increase of \$5,871.00 for utility upgrades to install emergency exit lights and enhance an exhaust outlet through the roof.

Item Nos. 4 and 6 represent a net increase of \$19,004.00 for equipment modifications to backfill and re-excavate the fuel tank pad, install bollards to protect the tank, and revise the motor plate installation detail.

Item No. 5 represents a net increase of \$13,367.00 to add masonry lintel above two louvres and a door opening.

This work has been completed by the Contractor to prevent delays. Your approval is requested.



Cory J. O'Brien  
Interim Sr. Vice President, Operations

**Approved:**



Mark A. Mendenhall  
Sr. Vice President, General Counsel



Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 13, 2020

**SUBJECT:** RATIFICATION OF CHANGE ORDER NO. 2 – Headquarters  
Renovation – 100084001241-MCL Construction

**TO:** Construction and Operations Committee (Messrs. Frost, Cavanaugh,  
and Friend)

**Cc:** All Board Members and Messrs. Doyle, Mendenhall, O'Brien,  
Schaffart, Ausdemore and All Vice Presidents

**FROM:** Melissa Polito, Design Engineer – Plant Engineering

On April 16, 2020, the Board of Directors awarded a contract to MCL Construction for the Renovation of the Headquarters at 7350 World Communication Drive. The original contract price was \$5,816,725.00. Change Order No. 1 was for \$1,362,080.00. This Change Order No. 2 results in a net add to MCL's contract of \$320,947.60. This will change the total contract price to \$7,499,752.60.

The work under this change order is for physical security of the Headquarters utilizing Crime Prevention Through Environmental Design (CPTED) concepts by implementing built and natural barriers. This work was planned for and is included in the overall funding of the headquarters project that has been previously approved by the Board of Directors. No further funding is being requested.

This part of the project was designed after awarding the contract to MCL. After the design was completed, MCL received competitive bids for the various components of the work. To keep the project on schedule, built and hardscape structures are currently under construction and are anticipated to be completed this year. Execution of softscape elements will be finalized in the spring of 2021. **We are recommending ratification of this Change Order No. 2 that is being presented to the Board of Directors at the December 3, 2020 Board Meeting.**

*Melissa Polito*

Melissa Polito  
Design Engineer,  
Plant Engineering

APPROVED:



Stephanie Henn  
Director,  
Plant Engineering



Jon Zeliars  
Vice President,  
Procurement & Enterprise Services

*Steve Ausdemore*

Steve Ausdemore  
Senior Vice President,  
Safety, Security & Field Operations



Mark Mendenhall  
Senior Vice President  
General Counsel

*Mark E. Doyle*

Mark E. Doyle  
President



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

November 23, 2020

**Subject:** ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

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

**From:** Stephanie L. Henn, Director, Plant Engineering

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

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
a. Est. 3 - Hawkins Construction, 100083001117, Install replacement valves, Florence.	August 6, 2020	\$116,458.00	\$137,447.00	\$110,897.00

**Comments:** There was an increase of \$20,989.00 for Change Order No. 1 for the abatement of lead-based paint on the existing valves and affected pipe sections.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
b. Est. 2 - Cedar Construction, 100055001320, Install water mains in Olde Town Commons, 204 <sup>th</sup> and Blondo Sts.	February 6, 2020	\$112,834.50	\$115,626.00	\$13,391.75

**Comments:** There was a decrease in unit quantities of \$643.50. There were also increases of \$1,860.00 for Change Order No. 1 (for additional six-inch ductile iron pipe) and \$1,575.00 for sidewalk replacement.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
c. Est. 3 - Kersten Construction, 100055001305, Install water mains in River Oaks Phase 3 & 4, 185 <sup>th</sup> and Margo Sts.	September 4, 2019	\$258,007.00	\$240,324.35	\$14,649.38

**Comments:** There was a decrease in unit quantities of \$17,928.40. There was also an increase of \$245.75 to remove and replace a sidewalk and furnish and place sod.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
d. Est. 3 - Cedar Construction, 100055001289, 100057000465, Install water mains in Remington Ridge, 196 <sup>th</sup> St. and Giles Rd.	June 5, 2019	\$266,175.50	\$284,253.55	\$61,041.74

**Comments:** There was an increase in unit quantities of \$13,078.05. There was also an increase of \$5,000.00 for mobilization charges due to project phasing issues related to incomplete paving work.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
e. Est. 14 - M.E. Collins Contracting, 100093001214, 100095001221, 100097000000-1, 100041000002, Cast iron water main replacement, Fontenelle Blvd. to 45 <sup>th</sup> St., Wirt St. to Military Ave., 45 <sup>th</sup> St. to Fontenelle Blvd. and Miami St. to Military Ave.	July 12, 2019	\$1,901,468.20	\$2,522,453.65	\$155,640.90

**Comments:** There was an increase in unit quantities of \$616,932.00 for water service replacements required outside of the negotiated contract. There was also an increase of \$5,900.00 for an additional vault and flush port and for crushed rock. There was a deduct from the contractor for \$1,846.55 for gas work orders due to repairs required for gas services that were struck by the contractor.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
f. Est. 8 - L.G. Roloff Construction, 100093001134, 100095001221, 100097000000-1, 100065001421, Cast iron water main replacement, Westover Rd./Broadmoor Dr. to Brentwood Rd., 84 <sup>th</sup> to 90 <sup>th</sup> Sts.	March 30, 2020	\$1,946,945.70	\$1,974.391.90	\$89,789.60

**Comments:** There was an increase in unit quantities of \$27,320.12 for extra paving. There was also an increase of \$3,850.00 to install crushed rock and install a 48-inch vault. There was a deduct from the contractor for \$3,723.92 for a water work order for a struck water service.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
g. Est. 5 - McGill Restoration, 100083001104, Florence basin 2 rehabilitation.	May 14, 2020	\$3,066,566.00	\$3,287,906.00	\$558,259.09

**Comments:** There was an increase of \$221,340.00 for Change Order No. 1 (for labor and materials to remove additional unsound concrete and place additional shotcrete due to worse than expected concrete condition on the basin sidewalls).

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
h. Est. 3 - Cummings & Sons Construction, 100083001100, Engine building catwalk addition, Florence.	October 31, 2019	\$97,433.40	\$97,433.40	\$4,871.67

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

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

Stephanie L. Henn  
Director, Plant Engineering

Approved:

Cory J. O'Brien  
Interim Senior Vice President, Chief Operations Officer

Mark E. Doyle  
President

METROPOLITAN UTILITIES DISTRICT  
*Inter-Department Communication*

November 20, 2020

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

**To:** Construction & Operations Committee  
cc: All Board Members, Doyle, Ausdemore, Mendenhall, O'Brien, Schaffart and all Vice Presidents

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

The following items will be on the December 3, 2020 Committee Agenda for consideration and the December 3, 2020 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>
Install Water Mains in Project Willa, 144 <sup>th</sup> Street and State Highway 370 100055001347 100057000481 100057000482 WP1764 Engineering Estimate: \$858,661.00 (C&A for 100055001347, 100057000481 and 10005700482 approved August 6, 2020 in the amount of \$1,445,837.00.)	18/4	<b>Valley Corporation</b>	<b>\$999,581.91</b>
		<i>Judds Bros</i>	1,016,750.00
		<i>Kersten Construction</i>	1,086,207.00
		<i>Cedar Construction</i>	1,158,610.00

**RATIFICATION**

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
620 Computer Monitors for Headquarters	3/3	<b><i>Sterling</i></b>	<b>\$140,740.00</b>
		<i>OneNeck</i>	\$171,740.00
		<i>CDW-G</i>	\$177,568.00

**OTHER**

<b><u>Item</u></b>	<b><u>Bids Sent / Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Five (5) 108" Fiberglass Service Truck Bodies w/ Valve Operators 100088000764	6/2	<b>Protech</b> <i>Altec Industries</i>	<b>\$420,000.00</b> 487,905.00

(A C&A in the amount of \$535,000.00 will be presented to the Board on December 3, 2020 for approval.)

**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>
Carbon Dioxide for Florence WTP (800 Tons) (January 1, 2021 to December 31, 2021)	5/3	<b>Air Products</b> Matheson <i>Linde</i>	<b>\$60,480.00</b> 104,000.00 280,000.00
Ductile Iron Retainer Glands, MJ Accessory Packs & Gland Packs Extension #2 (January 1, 2021 to December 31, 2021)	1/1	<b>Omaha WinWater</b>	<b>\$186,276.94</b>
Furnish Complete Building Cleaning Services for Various District Facilities (January 1, 2021 to December 31, 2023)	10/6	<b>FBG Service Corp.</b> The Office Cleaners Midwest Maintenance City Wide Maintenance RTG Building Services Marsden Building	<b>\$986,655.00</b> 1,223,055.00 1,407,913.08 1,438,415.98 1,637,953.50 1,949,293.80
Gasoline – Operating & Construction Centers (January 1, 2021 to December 31, 2023)	8/5	<b>Harms Oil Company</b> Cubby's Sapp Bros. <i>Petroleum Traders</i> <i>Mansfield Oil</i>	<b>\$638,510.25</b> 641,345.25 642,500.25 643,571.25 657,809.25
Gasoline – Platte South, Platte West and LNG (January 1, 2021 to December 31, 2023)	8/3	<b>Sapp Bros.</b> Harms Oil Company <i>Mansfield Oil</i>	<b>\$25,198.11</b> 30,583.11 56,246.55

Gasoline – Florence (January 1, 2021 to December 31, 2023)	8/3	<b>Harms Oil Company</b> Sapp Bros. <i>Mansfield Oil</i>	<b>\$58,059.45</b> 58,149.45 80,311.05
Diesel – Construction Center (January 1, 2021 to December 31, 2023)	8/5	<b>Sapp Bros.</b> Cubby's Harms Oil Company <i>Mansfield Oil</i> <i>Petroleum Traders</i>	<b>\$771,043.80</b> 773,144.55 789,595.50 793,117.05 817,391.55
Diesel – Florence, Platte South, Platte West, and LNG (January 1, 2021 to December 31, 2023)	8/3	<b>Sapp Bros.</b> Harms Oil Company <i>Mansfield Oil</i>	<b>\$74,032.86</b> 74,334.30 182,156.70
Gas Meters, Class 250 (11,000 Units) (January 1, 2021 to December 31, 2021)	4/2	<b>Groebner</b> <i>KGM</i>	<b>\$772,420.00</b> 907,830.00
Gas Meters, Class 400 (500 Units) (January 1, 2021 to December 31, 2021)	4/3	<b>Itron</b> <i>Groebner</i> <i>KGM</i>	<b>\$76,250.00</b> 79,680.00 125,010.00
ERT Modules for Gas Meters (11,500 Units) (January 1, 2021 to December 31, 2021)	1/1	<b>Itron</b>	<b>\$862,500.00</b>



Jon Zellars  
Vice President, Procurement and Enterprise Services  
(402) 504-2478

Approved:



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



Mark E. Doyle  
President

# METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

November 23, 2020

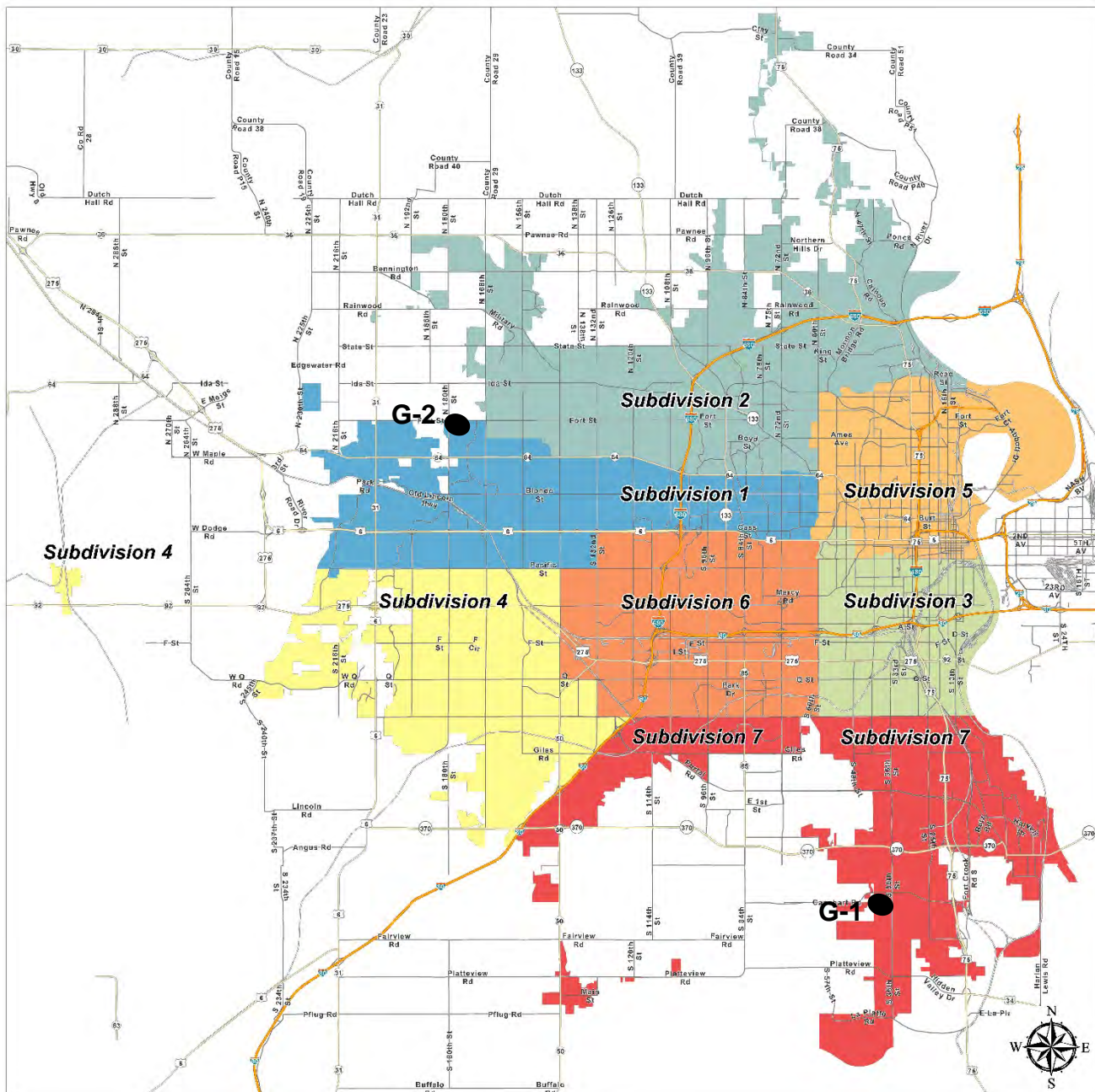
**Subject:** MAIN EXTENSIONS

**To:** Services and Extensions Committee

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

**From:** Cory J. O'Brien, Interim Senior Vice President, Chief Operations Officer

The following main extensions will be on the December 3, 2020 Committee Agenda for consideration and the Board Agenda for approval:



MUD Subdivision Map



GAS						
1.	Project Number	Total Estimated	Cost		Allowable Revenue Credits Developer	Deficiency
			Developer Equivalent	Developer Estimate		
	GP 2577	\$77,168	\$77,168	\$68,518	\$83,083	\$0
<p><b>Subdivision 7, Frost:</b> These mains are being installed to provide gas service to 77 single-residence lots in Liberty Subdivision, Daniell Rd. and Chennault St. Work is requested to be completed by December 2020. (City of Bellevue zoning, Liberty Land, LLC)</p>						
2.	Project Number	Total Estimated	Cost		Allowable Revenue Credits Developer	Deficiency
			Developer Equivalent	Developer Estimate		
	GP 2591	\$94,360	\$94,360	\$83,783	\$110,827	\$0
<p><b>Subdivision 1, Begley:</b> These mains are being installed to provide gas service to 92 single-residence, two multi-residence and one commercial lots in Flanagan Pointe Subdivision, 180<sup>th</sup> and Fort Sts. Work is requested to be completed by December 2020. (City of Omaha zoning, 85 Seabees, LLC)</p>						

Cory J. O'Brien  
Interim Senior Vice President, Chief Operations Officer

Approved:

Mark E. Doyle  
President



**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 23, 2020

**Subject:** 2021 MARKETING PROGRAMS BUDGET

**To:** Marketing and Consumer Information Committee

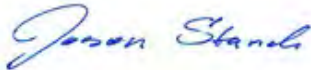
**Cc:** All Board Members, Messrs. Doyle, Mendenhall, Lobsiger, Ausdemore, O'Brien, Schaffart and All Vice Presidents

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

In conjunction with the annual budget process, management will also present a separate overview of the annual Marketing Department Programs Budget. Along with this letter, please find attached,

- A summary of the 2021 District Marketing Programs
- A tabulated listing of the 2021 Marketing Program Budget

There will be a presentation and discussion of these items at the December 3, 2020 Marketing and Consumer Information Committee.



Jason Stanek  
Director – Marketing and Contractor Services

APPROVED:



Cory O'Brien  
Interim Senior Vice President – Chief Operations Officer



Mark Doyle  
President

Enclosures

## **2021 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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## 2021 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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<b>Total Budget</b>	<b>\$</b>	<b>1,000,000</b>
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Northern Natural Gas Contribution	\$	650,000
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M.U.D. Contribution	\$	350,000
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**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 19, 2020

**Subject: Wage and/or Salary Increases and Ratifications, December 2020 Board Meeting**

**To:** Personnel Committee members Begley, Friend, and Frost

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

President Doyle, and Senior Vice Presidents Ausdemore, Mendenhall, Schaffart and Interim

Senior Vice President O'Brien

**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.

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

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

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

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



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

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

**Employee:** Jerod Cleveland  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$27.90; Step 4  
**Proposed rate; step/grade:** \$29.98; Step 2  
**Percent of increase:** 7.46%  
**District hire date:** November 19, 2018

**Employee:** Andrew Johnson  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$27.90; Step 4  
**Proposed rate; step/grade:** \$29.98; Step 2  
**Percent of increase:** 7.46%  
**District hire date:** November 26, 2018

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

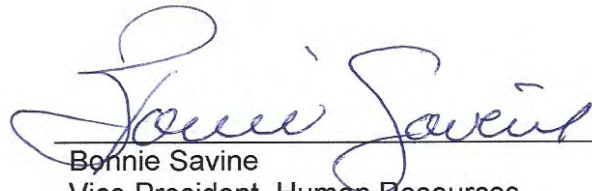
The following SPA employees are selected for promotion. It is recommended the President be authorized to increase the salary of these employees. These SPA positions have been evaluated, graded, appropriate job descriptions completed, and posting guidelines fulfilled. The effective date for these salaries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

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

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

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

**Employee:** Cody Kanger  
**Current position (department):** Engineer I  
**Current rate; step/grade:** \$66,752; SPA – 02  
**District hire date:** October 26, 2020



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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

November 23, 2020

**Subject: 2020 BARGAINING UNIT WAGE RE-OPENER**

**To:** Personnel Committee members Begley, Friend, and Frost

**cc:** Board Members Cavanaugh, Cook, Howard, and McGowan  
President Doyle, Senior Vice Presidents Ausdemore, Mendenhall, Schaffart  
and Interim Senior Vice President O'Brien

**From:** Bonnie Savine, Vice President, Human Resources

The District's Collective Bargaining Agreement with the IBEW #1521 ("Agreement") includes language that an annual wage re-opener will be conducted each year. This language provides the opportunity for employees occupying positions covered by the Agreement to petition a committee consisting of two (2) union and two (2) management representatives to adjust the pay for their position based upon significant changes in their respective duties and responsibilities that have taken place since either the date the job description was created or last updated. Supervisors and employees meet with the Committee to present their position(s) and to answer any questions the Committee may have. In accordance with the Labor Agreement language, the Committee as a whole must agree to the adjustment of a wage rate or no change will occur.

For the 2020 Wage Re-Opener, the Committee held thirteen (13) meetings encompassing thirty (30) requestors reviewing eleven (11) jobs. The Committee is recommending adjustments to two (2) jobs, affecting wages for eight (8) employees.

The Committee is recommending the following wage adjustments:

Cashier III (10050) – Customer Accounting

The Cashier III job classification is assigned to the Customer Accounting Division. There are two (2) employees assigned to this position.

The review of this position indicated the duties of the Cashier III job classification are no longer aligned with that job. With the opening of the Branch location duties have shifted and the Cashier III is performing duties and responsibilities that are better aligned with wage scale for Customer Account Clerk III. Shifted duties include performing non-sufficient fund checks and listings, ACH payments, SID warrants & transfers and corrections of customer accounts in SAP CRB. Responsibilities of the Home Fund now also reside with this role.

It is the conclusion of the Committee the duties performed by the employees of the Cashier III position are better identified by the Customer Account Clerk III. The Committee recommends employees Linda Wiese and Amy Williamson be promoted to the position of Customer Account Clerk III.

The Committee is recommending the following wage adjustments:

Salary Adjustment:

The employees are at Standard Wage of the position, which is \$27.83 per hour. In accordance with the District's Personnel Policy Manual which directs bargaining unit employees will be moved to the closest higher step in the new job classification wage progression provided the employee receives a wage increase that is at least five percent (5%) when promoted. Linda Wiese and Amy Williamson will be placed at \$29.76 per hour – Standard wage is effective January 11, 2020. This retroactive date represents when the initial review of this job began. The wage reopener was a more appropriate process to finalize this adjustment.

This recommendation has been reviewed and approved by Vice President, Sue Lobsiger.

Building Services Clerk (10028) – Marketing and Builder Services

The Building Services Clerk job classification is assigned to the Marketing and Builder Services Division. There are six (6) employees assigned to this position.

The review of this position indicated the employees of the Building Services Clerk job classification are performing duties and responsibilities that are better identified as the existing job classification titled Customer Service Clerk III.

The Building Services Clerk job is handling a wide array of tasks that align with the Customer Service Clerk III job classification. These tasks include assisting Customer Service Clerks with Builder accounts, maintaining web administration and processing BPEMs. In addition, Building Services Clerk job has taken on significant responsibility in the tasks of Meter Set Hotlines that came from the Customer Service Division. Hydrant billing and account move-ins have also been absorbed by this role. The duties have been determined to result in a significant change in duty and accountability.

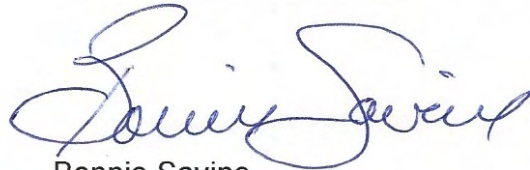
The Committee is recommending the following wage adjustments:

Salary Adjustment:

The employees are at Standard Wage of the position, which is \$29.84 per hour. In accordance with the District's Personnel Policy Manual which directs bargaining unit employees will be moved to the closest higher step in the new job classification wage progression provided the employee receives a wage increase that is at least five percent (5%) when promoted. Tiffany Jackson, Linette Limones, Sandy Lovgren, Valerie Tibke, Tara Virgilito and Brenda Zapata will be placed at \$31.26 per hour – Standard Wage effective December 12, 2020.

Salary adjustments for all six (6) employees will be effective December 12, 2020.

This recommendation has been reviewed and approved by Interim SVP, Chief Operations Officer, Cory O'Brien.



Bonnie Savine  
Vice President, Human Resources

**APPROVED:**



Mark A. Mendenhall  
Sr. Vice President, General Counsel



Mark E. Doyle  
President

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

November 25, 2020

**Subject:** SETTLEMENT OF WORKER'S COMPENSATION CLAIM: PHILLIP R. LANEGAN, JR.

**To:** Judiciary and Legislative Committee  
cc: All Board Members, Messrs. Doyle, Mendenhall, Ausdemore, O'Brien and Schaffart

**From:** Joseph Kehm, Attorney

The District's Law Department is recommending that the Board approve the payment of \$90,000 to settle a workers' compensation lawsuit filed by Phillip R. "Rick" Lanegan, Jr. Mr. Lanegan and his attorney have agreed to accept this amount as full and final settlement of Mr. Lanegan's claim. Thus, if approved, the settlement would result in the dismissal of the lawsuit with prejudice and termination of the District's obligation to pay any future workers' compensation benefits.

In his lawsuit, Mr. Lanegan claims he injured his neck on May 28, 2019 while turning off a hydrant with a wrench. At the time, Mr. Lanegan was a Water Maintenance Worker in the Water Distribution Department. Following conservative treatment, Mr. Lanegan underwent surgery in October 2019. Following the surgery, Mr. Lanegan recuperated for a period and then briefly returned to work. Presently, Mr. Lanegan is not employed by the District.

Mr. Lanegan continues to complain of daily pain in his neck and physical limitations as a result of the subject work incident. He claims that his activities of daily living have been substantially limited as a result. His surgeon has opined that Mr. Lanegan has reached maximum medical improvement and that his present pain and physical limitations, all caused by the subject work incident, are permanent. Additionally, the parties' agreed upon vocational rehabilitation counselor has opined that Mr. Lanegan has suffered a 30% loss of earning power.

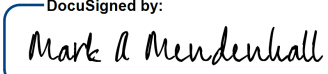
The recommended settlement payment represents a compromise of disputes over whether Mr. Lanegan is entitled to permanent partial disability benefits, future medical benefits, and/or vocational rehabilitation benefits. Although there is evidence favorable to both sides on each of these issues, the District faces greater exposure of the recommended settlement amount in the event of an unfavorable ruling at trial on these issues.

Accordingly, it is recommended that the District settle this ongoing liability for the amount detailed above.

This matter will be on the December 3, 2020 Committee Agenda for discussion and the Board Agenda for consideration. The Board may go into a closed session during the Board Meeting for additional discussion if necessary.

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Joseph Kehm  
Attorney

Approved:

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Mark A. Mendenhall  
SVP, General Counsel

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Mark E. Doyle  
President



# 2021 BUDGET

December 3, 2020



# Water Rates Discussion

Budget contains a 1% increase to the average residential customer bill recovered via a 4.35% increase to commodity charge (\$0.30 per month, or \$3.62 per year)

Rate increase effective May 2, 2021; deferred due to pandemic

No change to fixed charges - service charge or infrastructure replacement fee

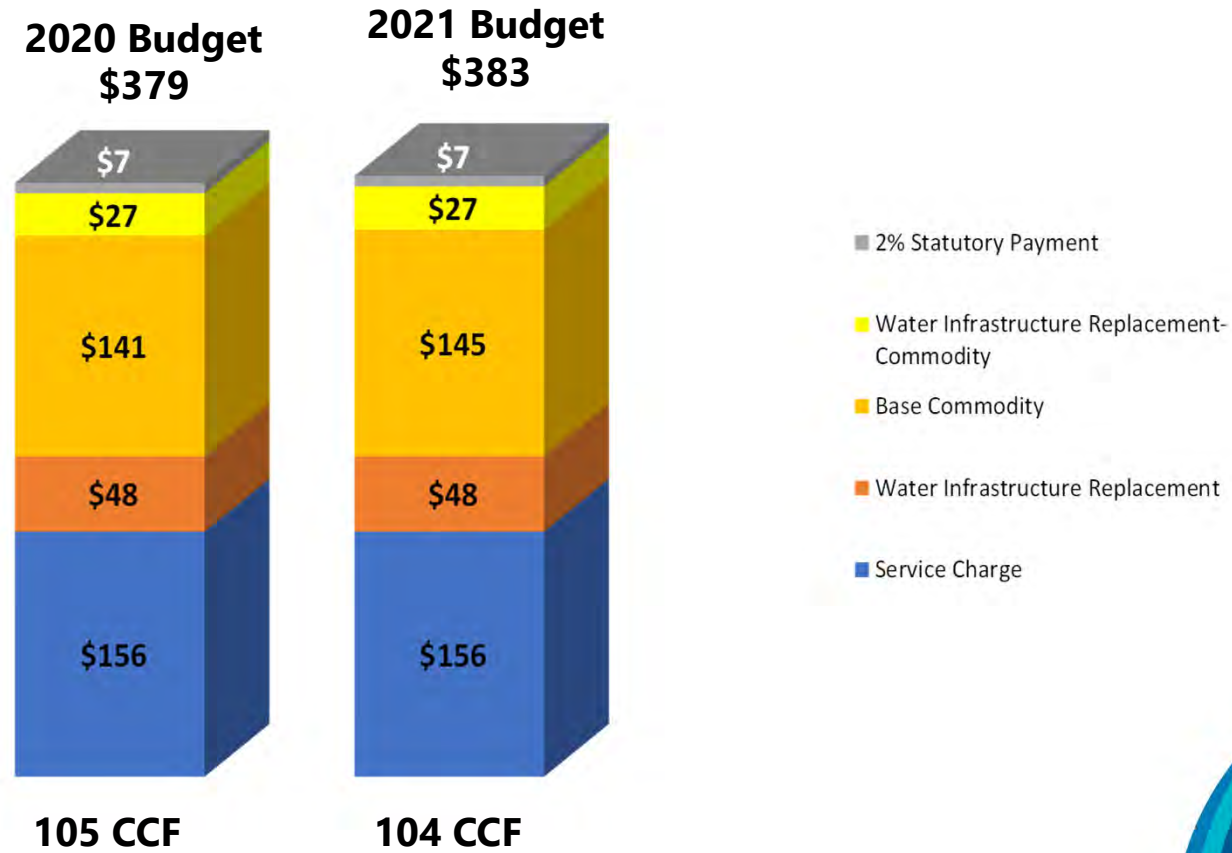
Increase will generate \$1.6 million to fund operations; no increase to fund infrastructure replacement

## Water Infrastructure Replacement

- Target of 16 miles in 2021; increase from 2020 of 12.75 miles replaced
- 3,035 total miles of water mains
- 1,186 miles of cast iron remain



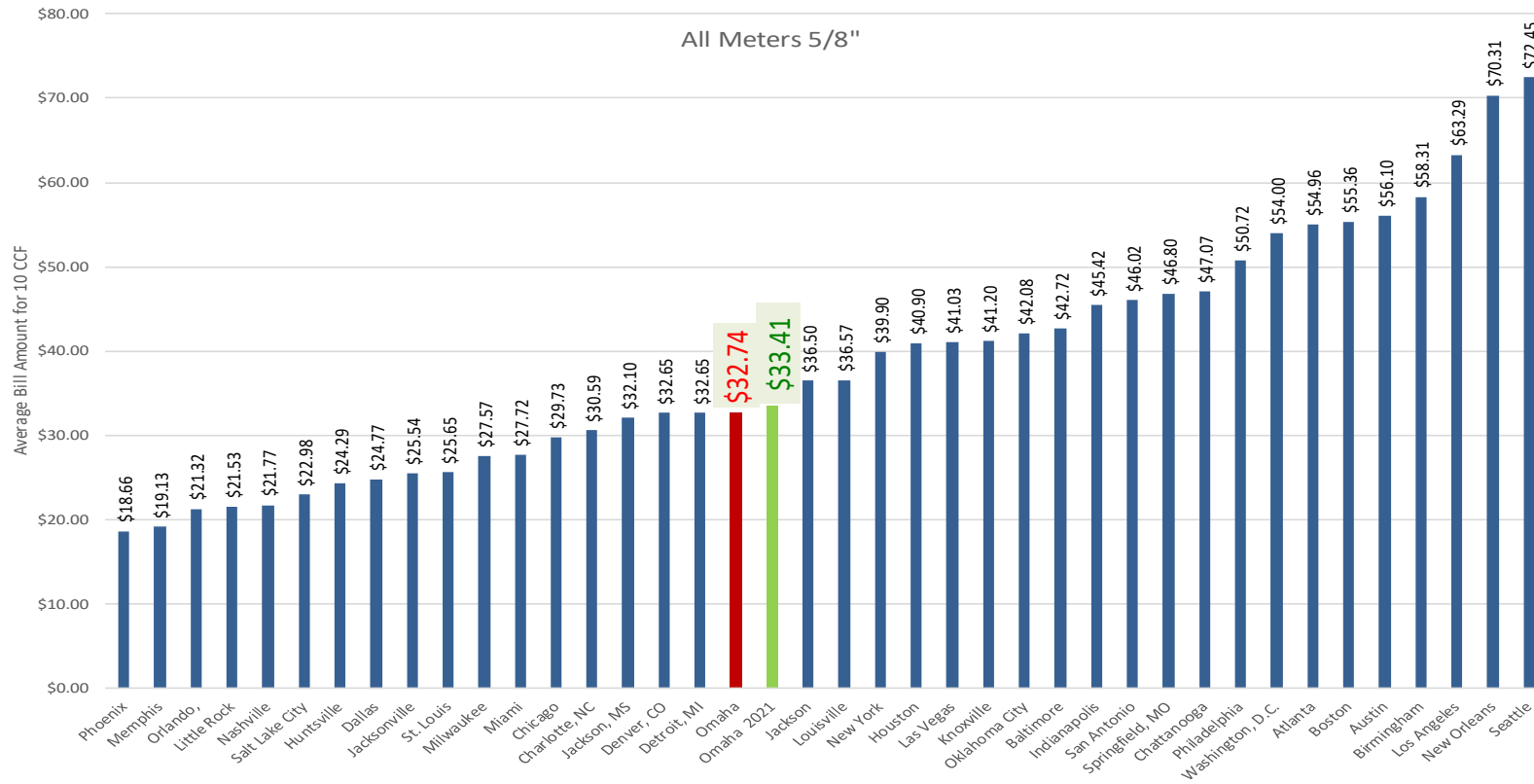
# Average Annual Residential Water Bill





# National Comparison

RESIDENTIAL WATER BILLS  
Rates in effect January 2020  
10 CCF



# Gas Rates Discussion

No increase to commodity, service charge or infrastructure components of rates

Average residential bill to increase by \$20.93 or 3.6% per year in 2021 driven by higher “pass-through” costs:

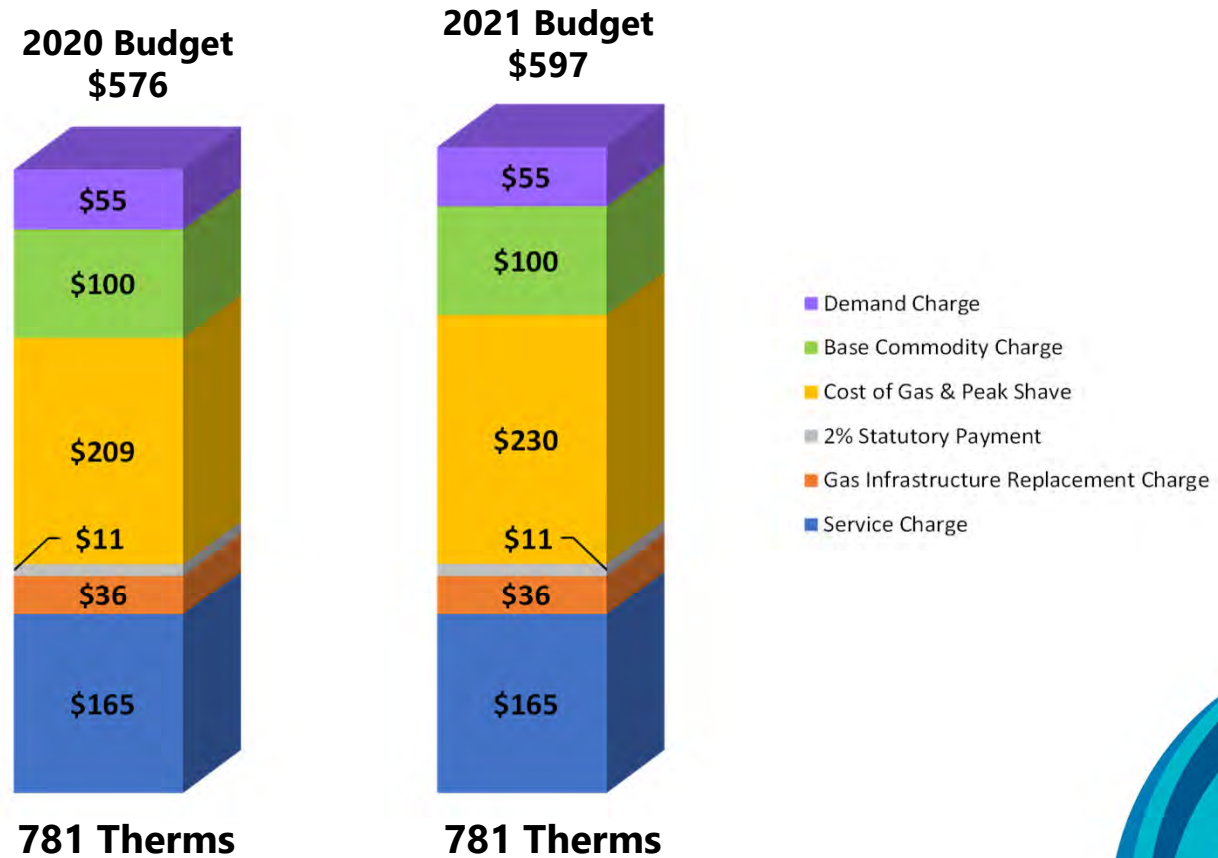
- Cost of gas
- Peak shaving – carrying costs on bond issuance

Gas infrastructure replacement to be funded by \$28.9 million bond issue in 2021 for 2021-2023 spending that exceeds revenue from gas infrastructure rate component

- 40 miles per year replacement
- Cast iron replacement completed by 2027
- 2,894 total miles of gas mains
- 212 miles of cast iron remain

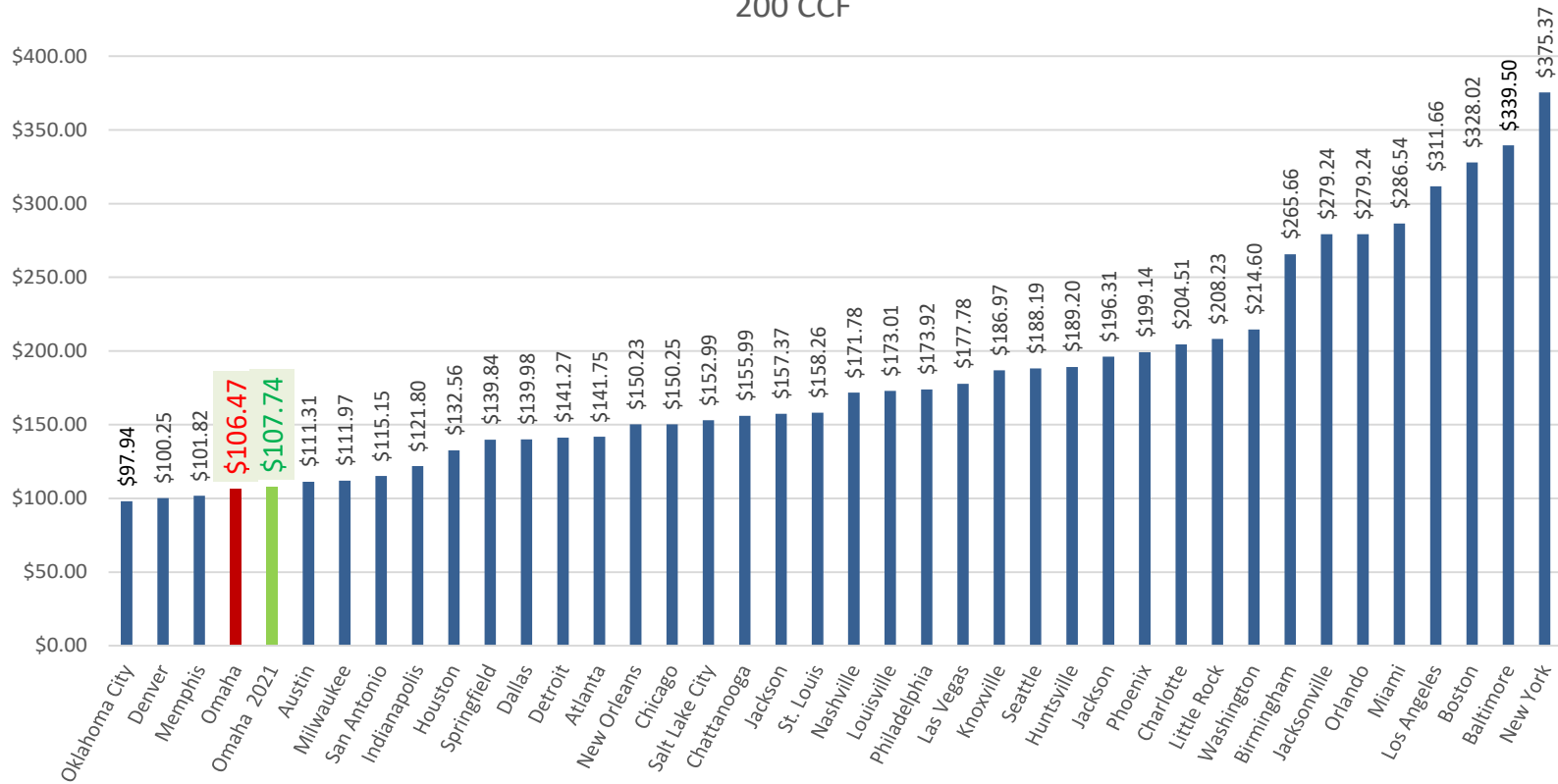


# Average Annual Residential Gas Bill

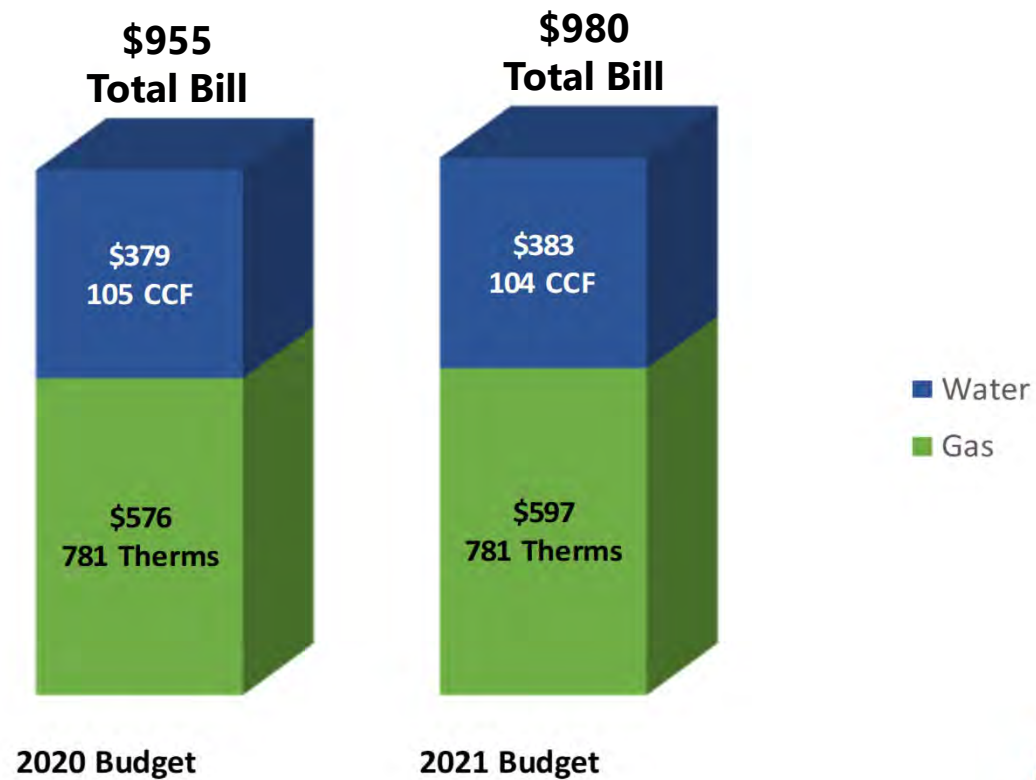


# National Comparison

RESIDENTIAL GAS BILLS  
Rates in effect January 2020  
200 CCF



# Gas and Water Annual Bill Comparison (Average Residential Customer)



**+\$25 or 2.6% per year**

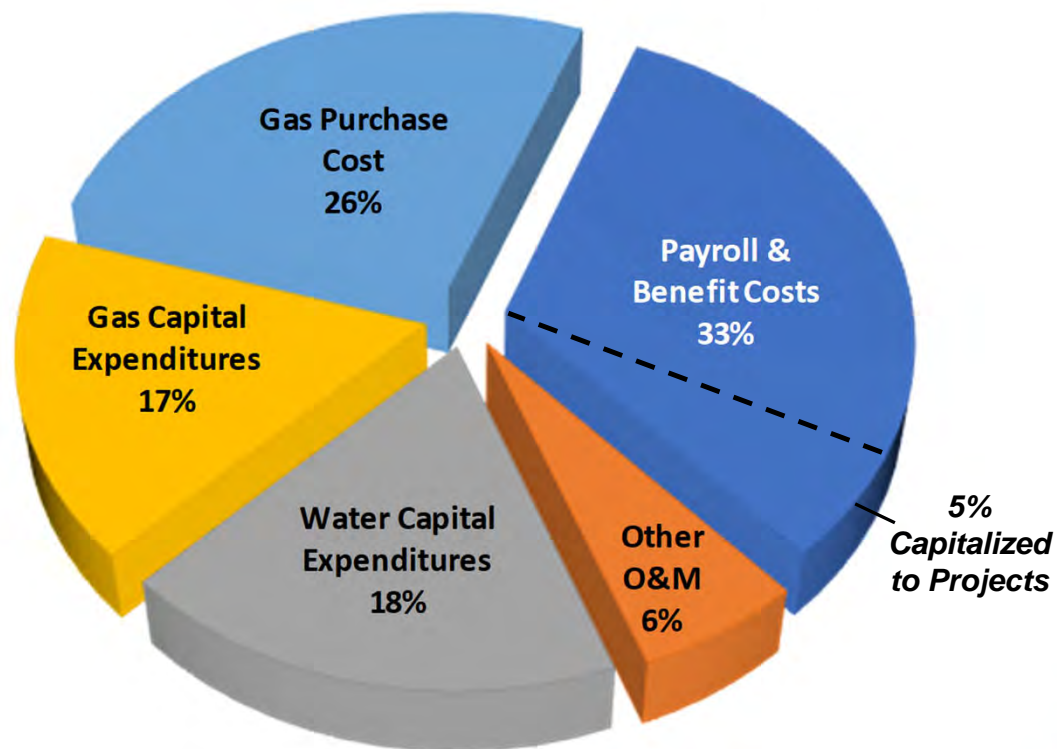


# Water & Gas Operations Shared Expenditures



# Components of District Spending (Water & Gas Combined)

2021 PROJECTED SPEND = \$410.4M





# Water & Gas Operations – Shared Expenditures 2021 Budget Assumptions

- Reflects a 2.25% SPA pay increase effective March 1, 2021
- Reflects a 2.25% OAC pay increase effective April 1, 2021 (per Labor Agreement)
- Reflects full funding of “promises to employees”
  - Pension and OPEB (retiree medical) funding at 100% of estimated actuarially determined amounts of \$11.6 million and \$14.7 million respectively (split equitably between the Gas and Water Departments)





# Water Operations



# Water Operations 2021 Budget Assumptions

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## Revenue

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- The budget contains a 1.0% increase to the average residential customer (\$0.30 per month, or \$3.62 per year)
- Rate increase effective May 2, 2021 to be recovered entirely through the commodity/usage component of rates; effectuation date deferred due to pandemic
- Increase will be used to fund increased operating costs; no increase to fund infrastructure replacement
- 2021 budget reflects a \$9.1 million “spend down” of operating cash
- 0.8% customer growth assumed

## Expenditures

---

- Capital expenditures of \$85.1 million, which are \$12.6 million higher than the 2020 budget; due primarily to:
  - Water mains \$54.1 million, up \$9.2 million
  - West Dodge pump station \$6.6 million, up \$6.1 million
- Assumes \$65.1 million bond issue in 2021 to fund Florence and Platte South capital improvements, West Dodge pump station, and other system improvements



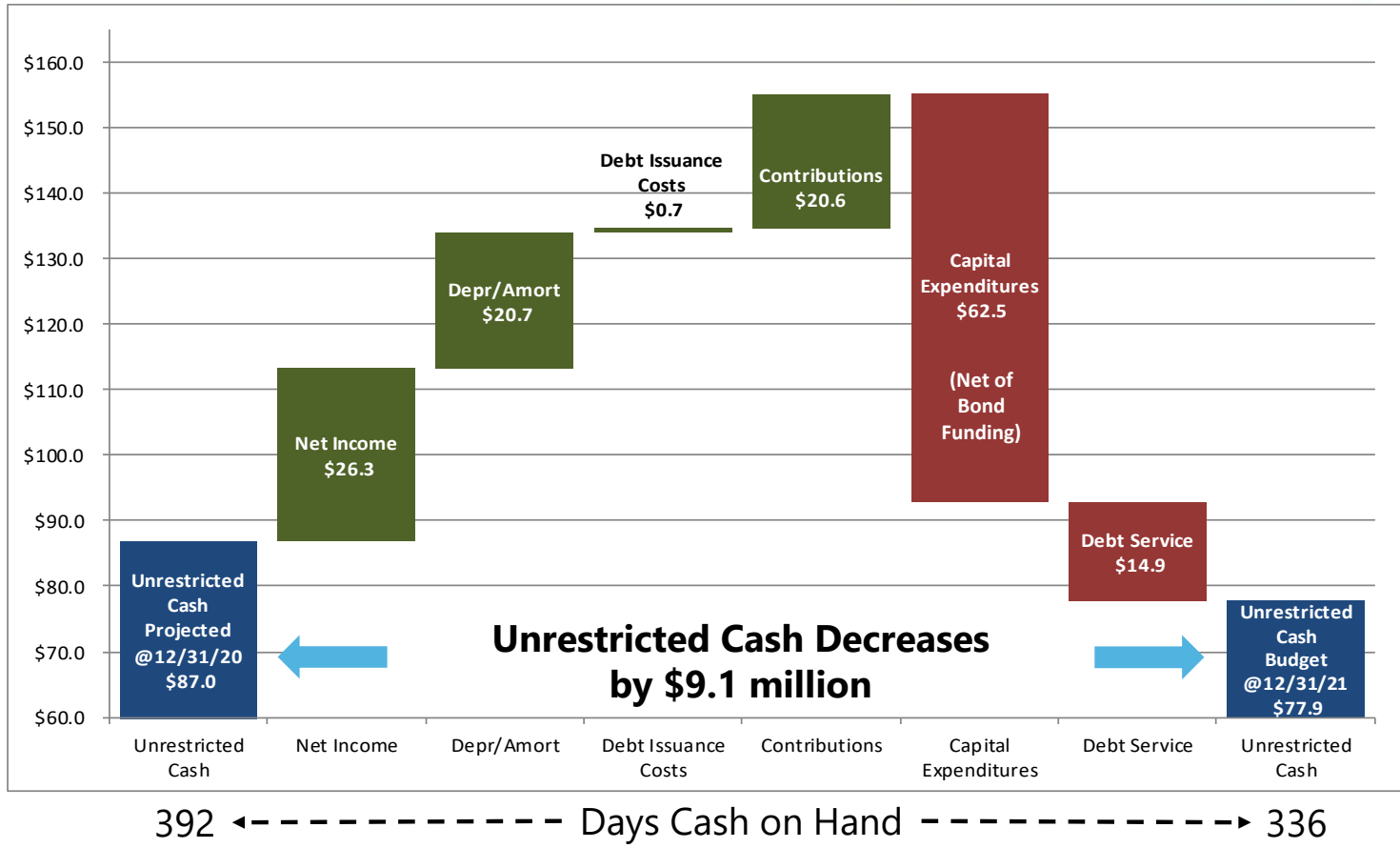
# Water Operations Revenue & Expense Statement

(\$ in millions)

	2020	2021	Increase / (Decrease)	
	Projection	Budget	\$	%
<b>Revenue:</b>				
Water Sales	\$ 123.0	\$ 121.2	\$ (1.8)	(1.5%)
Infrastructure Charge	14.9	15.0	0.1	0.9%
Other Operating	3.5	3.8	0.3	7.1%
<b>Total Revenue</b>	<b>\$ 141.4</b>	<b>\$ 140.0</b>	<b>\$ (1.4)</b>	<b>(1.0%)</b>
<b>Expense:</b>				
Operating & Maintenance	80.9	86.5	5.6	6.9%
Topside Budget Adjustment	-	(0.8)	(0.8)	NM
Depreciation & Amortization	15.7	17.7	2.0	12.7%
Bond Issuance Costs	-	0.7	0.7	NM
Interest Expense, Net	7.6	8.1	0.5	6.6%
Other	1.9	1.9	-	0.0%
<b>Total Expense</b>	<b>106.1</b>	<b>114.1</b>	<b>8.0</b>	<b>7.5%</b>
Interest Income	0.6	0.4	(0.2)	(34.0%)
<b>Net Income</b>	<b>\$ 35.9</b>	<b>\$ 26.3</b>	<b>\$ (9.6)</b>	<b>(26.8%)</b>

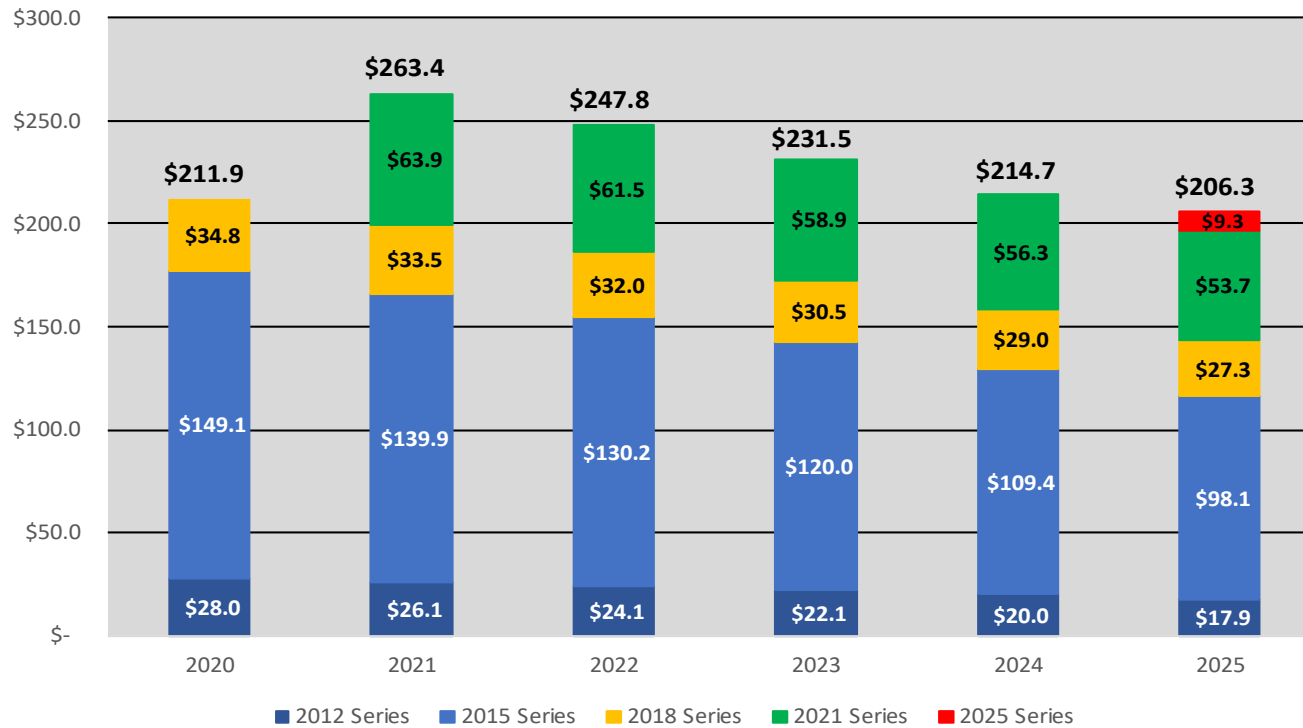
# Water Operations Cash Flow

(\$ in millions)



# Water Operations Bonded Debt Outstanding as of December 31

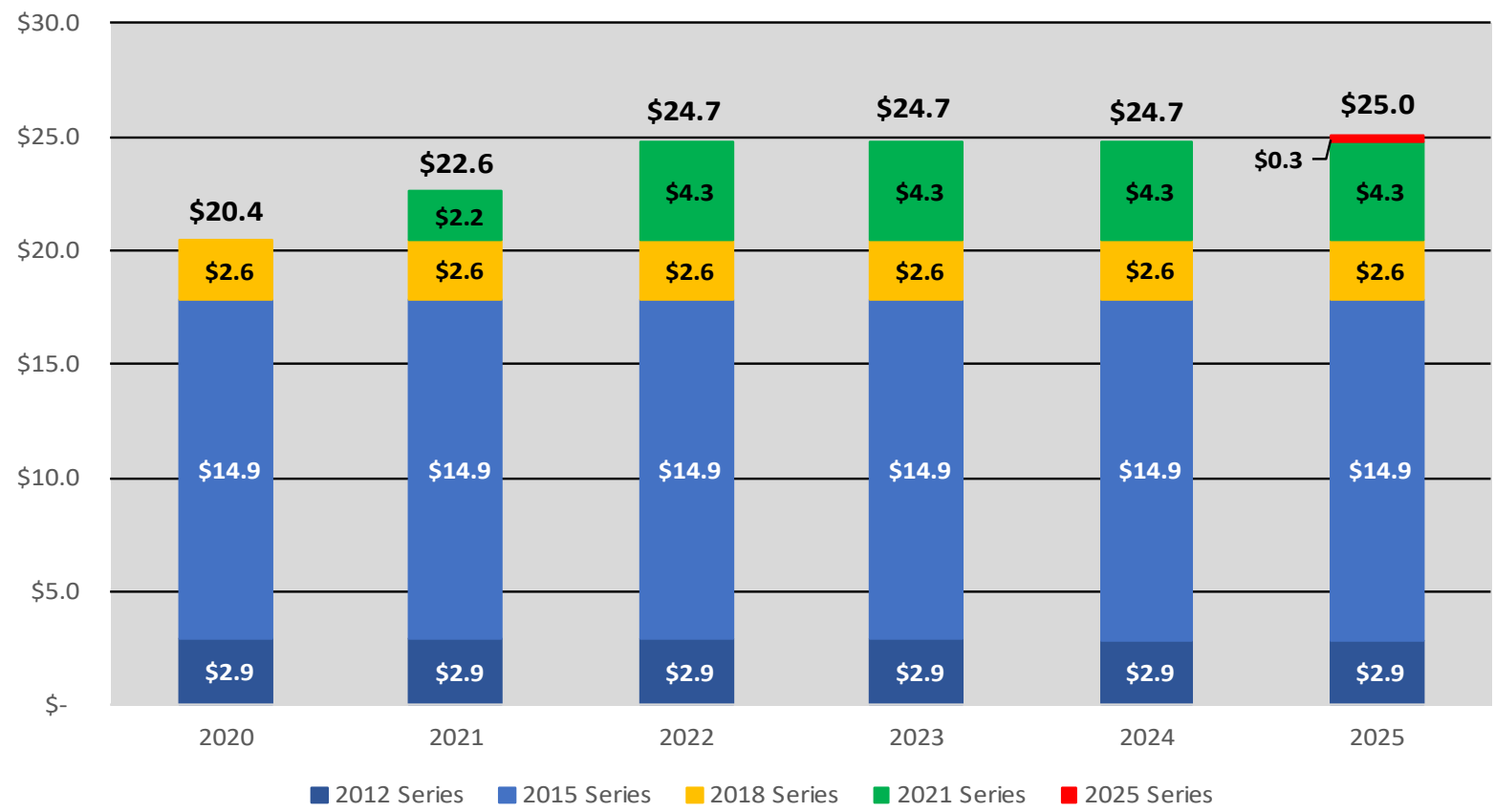
(\$ in millions)



	2020	2021	2022	2023	2024	2025
Debt Coverage - Revenue Bonds	2.99	2.44	2.40	2.49	2.58	2.65
Debt Coverage Covenants - Revenue Bonds	1.20	1.20	1.20	1.20	1.20	1.20

# Water Operations Bond Debt Service Requirements

(\$ in millions)



# Gas Operations



# Gas Operations 2021 Budget Assumptions

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## Revenue

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- No increase to margin/commodity component of rates
  - The budget contains a 3.6% (\$20.93 per year) increase to the average residential customer due to increased “pass-through” costs – cost of natural gas and LNG peak shave related costs
  - 0.8% customer growth assumed
- 

## Expenditures

---

- Capital expenditures of \$79.4 million, which is \$17.1 million higher than the 2020 budget, primarily driven by spending on the LNG plant vaporization expansion project (bond financed)
- Assumes \$70.7 million bond issue in 2021 to fund LNG plant vaporization and liquefaction project costs from 2021 through 2024 (\$2.4 million carrying costs in 2021)
- Gas infrastructure replacement to be funded by \$28.9 million bond issue in 2021 for 2021-2023 spending that exceeds revenue from gas infrastructure replacement component (\$1.0 million carrying costs in 2021)





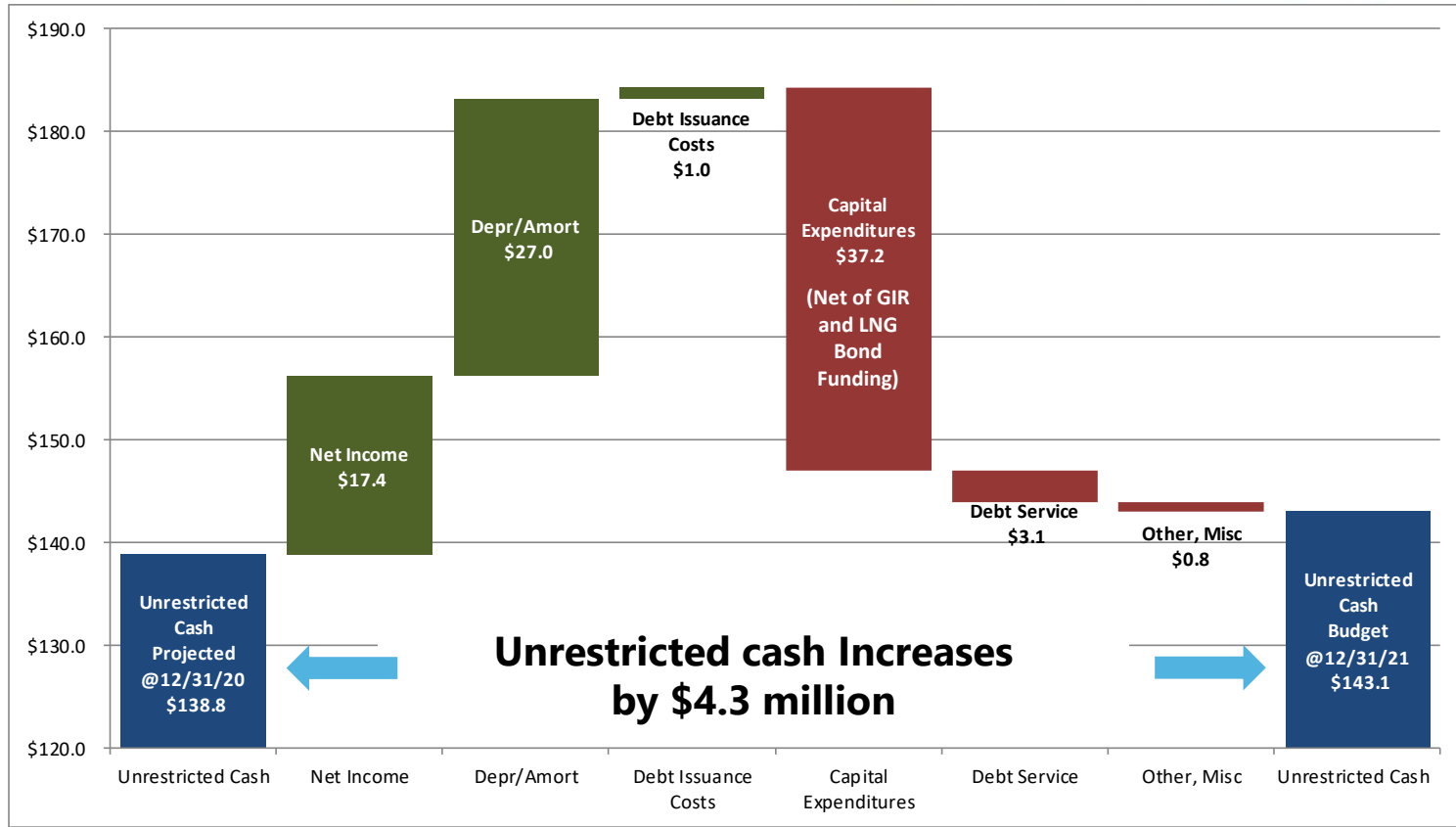
# Gas Operations Revenue & Expense Statement

(\$ in millions)

	2020	2021	Increase / (Decrease)	
	Projection	Budget	\$	%
<b>Revenue:</b>				
Gas Sales	\$ 171.6	\$ 191.1	\$ 19.5	11.4%
Infrastructure Charge	13.2	13.2	-	0.0%
Other Operating	3.7	4.3	0.6	14.9%
Total Revenue	\$ 188.5	\$ 208.6	\$ 20.1	10.7%
Less Cost of Gas Sold	85.9	107.2	21.3	24.7%
<b>Net Revenue</b>	<b>\$ 102.6</b>	<b>\$ 101.4</b>	<b>\$ (1.2)</b>	<b>(1.2%)</b>
<b>Expenses:</b>				
Operating & Maintenance	55.4	58.3	2.9	5.2%
Depreciation & Amortization	17.7	19.0	1.3	7.6%
Bond Issuance Costs	-	1.0	1.0	NM
Interest Expense	1.1	2.5	1.4	0.0%
Other, Net	3.1	3.8	0.7	21.0%
<b>Total Expenses</b>	<b>77.3</b>	<b>84.6</b>	<b>7.3</b>	<b>9.4%</b>
Interest Income	0.7	0.6	(0.1)	(12.9%)
<b>Net Income</b>	<b>\$ 26.0</b>	<b>\$ 17.4</b>	<b>\$ (8.6)</b>	<b>(33.0%)</b>

# Gas Operations Cash Flow

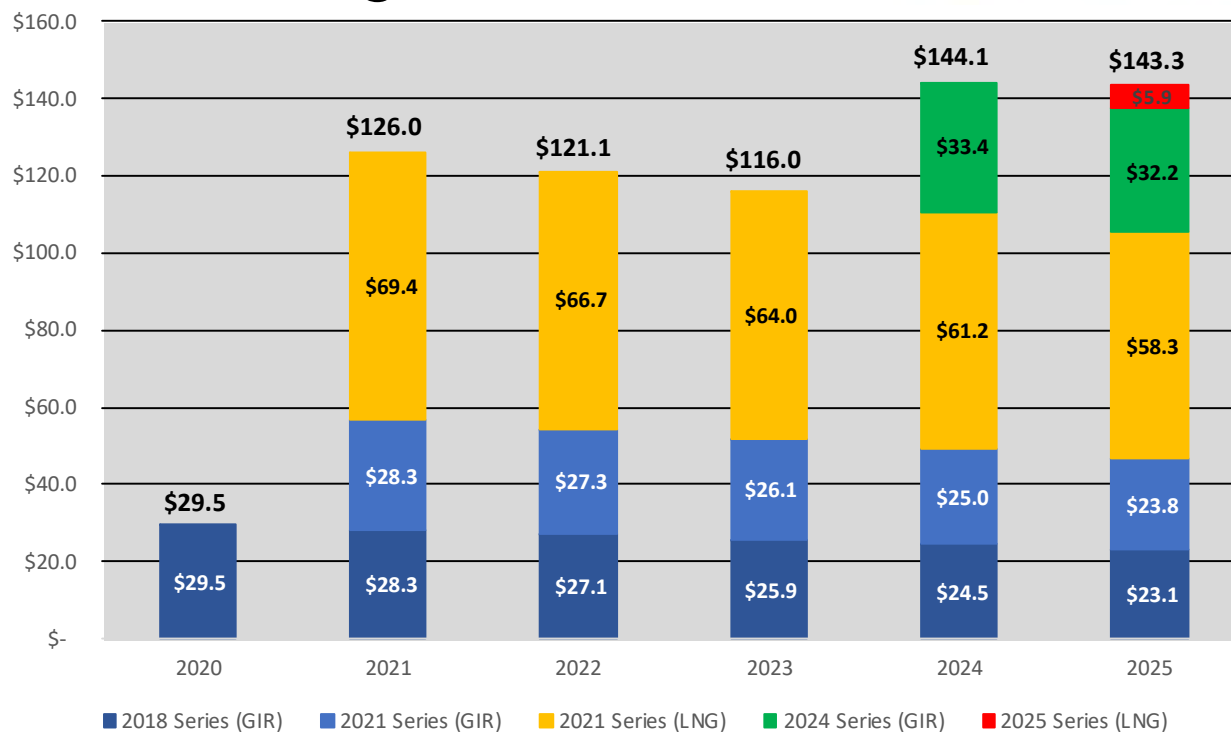
(\$ in millions)



362 ← ----- Days Cash on Hand ----- → 324

# Gas Operations Bonded Debt Outstanding as of December 31

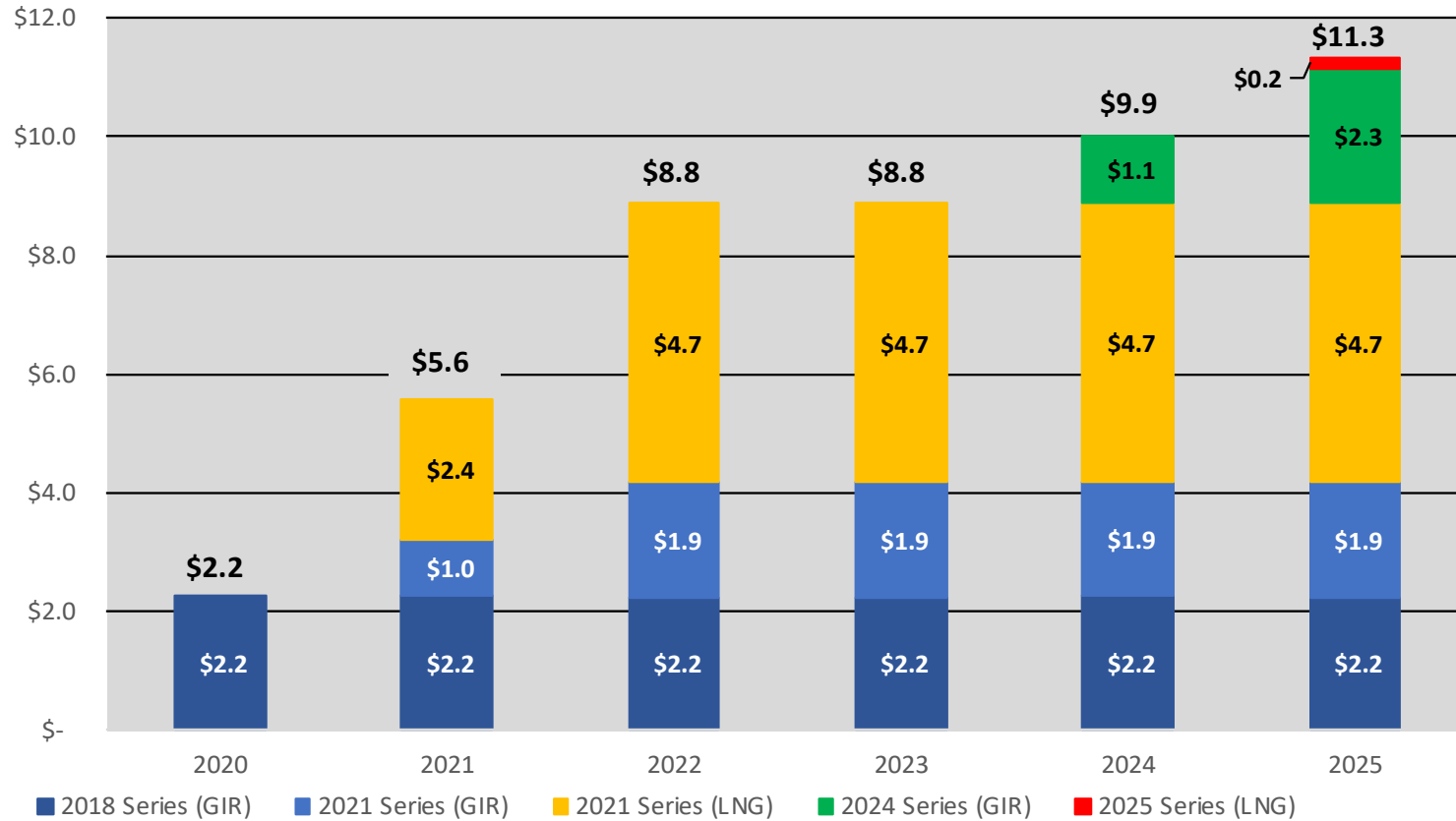
(\$ in millions)



	2020	2021	2022	2023	2024	2025
Debt Coverage - Revenue Bonds	23.17	8.44	5.94	6.26	5.61	5.04
Debt Coverage Covenants - Revenue Bonds	1.20	1.20	1.20	1.20	1.20	1.20

# Gas Operations Bond Debt Service Requirements

(\$ in millions)



# APPENDIX

Appendix slides will be not presented during the  
December 3, 2020 Board Meeting



# Water Operations

## 2021 Plant Additions & Replacement

(\$ in millions)

Infrastructure Replacement Mains	\$	18.9		
Mains, Other		<u>35.2</u>		
Subtotal Mains	\$	54.1	\$	54.1
Florence				11.2
Platte South				3.3
Platte West				0.4
Pumping/Purification				1.4
Construction Machines				5.7
Other Distribution				0.8
Other Plant & Equipment				9.7
Topside Capital Budget Adjustment				<u>(1.5)</u>
<b>Total Plant Additions &amp; Replacements</b>	<b>\$</b>			<b>85.1</b>
Less Reimbursable				<u>(17.7)</u>
<b>Net Cost to District</b>	<b>\$</b>			<b><u>67.4</u></b>



# Water Operations - Cash Flow Statement

(\$ in millions)

	<u>2020 Projection</u>	<u>2021 Budget</u>
<b>Cash Provided:</b>		
Net Income	\$ 35.9	\$ 26.3
Add Back Non-Cash Items:		
Depreciation and Amortization	17.5	20.7
Contributions by Developers/Customers	27.1	20.6
Bond Issuance Proceeds	-	65.1
<b>Total Cash Provided</b>	<b>\$ 80.5</b>	<b>\$ 132.7</b>
<b>Cash Expended:</b>		
Plant Additions and Replacements	75.6	85.0
Debt Service, 3 <sup>rd</sup> Party (NDEQ & Revenue Bonds)	13.2	14.9
<b>Total Cash Expended</b>	<b>88.8</b>	<b>99.9</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>\$ (8.3)</b>	<b>\$ 32.8</b>
Adjustments to Remove Non-Operating Items:		
Bond Issuance Proceeds, Net	-	(64.5)
LNG Bond 2021 – Net Proceeds	14.5	22.6
<b>Net Increase in Cash from Operations</b>	<b>\$ 6.2</b>	<b>\$ (9.1)</b>
Unrestricted Cash - Beginning of Period	80.8	87.0
<b>Unrestricted Cash - End of Period</b>	<b>\$ 87.0</b>	<b>\$ 77.9</b>
Days Cash On Hand	392	336



# Gas Operations

## 2021 Plant Additions & Replacement

(\$ in millions)

Infrastructure Replacement - Mains & Service	\$	19.1	
Mains, Other		7.6	
Services, Meters & Regulator Equipment		<u>7.0</u>	
	\$	33.7	\$ 33.7
Buildings, Land and Equipment			32.8
Information Technology			3.3
Motor Vehicles			8.3
Other			<u>1.3</u>
<b>Total Plant Additions &amp; Replacements</b>	<b>\$</b>		<b><u><u>79.4</u></u></b>



# Gas Operations - Cash Flow Statement

(\$ in millions)

	<u>2020 Projection</u>	<u>2021 Budget</u>
<b>Cash Provided:</b>		
Net Income	\$ 26.0	\$ 17.4
Add Back Non-Cash Items:		
Depreciation and Amortization	24.0	27.0
Contributions by Developers/Customers	1.0	-
GIR Bond 2021 Issuance Proceeds	-	28.9
LNG Bond 2021 Issuance Proceeds	-	70.7
<b>Total Cash Provided</b>	<b>\$ 51.0</b>	<b>\$ 144.0</b>
<b>Cash Expended:</b>		
Plant Additions and Replacements	50.7	79.4
Debt Service, 3 <sup>rd</sup> Party (CNG Loan & Revenue Bond)	1.5	3.1
All Other	0.4	0.8
<b>Total Cash Expended</b>	<b>52.6</b>	<b>\$ 83.3</b>
<b>Net Increase/(Decrease) in Cash</b>	<b>\$ (1.6)</b>	<b>\$ 60.7</b>
Adjustments to Remove Non-Operating Items:		
GIR Bond 2021 – Net Proceeds	-	(28.6)
LNG Bond 2021 – Net Proceeds	-	(70.0)
GIR Expenditures – Funded by Bond	-	22.2
LNG Expenditures – Funded by Bond	-	20.0
<b>Net Increase in Cash from Operations</b>	<b>\$ (1.6)</b>	<b>\$ 4.3</b>
Unrestricted Cash - Beginning of Period	140.4	138.8
<b>Unrestricted Cash - End of Period</b>	<b>\$ 138.8</b>	<b>\$ 143.1</b>
Days Cash On Hand	362	324





**Schedule W-1**  
**RESIDENTIAL WATER SERVICE**  
 Effective ~~January 2~~ May 2, 2020 2021

(Supersedes Schedule W-1 Effective ~~July 1, 2019~~ January 2, 2020)

**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	<u>\$1.5138</u> <u>\$1.5797</u>	<u>\$1.5138</u> <u>\$1.5797</u>
Next 2,100 cubic feet	<u>\$1.5138</u> <u>\$1.5797</u>	<u>\$2.1193</u> <u>\$2.2115</u>
Over 3,000 cubic feet	<u>\$1.5138</u> <u>\$1.5797</u>	<u>\$2.7248</u> <u>\$2.8434</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.



**Schedule W-2  
COMMERCIAL & INDUSTRIAL WATER SERVICE**

Effective ~~January 2, 2020~~ May 2, 2020 2021

(Supersedes Schedule W-2 Effective ~~July 1, 2019~~ January 2, 2020)

**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**

<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
	4"	\$240.00
	6"	\$475.00
	8"	\$700.00
	10"	\$940.00
	12"	\$1,405.00

<b>Commodity Charge (Per 100 Cubic Feet)</b>	<b><u>November-May</u></b>	<b><u>June-October*</u></b>
All Water Used	<del>\$1.3316</del> <u>\$1.3896</u>	<del>\$1.7827</del> <u>\$1.8603</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.



**Schedule W-3**  
**LARGE VOLUME INDUSTRIAL WATER SERVICE**  
 Effective ~~January 2~~ May 2, 2020 ~~2021~~

Supersedes Schedule W-3 Effective ~~July 1, 2019~~ January 2, 2020

**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**

<b>Service Charge:</b>	<u><b>Meter Size</b></u>	<u><b>Monthly Charge</b></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	<del>\$7,664.00</del> <u>\$7,998.00</u>
Over 5,000 CCF (per 100 cubic feet)	<del>\$1.3152</del> <u>\$1.3724</u>

**Minimum Monthly Bill:**

The minimum monthly charge shall be ~~\$7,664.00~~ \$7,998.00 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.





**Schedule W-4**  
**COMMERCIAL & INDUSTRIAL WATER SERVICE**  
**SPRINKLING - LAKE RECHARGE - COOLING**  
 Effective ~~January 2~~ May 2, 2020 ~~2021~~

(Supersedes Schedule W-4 Effective ~~January 2, 2020~~ July 1, 2019)

**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:**

<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 (Per 100 Cubic Feet):**

	<u>November-May</u>	<u>June-October*</u>
First 100 CCF	<u>\$1.3450</u> <u>\$1.4035</u>	<u>\$1.8005</u> <u>\$1.8789</u>
Next 1,000 CCF	<u>\$1.3450</u> <u>\$1.4035</u>	<u>\$3.6010</u> <u>\$3.7577</u>
Over 1,100 CCF	<u>\$1.3450</u> <u>\$1.4035</u>	<u>\$2.7008</u> <u>\$2.8184</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.



**Schedule WWS**  
**WHOLESALE WATER SERVICE**  
 Effective ~~July 1, 2019~~ January 2, 2021 ~~May 2, 2021~~

(Supersedes Schedule WWS Effective July 1, 2019 ~~January 2, 2018~~)

**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.

**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

~~\$5,880.00~~ \$6,136.00

Over 5,000 CCF (per 100 cubic feet)

~~\$1.0115~~ \$1.0555

**-MINIMUM MONTHLY BILL**

The minimum monthly charge shall be ~~\$5,880.00~~ \$6,136.00 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.

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

November 30, 2020

**Subject:** PROPOSED WATER RATE INCREASE - 2021

**To:** Committee on Accounts, Expenditures, Finance and Rates  
cc: All Board Members; Mark Doyle, Steve Ausdemore, Mark Mendenhall,  
Cory O'Brien and all Vice Presidents

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

**RECOMMENDATION**

Management is requesting a 4.35% increase to the overall Commodity component of rates. Traditionally, proposed rate increases are effective January 2<sup>nd</sup>; due to the ongoing financial hardship associated with the pandemic, management is requesting that the effective date of the rate increase be deferred until May 2, 2021.

The 4.35% increase to the Commodity component of rates will generate approximately \$1.6 million in 2021, as compared with 2020 budgeted revenues. The additional revenue in 2021 will contribute towards the cost of funding ongoing operations.

**WATER RATE COMPARISON  
AVERAGE RESIDENTIAL CUSTOMER**

For the average use residential customer using a 5/8" water meter, the annualized increase will be \$3.62 or about 1% higher than what was assumed for the 2020 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**

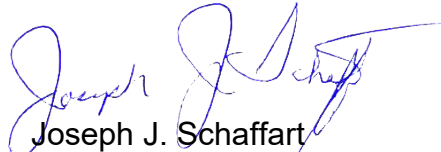
Projected 2021 Annual Bill	\$ 383.10 (104 CCF)
2020 Annual Bill	<u>\$ 379.48 (105 CCF)</u>
Annual Change to Average Bill	\$ 3.62 1.0%

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 \$1.6 million in 2021.

The impact of this increase will be reflected in the budget presentation at the December 3, 2021 Board meeting, at which time a public hearing is also scheduled.



Joseph J. Schaffart  
Senior Vice President, CFO

Approved:



Mark E. Doyle  
President