

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

8:15 a.m.

May 5, 2021

**AGENDA**

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

**Public Hearing**

1. Proposed Updates to the Billing Price Book [Mark Myers - VP, Accounting] - **Tab 5**
2. Invitation for Public to Comment

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

1. Renewal of Unsecured Line of Credit  
[Joseph Schaffart – SVP, Chief Financial Officer] – **Tab 6**

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

1. Capital Expenditures [Cory O'Brien - Interim SVP, Chief Operations Officer] – **Tab 7**
2. Acceptance of Contracts and Payment of Final Estimates  
[Stephanie Henn – Director, Plant Engineering] – **Tab 8**
3. 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**

**Personnel – Begley, Frost, Friend**

1. Wage and/or Salary Increases and Ratifications  
[Bonnie Savine – VP, Human Resources] - **Tab 11**
2. Promotion of Vice-President, Water Operations  
[Bonnie Savine – VP, Human Resources] - **Tab 12**

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

1. Fourth Legislative Report [Rick Kubat, Governmental Affairs Attorney] – **Tab 13**

**Adjourn Public Hearing and Committee Meetings**

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

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

**9:00 a.m.**

**May 5, 2021**

**AGENDA**

1. Roll Call
  2. Open Meetings Act Notice
  3. Pledge of Allegiance
  4. Approval of Minutes – Committee Meetings & Regular Board Meeting for April 7, 2021
  5. Proposed Updates to the Billing Price Book (RESOLUTION)
  6. Renewal of Unsecured Line of Credit
  7. Capital Expenditures
  8. Acceptance of Contracts and Payment of Final Estimates
  9. Bids on Materials and Contracts
  10. Main Extensions
  11. Wage and/or Salary Increases and Ratifications
  12. Promotion of Vice-President, Water Operations
  13. Fourth Legislative Report
  14. Other Matters of District Business for Discussion
- ACCOUNTS,  
EXPENDITURES,  
FINANCE &  
RATES
- CONSTRUCTION  
& OPERATIONS
- SERVICES &  
EXTENSIONS
- PERSONNEL
- JUDICIAL &  
LEGISLATIVE
- BOARD

**Adjourn Regular Monthly Board Meeting**

***(Turn over for Committee Meetings agenda)***

## METROPOLITAN UTILITIES DISTRICT

### Minutes of Committee Meetings

**April 7, 2021**

Chairperson 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 March 28, 2021 and its online version from March 28, 2021 through April 3, 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 all pertinent documents to be presented at the April 7, 2021 meetings were posted to the M.U.D. website on March 31, 2021.

Chairperson McGowan announced that the meeting was being livestreamed and a recording of this meeting would be uploaded to the M.U.D. website after the meeting's conclusion. He announced that due to the Governor's extension of his Executive Order No. 20-36 on January 11, 2021 in response to the surge in COVID-19 cases, in-person meeting requirements of the Open Meetings Act are waived until April 30, 2021.

Chairperson McGowan reminded those in attendance in the Board Room that due to an Omaha City Council ordinance, all attendees must abide by the requirement for wearing a facemask or face covering or maintain six-foot distancing from one another in indoor public settings in response to the COVID-19 pandemic. This ordinance will remain in effect until May 25, 2021.

#### **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. (Directors Howard and Cook participated remotely. Directors Frost, Cavanaugh, Begley, Friend and McGowan attended in-person.)

#### **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.

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

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

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

Interim Senior Vice-President & Chief Operations Officer Cory O'Brien reviewed the proposed capital expenditures as outlined in his letter to the Committee dated March 29, 2021.

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 March 29, 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 March 26, 2021. Some discussion took place regarding the JEO Consulting bid for a three-year contract to handle construction phase inspection services for contracted water mains. The discussion led to an agreement to hold the matter over until next month's Board Meeting pending further review so long as it did not cause any disruption to District projects. Ms. Henn indicated that the contract would be extended on an interim basis to allow for the continuation of the currently planned projects.

Senior Vice-President Steve Ausdemore presented the proposed capital expenditure for a lease agreement for property at 14242 "C" Circle, as outlined in the letter to the Committee from Mr. Zellars dated March 30, 2021. The property will primarily serve as essential workspace for multiple operating workgroups (Construction and Field Service welders, electricians, machine and blacksmith shop staff and carpenter) that were displaced when a portion of the District's Construction Center was rendered unusable due to significant damage caused by a third party's nearby construction project. The District has submitted a Letter of Intent to the lessor which outlines terms of the arrangement but is not binding. Board approval of the proposed agreement will authorize the President to enter into a binding three-year lease with two one-year optional extensions. In addition, Board approval will authorize the District's Purchasing Department to enter into an agreement with Patriot Crane and Rigging for relocation of equipment, materials and cranes.

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

Mr. O'Brien reviewed the proposed main extensions as outlined in his letter to the Committee dated March 29, 2021.

**Personnel - Begley, Frost, Friend**

Vice-President of Human Resources Bonnie Savine provided an update on the employee COVID cases and COVID testing, and District job postings.

Ms. Savine reviewed the proposed wage and/or salary increases and ratifications as outlined in her letter to the Committee dated March 26, 2021.

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

Senior Vice-President and General Counsel Mark Mendenhall presented the District's proposed property lease for office space for the Family Focus Federal Credit Union ("FFFCU") as outlined in Staff Attorney Joseph Kehm's letter to the Committee dated March 23, 2021. The FFFCU serves only employees and their families in providing an important employee benefit. The agreement serves to formalize the relationship that has existed between the District and the FFFCU since 1931. The agreement allows the District the option of altering some of the terms of the agreement or terminating the 25-year lease.

Government Affairs Attorney Rick Kubat presented the Third Legislative Report for 2021 dated March 22, 2021. No changes were recommended to the positions previously taken on legislative bills of interest to the District.

### **Account, Expenditures, Finance & Rates – McGowan, Begley, Cook**

Vice-President of Accounting Mark Myers presented the 2020 Financial Recap to provide an overview of the District's financial condition, noting that the District fared well both operationally and financially despite significant challenges brought about by the pandemic.

For the Water Department, the District's net operating revenue for 2020 was \$139.9 million which was about 1.0% higher than budget and about 15% higher than 2019, largely due to dryer weather conditions in 2020 that increased water demands (*up about 3% vs. budget*). Water operating expenses were \$94.8 million, \$11.0 million lower than the budgeted amount of \$105.8 million.

The biggest contributor to this favorable variance was the year-end adjustments made to pension and OPEB expense, largely due to strong investment returns. Combined, these adjustments reduced expenses by about \$13 million, with a \$6.9 million reduction in pension and a \$6.2 million reduction in OPEB (Other Post-Employment Benefits) expenses, partially offset by other increased expenses. Investment returns for the pension plan were nearly 14% in 2020 and 21% in 2019, while returns for the OPEB trust were about 13% in 2020 and 22% in the previous year. These favorable variances were offset by increased expenses for non-recurring items including the COVID-19 pandemic (approximately \$1.2 million in total, of which about \$1.0 million was charged to Water Operations); the 2019 flood repair net cost of \$753,000 at the three water treatment plants; and the \$333,000 in costs associated with the settling issues at the Construction Center (of which about \$160,000 was charged to the Water Department). Repair costs for flood-related issues at the plants and the Construction Center settling issues will continue into 2021. The Water Department ended 2020 with Net Income of \$45.1 million, which was \$12.5 million better than budget.

For the Gas Department, net operating revenue was \$102.9 million (after deducting the cost of gas) which was 2.5% (*\$2.7 million*) lower than budget. Increased revenue generated from higher volumes was more than offset by non-volume related items such as lower recovery of peak shaving projects, reduced revenue associated with

the temporary suspension of Late Payment and Service Turn-On Charges (these fees were suspended for a period of time to grant relief to customers suffering financial hardship due to the pandemic), and increased bad debt expense (the pandemic contributed to increased bad debt expense as well).

Gas operating expenses totaled \$62.1 million, which was \$12.8 million below budget. The year-end pension and OPEB adjustments were the biggest contributors, reducing expenses by \$15.4 million combined, partially offset by other expense increases, as follows: approximately \$200,000 was spent on COVID-related costs and \$176,000 of additional costs were charged to the Gas Department related to the settling issues at the Construction Center. In addition, the 2020 budget included proceeds of \$2.0 million for the planned sale of surplus land north of the Construction Center. This land was not sold, resulting in a \$2.0 unfavorable variance compared to budget. The Gas Department ended 2020 with Net Income of \$40.8 million, which was \$10.1 million better than budget.

Mr. Myers noted the cash reserves balance was the most indicative measure of the District's financial health. The Water Department ended the year with unrestricted cash totaling \$83.3 million (*or 354 days cash on hand*) and the Gas Department ended the year with unrestricted cash totaling \$151.2 million (*or 377 days cash on hand*). Mr. Myers also highlighted the favorable credit ratings the District has received from the three primary rating agencies: Fitch (AA+), Moody's (Aa2), and S&P Global Ratings (AA+). He noted the funded ratio for the pension plan increased from 89% to 94%, largely due to higher-than-expected investment returns, and the District contributed \$11.6 million to the OPEB trust in 2020.

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

Senior Vice-President Joseph Schaffart introduced three reports that were prepared by Cavanaugh Macdonald: (1) the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha – Actuarial Valuation as of January 1, 2021; (2) GASB Statements No. 67 and 68 Report for the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha – Measurement Date: December 31, 2020; and (3) the summary presentation entitled Retirement Plan for Employees of M.U.D.

Mr. Schaffart noted that the Actuarial Valuation report contains two key data points: the funded percentage of the pension plan, which increased from 89% to 94%, and the actuarially required District contribution to the plan for 2021, which is approximately \$9.5 million. Mr. Schaffart noted that management is recommending a pension contribution of \$11.6 million (as reflected in the 2021 budget), or approximately \$2.1 million higher than what is required, with the intent being to continue to bolster the financial health of the pension plan. Mr. Schaffart went on to explain the GASB Statements No. 67 and 68 Report, which provides the accounting guidance necessary to determine pension expense for 2020. Due to many years of pension investment returns that have exceeded the assumed rate of return, pension expense was a negative \$3.8 million in 2020.

Mr. Schaffart then introduced Pat Beckham, Principal and Consulting Actuary with Cavanaugh Macdonald Consulting, who spoke to the final document: "Summary

Presentation of the Highlights of the Actuarial Valuation Results”. Ms. Beckham noted that Cavanaugh Macdonald would again be conducting an ‘Experience Study’ later this year to compare actual experience with various assumptions used in actuarial analyses in support of the plan. An Experience Study must be conducted every four years per statute. Ms. Beckham noted that the District’s funded ratio compared quite favorably to many other plans, having increased from 89% to 94% the past year alone, and particularly in light of having come from 84% funding in 2008 to the present.

**Audit –McGowan, Howard, Begley**

Mr. Schaffart introduced the District’s 2020 Audited Financial Statement prepared by RSM, the District’s external auditors, noting that the District received an unmodified or “clean” audit opinion, which means that the financial statements present fairly, in all material respects, the financial position of both the Gas and Water divisions as of December 31, 2020. RSM representative and Audit Engagement Manager Robert Kreiser reviewed the audit findings and conclusions for the Board.

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 10:25 a.m., Chairperson McGowan announced that the Committee Meetings had concluded and that the regular monthly Board Meeting would convene at 10:35 a.m.



---

Mark E. Doyle  
Secretary and President

MED/mjm

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Regular Monthly Board Meeting**  
**April 7, 2021**

Chairperson McGowan called to order the regular monthly meeting of the Metropolitan Utilities District Board of Directors at 10:38 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 March 28, 2021 and its online version from March 28, 2021 through April 3, 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 all pertinent documents to be presented at the April 7, 2021 meetings were posted to the M.U.D. website on March 31, 2021.

Chairperson McGowan announced that the meeting was being livestreamed and a recording of this meeting would be uploaded to the M.U.D. website after the meeting's conclusion. He announced that due to the Governor's extension of his Executive Order No. 20-36 on January 11, 2021 in response to the surge in COVID-19 cases, in-person meeting requirements of the Open Meetings Act are waived until April 30, 2021.

Chairperson McGowan reminded those in attendance in the Board Room that due to an Omaha City Council ordinance, all attendees must abide by the requirement for wearing a facemask or face covering or maintain six-foot distancing from one another in indoor public settings in response to the COVID-19 pandemic. This ordinance will remain in effect until May 25, 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. (Directors Howard and Cook participated remotely. Directors McGowan, Frost, Cavanaugh, Begley, and Friend attended in-person.)

**AGENDA NO. 2**

**Open Meetings Act Notice**

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

**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 MARCH 3, 2021**

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for March 3, 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 outlined in Mr. O'Brien's letter to the Committee dated March 29, 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. 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 March 29, 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. 7**

**BIDS ON MATERIALS AND CONTRACTS**

Director Frost moved to approve Management's recommendation regarding the bids on materials and contracts as discussed by Mr. Zellars and as outlined in the letter from Ms. Meisinger dated March 26, 2021 with the exception of the bid submitted by JEO Consulting for construction phase inspection services for contracted water mains, which will be held over until next month's Board Meeting pending further review. The motion 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. 8**

**CAPITAL EXPENDITURE FOR LEASE OF PROPERTY AT 14242 "C" CIRCLE**

Director Frost moved to approve the proposed capital expenditure as outlined in Mr. Zellars' letter to the Committee dated March 30, 2021 and as explained in the Committee Meetings by Mr. Ausdemore. 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. 9**  
**MAIN EXTENSIONS**

Director Friend moved to approve the proposed main extensions as outlined in Mr. O'Brien's letter to the Committee dated March 29, 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. 10**  
**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 March 26, 2021. The motion 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. 11**  
**FAMILY FOCUS FEDERAL CREDIT UNION PROPERTY LEASE**

Director Cook moved to approve the proposed property lease for Family Focus Federal Credit Union as outlined in the letter from Mr. Kehm dated March 23, 2021, and as presented by Mr. Mendenhall in the Committee Meetings. The motion was 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. 12**  
**THIRD LEGISLATIVE REPORT FOR 2021**

Director Cook requested that the Third Legislative Report for 2021 dated March 22, 2021 as presented by Mr. Kubat at the Committee Meetings be placed on file.

**AGENDA NO. 13**  
**ACTUARIAL VALUATION REPORT ON THE RETIREMENT PLAN**

Director Howard requested that the Actuarial Report and the GASB 67 & 68 Report be placed on file.

Director Howard moved to approve the contribution to the pension plan consistent with Management's recommendations, 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. 14**

### **2020 AUDITED FINANCIAL STATEMENT**

Director McGowan requested that the 2020 Audited Financial Statement be placed on file.

## **AGENDA NO. 15**

### **OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION**

By request of the Board, the District's Director of Energy Acquisitions Dave Bellairs provided a presentation on the Central Plains Energy Project (CPEP) in light of the dramatic gas price spikes and rate increases that occurred as a result of the polar vortex event last February.

CPEP is a nonprofit governmental entity created in 2006 and authorized by the Nebraska Interlocal Cooperation Act. CPEP is a consortium of three gas suppliers (M.U.D.; Cedar Falls, Iowa Municipal Gas Utility; and the City of Hastings, Nebraska) that was formed for the purpose of acquiring, financing, and managing secure and economically priced supplies of natural gas for sale to its members and other public gas distribution systems and agencies, both in and outside of the State of Nebraska. The entity is governed by a Board comprised of one representative from each of the three CPEP member organizations. CPEP's central role involves issuing tax exempt bonds that are used to prepay the natural gas supplier for gas delivery. Investors then buy the bonds, CPEP sells the natural gas to customers at a discount, and gas sale proceeds are used to repay the tax-exempt bonds.

CPEP is an entity wholly separate from M.U.D., and M.U.D. assumes no liability for CPEP decisions or to bondholders and is under no obligation to purchase gas supplies through CPEP. CPEP debt is also wholly separate from M.U.D.'s financial accounting. Day-to-day operations are conducted by M.U.D. staff under an administrative agreement that is renewed annually, and CPEP reimburses M.U.D. for the time that M.U.D. staff members devote to CPEP-related activities.

Since 2005, nationally there have been over 73 prepaid gas supply purchases worth \$49 billion, and 450 municipalities have participated in those transactions. CPEP has completed 4 transactions and issued \$4.5 billion in tax-exempt bonds. M.U.D. benefitted from \$92 million in discounts from the projects that the District has participated in since 2007 and is estimating an additional \$40 million in discounts during the subsequent 5-year period (2021 through 2025).

Mr. Bellairs noted that a fifth CPEP project will be occurring within the next year. Associated with that project will be a proposal presented to the M.U.D. Board in the next few months to approve an amendment to the CPEP prepay agreements to also allow for electric prepays in addition to the natural gas prepays. M.U.D. will not participate in electric prepays but the other members and participants have an interest in doing so.

Mr. Doyle shared a letter from the Nebraska Safety Council inviting the District to participate in a meeting on May 19<sup>th</sup> when M.U.D.'s Water Department will be honored as

a Nebraska's Safest Company with Distinction for 2021 based upon the past three-year weighted average experience. Mr. Doyle commended Senior Vice President of Safety, Security and Field Operations Steve Ausdemore, Vice-President of Safety, Security and Business Continuity Shane Hunter and all Safety and Security department staff members as well as all other employees who contributed to this effort.

Mr. Ausdemore provided an update on the District's COVID-related developments with regard to new cases, employee vaccinations, and employees' return to the workplace. He indicated that the occupancy rates have not changed yet but that more than 50% of the employee population have received their first COVID vaccination which far exceeds the regional and national average.

Chairperson McGowan asked whether any Board Members had any further comments.

Director Begley noted that pending federal legislation includes funding for water infrastructure and although targeted primarily for addressing *lead services*, he suggested that the District work with Nebraska's Congressional representatives to access funding if it becomes available and if the District qualifies. Mr. Doyle indicated this topic will be among several during an upcoming meeting he has with U.S. Representative Don Bacon. Mr. Doyle also plans further discussion on this topic with the City of Omaha.

Mr. Doyle mentioned the proposed revisions to the lead and copper rule (which would identify the most at-risk communities and ensure a system for rapid response to reducing potential exposure) and indicated that it would be another topic for further discussion with the City of Omaha.

Chairperson McGowan asked whether there were any members of the public interested in speaking at the meeting and if so, to please relay their intentions to the moderator. There were none.

#### **AGENDA NO. 16**

#### **CLOSED SESSION – LITIGATION & REAL ESTATE MATTERS**

Chairperson McGowan announced that the Closed Session was not necessary and would not be held.

At 11:10 a.m., Director Friend moved to adjourn the regular monthly Board Meeting, 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

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



---

Mark E. Doyle  
Secretary and President

MED/mjm

# BILLING PRICE BOOK UPDATE

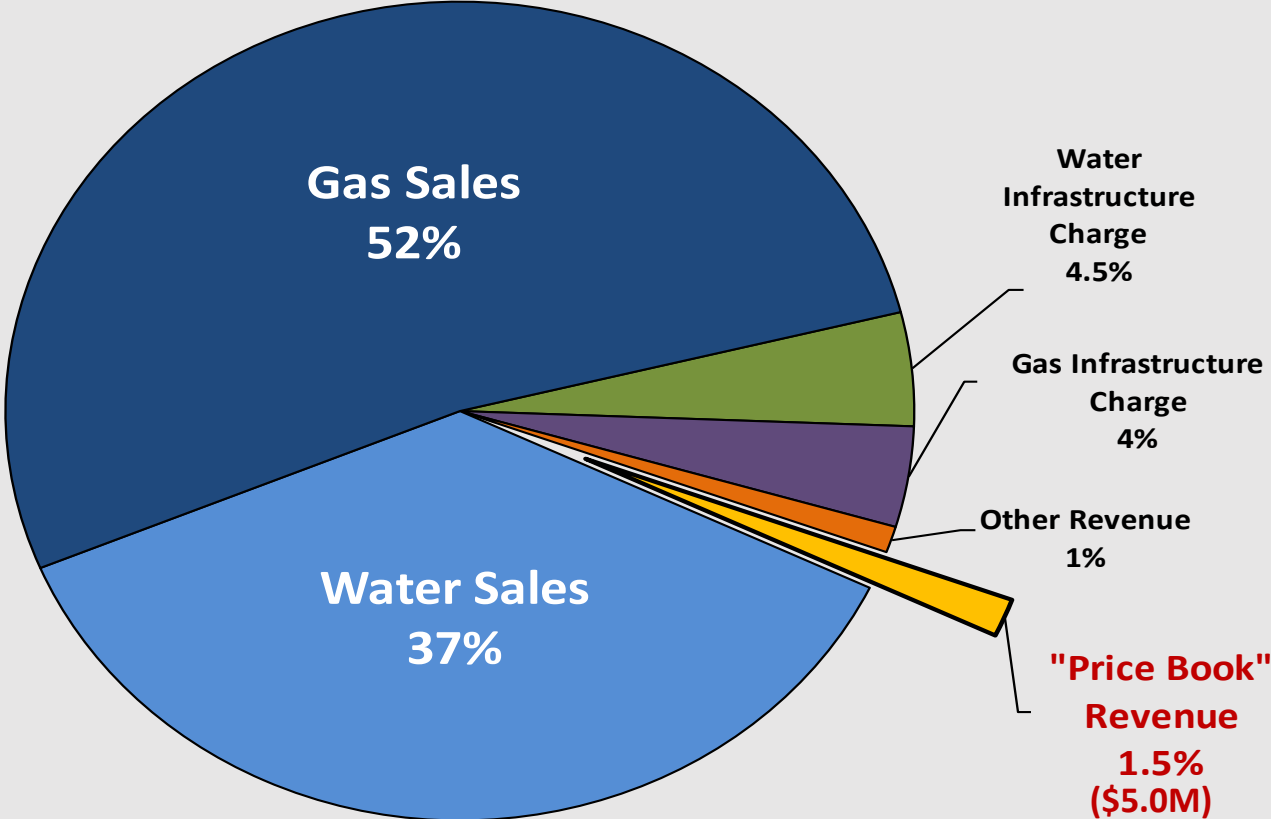
**MAY 5, 2021**

# BILLING PRICE BOOK - BACKGROUND

- Establishes prices for services and materials provided to customers and contractors
- Typically updated annually with revised pricing effective on June 1st
- No price increases were implemented in 2020 due to the COVID-19 pandemic
- Generally structured to recover the District's costs with certain exceptions, such as:
  - “Penalty” fees (i.e. Unauthorized Turn-on Fee)
  - Turn-on Charge for Collection Accounts

# COMPONENTS OF REVENUE

- Total Gas and Water revenue in 2020 was \$331 million
- "Price Book" revenue was \$5 million or 1.5% of total revenue





# FREQUENTLY BILLED SERVICES

Service	Current Price	Proposed Price	Change	
			\$	%
1) Field Services Labor				
Rate for 30 minutes (including travel)	\$ 119.00	\$ 121.00	\$ 2.00	1.7%
Hourly rate after 1/2 hour	\$ 173.00	\$ 176.00	\$ 3.00	1.7%
2) Turn on Gas and/or Water Service				
a) New accounts, transfers - Scheduled	\$ 95.00	\$ 95.00	\$ -	0.0%
b) New accounts, transfers - Unscheduled-Priority	\$ 120.00	\$ 120.00	\$ -	0.0%
c) Collection accounts - Priority		\$ 75.00	\$ 75.00	n/a
1st Occurrence	\$ 75.00		\$ (75.00)	(100.0%)
2nd Occurrence	\$ 100.00		\$ (100.00)	(100.0%)
3rd Occurrence	\$ 125.00		\$ (125.00)	(100.0%)
3) Water Meter Installation				
3/4" with ERT	\$ 306.00	\$ 333.00	\$ 27.00	8.8%
4) Water Main Tap and Inspection				
1" Corporation	\$ 439.00	\$ 439.00	\$ -	0.0%

# PRICES INCREASING > 15%

RIISING COST OF MATERIALS IS DRIVING PRICE INCREASES

Service	Current Price	Proposed Price	Change	
			\$	%
1) Tap and Inspection - Corporations (not including labor)				
3/4"	\$ 58.00	\$ 67.00	\$ 9.00	15.52%
1 1/2"	\$ 156.00	\$ 197.00	\$ 41.00	26.28%
2"	\$ 289.00	\$ 418.00	\$ 129.00	44.64%
2) Large Water Taps - Taps on all mains (except PVC)				
12 X 2	\$ 900.00	\$ 1,056.00	\$ 156.00	17.33%
14 X 2	\$ 1,109.00	\$ 1,365.00	\$ 256.00	23.08%
16 X 1-1/2	\$ 1,118.00	\$ 1,334.00	\$ 216.00	19.32%
16 X 2	\$ 1,306.00	\$ 1,661.00	\$ 355.00	27.18%

# PRICES INCREASING > \$200

(ITEMS NOT PREVIOUSLY ADDRESSED)

MATERIAL COSTS ALSO DRIVING THESE PRICE INCREASES

Service	Current Price	Proposed Price	Change	
			\$	%
1) Large Water Taps (by size)				
10 X 4	\$ 2,342.00	\$ 2,621.00	\$ 279.00	11.91%
10 X 8	\$ 3,344.00	\$ 3,644.00	\$ 300.00	8.97%
12 X 8	\$ 3,143.00	\$ 3,358.00	\$ 215.00	6.84%
12 X 12	\$ 6,349.00	\$ 6,635.00	\$ 286.00	4.50%
16 X 8	\$ 3,419.00	\$ 3,656.00	\$ 237.00	6.93%
<b><u>New Billing Items</u></b>		None		

**METROPOLITAN**  

---

**UTILITIES DISTRICT**

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Departmental Communication*

April 27, 2021

**Subject:** REVISION OF PRICES FOR SERVICE WORK AND MATERIALS-BILLING PRICE BOOK

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

**From:** Mark F. Myers, Vice President, Accounting

A detailed review of the costs to perform various types of service work has recently been completed, the outcome of which is detailed on the attached schedules. These schedules, once approved, are assembled and become our Billing Price Book. To facilitate review, the detailed schedules are accompanied by two summary schedules, as follows:

- Schedule #1 - Frequently Billed Services;
- Schedule #2 - Most Significant Proposed Price Increases and New Billing Items

To provide some perspective, the revenue resulting from items contained in the Billing Price Book generated approximately 1.5% of the District's consolidated revenue in 2020. Despite this, we approach this process with considerable diligence to ensure we employ the best methodologies to derive the cost associated with these services, as it has been our practice to employ a "cost recovery" philosophy when deriving prices. Because of this, there are a few instances in which the proposed price has decreased from current levels due to reductions in underlying costs, which are frequently driven by process changes aimed at improved efficiency. Additionally, there are a few items that are not cost based, but rather serve as penalty fees to dissuade undesirable behavior (e.g. penalty fee for turning on service that has been disconnected).

These proposed prices will be reviewed at a Public Hearing as part of the May 5, 2021 Committee Meeting and will be on the agenda of the May 5, 2021 Board Meeting. It is recommended that the proposed updated prices for service work and materials be approved with an effective date of June 1, 2021. The proposed effective date should allow sufficient time to provide notice to local building contractors.

*Mark F. Myers*

Mark F. Myers  
Vice President, Accounting

Approved:

*Joseph J. Schaffart*

Joseph J. Schaffart  
Senior Vice President, Chief Financial Officer

*Mark E. Doyle*

Mark E. Doyle  
President

Attachments

**Metropolitan Utilities District**  
**Billing Price Book**  
**Summary of Frequently Billed Services-Proposed Changes**  
**Public Hearing - May 5, 2021**

Schedule #1

Service	Current Price	Proposed Price	Change	
			\$	%
1) Field Services Labor				
Rate for 30 minutes (including travel)	\$ 119.00	\$ 121.00	\$ 2.00	1.7%
Hourly rate after 1/2 hour	\$ 173.00	\$ 176.00	\$ 3.00	1.7%
2) Turn on Gas and/or Water Service				
a) New accounts, transfers - Scheduled	\$ 95.00	\$ 95.00	\$ -	0.0%
b) New accounts, transfers - Unscheduled-Priority	\$ 120.00	\$ 120.00	\$ -	0.0%
c) Collection accounts - Priority		\$ 75.00	\$ 75.00	n/a
1st Occurrence	\$ 75.00		\$ (75.00)	(100.0%)
2nd Occurrence	\$ 100.00		\$ (100.00)	(100.0%)
3rd Occurrence	\$ 125.00		\$ (125.00)	(100.0%)
3) Water Meter Installation				
3/4" with ERT	\$ 306.00	\$ 333.00	\$ 27.00	8.8%
4) Water Main Tap and Inspection				
1" Corporation	\$ 439.00	\$ 439.00	\$ -	0.0%

Metropolitan Utilities District  
 Billing Price Book  
 Summary of Most Significant Proposed Price Increases  
 Public Hearing - May 5, 2021

Schedule #2

Service	Current Price	Proposed Price	Change	
			\$	%
<b><u>% Increase &gt; 15%</u></b>				
1) Tap and Inspection - Corporations (not including labor)				
3/4"	\$ 58.00	\$ 67.00	\$ 9.00	15.52%
1 1/2"	\$ 156.00	\$ 197.00	\$ 41.00	26.28%
2"	\$ 289.00	\$ 418.00	\$ 129.00	44.64%
2) Large Water Taps - Taps on all mains (except PVC)				
12 X 2	\$ 900.00	\$ 1,056.00	\$ 156.00	17.33%
14 X 2	\$ 1,109.00	\$ 1,365.00	\$ 256.00	23.08%
16 X 1-1/2	\$ 1,118.00	\$ 1,334.00	\$ 216.00	19.32%
16 X 2	\$ 1,306.00	\$ 1,661.00	\$ 355.00	27.18%

Service	Current Price	Proposed Price	Change	
			\$	%
<b><u>"Absolute" Dollar Increases &gt;\$200 Not Addressed Above</u></b>				
1) Large Water Taps (by size)				
10 X 4	\$ 2,342.00	\$ 2,621.00	\$ 279.00	11.91%
10 X 8	\$ 3,344.00	\$ 3,644.00	\$ 300.00	8.97%
12 X 8	\$ 3,143.00	\$ 3,358.00	\$ 215.00	6.84%
12 X 12	\$ 6,349.00	\$ 6,635.00	\$ 286.00	4.50%
16 X 8	\$ 3,419.00	\$ 3,656.00	\$ 237.00	6.93%
<b><u>New Billing Items</u></b>		None		

**Metropolitan Utilities District**  
**PROPOSED REVISIONS OF DISTRICT BILLING PRICES**

It is recommended that the following hourly rates and fixed prices be adjusted as proposed effective June 1, 2021.

<u>Current Billing Price Book Page</u>		<u>Present Price</u>	<u>Proposed Price</u>
1	Field Services Labor:		
	<u>Rate for 30 minutes - on premises</u>		
	One employee - straight time	\$ 119.00	\$ 121.00
	One employee - overtime	141.00	143.00
	Two employees - straight time	231.00	235.00
	Two employees - overtime	277.00	280.00
	<u>Hourly rate - after 1/2 hour on premises</u>		
	One employee - straight time	173.00	176.00
	One employee - overtime	207.00	209.00
	Two employees - straight time	338.00	344.00
	Two employees - overtime	405.00	410.00
1	Repeat CGI charge - second trip if CGI and subsequent trips if CGI	64.00	65.00
3	Measurement labor performed in the field:		
	<u>Minimum charge - up to 1/2 hour on premises</u>		
	One employee - straight time	106.00	106.00
	One employee - overtime	123.00	124.00
	Two employees - straight time	198.00	198.00
	Two employees - overtime	230.00	231.00
3	Measurement labor performed in the field		
	<u>Hourly rate - after 1/2 hour on premises</u>		
	One employee - straight time	156.00	156.00
	One employee - overtime	180.00	181.00
	Two employees - straight time	289.00	289.00
	Two employees - overtime	336.00	337.00
3	Measurement labor performed in the shop		
	Straight time rate per hour	126.00	126.00



**Current  
Billing Price  
Book Page**

**Present  
Price**

**Proposed  
Price**

5	Water Distribution labor rates for operating hydrants which includes furnishing hose		
	<u>Minimum charge - up to 1/2 hour on premises</u>		
	One employee - straight time	78.00	79.00
	One employee - overtime	94.00	96.00
	Two employees - straight time	149.00	153.00
	Two employees - overtime	181.00	187.00
	<u>Hourly rate - after 1/2 hour on premises</u>		
	One employee - straight time	113.00	116.00
	One employee - overtime	137.00	141.00
	Two employees - straight time	218.00	224.00
	Two employees - overtime	265.00	273.00
8	Replace flexible connector - per trip ( plus material )	60.00	61.00
8	Pilot lighting (furnace, water heater, etc.) (To include gas leak calls where there is none)	119.00	121.00
8	Repair and/ or Service Range or Dryer Connect / Disconnect Range or Dryer ( Does not include fuel line installations )	T &M \$ 60.00	T &M \$ 61.00
9	<u>Inspection fee - requiring two men - per unit charge - commercial and industrial</u> * Each additional unit - same address - same application	150.00 75.00	150.00 75.00
9	<u>Inspection fee - gas fired appliances - residential, commercial and industrial, requiring one man</u> First unit each application * Each additional unit - same address - same application	98.00 48.00	98.00 48.00
9	<u>Failure to pass inspection for the third and each subsequent inspection</u> First unit - each application * Each additional unit - same address - same application * Defined as 3 or more units. Discount for multiple inspections would apply to buildings with one accessible address. Multiple bays, duplexes, condos, and townhomes would not receive this discount.	98.00 48.00	98.00 48.00
9	Air test gas fuel lines for commercial customers	120.00	122.00

**Current  
Billing Price  
Book Page**

**Present  
Price                      Proposed  
Price**

11	<u>Turn-on gas and/or water service</u>		
	Regular turn-on, MUD reads meter	\$ 95.00	\$ 95.00
	<del>Read meter for move-in, MUD reads meter</del>	44.00	REMOVE
	Move in; service is on		15.00
	Regular turn-on, priority service, MUD reads meter	120.00	120.00
	<del>Regular move-in, customer reads meter, no trip required</del>	No Charge	REMOVE
	Leave on for default, MUD reads meter	44.00	15.00
	<del>Leave on for default, owner reads meter</del>	No Charge	REMOVE
11	Turn-on gas and/or water service after turn-off for non-payment of bills or violation of District rules		75.00
	<del>1st occurrence</del>	75.00	REMOVE
	<del>2nd occurrence</del>	100.00	REMOVE
	<del>Each additional occurrence</del>	125.00	REMOVE
	<del>- Fee will be based on the number of occurrences in the prior three (3) years</del>		
11	Damage to special locking device (gas/water)	57.00	57.00
11	Apartment ownership changes - per turn-on	95.00	95.00
	Apartment ownership changes - max per apartment address	206.00	209.00
12	Finders Fee - Payable to Person Reporting		
	Unauthorized use of water and/or gas	n/a	35.00
	Unauthorized use of hydrant	n/a	35.00
	Party striking water hydrant	n/a	35.00
	Vandalism which causes unmetered use	n/a	35.00
12	<u>Service diversion charge</u>		
	Residential - Water or Gas Service Bypass	465.00	468.00
	Commercial - Water or Gas Service Bypass	465.00	468.00
	Unauthorized use of hydrant - Bypass	465.00	468.00
	( Includes improper use of backflow meter assembly )		
	Unauthorized Turn on Fee	30.00	31.00
12	Trip Charge for Residential & Commercial Shut-off	50.00	52.00
	- Fee for sending a Collector out to shut off gas or water service on a residential or commercial account		
12	Monthly Manual Read Fee	25.00	25.00
	- For customer's electing not to have ERT on their meters.		
12	Submeter - monthly charge to read		
	Monthly Charge to Read - Water	10.00	10.00
	Monthly Charge to Read - Gas	9.00	9.00
12	Insufficient fund check charge	40.00	40.00
12	Default Notification/Revert Letters		\$2 additional fee to leave on agreement price (Addition to the "default" prices above)
12	Preparing Customer Documents		
	Costs may be charged pursuant to the provisions of the Public Records Statute.		

**Current  
Billing Price  
Book Page**

**Present  
Price**                      **Proposed  
Price**

**Water Meter Pricing**

Prices with Couplings and Nipple

**All New Construction Must Be 3/4" Meters Or Larger**

1. MUD installs Meter (No sales tax)

	<u>Meter Size</u>	<u>Meter</u>		
13	5/8"	Meter with ERT	290.00	294.00
	3/4"	Meter with ERT	306.00	333.00
	1"	Meter with ERT	346.00	353.00
	ERTs in meter vaults - add \$70.00 to the above prices			

13      2. Plumber installs meter (add sales tax)  
(Includes Flange)

	1-1/2"	Disc w/ ERT	507.00	505.00
	2"	Disc w/ ERT	668.00	672.00
	2"	Turbo w/ Remote	980.00	992.00
	3"	Turbo w/ Remote	925.00	936.00
	3"	Compound w/ Remote	1,933.00	1,958.00
	4"	Turbo w/ Strainer and Remote	1,713.00	1,735.00
	4"	Compound w/ Remote	3,236.00	2,563.00
	6"	Turbo w/ Strainer and Remote	3,041.00	3,081.00
	ERTs in meter vaults - add \$70.00 to the above prices (plus sales tax)			

13      3. Install water remote - over 3" meters  
(when ERT installation is not compatible on compound/ large meters )

T &M                      T &M

14	Riser and Box Covers			
	5/8" X 9" riser		132.00	133.00
	24" Cover and ring for new service with outside meter box		270.00	272.00
	Vandal proof box for post-mounted remote index for water meter in pit		10.00	10.00

14      Cash Allowances

			<u>Trade-in allowance</u>	
	5/8"	Disc	5.00	5.00
	3/4"	Disc	5.50	5.50
	1"	Disc	7.00	7.00

The above allowances are for meters originally purchased by the District and for meters purchased by water systems now operated by the District. Meters 1-1/2" and larger must be appraised by the Measurement Division to determine cash or trade-in allowance.

The full sales price for water meters will be collected at the time of sale unless prior appraisal for the trade-in has been received from the Measurement Division.

<u>Current Billing Price Book Page</u>		<u>Present Price</u>	<u>Proposed Price</u>
14	<u>Testing Water Meters at Customer's Request</u> Meter determined to be 2% fast or less Meter more than 2% fast Water meter 1-1/2" or larger	\$ 106.00 No charge T &M	\$ 110.00 No charge T &M
15	<u>Hydrant Backflow Assembly</u>  1. Hydrant Use Agreement, Rental Fees & Deposits a) License requirement - all firms or persons requesting use of District fire hydrants must sign a hydrant equipment license agreement and adhere to the District's operating instructions for use of hydrants. b) All firms or persons using District fire hydrants must rent a hydrant backflow assembly from the District or purchase and install a meter in accordance with the District's Vehicle-Mounted Water Meter Agreement. c) All water used through meters installed in accordance with the District's Vehicle-Mounted Water Meter Agreement will be billed at regular Schedule W-2 water rates plus sales tax which is in addition to rental fees.		
15	2. Rental Fees Processing & testing charge Daily fee plus sales tax (March 1 - November 30) Daily fee plus sales tax (December 1 - February 28)  Deposit* * Not required if applicant is a current customer residing in MUD service area with active business account with a good credit experience.	165.00 15.00 25.00  750.00	150.00 15.00 25.00  750.00
17	<u>Water Main Connection Charges</u> Connection charge rate for mains installed prior to 1989 Contact Builder & Contractor Services for rate  Connection charge rate for mains installed in 1989 through 1993 (price per foot)  Residential lots or parcel Commercial lots or parcel - 6" Main Commercial lots or parcel - 8" Main or larger  Connection charge rate for mains installed after 1993 Charge is based on the actual cost of the main. Contact Accounting for rate.	      13.45 13.45 17.74	      13.45 13.45 17.74

<u>Current Billing Price Book Page</u>		<u>Present Price</u>	<u>Proposed Price</u>
17	<u>Private Water Line Fees</u> Residential Lot	4,400.00	4,595.00
	No additional charges will be made against the original applicant if and when a main is extended to abut their property.		
	Commercial Lot	5,645.00	5,840.00
	The flat charge will be credited towards future connection charges and if and when a main is extended to abut their property.		
18	<u>Hydrant Flow Test</u> Fee for performing a hydrant flow test at customer's request	350.00	350.00
18	<u>Florence Water Sales</u> (sales tax inc.)	0.25 130 gallons	0.25 130 gallons
18	<u>Operating Water Curb Stop Valves for Turn-off/on Requests</u> Emergency turn-off Turn-on following emergency Customers convenience water off request at stop-box	No charge 95.00 95.00	No charge 95.00 95.00
	<u>Locating Water Stop Boxes</u>		
18	Tracing out water lines - Commercial - Minimum Charge	T&M 119.00	T&M 121.00
19	<u>Tap and Inspection</u> 3/4" corporation 1" corporation - 6" to 18" main Inspection of service - pretapped mains	421.00 439.00 66.00	421.00 439.00 73.00
	Once approved, an additional water inspection fee will apply to any service connections made by a licensed master plumber on a master water service. Normal tapping fees will apply if the connection to the private water main is made by MUD.	66.00	73.00
	Inspection of existing service approved for reuse Taps not ready when called for Extra charge for special tap (taps not called for by 2:00 p.m. the previous day) 4 x 1 taps	66.00 257.00 66.00 504.00	73.00 261.00 73.00 517.00
19	Corporation Price (not including labor) 3/4" 1" 1 1/2" 2"	\$ 58.00 75.00 156.00 289.00	\$ 67.00 82.00 197.00 418.00

**Current  
Billing Price  
Book Page**

**Present  
Price**

**Proposed  
Price**

20	Taps on PVC and HDPE Mains (includes saddle)		
	4x3/4"	458.00	447.00
	4X1	504.00	492.00
	6x3/4"	469.00	458.00
	6X1	493.00	544.00
	8x3/4"	486.00	476.00
	8X1	543.00	583.00
	10x3/4"	606.00	596.00
	10X1	540.00	528.00
	12X1	515.00	503.00
20	Taps on HDPE Mains		
	6x3/4"	T&M	T&M
	6X1	T&M	T&M
	8x3/4"	T&M	T&M
	8X1	T&M	T&M
	12X1	T&M	T&M
	<u>Large Water Taps</u>		
	Taps on All Mains		
21	1-1/2" and 2" Water Taps (by size)		
	6 x 1-1/2	664.00	682.00
	6 x 2	796.00	895.00
	8 x 1-1/2	670.00	716.00
	8 x 2	819.00	941.00
	10 x 1-1/2	706.00	710.00
	10 x 2	856.00	956.00
	12 x 1-1/2	762.00	774.00
	12 x 2	900.00	1,056.00
	14 x 1-1/2	749.00	762.00
	14 x 2	1,109.00	1,365.00
	16 x 1-1/2	1,118.00	1,334.00
	16 x 2	1,306.00	1,661.00
21	Taps on PVC Mains		
	6X1 1/2	T&M	T&M
	6X2	T&M	T&M
	8X1 1/2	T&M	T&M
	8X2	T&M	T&M
	10X1 1/2	T&M	T&M
	10X2	T&M	T&M
	12X1 1/2	T&M	T&M
	12X2	T&M	T&M

**Current  
Billing Price  
Book Page**

**Present  
Price**

**Proposed  
Price**

22	Large Water Taps *		
	4 x 4	3,453.00	3,520.00 **
	6 x 4	2,147.00	2,237.00
	6 x 6	4,212.00	4,378.00 **
	8 x 4	2,316.00	2,356.00
	8 x 6	2,629.00	2,812.00
	8 x 8	4,635.00	4,799.00 **
	10 x 4	2,342.00	2,621.00
	10 x 6	2,367.00	2,555.00
	10 x 8	3,344.00	3,644.00
	12 x 4	2,442.00	2,448.00
	12 x 6	2,667.00	2,787.00
	12 x 8	3,143.00	3,358.00
	12 x 12	6,349.00	6,635.00 **
	16 x 4	2,818.00	2,854.00
	16 x 6	2,936.00	3,084.00
	16 x 8	3,419.00	3,656.00
	16 x 12	4,728.00	4,925.00

\* material for taps includes tapping sleeve, MJX flange gate valve, machine bolts and nuts for valve, full face gasket, MJ plug and/or equivalent material.

\*\* price includes cutting in tee - instead of using tapping sleeve.

**Note: The above prices are for tapping existing water mains, or for installation with a new main. Prices for sizes not listed are to be obtained from the Engineering Division on an individual basis.**

23	<u>Large Water Service Cut Offs</u>		
	The following prices apply when a contractor excavates the main and MUD only does the cut off.		
	4"	4,545.00	4,740.00
	6"	4,639.00	4,834.00
	8"	4,695.00	4,890.00
	10"	5,394.00	5,589.00
	12"	5,487.00	5,682.00
	14"	6,408.00	6,603.00
	16"	7,011.00	7,206.00
25	Backflow prevention testing	100.00	102.00
	Testing multiple backflow devices under same ownership and same general vicinity	T & M	T & M
	- Minimum charge	100.00	102.00
26	Valves and valve boxes - repair or replacement of private valves and valve boxes	T & M	T & M
26	Test water for possible lead contamination	210.00	191.00

As new water demands are connected to the distribution system, additional capacity is needed to assure adequate flows and pressures from source of supply to general areas of consumption. Such capacity may be achieved through the building of reservoirs and/or pump stations in addition to looping, oversizing, enlarging, and reinforcing portions of the water distribution system. The purpose of the impact fee is to pay for a major portion of these growth related costs without placing additional undue burden on existing customers.

The impact fee is based on the added demand to the water system, as measured by the size of the water meter.

Effective June 1, 2021

METER		CONTINUOUS *		
SIZE	TYPE		CURRENT	NEW
		Rate per gpm	\$ 92.07	\$ 92.07
5/8"	Disc	10 gpm	\$ 921.00	\$ 921.00
3/4"	Disc	15 gpm	\$ 1,381.00	\$ 1,381.00
1"	Disc	25 gpm	\$ 2,302.00	\$ 2,302.00
1 1/2"	Disc	50 gpm	\$ 4,604.00	\$ 4,604.00
2"	Disc	80 gpm	\$ 7,366.00	\$ 7,366.00
2"	Turbo	160 gpm	\$ 14,731.00	\$ 14,731.00
3"	Compound	160 gpm	\$ 14,731.00	\$ 14,731.00
3"	Turbo	350 gpm	\$ 32,225.00	\$ 32,225.00
4"	Compound	250 gpm	\$ 23,018.00	\$ 23,018.00
4"	Turbo	1000 gpm	\$ 92,070.00	\$ 92,070.00
6"	Compound	500 gpm	\$ 46,035.00	\$ 46,035.00
6"	Turbo	2000 gpm	\$ 184,140.00	\$ 184,140.00
8"	Turbo	2800 gpm	\$ 257,796.00	\$ 257,796.00
10"	Turbo	3200 gpm	\$ 294,624.00	\$ 294,624.00

\* Manufacturer's rating

Impact Fees will be assessed on each water meter purchased from the District. The fees will be assessed on the size of the meter. When upgrading to any larger size meter, the applicant will pay the difference in impact fees, at the current rates, between the existing meter and the larger meter.



**Current  
Billing Price  
Book Page**

**Present  
Price**

**Proposed  
Price**

29 Gas Service Installation, Service and Meter Enlargement

A. General Requirements

- |   |  |  |
|---|--|--|
| <ol style="list-style-type: none"> <li>1. Fixed or firm prices and deposits for estimated T&amp;M installations will be payable at the time application is made.</li> <li>2. The first 100 feet of service from property line to the meter location will be provided at no charge to the customer providing the following requirements are met :               <ul style="list-style-type: none"> <li>• The meter is installed and account activated within six months of the service installation date. If this requirement is not met, the cost of the service is \$1,485.00 (to be evaluated each year).</li> <li>• The meter is located on the side of the house. However, the District reserves the right to place the service and meter in the most economical location. If this requirement is not met (i.e.-the applicant requests the meter to be placed in a non-standard location which will cause increased costs for the District), the cost of the service will be based on a firm price provided by the District.</li> </ul> </li> <li>3. Single dwelling unit - all above requirements are met - No charge.</li> <li>4. Duplex - per service - all above requirements met - No Charge.</li> <li>5. Rehab houses - new application needed - all above requirements are met - No Charge.</li> <li>6. All units - excess footage charge:               <ul style="list-style-type: none"> <li>• Summer (March 16 - December 14) - \$15.30/ft (to be evaluated each year)</li> <li>• Winter (December 15 - March 15) - \$18.80/ft (to be evaluated each year)</li> </ul> </li> <li>7. A priority schedule fee of \$200.00 (to be evaluated each year) shall be billed only in those instances where the applicant requests priority scheduling.<br/>Gas service shall be installed within 10 working days from receipt of application.</li> </ol> | <p>\$ 1,350.00</p> <p>Firm</p> <p>15.00</p> <p>16.50</p> <p>200.00</p> | <p>\$ 1,485.00</p> <p>Firm</p> <p>15.30</p> <p>18.80</p> <p>200.00</p> |
|---|--|--|

30 B. Residential - Detached Building/Separate Service

Gas service installation shall be provided in accordance with Section A, General Requirements, Part 2 (listed above). M.U.D. shall determine if a separate service or branch service off the house service line shall be installed to supply gas to the detached building.

**Current  
Billing Price  
Book Page**

**Present  
Price**                      **Proposed  
Price**

30	C. <u>Other Firm Service Billings</u>		
	1. All other firm service installations and enlargements - new installation		
	a) Where installation is to provide additional gas load includes underground service piping from main to the meter.		
30	2. <u>Service and/or meter relocation</u>		
	a) when no increase in load made	Firm	Firm
	b) when gas load and gas usage is increased	*	*
	c) Residential Only - Move service riser and meter to outside - same location	Firm	Firm
30	3. <u>Meter Enlargement, Meter Sets, Resets, Reconnections of Gas Load</u>	*	*
	a) where installation results in increased gas load and gas usage	Firm	Firm
	b) where installation results in increased gas load but no increase in gas usage	No Charge	No Charge
	c) Reset residential gas meters if removed for District's convenience	No Charge	No Charge
	d) Reset commercial gas meter if removed for District's convenience	No Charge	No Charge
	e) Reconnect residential gas service cut off less than one year ago	No Charge	No Charge
31	f) Meter sets for old buildings converted to apartments, condominiums, offices and shops	No Charge	No Charge
	g) Reconnect due to condemnation - same owner.	675.00	743.00
	h) Installation of meter sets to divide building load among tenants when gas service has been previously inactive.	No Charge	No Charge
	i) Where meter installation is for dividing building load among tenants or for any other customer convenience	Firm	Firm
	j) Installation of additional gas meter in existing duplexes	Firm	Firm
	k) Consolidate load (eliminate meter)	Firm	Firm
	* Evaluate on individual basis based on projected load		
31	4. Priority Gas Service Cut-off - Expedited Service: 7 working days	500.00	500.00
31	5. <u>Sub-meters</u>		
	a) Residential multiple housing units (includes ERT meter)	T &M	T &M
	b) Other	T &M	T &M
31	6. Excess Flow Valve - Installation of Excess Flow Valve at customer's request	\$ 800.00	\$ 800.00
32	D. <u>Commercial-Firm New Service Installation with Main Abutting Property, Service Enlargement, Conversions and Relocations</u>		

Marketing/Engineering will evaluate on an individual basis based on project load.

**Current  
Billing Price  
Book Page**

**Present  
Price**

**Proposed  
Price**

32	E. <u>Interruptible Service Installations, Enlargements or Relocations with Main Abutting Property</u>		
	1. New installations and enlargements		
	a. Underground service piping from main to the meter	*	*
	b. Metering equipment and installation	No Charge	No Charge
	c. Meter Reading equipment (i.e. Metretek) - customer to provide phone line and power	T &M	T &M
	2. Service Relocation	T &M	T &M
	3. Meter Relocation	T &M	T &M
	* Evaluate on individual basis based on projected load.		
	<u>METER PRICES - GAS</u>		
33	A. <u>Testing Gas Meters at Customer's Request</u>		
	Meter determined to be 2% fast or less	106.00	110.00
	Meter more than 2% fast	No Charge	No Charge
	Gas meter over 750 cubic feet per hour	T &M	T &M
33	B. <u>ERT Reading Devices</u>		
	Install ERT reading device on existing gas meter - scheduled or unscheduled meter change	107.00	110.00
	D. Gas Meter Replacement	407.00	414.00
	Replacement of broken or damaged gas meter		

## RESOLUTION

BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that the revision of billing prices for service work and materials as recommended by Management in a letter dated April 27, 2021, signed by Mark F. Myers, Vice President, Accounting, together with the attachments thereto, be and are hereby adopted, and all rates for service work and materials shall be effective June 1, 2021.

Adopted:

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Departmental Communication*

April 27, 2021

**Subject:** RENEWAL OF UNSECURED LINE OF CREDIT

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

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

As the Board is aware, the District has been on a steady, multi-year path of improving its financial condition, which is evidenced in part by our improved liquidity. "Days Cash on Hand", a fundamental measure of liquidity, reflects the number of days of average expenses that can be funded with the level of unrestricted cash on hand. On February 28, 2021, the Water Department and the Gas department had unrestricted cash balances of \$82.4 million and \$152.7 million, respectively, which results in "Days Cash on Hand" of 347 days for the Water department and 344 days for the Gas department. Despite the Gas department's significantly higher unrestricted cash balance, it has lower "Days Cash on Hand" than the Water department because its average daily expenses are considerably higher due to the inclusion of natural gas costs in its average daily expense calculation. Our improving financial condition has also been recognized by the credit rating agencies, as the Water and Gas Departments are both rated Aa2 by Moody's Investor Services, their third highest credit rating. Though the Gas department has been rated Aa2 for a considerable period of time, the Aa2 rating for the Water department is an improvement of two rating levels since 2015 (from A1 to Aa2)

Though not reflected in the aforementioned liquidity statistics, an important aspect of the overall financial picture for the District is its \$30 million credit line with First National Bank of Omaha, as it has effectively served as "liquidity insurance". The credit line has been in place since October 31, 2006, and it is viewed favorably by credit rating agencies as it represents a ready source of cash; the current \$30 million credit line expires on June 1, 2021.

Management recommends renewal of the credit line with First National Bank of Omaha, though at a lower level, \$20 million (made possible by our improved financial condition). Terms of the proposed credit line follow:

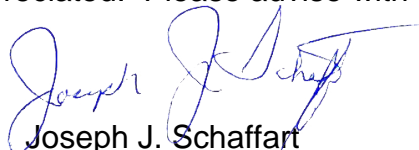
- \$20 million credit line available to both the Gas and Water Departments.
- Three-year term expiring June 1, 2024.
- Interest rate calculated based on Prime rate less 263 basis points (bps), with a 1.95% interest rate "floor". Historically, the interest rate was based on the "One Month London Interbank Offered Rate (LIBOR)" plus 50 basis points; LIBOR is anticipated to be phased out prior to the maturity date of the proposed revolving credit line. On March 1, 2021, the Prime rate less 263 bps would equate to a calculated borrowing rate of 0.62%, which means the 1.95% floor rate would have been the applicable borrowing rate.

- In addition to the quoted interest rate, there is a 15 basis points (.15%) commitment fee on the unused portion of the line of credit to make this credit facility available, or a maximum of \$30,000 per year (assuming no amounts are drawn on the credit line). The maximum three-year commitment fee is \$90,000, assuming no amounts are drawn on the line over its three-year term.

Management recommends renewing the credit line, albeit at a reduced amount of \$20 million, for the following reasons:

- 1) In consultation with Piper Sandler, our financial advisor who consults on our bond issuances, we have concluded that it is prudent to maintain a revolving credit line due to significant planned capital spending, and bond issuances of \$151.8 million in 2021 (\$86.7 million for the Gas department and \$65.1 million for the Water department). The credit line continues to be viewed favorably by credit rating agencies.
- 2) Though not assured, the credit line could be a factor in our ability to issue bonds at more favorable interest rates. A 2-basis point reduction in the interest cost of planned 2021 bond issuances, would result in enough interest savings over the first three years of the bond to fund virtually all the three-year commitment fee associated with the credit line.
- 3) The credit line serves to bolster our liquidity and is an important aspect of our overall financial picture. On May 19, 2020, Moody's Investors Service issued a "Water and Sewer Utilities - US" sector report which revealed that the median Moody's rated water utility had over 400 days cash on hand at the end of 2018 (the most recent year measured in the report); as stated previously, our Water Department liquidity stood at 347 days cash on hand on February 28, 2021.
- 4) A review of the components of the February 28, 2021 unrestricted cash balance for the Water Department reveals that most of the \$82.4 million balance is designated for specific purposes, most notably the \$36.8 million balance that has been accumulated to fund the "ramp up" of water infrastructure replacement. Though all the \$82.4 million is properly classified as unrestricted, we believe it is imperative that cash balances be used for their designated purposes. A similar review of the Gas Department unrestricted cash balance of \$152.7 million on February 28, 2021 reveals that the majority, \$132.6 million, is classified as "Cash Reserves" with no specific designated purpose other than to fund general operational needs. This assessment of the components of unrestricted cash balances represents the final reason that management believes executing a three-year, \$20 million credit line is a prudent way to bolster liquidity, particularly for the Water department.

Your consideration in this matter is appreciated. Please advise with questions.



Joseph J. Schaffart  
Sr. Vice President, Chief Financial Officer

Approved:



Mark E. Doyle  
President

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

April 27, 2021

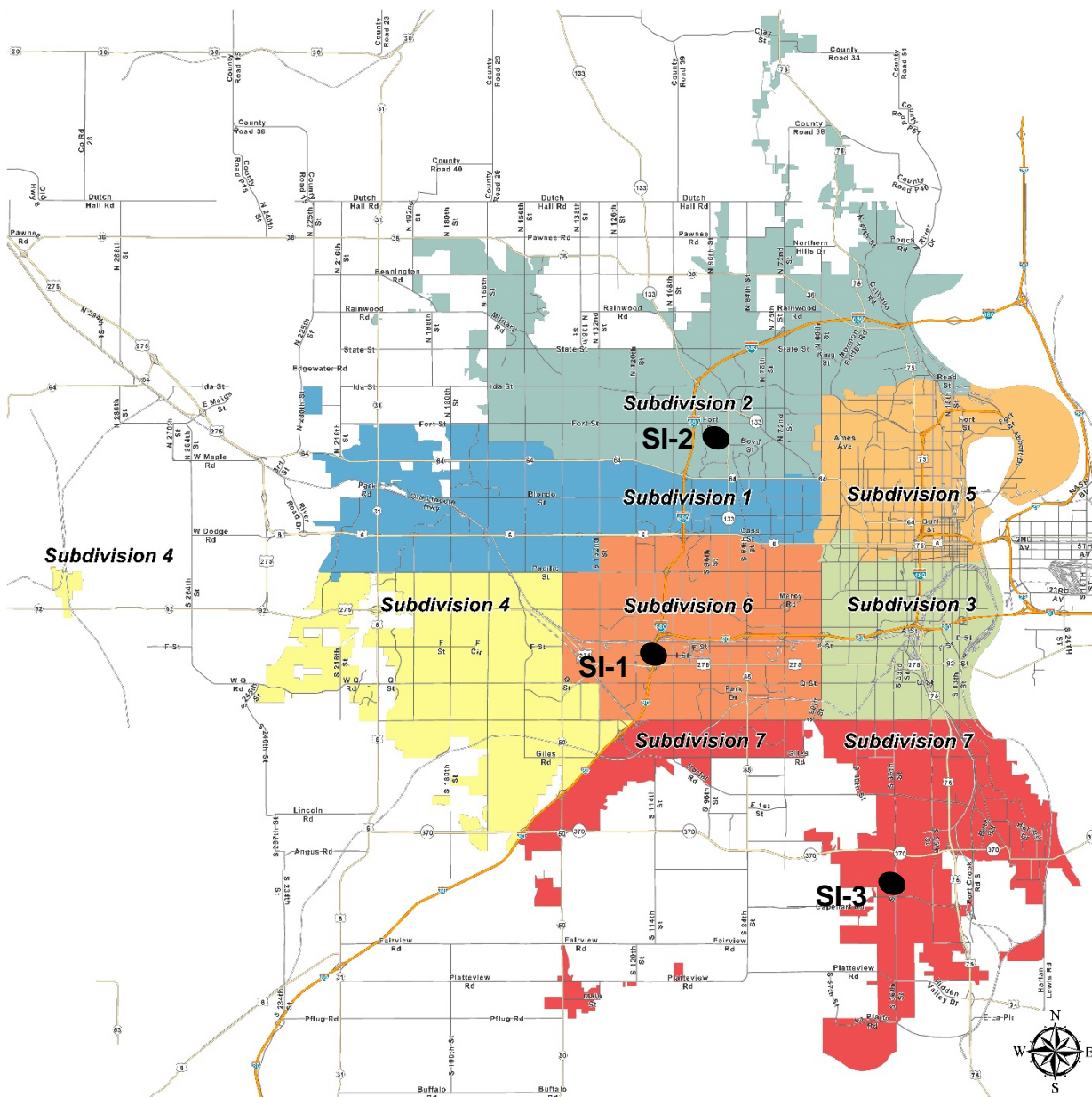
**Subject:** CAPITAL EXPENDITURES

**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 May 5, 2021 Committee Agenda for consideration and the Board Agenda for approval:



## **SYSTEM IMPROVEMENTS**

**1. WP 1834 (100071000706, 100051001055) - \$145,114 – Assess the condition of approximately 3,300 feet of 12-inch unwrapped ductile iron water main, replace 40 feet of water main and add a 12-inch valve, “I” St. from 108<sup>th</sup> to 102<sup>nd</sup> Sts.** The City of Omaha is planning a resurfacing project along “I” Street in 2022. The 12-inch unwrapped ductile iron water main was installed in 1964 and has experienced nine breaks since 2003 due to localized corrosion. Given the risk of this water main under new pavement, the District is considering replacing the main ahead of the City project. It is requested to utilize the See Snake electromagnetic in-line inspection technology offered by PICA Corp. (Pipeline Inspection and Condition Analysis) as a pilot project to evaluate the condition of the ductile iron main. This information will be used to determine the scope of the replacement work ahead of the City’s project. The goal of this pilot project is to determine the most cost-effective replacement solution and minimize disruption. PICA’s See Snake employs high-resolution remote field-testing technology which is designed to find localized areas of pipe wall loss and measure the depth and length of local pipe wall loss. PICA offers a highly detailed analysis potentially allowing precise localized repairs to be made. **(Subdivision 6 – McGowan)**

**2. GP 2605 (100052001807, 100066002257) - \$200,400 – Install a 16-inch and a 4-inch valve along with 60 feet of 24-, 16- and 4-inch gas main, 90<sup>th</sup> and Fort Sts.** The 24-inch gas valve at 90<sup>th</sup> and Fort Streets is inoperable and needs to be replaced. It will be replaced with a smaller 16-inch valve. As part of this project, the two additional 3-inch gas valves leading to the nearby regulator station will be abandoned and replaced with one new 4-inch valve. Both 3-inch valves were installed in the same timeframe as the inoperable 24-inch valve. All valves being replaced are under paving therefore replacing them at this time saves on future paving replacement. This is one of Gas Distribution’s prioritized gas valve replacements budgeted for 2021 and is anticipated to start in the summer or fall of 2021. **(Subdivision 2 – Friend)**

**3. WP 1686 (100053001491) - \$138,000 – Water main connections to meter house, 36<sup>th</sup> St. and Lockbourne Dr.** This request is for the design and construction of water main connections to the existing water meter that serves Offutt Airforce Base Housing on the east side of 36<sup>th</sup> Street, approximately between Capehart Road and Lockbourne Drive. This is follow-up work to an ongoing District project. The existing meter is located in a small building on the northeast corner of the intersection. This work is expected to occur in approximately June 2021. **(Subdivision 7 – Frost)**

## **BUILDINGS, PLANTS AND EQUIPMENT**

**1. 100087000629 - \$265,000 – Purchase one 4-wheel drive large rubber track trencher for Construction.** This large rubber track trencher will be an addition to the fleet and can be utilized on a broad range of trenching projects. Currently, large trenchers are rented as needed and shared between multiple crews for large gas main and subdivision installations. Construction performed an in-field evaluation of trenching productivity rates between the District’s existing wheeled trenchers against a rented large rubber track unit. The trenching productivity of the large rubber track trencher was nearly double that of the existing trencher. Additionally, the rubber track trencher provides better traction in wet/snowy ground conditions which will also increase productivity. The purchase of this large rubber track trencher will allow for more efficient job scheduling and allow multiple crews to work on large gas main and subdivision installations simultaneously.

**2. 100087000634 - \$305,000 – Purchase two rubber tire four-wheel drive combination trencher backhoes for Construction.** The combination trencher backhoes will be replacements for 17-year-old machines that have reached a point wherein they are no longer economical to maintain for use within the District’s fleet. The replaced units will be sold at auction.



**3. 100083001136 - \$76,000 – EMERGENCY – Repair of Pump Motor #1 at Turner Pump Station, 33<sup>rd</sup> and Pacific Sts.** During the March routine monthly check, District electricians noticed that the brush wiring on the 700 HP wound rotor induction motor showed discoloration which is indicative of excessive heat in the brushes. Further investigation and testing was performed by District electricians which revealed an open circuit in the rotor windings. The rotor was taken to Malloy Electric for further analysis and necessary repairs. Inspection by Malloy on the motor confirmed the open circuit in the rotor requires rewinding. The brush ring will also be replaced as the brush spring clips were compromised. This repair will restore the rotor to like-new condition. The rotor was last rewound in 1993 and was originally installed in 1955. Emergency authorization is requested to begin repairs so work is completed before summer pumpage begins.



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

Approved:



Mark E. Doyle  
President

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

April 27, 2021

**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

The following item will be on the May 5, 2021 Committee Meeting for consideration and the Board Meeting Agenda for approval. Work has been satisfactorily completed on the following contract and final payment is recommended:

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
a. Judds Brothers Construction, WP 1649A, 100057000464, 100055001286, Install Approximately 2,550' of 24" Ductile Iron Water Mains in 204 <sup>th</sup> St. from Fort to Kansas Sts.	December 4, 2019	\$1,055,500.00	\$898,939.26

**Comments:** There was an overall net decrease of \$174,000.00 since poor soil conditions were not encountered as originally anticipated and therefore dewatering and additional pipe embedment techniques were not needed. There was an increase of \$17,439.26 for Change Order No. 1 for changing the alignment of the water main after the project was bid. Approval of this final will also approve Change Order No. 1.

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



Stephanie L. Henn  
Director, Plant Engineering

Approved:



Cory J. O'Brien  
Interim SVP, COO



Mark E. Doyle  
President

METROPOLITAN UTILITIES DISTRICT  
*Inter-Department Communication*

April 23, 2021

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

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

**From:** Sherri A Meisinger, Director, Procurement

The following items will be on the May 5, 2021 Committee Agenda for consideration and the May 5, 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>
Install Water Mains in Giles Pointe 180 <sup>th</sup> Street and Giles Road 100055001354 100057000496 WP1797 Engineering Estimate: \$973,215.00 (A C&A in the amount of \$1,160,939.00 will be presented to the Board on May 5, 2021 for approval.)	18/3	<b>Kersten Construction</b>	<b>\$898,697.50</b>
		<i>Cedar Construction</i>	914,396.00
		<i>Judds Bros Constr.</i>	1,013,910.00
Install Water Mains in West Farm Replat 7, Lots 1-40 145 <sup>th</sup> Street and Davenport Street 100055001358 WP1806 Engineering Estimate: \$314,446.00 (A C&A in the amount of \$412,842.00 will be presented to the Board on May 5, 2021 for approval.)	18/2	<b>Kersten Construction</b>	<b>\$330,855.00</b>
		<i>Cedar Construction</i>	360,132.00

Install Water Mains in Westbury Creek Lots 175-338 213 <sup>th</sup> Street and I Street 100055001360 WP1811 Engineering Estimate: \$450,381.00 (A C&A in the amount of \$542,975.00 will be presented to the Board on May 5, 2021 for approval.)	18/2	<b>Kersten Construction</b> <b>\$434,927.00</b> Cedar Construction        441,019.50
--	------	---

Install Water Mains in Falling Waters, Lots 348-429 204 <sup>th</sup> Street and Harrison Street 100055001364 WP1816 Engineering Estimate: \$218,429.00 (A C&A in the amount of \$275,346.00 will be presented to the Board on May 5, 2021 for approval.)	18/2	<b>Kersten Construction</b> <b>\$211,002.00</b> Cedar Construction        217,781.00
--	------	---

Install Water Main Connections to Meter House S. 36 <sup>th</sup> Street and Lockbourne Drive 100053001494 WP1686 (A C&A in the amount of \$138,000.00 will be presented to the Board on May 5, 2021 for approval.)	14/2	<b>Judds Bros Constr.</b> <b>\$94,500.00</b> Pat Thomas Constr.        119,000.00
--	------	--

**RATIFICATION**

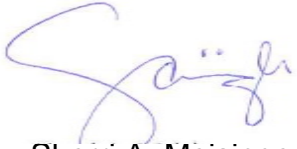
<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
City of Omaha and M.U.D. Joint Contract for OPW 52721 N. 16 <sup>th</sup> St. To N. 20 <sup>th</sup> St., Charles St. to Pinkney St. 100093001239, 100093001310, 100041000032, 100041000096 R1833 Engineering Estimate: \$4,426,360.00 (A C&A in the amount of \$6,025,455 will be presented to the Board on May 5, 2021 for approval.)	10/3	<b>L.G. Roloff Const. Co.</b> <b>\$4,634,965.18</b> <i>Kissick Construction</i> 4,649,680.00 <i>S.M. Hentges &amp; Sons</i> 5,704,460.00	

**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>
One (1) Four Wheel Drive Rubber Track Trencher 100087000629 (A C&A in the amount of \$265,000.00 will be presented to the Board on May 5, 2021 for approval.)	9/2	<b>Ditch Witch</b> Vermeer High Plains	<b>\$216,453.28</b> 243,461.00
Two (2) Rubber Tired Four Wheel Drive Combination Trencher Backhoe 100087000634 (A C&A in the amount of \$305,000.00 will be presented to the Board on May 5, 2021 for approval.)	9/2	<b>Ditch Witch</b> Vermeer High Plains	<b>\$249,185.54</b> 263,224.00
Four (4) Hydraulic Breakers for Kubota Tractors and Trailers 100087000635 Extension #1 (C&A for 100087000635 approved April 12, 2021 in the amount of \$32,000.00.)	1/1	<b>Murphy Tractor</b>	<b>\$26,000.00</b>
Temporary Parking Structure at Construction Center Site 100084001277 R2061 *Rejected All Bids	2/2	<i>Mahaffey USA LL</i> Sprung Instant Structures	1,473,285.00* 2,863,764.00*
20,000 yd <sup>3</sup> Fill Dirt for Construction	4/2	<b>Ronco Construction</b> Pink Grading	<b>\$120,000.00</b> 240,000.00

Five (5) Year Lease for Large Format HP 5/2 **Marco** **\$50,033.00**  
Printer/Copier/Scanner Arc 64,440.00  
100086000737

(A C&A in the amount of \$56,350.00 will be presented to the Board on May 5, 2021 for approval.)



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

Approved:



Jon Zeilars  
Vice President, Procurement and Enterprise Services



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



Mark E. Doyle  
President

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

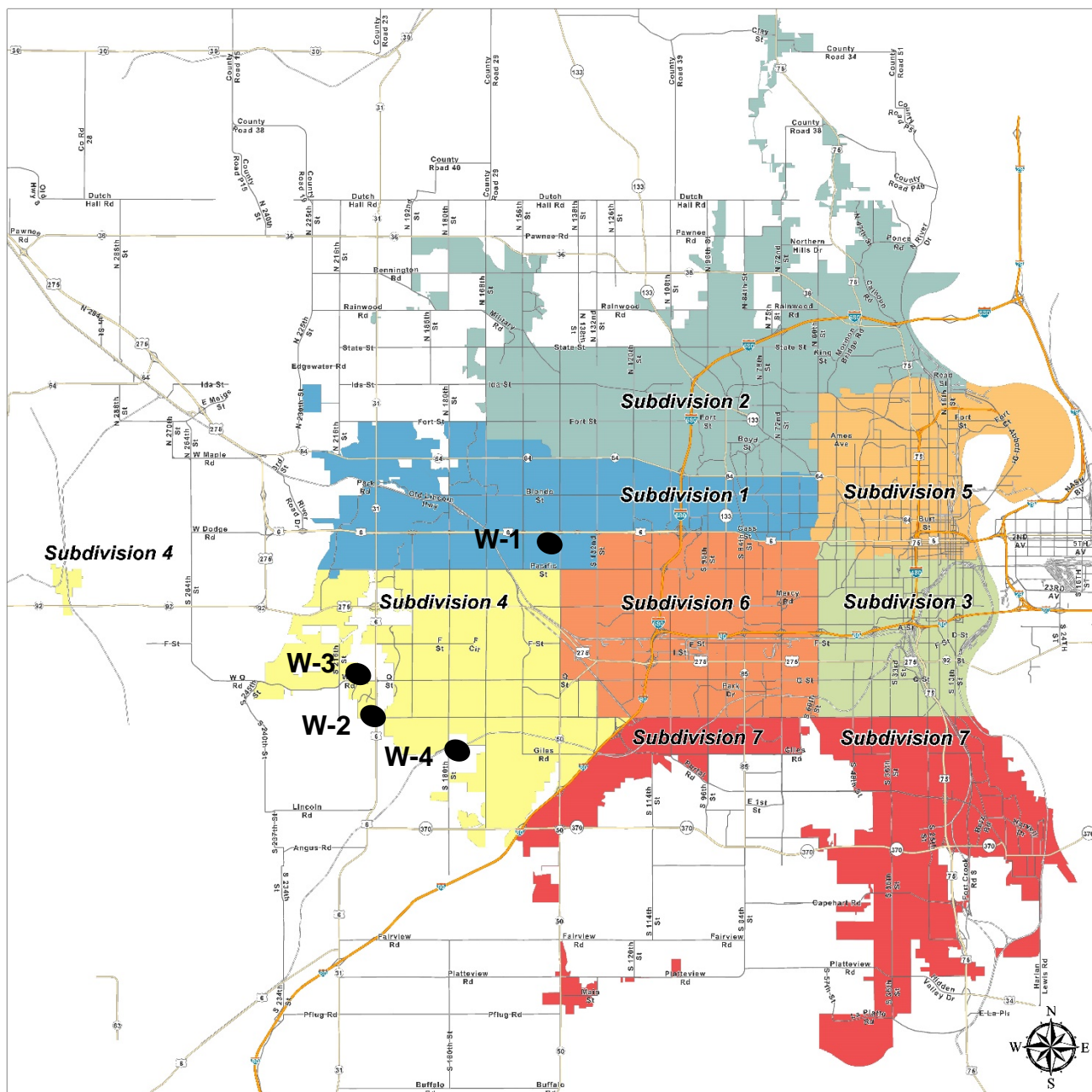
April 27, 2021

**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 May 5, 2021 Committee Agenda for consideration and the Board Agenda for approval:



MUD Subdivision Map

WATER					
1.	<b>Project Number</b>	<b>Project Cost</b>	<b>Applicant Contribution</b>	<b>Construction by Applicant</b>	<b>M.U.D. Cost</b>
	WP 1806	\$412,842	\$412,842	\$0	\$0
	<b>Subdivision 1, Begley:</b> These mains are being installed to provide domestic water service and fire protection to 40 commercial lots in West Farm Replat 7, 145 <sup>th</sup> and Davenport Sts. Work is requested to be completed by August 2021. (City of Omaha zoning, Applied Underwriters)				
2.	<b>Project Number</b>	<b>Project Cost</b>	<b>Applicant Contribution</b>	<b>Construction by Applicant</b>	<b>M.U.D. Cost</b>
	WP 1816	\$316,394	\$399,263	\$0	\$0
	<b>Subdivision 4, Cavanaugh:</b> These mains are being installed to provide domestic water service and fire protection to 82 single-residence lots in Falling Waters Subdivision, 204 <sup>th</sup> and Harrison Sts. Work is requested to be completed by August 2021. A connection charge is due to the existing 8-inch water mains in 201 <sup>st</sup> Ave. and "Z" St. in the amount of \$82,869. (City of Omaha zoning, Dennis Van Moorlegem)				
3.	<b>Project Number</b>	<b>Project Cost</b>	<b>Applicant Contribution</b>	<b>Construction by Applicant</b>	<b>M.U.D. Cost</b>
	WP 1811	\$542,975	\$542,975	\$0	\$0
	<b>Subdivision 4, Cavanaugh:</b> These mains are being installed to provide domestic water service and fire protection to 164 single-residence lots in Westbury Creek Subdivision, Phase 2, 213 <sup>th</sup> and "I" Sts. Work is requested to be completed by November 2021. (City of Omaha zoning, Richland Homes, LLC)				
4.	<b>Project Number</b>	<b>Project Cost</b>	<b>Applicant Contribution</b>	<b>Construction by Applicant</b>	<b>M.U.D. Cost</b>
	WP 1797	\$1,160,939	\$1,122,088	\$0	\$285,306
	<b>Subdivision 4, Cavanaugh:</b> These mains are being installed to provide domestic water service and fire protection to 104 single-residence lots in Giles Pointe Subdivision, 180 <sup>th</sup> St. and Giles Rd. Work is requested to be completed by September 2021. The developer is required to pay a 12-inch equivalent cost of the 30-inch main in Giles Road in the amount of \$202,813. The District will pay for the oversizing in the amount of \$285,306. In addition to serving this development, this 30-inch main will be used to move water from the Platte West Water Plant to the land area between Gretna and Papillion. There is a pioneer main fee in the amount of \$246,455 due to the existing 16-, 30- and 36-inch water mains in 180th Street, Giles Road and 192nd Street. (Sarpy County zoning, Michelle Zimmerman)				



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

Approved:



Mark E. Doyle  
President



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

April 23, 2021

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

**Employee:** Cleophus Harris  
**Current position (department):** Water Plant Operator (Florence)  
**New position (department):** Water Plant Engineer (Florence)  
**Current rate; step/grade:** \$38.25; Step 4  
**Proposed rate; step/grade:** \$42.08; Step 4  
**Percent of increase:** 10.01%  
**District hire date:** August 13, 2001

**Employee:** Michael Jacobson  
**Current position (department):** Customer Service Technician – Fitter (Field Services)  
**New position (department):** Senior Customer Service Technician (Field Services)  
**Current rate; step/grade:** \$38.22; Step 2  
**Proposed rate; step/grade:** \$41.90; Step 3  
**Percent of increase:** 9.63%  
**District hire date:** July 14, 2014

**Employee:** Drake Kubat  
**Current position (department):** Auto Service Person (Transportation)  
**New position (department):** Pipe Layer Trainee (Construction)  
**Current rate; step/grade:** \$23.84; Step 2  
**Proposed rate; step/grade:** \$25.68; Step 2  
**Percent of increase:** 7.72%  
**District hire date:** February 3, 2020

**Employee:** Patrick Lustgraaf  
**Current position (department):** Auto Service Person (Transportation)  
**New position (department):** Apprentice Mechanic (Transportation)  
**Current rate; step/grade:** \$26.49; Step 4  
**Proposed rate; step/grade:** \$28.76; Step 3  
**Percent of increase:** 8.57%  
**District hire date:** February 22, 2011

**Employee:** Brian Paskach  
**Current position (department):** Machine Operator (Construction)  
**New position (department):** Large Boring Machine Operator (Construction)  
**Current rate; step/grade:** \$36.19; Step 4  
**Proposed rate; step/grade:** \$38.43; Step 3  
**Percent of increase:** 6.19%  
**District hire date:** October 3, 2016

**Employee:** Marcus Schnack  
**Current position (department):** Auto Service Person (Transportation)  
**New position (department):** Water Plant Engineer (Platte West)  
**Current rate; step/grade:** \$23.84; Step 2  
**Proposed rate; step/grade:** \$33.66; EN  
**Percent of increase:** 41.19%  
**District hire date:** February 3, 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.

**Employee:** Robert Brown  
**Current position (department):** Water Plant Engineer (Platte South)  
**New position (department):** Utility Locator (Safety & Security)  
**Current rate; step/grade:** \$35.77; Step 1  
**Proposed rate; step/grade:** \$36.39; Step 3  
**Percent of increase:** 1.73%  
**District hire date:** October 7, 2019

### **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:** Troy Bostwick  
**Current position (department):** Customer Service Technician Trainee (Field Services)  
**New position (department):** Apprentice Customer Service Technician (Field Services)  
**Current rate; step/grade:** \$28.18; Step 4  
**Proposed rate; step/grade:** \$31.24; Step 2  
**Percent of increase:** 10.86%  
**District hire date:** October 9, 2017

**Employee:** John Davis  
**Current position (department):** Customer Service Technician Trainee (Field Services)  
**New position (department):** Apprentice Customer Service Technician (Field Services)  
**Current rate; step/grade:** \$28.18; Step 4  
**Proposed rate; step/grade:** \$31.24; Step 2  
**Percent of increase:** 10.86%  
**District hire date:** July 23, 2018

**Employee:** Marcellus Davis  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$28.53; Step 4  
**Proposed rate; step/grade:** \$30.65; Step 2  
**Percent of increase:** 7.43%  
**District hire date:** April 15, 2019

**Employee:** Robert Hastings  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$28.53; Step 4  
**Proposed rate; step/grade:** \$30.65; Step 2  
**Percent of increase:** 7.43%  
**District hire date:** April 15, 2019

**Employee:** Chadwick Haffke  
**Current position (department):** Customer Service Technician Trainee (Field Services)  
**New position (department):** Apprentice Customer Service Technician (Field Services)  
**Current rate; step/grade:** \$28.18; Step 4  
**Proposed rate; step/grade:** \$31.24; Step 2  
**Percent of increase:** 10.86%  
**District hire date:** November 26, 2018

**Employee:** Benjamin Ulrich  
**Current position (department):** Customer Service Technician Trainee (Field Services)  
**New position (department):** Apprentice Customer Service Technician (Field Services)  
**Current rate; step/grade:** \$28.18; Step 4  
**Proposed rate; step/grade:** \$31.24; Step 2  
**Percent of increase:** 10.86%  
**District hire date:** August 13, 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.

**Employee:** Kevin Jones  
**Current position (department):** Sr. Computer Aided Drafting Technician (Engineering Design)  
**New position (department):** Sr. Engineering Technician (Plant Engineering)  
**Current rate; step/grade:** \$35.45; Step 2  
**Proposed rate; step/grade:** \$77,423; SPA – 03  
**Percent of increase:** 5.00%  
**District hire date:** December 28, 2015

**Employee:** Brenda Skomedal-Kastens  
**Current position (department):** Administrative Clerk IV (Stores)  
**New position (department):** Buyer (Purchasing)  
**Current rate; step/grade:** \$30.70; Step 4  
**Proposed rate; step/grade:** \$73,592; SPA – 03  
**Percent of increase:** 15.25%  
**District hire date:** October 17, 1994

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

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

**There are no New Hire Ratifications for this month**



---

Bonnie Savine  
Vice President, Human Resources



---

Mark A. Mendenhall  
Senior Vice President, General Counsel



---

Mark E. Doyle  
President



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

April 22, 2021

**Subject: Promotion of Vice President, Water Operations**

**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 District is recommending the Board of Directors approve the promotional salary increase of Michael A. Koenig from Director, Water Production and Pumping, to Vice President, Water Operations, Water Operations Division.

Mr. Koenig received his Bachelor Degree from the University of Nebraska, Lincoln and holds a Professional Engineer License and Grade I Water Operator License. Mr. Koenig was hired by the District on May 30, 1997, as an Engineer II and has held a variety of other positions in the Engineering and Water departments.

Based on his education, credentials and work experience prior to and while employed by the District, Mr. Koenig is being recommended for the position of Vice President, Water Operations; Water Operations Division. Mr. Koenig's promotion would be from Grade SPA – 8D to a Grade SPA -11 on the Supervisory, Professional and Administrative Scale.

In view of the additional responsibilities of this position as the Vice President, Water Operations; Water Operations Division; it is recommended the President be authorized to increase the salary of Mr. Koenig to \$150,552 per year effective May 16, 2021.



Bonnie Savine  
Vice President, Human Resources

**APPROVED:**



Mark E. Doyle  
President



Mark A. Mendenhall  
Senior Vice President, General Counsel

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

April 26, 2021

**Subject:** FOURTH LEGISLATIVE REPORT – 2021 SESSION

**To:** Judiciary and Legislative Committee

**cc:** All Board Members; Doyle, Mendenhall, Ausdemore, Schaffart, O'Brien;  
all Vice Presidents; Nowka

**From:** Rick Kubat, Government Relations Attorney

At the time of the May 5<sup>th</sup> Board meeting, the legislature will have 17 remaining business days before adjournment. Included in this report is LB 131 by Senator Hunt, which is an Urban Affairs clean-up bill. LB 131 has pending amendments to provide up to \$10 to \$50 million in general fund grant dollars to help natural gas providers pay for the spike in gas prices attributable to the polar vortex. Provided below are updates on pending legislation.

**LB 26** (Wayne) – Eliminates sales tax for residential water. LB 26 would eliminate both city and state sales tax imposed on the sale, lease, or rental of and the storage, use, or other consumption of residential water. Industrial and commercial water would still be subject to city and state sales tax under the provisions of the legislation.

Board Pos: Support  
Status: Prioritized by Senator Pahl's and advanced to Select File

**LB 83** (Flood) – Changes the Open Meetings Act to provide for virtual conferencing. LB 83 has two parts. The first part provides for virtual meetings under regular or non-emergency circumstances. The second part of the bill addresses virtual meetings when an emergency declaration is made. The first part of LB 83 would allow specific political subdivisions to hold up to half of their meetings via virtual conferencing in non-emergency or regular circumstances. The District is seeking a change to the underlying bill that would add the District to the list of eligible entities. The second part of LB 83 allows virtual meetings if an emergency is declared under the Emergency Management Act. For District purposes, the emergency declaration can be made by the principal executive officer of local government. As amended, the emergency declaration can now only be made by the Governor. The District is included as a public body in the emergency declaration portion of LB 83. LB 83 further clarifies notice requirements and the public's ability to participate in Board meetings under emergency declaration circumstances.

Board Pos: Support  
Status: Signed into law by the Governor

**LB 131** (Hunt) - - Urban Affairs clean-up and priority bill containing various items. Of interest to the District are two pending amendments. AM 751 by the Urban Affairs



Committee would provide up to \$10 million in general fund dollars to help smaller natural gas municipalities pay for the increased gas prices associated with the recent polar vortex. AM 1081 as introduced by Senator Blood would increase the amount of general funds to \$50 million and would expand the eligibility to additional for-profit natural gas providers.

Mgmt. Rec: Neutral  
Status: Remains on General File

**LB 148** (Bostelman) – Transfers powers and duties from the Department of Health and Human Services to the Department of Environment and Energy. For District purposes, these powers and duties include oversight over drinking water, testing of water samples and the licensure, and permitting of water well contractors.

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

**LB 163** (Urban Affairs Committee) – LB 163 amends all sections of Chapter 18 of the Nebraska State Statutes. LB 163 is the Urban Affairs clean up bill intended to replace or eliminate antiquated, obsolete, or unnecessary language and it includes various statutory references to the District.

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

**LB 178** (Lindstrom) – Provides for a turn-back of a portion of the 5.5% of state sales tax dollars collected for sewer and potable water services. LB 178 is a similar version of last year's LB 242. The only change from last year's LB 242 is additional language in LB 178 which requires entities who receive turnback dollars to account for their receipt in their budget statement along with a declaration of the percentage by which water and sewer rates would have increased if not for the receipt of turnback funds. The turn-back of revenue is specifically designated and earmarked for potable water and wastewater infrastructure assistance or repaying of bonds for such work. LB 178 would turn-back 36% of the 5.5% of state sales tax dollars collected for water and sewer services from July 1, 2021 through June 30, 2022, a turn-back of 54% of the 5.5% of state sales tax dollars collected from July 1, 2022 through June 30, 2024, and a turn-back of 72% of the 5.5% of state sales tax dollars collected after July 1, 2024. LB 178 did not receive any opposition testimony. The bill was supported by the Omaha and Lincoln Chambers, the City of Omaha, City of Lincoln, Sarpy County, United Cities of Sarpy County, Nebraska Assn. of Resource Districts, the Coalition of Agricultural Manufactures, American Council of Engineering Companies, Assn. of General Contractors, Nebraska Assn. of Commercial Property Owners, Nebraska Utility and Excavators Assn, Nebraska Water Resources Assn, the cities of Blair, Hastings, Grand Island, South Sioux City, Plattsmouth and others. LB 178 did not receive a priority designation. Senator Lindstrom is exploring the possibility of amending LB 178 onto another bill.

Board Pos: Support  
Status: Advanced to General File

**LB 190** (Hughes) – Prohibits the Legislature from appropriating or transferring money from the Water Sustainability Fund. The only exception would be upon a finding that the goals of the fund are no longer being accomplished. LB 190 had been amended into LB 507.

Board Pos: Support  
Status: Placed on Final Reading

**LB 266** (McCollister) – Adopt the Renewable Energy Standards Act. LB 266 requires public power suppliers to achieve net-zero carbon emissions by 2050.

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

**LB 293** (Flood) – Changes the membership of the Public Service Commission from the current five-member board to seven Commissioners.

Board Pos: Neutral  
Status: Remains in the Transportation & Telecommunications Committee

**LB 306** (Brandt) – Changes requirements for low-income home energy assistance program (LIHEAP). LB 190 would increase the federal poverty income guidelines from 130% to 150% to increase the threshold of income to qualify for LIHEAP. Additionally, LB 190 would set aside 10% of the LIHEAP funds for weatherization purposes for qualified applicants to make their homes more energy efficient.

Board Pos: Support  
Status: Prioritized by Senator Brandt and advanced to General File

**LB 339** (Bostelman) – Requires a utility coordination plan for highway, bridge, and other specific construction projects. LB 339 applies to any contract exceeding \$50,000 for construction, reconstruction, improvement, maintenance or repair of a street, highway, bridge, or other related structure. The utility coordination plan shall provide the date and time for when utilities are moved or removed. The Contractor for the project may rely upon such plan and shall be compensated by the Department of Transportation, city or county for damages associated with any deviation of the utility coordination plan. LB 339 impacts both the water and gas facilities owned by the District.

Board Pos: Oppose  
Status: Remains in the Transportation & Telecommunications Committee

**LB 344** (Friesen) – Changes provisions to the One-Call Notification System Act and creates the Underground Excavation Safety Committee (UESC). LB 344 creates the UESC to consist of the State Fire Marshall, two operator representatives and two excavator representatives appointed by the Governor. As amended, LB 344 will also include two locators. The UESC members will not be compensated and will be governed by rules and regulations promulgated by the State Fire Marshall. The UESC will review

complaint proceedings brought by any person for any violation of the One Call Act of an excavator or operator. If the UESC unanimously determines that a violation of the One-Call Act has occurred, a recommendation for a civil penalty shall be submitted for consideration by the Nebraska Attorney General. A majority of the UESC may make a recommendation for continuing education.

Board Pos: Neutral  
Status: Amended and advanced to General File

**LB 406** (McDonnell) – Creates the Lower Platte River Infrastructure Task Force and provides funding. LB 406 would create a task force to study potential reservoirs on the Lower Platte River. The purpose of the study is to look at three to five potential flood-control infrastructure projects along the river basin for flood control, water supply, water quality, recreation, and hydropower. LB 406 has been amended to include studies of Lake McConaughy and Lewis and Clark Lake. As advanced with a Committee amendment, the District will be a member of the task force charged with studying water reservoirs in the Lower Platte River.

Board Pos: Support  
Status: Provided a Speaker priority and remains on General File

**LB 414** (Wishart) – Changes provisions of the Political Subdivisions Construction Alternatives Act. LB 414 enhances the ability for political subdivisions to use design-build contracts for sewer, water, utility and other large projects. Unfortunately, the District was unable to be amended onto LB 414. The District will likely introduce legislation in 2022 to be included in the provisions of LB 414.

Board Pos: Support  
Status: Signed into law by the Governor

**LB 512** (Brewer) – Adopts the Critical Infrastructure Utility Worker Protection Act. In the event of a civil defense emergency, the Governor shall insure that critical utility workers are provided access to personal protective equipment, medical screening, testing, preventive health services, medical treatment, and vaccines. Priority access means a level of accessibility at least equal to that provided to hospital, medical personnel, law enforcement and other emergency responders. Under LB 512, the District would maintain a list of mission critical employees.

Board Pos: Support  
Status: Remains in the Business & Labor Committee

**LB 619** (Sanders) – Changes excavation requirements under the One-Call Notification System Act. LB 619 would change the depth requirements for underground utilities. The District is concerned that the minimum depth requirements proposed by LB 619 are contrary to federal regulations as proscribed by the Pipeline and Hazardous Materials Safety Administration (PHMSA). Specifically, PHMSA requires a depth of 18 inches for gas service lines and LB 619 would require a new depth requirement of 24 inches. The

Board took a position of opposition to LB 619. The District's concerns of residential grading and gas utility depths have been removed from the bill via an amendment.

Board Pos: Neutral  
Status: Remains in the Transportation & Telecommunications Committee

**LB 650** (Flood) – Adopt the Nebraska Geologic Storage of Carbon Dioxide Act. LB 650 establishes the legal and regulatory framework for potential carbon dioxide capture and storage projects in Nebraska. Carbon capture technology captures industrial carbon dioxide emissions, compresses the carbon, and places them in geological formations for long term storage. This technology enables industries such as ethanol to reduce their carbon footprint, thus mitigating the environmental impact of their operations. LB 650 establishes the legislative intent for carbon capture in Nebraska. It clarifies property rights related to storage, assigns the Nebraska Oil and Gas Conservation Commission as the primary regulatory authority, provides for regulations and permitting procedures, and creates a cash fund for administration of regulations.

Board Pos: Neutral  
Status: Prioritized by Senator Hughes and advanced to Final Reading



Richard A. Kubat  
Government Relations Attorney

Approved:



Mark A. Mendenhall  
Senior Vice President/General Counsel



Mark E. Doyle  
President

# LEAD AND COPPER RULE

**May 2021**

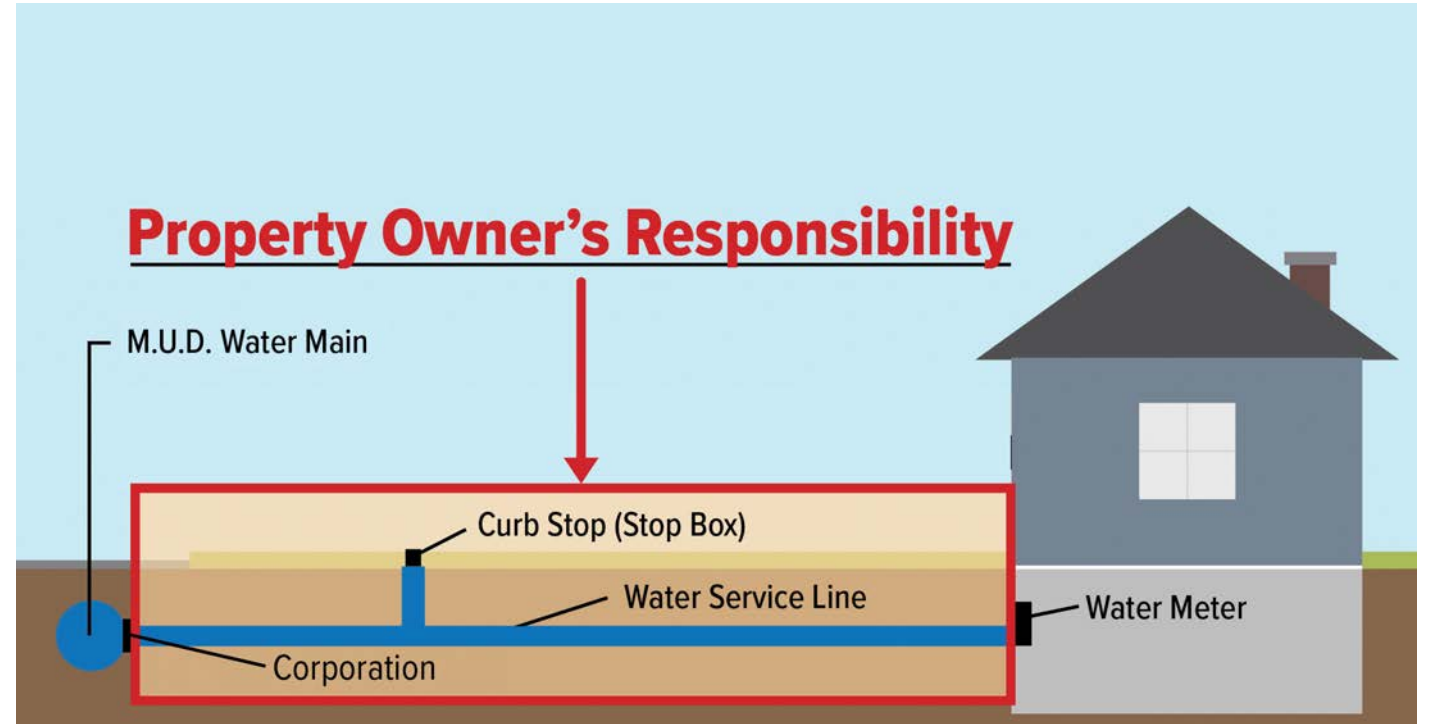
# Rule Changes

- Water samples and testing
- Education
- Communication



# Water Services

- Customer-owned
- Average replacement cost



# In Preparation

- 2019 change to M.U.D. Water Rules
- HomeServe USA
- Infrastructure replacement





# Our Approach

- LCR Task Force formed in March 2021
- Sub-Committees
  - Water Quality
  - Operations
  - Communications
  - Compliance
- Long-Term Recommendation



# Questions?

**METROPOLITAN**  

---

**UTILITIES DISTRICT**