AGENDA

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

Construction and Operations – Friend, Frost, Cavanaugh


Services and Extensions – Friend, Begley, Howard

1. Main Extensions [Cory O’Brien - VP, Engineering and Construction] - Tab 8

Personnel – Begley, Frost, Friend

1. Wage and/or Salary Increases and Ratifications [Bonnie Savine – VP, Human Resources] - Tab 9

Judicial & Legislative – Cook, Cavanaugh, Howard

1. Settlement of Civil Litigation [Mark Mendenhall – SVP, General Counsel] - Tab 10

Committee of the Whole

DRAFT
9-28-2020

METROPOLITAN UTILITIES DISTRICT
Regular Monthly Board Meeting

9:00 AM October 1, 2020

AGENDA

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Monthly Board Meeting for September 3, 2020

CONSTRUCTION & OPERATIONS

5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Bids on Materials and Contracts

SERVICES & EXTENSIONS

8. Main Extensions

PERSONNEL

9. Wage and/or Salary Increases and Ratifications

JUDICIAL & LEGISLATIVE

10. Settlement of Civil Litigation

BOARD

11. Other Matters of District Business for Discussion
12. CLOSED SESSION – LNG Site Optimization & Chemical Facility Anti-Terrorism Standards (“CFATS”) Discussion and Real Estate Negotiations
Chairperson Gwen Howard called to order the Committee Meetings for the Metropolitan Utilities District Board of Directors at 8:15 a.m. at the Omaha Douglas Civic Center’s Legislative Chamber located at 1819 Farnam Street.

Advance notice of the Committee Meetings and regular monthly Board Meeting was published in the print version of The Omaha World-Herald on August 23, 2020 and its online version from August 23rd through August 29th, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Agendas and all pertinent documents to be presented at the September 3, 2020 meetings were posted to the M.U.D. website on August 26, 2020. The meetings were recorded and uploaded to the District website after the meetings concluded.

Chairperson Howard reminded those in attendance in the Chamber that due to the passage of an Omaha City Council ordinance on August 12, 2020, all attendees must abide by the requirement for wearing a facemask or face covering in indoor public settings in response to the COVID-19 pandemic, and she urged all those in attendance to continue to be mindful of social distancing.

Roll Call

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

Safety Briefing

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

Open Meetings Act Notice

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

Construction and Operations – Friend, Frost, Cavanaugh

Senior Vice-President and Chief Operations Officer Dave DeBoer reviewed the proposed capital expenditures as outlined in his letter to the Committee dated August 20, 2020.

Mr. DeBoer reviewed the acceptance of contracts and payment of final estimates as outlined in his letter to the Committee dated August 24, 2020.
Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in his letter dated August 20, 2020.

**Services and Extensions - Friend, Begley, Howard**

Vice-President of Engineering and Construction Cory O'Brien reviewed the proposed main extensions as outlined in his letter to the Committee dated August 20, 2020.

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

Senior Vice-President and General Counsel Mark Mendenhall reviewed his letter to the Committee dated August 24, 2020 along with the accompanying amendment outlining the proposed changes to the District’s Procedures Manual. The purpose of the amendment was to reflect current practice in accordance with statutory authority. The current practice involves a monthly adjustment to the cost of gas, over and above the base rate, to incorporate changes in the weighted average cost of gas as well as recover the costs associated with peak shaving and pipeline transportation. The amendment also clarifies that the M.U.D. President and Chief Financial Officer have the authority to set this monthly adjustment.

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

Governmental Relations Attorney Rick Kubat provided a final update on legislative bills of interest to the District following the August 13th adjournment of the 2020 legislative session, as outlined in his letter to the Committee dated August 25, 2020. He noted that any remaining legislative bills that did not pass this session are ‘dead,’ and would need to be reintroduced next year in order to be considered. This includes LB 242, the District-endorsed bill which proposed to turn-back a portion of the state sales taxes collected on water and earmark those funds for potable water and wastewater infrastructure assistance.

**Personnel - Begley, Frost, Friend**

Vice-President of Human Resources Bonnie Savine reviewed the proposed wage and/or salary increases and ratifications as outlined in her letter to the Committee dated August 24, 2020.

Ms. Savine also reviewed the proposed group insurance contract renewals as presented in her letter to the Committee dated August 24, 2020. Included among these contracts are PPO health, HMO health, dental, vision, flexible spending accounts, basic life insurance, supplemental (voluntary) life insurance, accidental death & dismemberment (AD&D), and long-term disability. Among the proposed changes was an increase in the Blue Cross Blue Shield guaranteed administration fee (per employee per month) for PPO and HMO health services. Also proposed was the decision to outsource the administration of the COBRA compliance for impacted District benefit plans due to its minimal cost.
Committee of the Whole

Chairperson Howard announced that President Mark Doyle would provide the State of the District presentation.

State of the District

The State of the District is an annual presentation required under the Board Bylaws to provide the M.U.D. Board of Directors with an overview and a status report on current operations and planned initiatives. President Mark Doyle began the presentation by first paying tribute to the dedication and talent of the District’s management team and its employees. In light of the unparalleled challenges created by the COVID-19 pandemic during the preceding months, he praised the District’s unfailing commitment to its mission to deliver life-essential gas and water services to its customers and thanked Board Members for their continued support.

Mr. Doyle identified four pillars – Safety, Reliability, Fiscal Responsibility and Organizational Excellence – that are fundamental to measuring the District’s performance and underline the District’s decision-making process. The following examples highlight selected accomplishments under each topic.

Safety

Under the topic of business continuity and emergency preparedness, Mr. Doyle cited statistics representing the steady improvement in the District’s emergency response time. Examples were provided of programs instituted by the Safety and Security team to reduce vehicle and workplace accidents and injuries, such as the implementation of a driver safety course (Smith System) and a new safety program for front-line supervisors (START program).

Reliability

The reliability of the District’s water treatment plants was tested during the early phase of the COVID-19 pandemic. The District acquired 24 travel trailers for water plant lockdown in order to facilitate the managed isolation and rotation of water plant personnel and ensure the safety and reliability of the District’s water systems.

Mr. Doyle touted the accomplishments in the past year of the District’s infrastructure replacement program and facility upgrades. Cast iron gas main replacement is on pace to be completed by the year 2027, while a roadmap has been created to replace the highest risk water mains, increasing the rate of replacement from 10 miles to 25 miles a year by 2025. The District continues to investigate and implement alternatives to water main replacement and system optimization that are not only more effective and economical, but can also serve to mitigate the disruption caused by water main breaks and their exorbitant repair costs ($9.1 million in the past year). These approaches involve a combination of new technologies, techniques, and applications and include development of a Water System Master Plan, prioritizing main replacements utilizing a factor-based risk model, developing ongoing partnerships with external contractors, deploying new technologies such as pipe bursting, and applying new...
techniques (e.g., leak detection) and strategies (e.g., establishing a main condition assessment program).

Facility upgrades included completion of a $1 million project to inspect and rehabilitate two deep well pumps at the 117th & Fort Street Propane Air plants. Plans for replacing the LNG Plant’s original liquefaction and vaporization systems are underway. Development of a capital improvement plan for the Platte South water treatment plant has begun. The upgrades to the Florence Water Treatment Plan will continue as part of the five-phase, 20-year capital improvement plant that was begun in 2010.

**Fiscal Responsibility**

The District entered 2020 in a strong financial condition. In November 2019, the gas system received an upgraded “AA+” credit rating from S&P Global Ratings, the highest of any municipal gas system. The onset of the COVID-19 pandemic and its devastating economic consequences changed that outlook considerably with the resulting massive job losses and the threat posed to the more vulnerable populations who were already struggling financially. In response, the District suspended service disconnections and opted to forego late fees on customer accounts. The District took steps early on to defer capital expenditures and closely scrutinize new hires, proposing $20 million in spending reductions vs. what was reflected in the budget, to offset the adverse financial impact of the pandemic.

Governmental assistance became available to the District’s customers to counter some of the economic impact for customers. Federal CARES Act funds of $2 million were made available through Douglas County to provide utility assistance to county residents whose income has been negatively impacted by the pandemic. An additional $500,000 in aid from the state of Nebraska will provide utility assistance to qualifying customers who reside outside of Douglas County.

Other revenue-related matters that were reported included the Central Plains Energy Project (CPEP) agreement which is expected to yield $37.2 million in savings from pre-pay gas contracts for the 2019-2023 time period.

The District’s long term natural gas supply agreement with Northern Natural Gas (NNG) will result in a savings of $39.5 million over a four-year period (2019-2023) due to the District’s negotiated rate cap after NNG’s rate adjustments before the Federal Energy Regulatory Commission.

Compressed natural gas (CNG) as a transportation fuel continues its local growth in the vehicle fleet market. A new privately-owned CNG fueling station will serve a refuse company fleet hired by the City of Omaha. The addition of an anticipated fleet of approximately 80 CNG-fueled refuse trucks represents an annual load equivalent to 1,250 homes.
And finally, the District’s water main extension expansion is expected to continue in the Sarpy County’s Highway 50 corridor area, as interest in commercial and industrial development projects continues to grow.

Organizational Excellence

The obstacles and difficulties presented by the COVID-19 pandemic from an operational standpoint became a catalyst for change, much of it positive. Unaided by history or experience, the District’s staff responded with creative solutions and adaptations to ensure the District’s ability to carry out its responsibilities to its customer-owners. Rethinking workforce logistics became the norm as new work policies were developed by the Human Resources Department to adapt to the pandemic protocol. Protective measures were instituted to meet a wide range of employee work environments, whether working remotely from home, or in the office, in the field, in customers’ homes or on construction sites.

Effective communication tools and methods became essential. A daily ‘COVID’ conference call among upper management was instituted early in the pandemic and will continue indefinitely to stay abreast of current information. Surveys were sent to employees to assess work situations and solicit input. A task force was created to review survey feedback and findings were used to effectuate process changes where necessary in such areas as available technology, communication methods, adjusting personnel matters such as vacation carry-over, and ensuring availability of personal protective equipment (PPE).

Discussion followed. Director Cook inquired as to whether the District has plans to address the issues of diversity and inclusivity in the workplace. Mr. Doyle indicated that discussions are underway as to the best strategy for promoting an initiative.

Chairperson Howard thanked Mr. Doyle for his thorough presentation and announced that the Committee Meetings were concluded. She asked if any Board Members or members of the public had any comments to share. Questions were presented and brief discussion followed. Director McGowan inquired about the status of the District’s COVID-19 employee testing, and also inquired as to the status of the District’s water treatment plants given the extreme duration of dry weather conditions. Some discussion took place.

Chairperson Howard announced the regular monthly Board Meeting would convene at 9:45 a.m.
Chairperson Gwen Howard called to order the regular monthly Board Meeting for the Metropolitan Utilities District Board of Directors at 9:45 a.m. at the Omaha Douglas Civic Center’s Legislative Chamber located at 1819 Farnam Street.

Advance notice of the Committee Meetings and regular monthly Board Meeting was published in the print version of The Omaha World-Herald on August 23, 2020 and its online version from August 23rd through August 29th, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Agendas and all pertinent documents to be presented at the September 3, 2020 meetings were posted to the M.U.D. website on August 26, 2020. The meetings were recorded and uploaded to the District website after the meetings concluded.

Chairperson Howard reminded those in attendance in the Chamber that due to the passage of an Omaha City Council ordinance on August 12, 2020, all attendees must abide by the requirement for wearing a facemask or face covering in indoor public settings in response to the COVID-19 pandemic, and she urged all those in attendance to continue to be mindful of social distancing.

AGENDA NO. 1
ROLL CALL
On a roll call vote, the following Board Members acknowledged their attendance: Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, and Jack Frost.

AGENDA NO. 2
OPEN MEETINGS ACT NOTICE
Chairperson Howard announced that a copy of the Open Meetings Act was located on the wall of the Legislative Chamber.

AGENDA NO. 3
PLEDGE OF ALLEGIANCE
Chairperson Howard announced that the Pledge of Allegiance would be recited and invited all those in attendance to participate.
AGENDA NO. 4  
APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR MONTHLY BOARD MEETING FOR AUGUST 6, 2020

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for August 6, 2020, which was seconded by Director Frost and carried on a roll call vote.

Voting No: None

AGENDA NO. 5  
CAPITAL EXPENDITURES

Director Friend moved to approve the capital expenditures as outlined in Mr. DeBoer’s letter to the Committee dated August 20, 2020, which was seconded by Director Begley and carried on a roll call vote.

Voting No: None

AGENDA NO. 6  
ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the acceptance of contracts and payment of final estimates as outlined in Mr. DeBoer’s letter to the Committee dated August 24, 2020. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

Voting No: None

AGENDA NO. 7  
BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve Management’s recommendation regarding the bids on materials and contracts as outlined in Mr. Zellars’ letter dated August 20, 2020. The motion was seconded by Director Begley.

Voting No: None

AGENDA NO. 8  
NOTICE OF PURCHASES BETWEEN $25,000 & $50,000

Director Friend requested that the Notice of Purchases letter dated August 20, 2020 be placed on file.

AGENDA NO. 9  
MAIN EXTENSIONS

Director Friend moved to approve the main extensions as outlined in Mr. O’Brien’s letter dated August 20, 2020, which was seconded by Director Cavanaugh and carried on a roll call vote.
Committee Meetings & Regular Board Meeting  
September 3, 2020  
Page 8 of 9

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

AGENDA NO. 10  
AMENDMENT TO DELEGATION OF AUTHORITY FOR GAS COST ADJUSTMENT  
Director McGowan moved to approve the proposed amendment to the District's Procedures Manual regarding delegation of authority for adjusting the monthly cost of gas, as outlined in Mr. Mendenhall’s letter to the Committee dated August 24, 2020. The motion was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 11  
LEGISLATIVE UPDATE  
Director Cook requested that the Final Legislative Report dated August 25, 2020 as presented by Mr. Kubat be placed on file.

AGENDA NO. 12  
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 August 24, 2020. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

AGENDA NO. 13  
GROUP INSURANCE CONTRACT RENEWALS  
Director Begley moved to approve the group insurance contract renewals as outlined in Ms. Savine’s letter to the Committee dated August 24, 2020. The motion was seconded by Director Frost and carried on a roll call vote.

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

AGENDA NO. 14  
OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION  
Chairperson Howard asked if any Board Members or any member of the public had any comments to share. There were none.

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

Voting Yes: McGowan, Howard, Cavanaugh, Begley, Cook, Friend, Jack Frost  
Voting No: None
The regular Board Meeting was adjourned at 10:00 a.m.

_________________________
Mark E. Doyle
Secretary and President

MED/mjm
Subject: CAPITAL EXPENDITURES

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

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

The following items will be on the October 1, 2020 Committee Agenda for consideration and the Board Agenda for ratification:
SYSTEM IMPROVEMENTS

1. 100071000705 - $400,000 – Condition assessment of approximately 4.95 miles of concrete water mains, 144th and Pacific Streets area. These concrete mains were previously inspected in 2008 and 2009. The severely distressed pipes that were identified at that time were promptly replaced but the slightly distressed pipes were left in service. This condition assessment will determine if any of the previously identified distressed pipes have deteriorated further or if there are additional distressed pipes of concern. (Subdivision 6 – McGowan)

2. 100053001447 - $2,827,000 – Road improvement project, 168th Street and West Center Road. This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for a City of Omaha project. This project is anticipated to start in December 2020 and be completed December 2021. District work associated with this project have been broken up into two sections to accommodate design and construction schedules. This authorization request is for the first section. A portion of this work is reimbursable because the mains are located in permanent easement. Nine residential gas services will be connected to the new main at an estimated cost of $27,000. One residential and one commercial water services will be connected to the new water mains at an estimated cost of $13,500. (Subdivision 4 – Cavanaugh)

3. 100053001434 and associated job numbers - $450,000 – Install 870 feet of 8-inch water main, 40 feet of 16-inch and 150 feet of 6-inch gas main, 66th and Lake Streets area. This work is required to address conflicts with a City of Omaha project starting in June 2021. The gas work includes off-sets to avoid proposed storm sewers within the project. The District’s work is anticipated to start in October 2020. The water work is reimbursable because the mains are being replaced due to sanitary sewer replacements. Two residential gas services will be connected to the new gas mains at an estimated cost of $6,000. Thirty residential water services will be reconnected to the new water mains at a total estimated cost of 161,410. (Subdivision 1 – Begley)

BUILDINGS, PLANTS AND EQUIPMENT

1. 100065001613 - $59,300 – Install 300-gallon diesel fuel tank and 300-gallon waste oil tank, Rainwood Pump Station. Removal of the existing 47-year old 6,000-gallon diesel underground storage tank (UST) is needed due to a change in fuel usage and also the failure of the level gauge and leak detection system. In 2004, the engine driven pump was replaced with a new pump that uses natural gas, leaving only a small diesel requirement for the emergency backup generator. The long storage time has created fuel quality issues and coupled with the mechanical modifications makes this the best time to replace the tank and move it above ground. There is also an existing 300-gallon waste oil UST which is interfering with the removal of 6,000-gallon tank. The 300-gallon tank will also be relocated to above ground. Removing both tanks and providing clean fill will remove the environmental liability and avoid the need to reset and re-permit the waste oil tank.

2. 100087000623 - $602,000 – Purchase eight replacement Kubota R430 tractors with backhoes for Construction. These tractors will replace those that have reached a point where it is no longer economical to maintain. The eight oldest tractors with the most hours will be replaced. These are 2003 models with engine hours ranging from 4,856 to 7,092 for an average of 5,738. Kubota is the only manufacturer of this type of articulating tractor with backhoe combination. The price includes a three-year extended warranty.

3. 100083001121 - $90,000 – Repair riverbank at outfall locations at the Florence Water Treatment Plant. The flood of 2019 caused widespread damage along the Missouri River. During this flood event, the bank of the river was eroded around four of the outfalls used to drain the basins. Repair of these areas is needed to protect the drain piping from future damage. The work
includes placing approximately 280 cubic yards of soil and 156 tons of riprap at the outfall locations damaged in the floor. The cost of this work is expected to be reimbursed through the District’s flood insurance claim.

4.  **100088000769 - $275,000 – Purchase five replacement Ford Transit vans for Field Services.** These vans will be replacements for older high mileage vans that have reached a point where they are no longer economical to maintain. There are 76 vans of similar size in the District’s fleet ranging in years from 2001 to 2016 and 25 with mileage over 100,000. These vans will have all-wheel drive capabilities and a medium roof height. The AWD option will provide better response during inclement weather and the additional roof height provides better ergonomics for the technicians. This is the first phase of a multi-year replacement plan for vans. There are currently no EPA or CARB approved CNG upfits listed as available in this class due to a new gasoline engine being released by Ford. The surplus vans will be sold at auction to recoup the remaining value.

5.  **100071000704 - $190,000 – Touch up painting of upflow basins, Platte South.** The upflow basins at Platte South were completely sandblasted and painted in 2011 and 2012. Since that time, areas of corrosion have developed. To extend the life of the coating system, the District’s Corrosion Engineer recommended that Maintenance spot blast and paint when corrosion areas appear. In addition, the steel support members will be replaced with fiberglass. This will reduce the amount of maintenance painting in the future.

6.  **100088000749 - $290,072 – Purchase four replacement heavy duty commercial cutaway cab chassis, cargo bodies and shelving and upfit for cargo area of vans for Field Services.** Through reallocation, units in Construction will be replaced that have reached a point wherein it is no longer economical to maintain for use within the District’s fleet. The units to be replaced all have over 100,000 miles. They also have a considerable number of engine hours due to idle times while performing tasks on location. There are currently no EPA or CARB approved CNG upfits listed as available in this class truck due to a new gasoline engine being released by Ford.

Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Mark E. Doyle
President
Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

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

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

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

<table>
<thead>
<tr>
<th>Contract</th>
<th>Board Approval Date</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>a. Est. 2 - W.S. Bunch, 100084001253, Touch up painting for tank, piping and equipment, LNG Plant.</strong></td>
<td>May 7, 2020</td>
<td>*Unit Price Bid: $51,440.00</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Contract</th>
<th>Board Approval Date</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>b. Est. 2 - Cedar Construction, 100055001279, Install water mains in Woodbrook and Woodbrook West, 185th St. and Purple Martin Pkwy.</strong></td>
<td>November 7, 2019</td>
<td>*Unit Price Bid: $461,887.00</td>
</tr>
</tbody>
</table>

**Comments:** There was a decrease in unit quantities of $44,804.25 due to installed pipe lengths and bore lengths being less than original designed lengths. There was an increase of $13,863.00 for Change Order No. 1 due to additional shoring requirements and poly wrap standards.

*Based upon Engineering's estimated unit quantities.*

Approved:

[Signature]

Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Mark E. Doyle
President
Subject: BIDS ON MATERIALS AND CONTRACTS DURING THE MONTH OF SEPTEMBER

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

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

The following items will be on the October 1, 2020 Committee Agenda for consideration and the October 1, 2020 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

WATER/GAS MAIN CONTRACTS

<table>
<thead>
<tr>
<th>Item</th>
<th>Bids Sent / Rec’d</th>
<th>Bidders</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Cedar Construction</td>
<td>$368,600.50</td>
</tr>
<tr>
<td>Install Water Mains in Liberty Phase 2, Daniell Road and Chennault Street 100055001343 WP1788</td>
<td>18/3</td>
<td>Kersten Construction 371,198.50</td>
<td></td>
</tr>
<tr>
<td>Engineering Estimate: $384,057.00 (A C&amp;A in the amount of $461,143.00 will be presented to the Board on October 1, 2020 for approval.)</td>
<td>Valley Corporation 447,299.71</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

OTHER

<table>
<thead>
<tr>
<th>Item</th>
<th>Bids Sent / Rec’d</th>
<th>Bidders</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mongan Painting</td>
<td>$123,621.84</td>
</tr>
<tr>
<td>Touch Up Painting for Upflow Basins at the Platte South WTP 100071000704 WP1766</td>
<td>12/3</td>
<td>W.S. Bunch 180,279.00</td>
<td></td>
</tr>
<tr>
<td>(A C&amp;A in the amount of $184,800.00 will be presented to the Board on October 1, 2020 for approval.)</td>
<td>HTH Companies 515,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Repair of Riverbank at Outfall 2/1  Hawkins $76,000.00
Locations at the Florence WTP
100083001121
(A C&A in the amount of $90,000.00 will be presented to the Board on October 1, 2020 for approval.)

Rainwood Underground Storage 3/3  Heimes $37,043.00
Tank Removal and New Tank Installation
Terracon 38,600.00
* Bid rejected, non-responsive  SCS 34,975.00*
(A C&A in the amount of $59,300.00 will be presented to the Board on October 1, 2020 for approval.)

Eight (8) Kubota R430 Tractors 1/1  Kubota of Omaha $498,380.24
w/ Backhoe
100087000623
(A C&A in the amount of $602,000.00 will be presented to the Board on October 1, 2020 for approval.)

Five (5) Ford Transit Vans  NA*  Anderson Ford $185,850.00
100088000769
* State of Nebraska bid, Contract #15212 OC
(A C&A in the amount of $275,000.00 will be presented to the Board on October 1, 2020 for approval.)

Four (4) Heavy Duty 7/2  Sid Dillion Ford $181,320.00
Commercial Cutaway Cab
Chassis and Cargo Body
100088000749
Anderson Ford 182,560.00
(A C&A in the amount of $290,072.00.00 will be presented to the Board on October 1, 2020 for approval.)

ANNUALS

<table>
<thead>
<tr>
<th>Item</th>
<th>Bids Sent / Rec’d</th>
<th>Bidders</th>
<th>Bid Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Meter Set Kits – 7” W.C.</td>
<td>9/5</td>
<td>Reliable Manufacturing $133,875.00</td>
<td></td>
</tr>
<tr>
<td>Item 20-968-01 (1,500 Units)</td>
<td></td>
<td>UPSCO Inc. 160,980.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>George Fischer 177,317.51</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Diversified Utility 187,455.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Groebner 212,880.00</td>
<td></td>
</tr>
</tbody>
</table>
Residential Meter Set Kits – 2 PSIG  
**Item 20-969-02**  
(1,800 Units)  

**Reliable Manufacturing**  
$160,650.00  

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>UPSCO Inc.</td>
<td>195,516.00</td>
</tr>
<tr>
<td>Diversified Utility</td>
<td>224,946.00</td>
</tr>
<tr>
<td>Groebner</td>
<td>300,924.00</td>
</tr>
</tbody>
</table>

Snow Removal Services for Various District Facilities per Snow Event  
(2020-2021 Season)  
* Bid rejected, incomplete

**Jensen Garden**  
$9,210.00  

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>15,590.00</td>
</tr>
<tr>
<td>TR Construction</td>
<td>40,311.00</td>
</tr>
<tr>
<td>A-Plush</td>
<td>4,425.00*</td>
</tr>
</tbody>
</table>

Snow Removal Services for Various District Facilities per Snow Event  
(2021-2022 Season)  
* Bid rejected, incomplete

**Jensen Garden**  
$9,638.40  

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>17,870.00</td>
</tr>
<tr>
<td>TR Construction</td>
<td>41,466.00</td>
</tr>
<tr>
<td>A-Plush</td>
<td>4,570.00*</td>
</tr>
</tbody>
</table>

Snow Removal Services for Various District Facilities per Snow Event  
(2022-2023 Season)  
* Bid rejected, incomplete

**Jensen Garden**  
$10,075.31  

<table>
<thead>
<tr>
<th>Company</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPS</td>
<td>20,125.00</td>
</tr>
<tr>
<td>TR Construction</td>
<td>42,343.00</td>
</tr>
<tr>
<td>A-Plush</td>
<td>4,760.00*</td>
</tr>
</tbody>
</table>

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

Approved:

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

Mark E. Doyle  
President
Subject: MAIN EXTENSIONS

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

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

The following main extensions will be on the October 1, 2020 Committee Agenda for consideration and the Board Agenda for approval:

G-1
W-1
G-2
G-3
## GAS

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Total Estimated</th>
<th>Cost</th>
<th>Allowable Revenue Credits</th>
<th>Deficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>GP 2523</td>
<td>$87,937</td>
<td>$87,937</td>
<td>$78,080</td>
<td>$181,272</td>
</tr>
<tr>
<td>GP 2543</td>
<td>$159,187</td>
<td>$151,820</td>
<td>$134,802</td>
<td>$116,532</td>
</tr>
<tr>
<td>GP 2568</td>
<td>$61,128</td>
<td>$61,128</td>
<td>$54,276</td>
<td>$76,609</td>
</tr>
</tbody>
</table>

**Subdivision 2, Friend:** These mains are being installed to provide gas service to 168 single-residence lots in Lake Cunningham Village, 96th and Reynolds Sts. Work is requested to be completed by Fall 2020. (City of Omaha zoning, A1 Development)

**Subdivision 1, Begley:** These mains are being installed to provide gas service to 108 single-residence lots in Bluestem Meadows Subdivision, 180th and Blondo Sts. Management is recommending oversizing approximately 1,400 feet of main as a 4-inch main at an estimated District cost of $7,367. The applicant has agreed to pay the deficiency in the amount of $18,270. Work is requested to be completed by Fall 2020. (City of Omaha zoning, Blondo 180 LLC)

**Subdivision 7, Frost:** These mains are being installed to provide gas service to 71 single-residence lots in Falcon Pointe Subdivision, 54th St. and Capehart Rd. Work is requested to be completed by December 2020. (City of Bellevue zoning, Charleston Homes, LLC)

## WATER

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Cost</th>
<th>Applicant Contribution</th>
<th>Construction by Applicant</th>
<th>M.U.D. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 1782</td>
<td>$393,292</td>
<td>$701,431</td>
<td>$393,292</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Subdivision 1, Begley:** These mains are being installed to provide domestic water service and fire protection to 92 single-residence, two multiple-residence and one commercial lot in Flanagan Pointe Subdivision, 180th and Fort Sts. These mains will be installed under the District’s WCD policy. There is a pioneer main fee in the amount of $308,139 due to the existing 30-, 24- and 12-inch water mains in 180th and Fort Sts. Work is requested to be completed by December 31, 2020. (City of Omaha zoning, 85 Seabees, LLC)
## WATER (con’t)

<table>
<thead>
<tr>
<th>Project Number</th>
<th>Project Cost</th>
<th>Applicant Contribution</th>
<th>Construction by Applicant</th>
<th>M.U.D. Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>WP 1778</td>
<td>$461,143</td>
<td>$481,253</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

### 2. Subdivision 7, Frost:

These mains are being installed to provide domestic water service and fire protection to 77 single-residence lots in Liberty Subdivision, Daniell Rd. and Chennault St. There is a pioneer main fee in the amount of $20,110 due to the existing 30-inch water main in Highway 370. Work is requested to be completed by December 2020. (City of Bellevue zoning, Liberty Land, LLC)

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Approved:

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

Dave W. DeBoer  
Senior Vice President, Chief Operations Officer

Mark E. Doyle  
President
Subject: Wage and/or Salary Increases and Ratifications, October 2020 Board Meeting

To: Personnel Committee members Begley, Friend, and Frost  
   cc: Board Members Cavanaugh, Cook, Howard, and McGowan  
       President Doyle, and Senior Vice Presidents Ausdemore, DeBoer, Mendenhall and Schaffart

From: Bonnie Savine, Vice President, Human Resources

The Human Resources Department is recommending the Board of Directors approve the wage or salary increases outlined below. All positions involve District employees earning more than $10,000 per year and therefore require your approval.

1. **Operating and Clerical (OAC) Wage Increases Due To Promotion**

   The Human Resources Department is recommending the Board of Directors approve wage increases for the following Employees within the OAC classification. These wage increases are based on a job selection process, are in compliance with the Collective Bargaining Agreement, and are made following the posting and application process for a job opening in the District. The effective date for these increases will be the beginning of the next OAC pay period following Board approval.

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Ronald Henderson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current position (department):</td>
<td>Machine Operator (Construction)</td>
</tr>
<tr>
<td>New position (department):</td>
<td>Water Plant Maintenance Mechanic (Platte West)</td>
</tr>
<tr>
<td>Current rate; step/grade:</td>
<td>$33.62; Step 3</td>
</tr>
<tr>
<td>Proposed rate; step/grade:</td>
<td>$35.01; Step 4</td>
</tr>
<tr>
<td>Percent of increase:</td>
<td>4.13%</td>
</tr>
<tr>
<td>District hire date:</td>
<td>September 19, 2016</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Jeffery Loschen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current position (department):</td>
<td>Apprentice Mechanic (Transportation)</td>
</tr>
<tr>
<td>New position (department):</td>
<td>Maintenance Mechanic Trainee (Maintenance)</td>
</tr>
<tr>
<td>Current rate; step/grade:</td>
<td>$29.61; Step 4</td>
</tr>
<tr>
<td>Proposed rate; step/grade:</td>
<td>$30.83; Step 4</td>
</tr>
<tr>
<td>Percent of increase:</td>
<td>4.12%</td>
</tr>
<tr>
<td>District hire date:</td>
<td>June 11, 2018</td>
</tr>
</tbody>
</table>
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.

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Deanna Craigmiles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current position</td>
<td>Customer Service Clerk I (Customer Service)</td>
</tr>
<tr>
<td>(department):</td>
<td></td>
</tr>
<tr>
<td>New position</td>
<td>Administrative Clerk II (Safety &amp; Security)</td>
</tr>
<tr>
<td>(department):</td>
<td></td>
</tr>
<tr>
<td>Current rate; step</td>
<td>$25.58; Step 2</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Proposed rate; step</td>
<td>$26.81; Step 4</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Percent of increase</td>
<td>4.81%</td>
</tr>
<tr>
<td>District hire date</td>
<td>March 12, 2018</td>
</tr>
</tbody>
</table>

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.

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Jeffery Carman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current position</td>
<td>Stores Clerk I (Stores)</td>
</tr>
<tr>
<td>(department):</td>
<td>Material Handler (Stores)</td>
</tr>
<tr>
<td>New position</td>
<td></td>
</tr>
<tr>
<td>(department):</td>
<td></td>
</tr>
<tr>
<td>Current rate; step</td>
<td>$31.33; Step 4</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Proposed rate; step</td>
<td>$33.82; Step 3</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Percent of increase</td>
<td>7.95%</td>
</tr>
<tr>
<td>District hire date</td>
<td>July 8, 2013</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Employee:</th>
<th>Joseph Rachwalik</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current position</td>
<td>Pipe Layer Trainee (Construction)</td>
</tr>
<tr>
<td>(department):</td>
<td>Pipe Layer (Construction)</td>
</tr>
<tr>
<td>New position</td>
<td></td>
</tr>
<tr>
<td>(department):</td>
<td></td>
</tr>
<tr>
<td>Current rate; step</td>
<td>$27.90; Step 4</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Proposed rate; step</td>
<td>$29.98; Step 2</td>
</tr>
<tr>
<td>grade:</td>
<td></td>
</tr>
<tr>
<td>Percent of increase</td>
<td>7.46%</td>
</tr>
<tr>
<td>District hire date</td>
<td>July 2, 2018</td>
</tr>
</tbody>
</table>
4. **Supervisory, Professional and Administrative (SPA) Salary Increases Due To Job Promotion**

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

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

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

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

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

Mark A. Mendenhall  
Senior Vice President, General Counsel

Mark E. Doyle  
President

Bonnie Savine  
Vice President, Human Resources
Subject: SETTLEMENT OF CIVIL LITIGATION

To: All Board Members

Cc: Messrs. Doyle, Ausdemore, DeBoer and Schaffart

From: Mark Mendenhall, Senior Vice President/ General Counsel

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

The District’s Law Department, including its outside counsel, have reached a settlement agreement with Stutman Law Office who represents the subrogated insurer that is a party to this settlement. This settlement is pending this Board’s approval. The settlement amount is being withheld pursuant to Neb. Rev. Stat. § 84-713(2).

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

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

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

Approved: Mark Mendenhall
SVP/ General Counsel

Mark Doyle
President
Subject: LNG CAPITAL IMPROVEMENT PLAN RECOMMENDATION

To: ALL Board Members, GMSHD

From: James J. Knight, Vice President, Gas Operations

At the October Board meeting, we will provide a presentation on Management’s recommendation to implement a Capital Improvement Plan at our Liquefied Natural Gas (LNG) plant. The presentation will be for informational purposes and approval will be requested at the December Board Meeting.

Peak Day Capacity
Meeting our Customers’ Peak Day natural gas requirements with reliable service is a mission essential function of the District. The following four sources of gas supply are used to meet this mission:

- Northern Natural Gas Firm Transportation – 198,975 Dth/day
- Liquefied Natural Gas Plant – 60,000 Dth/day
- 117th Propane Air Plant – 45,000 Dth/day
- 63 & Oak Propane Air Plant – 30,000 Dth/day

Total - 333,975 Dth/day

Over the last several years we have seen the daily natural gas peak approach our maximum capacity. The most recent peak day occurred last year at 325,000 Dth.

Background
The LNG facility was originally built in 1975. The liquefaction and vaporization systems are original equipment to the plant. Due to the age of these systems, there is limited availability of replacement parts and knowledgeable vendor technicians. The liquefaction system experienced downtime related to a 6” crack on a weld in the Cold Box in 2014.

The District retained CHI Engineering (CHI) to conduct engineering evaluations of the liquefaction and vaporization systems. CHI was commissioned to analyze the remaining useful life of these systems and to present replacement options. As part of the process a team of eight District employees (Team) were additionally formed to review CHI’s recommendations and to develop and analyze various Peak Day Supply Scenarios over a forty-year life.

CHI recommended the replacement of the liquefaction system with a Closed Loop Nitrogen Liquefaction System at an estimated cost of $45 million. The proposed liquefaction system utilizes a non-flammable refrigerant (Nitrogen) and can liquefy on year-round basis. Our existing liquefaction system uses a flammable refrigerant (Methane/Nitrogen) and is unable to liquefy on year-round basis due to an open cooling tower cooling system.

CHI also recommended the replacement of the LNG vaporization system with a Remote-Heat style vaporization system at an estimated cost of $31 million for 150,000 Dth/day of vaporization capacity. Our existing LNG vaporization system can produce up to 60,000 Dth/day and does not have any redundant vaporization equipment. The proposed vaporization system will have redundant LNG vaporizers and LNG pumps. The LNG Plant will be able to liquefy and vaporize at the same time with the new systems.
The Team agrees with CHI’s recommendations. Both the liquefaction and vaporization systems have been in service for forty-five years and are critical to the District’s Peak Day gas supplies and are reaching the end of their useful life. The Team analyzed fourteen different Peak Day scenarios of Firm Transportation, LNG, and Propane/Air Vaporization Capacity.

Recommendation
The Team recommends and Senior Management concurs with the following recommendation:

1. Replace and Expand LNG Vaporization System
   a. Increase capacity from 60,000 Dth/day to 150,000 Dth/day - $31,000,000
2. Replace Existing Liquefaction System - $45,000,000
3. Decommission 63rd & Oak Propane Air Plant - $2,000,000
4. Keep and Maintain the 117th Propane Air Plant

The LNG Capital Improvement Plan will raise our Peak Day Capacity from 333,975 Dth/day to 393,975 Dth/day at an estimated cost of $78 million. This improvement will meet our increasing peak day requirement and substantially improve the reliability of our LNG Plant for next 40 years. Management plans to finance the $78 million capital expenditure with two bond issuances (4th Quarter 2021, 4th Quarter 2023). The Gas Cost Adjustment (GCA) rate component will be adjusted to meet the annual debt service for the two bonds. The debt service for the average residential customer is $15.60 which will increase the GCA component of the average customer gas bill by $9.00 per year.

Approved:

James J. Knight
Vice President, Gas Operations

Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Joseph J. Schaffart
Senior Vice President, Chief Financial Officer

Mark E. Doyle
President