

METROPOLITAN UTILITIES DISTRICT
Committee Meetings

8:15 a.m.

January 4, 2023

DRAFT AGENDA

1. Safety Briefing
2. Roll Call
3. Open Meetings Act Notice
4. Community Giving Drive Recap

Construction and Operations – Frost, Friend, Cavanaugh

1. Capital Expenditures [Gina Langel - SVP, Chief Operations Officer] – **Tab 6**
2. Acceptance of Contracts and Payment of Final Estimates
[Stephanie Henn – Director, Plant Engineering] – **Tab 7**
3. Amendment No. 1 for Platte West Lime Grit Removal System Upgrades – WP 1910
[Stephanie Henn – Director, Plant Engineering] – **Tab 8**
4. Bids on Materials and Contracts
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 9**

Services & Extensions – Friend, Begley, Howard

1. Main Extensions [Masa Niiya –VP, Engineering] – **Tab 10**

Personnel – Begley, Frost, Friend

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

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

1. Gas Department Bond Reimbursement Resolution
[Joseph Schaffart – SVP, Chief Financial Officer] - **Tab 13**

Committee of the Whole

1. Appointment of Committees – **Tab 14**

Public Comment

(Turn over for regular monthly Board Meeting agenda)

METROPOLITAN UTILITIES DISTRICT
Regular Monthly Board Meeting

9:00 a.m.

January 4, 2023

DRAFT AGENDA

1. Roll Call
 2. Open Meetings Act Notice
 3. Pledge of Allegiance
 4. Approval of Minutes – Committee Meetings, Public Hearing & Regular Board Meeting for December 7, 2022
 5. Election of Chairperson (new Chairperson presides) and Election of Vice-Chairperson
 - CONSTRUCTION & OPERATIONS** 6. Capital Expenditures
 7. Acceptance of Contracts and Payment of Final Estimates
 8. Amendment No. 1 for Platte West Lime Grit Removal System Upgrades – WP 1910
 9. Bids on Materials and Contracts
 - SERVICES & EXTENSIONS** 10. Main Extensions
 - PERSONNEL** 11. Wage and/or Salary Increases and Ratifications
 12. Selection of Vice President, Construction
 - ACCOUNTS, EXPENDITURES, FINANCE & RATES** 13. Gas Department Bond Reimbursement Resolution
 - BOARD** 14. Appointment of Committees
 15. Other Matters of District Business for Discussion
 16. Public Comment
- CLOSED SESSION – Litigation, Personnel and Real Estate

Adjourn Regular Board Meeting

(Turn over for Committee Meetings agenda)

METROPOLITAN UTILITIES DISTRICT
Minutes of Committee Meetings & Public Hearing
December 7, 2022

Vice-Chairperson Tanya Cook 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 meeting was published in the print version of *The Omaha World-Herald* on Sunday, November 27, 2022 and on its online platform for seven consecutive days beginning with the date of the first print publication. Notice was also provided on the MUD website at www.mudomaha.com and other social media platforms. Agendas and all pertinent Board materials to be presented at the December 7, 2022, Board Meeting were emailed to Directors and posted to the MUD website by December 2, 2022.

Vice-Chairperson Cook announced that the meeting was being livestreamed and a recording of the meeting would be uploaded to the MUD website after the meeting's conclusion.

Safety Briefing

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

Roll Call

On a roll call vote, the following Directors acknowledged their attendance: Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Mike McGowan. Director McGowan participated remotely. Director Frost was absent.

Open Meetings Act Notice

Vice-Chairperson Cook announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room.

Construction and Operations – Friend, Frost, Cavanaugh

Vice-President of Water Operations Mike Koenig presented the proposed capital expenditures as outlined in the letter to the Committee dated November 30, 2022 from Senior Vice-President and Chief Operations Officer Gina Langel.

Director of Plant Engineering Stephanie Henn reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in her letter to the Committee dated November 28, 2022.

Ms. Henn reviewed the Change Order No. 3 pertaining to the construction of the new West Dodge Pump Station at Wycliffe Drive as outlined in her letter to the Committee dated November 16, 2022.

Ms. Henn reviewed the water infrastructure contract partnership recommendations as outlined in her letter to the Committee dated November 28, 2022. The four proposed partnerships with local construction companies support the District's efforts in meeting its water infrastructure replacement goals over the next three years (16 miles to be replaced in 2023, and 17 miles to be replaced in 2024 and 2025 each). Ms. Henn reported that the partnerships are mutually advantageous to the District and to the contractors in that the District is reasonably assured a contractor is prepared to perform the work, and the contractor is assured of future work and therefore has an incentive to invest time, money and energy for equipment, personnel, and training as needed, which is particularly important at a time when the availability of labor and materials can be uncertain.

The District's five-year history of developing partnership arrangements as well as pilot projects to test various materials (such as ductile iron, PVC, and HDPE) and processes (such as direct replacement, directional drilling, structural lining, and pipe-bursting) have improved the District's ability to make progress on meeting its infrastructure replacement goals. President Mark Doyle told the Board that these efforts eliminate barriers and improve productivity so that more can be accomplished within budgeted dollar limits. He added that these tools are critically important to the sustainability of the District as a public utility.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in the letter to the Committee dated November 21, 2022 from Director of Procurement Sherri Meisinger. He pointed out for the Board that the first item listed on his letter to the Committee pertaining to installation of water mains in Cedar Hollow will be held over until the January Board Meeting.

Services & Extensions – Friend, Begley, Howard

Vice-President of Engineering Masa Niiya reviewed the proposed main extensions as outlined in his letter to the Committee dated November 23, 2022.

Personnel - Begley, Frost, Friend

Vice-President of Human Resources Bonnie Savine reviewed the wage and/or salary increases and ratifications as outlined in her letter to the Committee dated November 17, 2022.

Judicial & Legislative – Cook, Cavanaugh, Howard

Senior Vice-President and General Counsel Mark Mendenhall reviewed the proposed settlement of civil litigation with Lamson, Dugan and Murray law firm. Mr. Mendenhall noted that details of the proposed settlement were withheld pursuant to Neb. Rev. Stat. §84-713(2) and any specific questions would need to be addressed in the Closed Session.

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

Manager of Rates and Regulatory Affairs Geneva Patterson and Vice-President of Accounting Mark Myers presented an extensive PowerPoint on the 2023 Budget and the proposed gas and water increases. Ms. Patterson presented information on the rates and Mr. Myers presented the expenditures portion of the budget as well as the income statements for the water and gas companies. Some of the highlights are reviewed below.

For water rates in 2023, this year's water rate increase will result in a 4.7% increase to the overall bill for the average residential customer as compared with 2022 budget assumptions. This equates to an average of \$1.55 per month or \$18.57 per year. The recommended increase applies to two components of rates: the commodity component will increase 7.1% and the Water Infrastructure Replacement (WIR) charge that appears on customer billing statements will increase \$.50 per month increase for the average residential customer. These proposed increases will generate approximately \$5.2 million in commodity/operating revenue and \$2.4 million in infrastructure revenue for a total of \$7.6 million. No increase is being proposed to the fixed service charge. The revenue will fund the increased cost of operations due to the current inflationary environment; fund an accelerated rate of water main replacement, condition assessment and leak detection; and fund debt service costs associated with the bond issuance that occurred in October 2022 including the full year of carrying costs in 2023. The proposed effective date for the increase is January 2, 2023.

For the Gas Department, the budget contains a 3.3% increase to the average residential gas customer's annual bill in 2023 as compared with 2022 budget assumptions, which is estimated to be \$2.18 per month or \$26.13 per year. The majority of this projected increase is due to "pass through" components of the bill, including the increased cost to purchase natural gas. Also included is a 2.5% increase to the Margin/Commodity component of rates (adds \$1.01 to the average residential bill) and an increase in the Gas Infrastructure Replacement (GIR) charge of \$.50 per month or \$6 per year for the average residential customer. No rate increase to the gas service charge is being requested. The proposed commodity and GIR increases are projected to generate \$3.2 million in incremental funds in 2023. This increase is driven by an increased cost of operations due to the current inflationary environment, ongoing infrastructure replacement costs as well as debt service costs associated with a planned 4th quarter 2023 bond issuance.

Mr. Myers reported that the combined expenditures for the Water and Gas companies is projected to be nearly \$605 million in 2023. The Water Department is budgeted to spend \$261.0 million with capital expenditures making up almost half of this amount (46%). The Gas Department is budgeted to spend \$343.7 million. This includes the cost of natural gas purchased by the District and passed through to its customers, which comprises 51% of the total expenditure.

A slide of the PowerPoint presentation was a recap of the Water Operations capital expenditures budget totaling \$131.5 million in 2023, which is \$44.4 million higher than the 2022 budget. The most significant increase is related to water main expenditures. A budgeted amount of \$85.0 million will be dedicated to the construction of water mains (up \$32.0 million from 2022). This is largely due to continued growth in commercial and residential development as well as rising construction costs. Developer contributions will partially offset these expenditures. The amount budgeted for developer contributions is \$34.7 million which is \$14.5 million higher than the 2022 budget.

The budget for Buildings, Land & Equipment of \$44.4 million is increasing by \$11.7 million, primarily due to capital improvement plans at the Florence and Platte South water treatment plants. The cost of these projects will be funded with proceeds from the bonds issued in October of 2022. In total, bond proceeds will be used to fund \$31.8 million of the 2023 capital expenditures. Of the total \$131.5 million capital budget, \$34.7 million will be offset by developer contributions as mentioned in the previous paragraph and \$31.8 million will be funded with bond proceeds, leaving \$65.0 million to be paid with cash generated from operations.

The District will continue with its efforts to address the replacement of aging, high consequence water mains through its Water Infrastructure Program. The District's goal for 2023 is to replace 16 miles of water mains (an average cost of \$1.9M per mile) and \$30.9 million is budgeted to meet that goal. The District will continue its efforts to reduce costs through alternate installation methods (such as pipe bursting) and the use of different material types (such as HDPE and PVC).

In addition to water main replacement, the District is expanding its efforts to include other "risk mitigation" strategies such as condition assessment, leak detection, and data analysis of main breaks. The conditional assessment program will be increased to 4 miles of mains in 2023 (an increase of 2 miles from 2022 goals). The intent is to deploy the most cost-effective approaches to system reliability with the focus on reducing the number of main breaks.

A slide was presented of a 5-year projection of mains to be replaced and assessed with the goal of a combined total of 25 miles to be "mitigated" by 2025. Projected spending will exceed \$30 million per year over the next five years. To the extent

processes can become more efficient and thereby reduce the cost per mile, remaining funds will be used to complete additional miles.

Mr. Myers also presented the Water Operations Revenue & Expense Statement for the 2023 budget reflecting total revenue of \$156.0 million and net income of \$16.3 million.

Gas Operations capital expenditures are budgeted for \$101.4 million in 2023, an increase of \$8.6 million from the 2022 budget. A combined total of \$10.0 million is included in the budget for design and construction of the second Construction Center (“CC2”) and renovation of the original Construction Center (“CC1”). The costs associated with the construction and renovation will be funded with a bond issuance in late 2023. The bond issuance is estimated to fund \$66.6 million on these projects through 2026. LNG and Propane Plant upgrades are budgeted at \$30.4 million, most of which will be funded with proceeds from the bonds issued in March of 2022. Bond proceeds are expected to fund about \$63.4 million of the \$101.4 million of capital spending, using either proceeds from the March 2022 issuance or the new bonds planned for late 2023.

The Gas Infrastructure Program is budgeted at \$21.5 million for the replacement of 40 miles of gas mains and related services. The 40-mile-per-year target will continue into 2024 and then begin to decline over the next few years as replacement of these cast iron mains nears completion by 2027. The 40 miles targeted for completion in 2022 of gas main replacements will not likely be reached due in part to supply chain issues that have limited the availability of materials.

A slide presenting the Gas Operations Revenue & Expense Statement for the 2023 budget was also discussed. The Gas Operations budget reflects net revenue, after subtracting the cost of natural gas sold, of \$117.1 million and net income of \$26.3 million.

Mr. Doyle raised an issue related to an item included in Ms. Patterson’s presentation regarding the District’s obligation to remit 2% of gross (water and gas) sales ‘in lieu of tax’ to the cities in which MUD operates. When gas costs increase for MUD, the “in lieu of tax” costs paid to cities in which it operates increase accordingly which becomes an even more significant budget line item with the natural gas price increases that have occurred in recent months. He noted in 2020, using the City of Omaha as an example, the 2% remittance in 2021 was \$4.9 million, and that number climbed to an estimated \$6.3 million in 2022. The original purpose of the 2% remittance was to compensate cities in which the District operates for property taxes it does not receive by virtue of the District’s status as a governmental entity. The District has budgeted \$6.4 million for the 2% remittance in 2023.

Vice-Chairperson Cook welcomed recently elected MUD Board Member Bob Sidzyk who was in attendance in the audience, stating that Directors looked forward to

his joining the Board and working with him. Director Cook also acknowledged and congratulated current Board Member Mike McGowan on his recent re-election to the Board.

Public Comment

Vice-Chairperson Cook asked if any member of the public would like to address the Board. There were none. Vice-Chairperson asked if any Board Member had any comments to share.

Director Begley requested that Mr. Mendenhall be invited to the podium to report on the previous day's Omaha City Council Meeting regarding the discussion of the streetcar initiative. He stated that some statements made at the meeting may not have been entirely accurate and may need clarification and he commended Mr. Mendenhall for representing the District with integrity at the meeting.

Mr. Mendenhall prefaced his comments to the City Council by noting that only two options were available for public speakers at the City Council Meeting, i.e., to appear as a proponent or opponent, and that though he was speaking as an opponent, the District was by no means opposed to the project itself. He stipulated that the District only wished to bring attention to the question regarding the source of funding to cover the costs of the utility relocations. Constructing and operating a streetcar system requires relocation and protection (casing) of gas and water lines. The funding mechanism as it has been presented thus far does not include a commitment from the City that the utility relocation costs would be covered by the City. He stated that question has been posed for the previous four months as to how costs for relocation of the five miles of water main and two miles of gas main will be funded as a result of the construction of a fixed rail streetcar system. Other cities have engaged in similar streetcar projects and some have been carried out successfully (Kansas City) and others have become contentious and the subject of litigation (Milwaukee and Cincinnati).

MUD's engineering staff prepared an 'opinion of probable cost' which reflected that relocation, replacement, and protection (casing) of underground mains will cost a little over \$20 million. This information was provided to the City and at a meeting held a few weeks previously, City representatives were given the opportunity to review and challenge how the District's \$20 million figure was determined.

Mr. Mendenhall recounted discussions in 2017 between MUD's previous president Scott Keep and HDR when the estimated cost for relocations at that time was \$15 million and the Board's expectation and understanding was that developers would pay for it as had always been the case for economic development projects (housing subdivisions, etc.) And at that time in 2017, the information communicated during those discussions was that the bond (funding source) in fact contained a healthy allowance for dense urban utility relocations. Mr. Mendenhall noted that water service is 'developer-driven.' He

pointed out that each main extension installation presented to the Board that morning served as a typical example of that policy in that each was to be financed by the developer.

That understanding changed over the course of the past summer prompting MUD to initiate communication with the City to assess the potential impact the project may have on the District's water and gas rates and seek ways to minimize that impact. MUD proposed applying its risk model which was specifically developed to assess and prioritize mains that may need replacement, utilizing 60 years of main break data. Age alone does not dictate timing of a main replacement. The risk model serves to strategically and responsibly target customers' dollars as an alternative to wholesale replacement. Using the risk model, the District determined that the operation of the streetcar system would increase the consequence of failure and identified an associated cost that it would pay (\$4.2 million) on that basis but affirmed that the streetcar project should be responsible for the remaining cost (of the \$20 million total assessed cost). If the proposal proceeds in its current form as it has been presented in recent months, the District determined that all MUD customers across a four-county area can expect to be assessed an 18 to 19% water rate increase and a 6% gas rate increase to pay for the utility relocations.

Director Begley questioned whether the District's proposed gas and water rate increases that will be voted on by the Board later in the meeting are in any way related to the funding for the streetcar initiative. Mr. Mendenhall stated it was not related.

Director Begley questioned whether any part of the \$20 million estimated cost of the streetcar proposal is included in the District's proposed 2023 Budget that was reviewed earlier in the Board Meeting and would be voted on later during the same meeting. Mr. Mendenhall stated there is no proposed expenditure for the streetcar proposal in the budget being presented to the Board. Some clarification was added by President Doyle and Mr. Schaffart that the District's proposed expenditure share (\$4.2 million) is included as part of the Infrastructure Replacement (IR) budget and would be spread out over the 2023 through 2026 time period.

Mr. Mendenhall stated the MUD Board has always supported economic development, but developers pay for necessary water and natural gas infrastructure related costs associated with development. To this point, it is the City's position that a significant portion of the streetcar related gas and water infrastructure costs would fall on District rate payers which would result in a significant one-time rate increase to fund. This cost increase affects the price customers will pay for life-essential water and gas services. Mr. Mendenhall reported that this project will require a significant reallocation of resources over a short timeframe, which diverts District crews away from other priorities where they are needed. He stated that doing so creates some risk to the overall system when resources are not being dedicated to previously designated priorities.

Director Begley asked whether the streetcar route areas will draw new customers over a thirty-year period as has been touted by the streetcar proponents or whether it will draw residents who are already MUD customers and are simply relocating. Mr. Mendenhall responded that the analyses presented by the Chamber and the developers showed that 30,000 new residents could be expected over a thirty-year period. Mr. Mendenhall countered that supposition stating that the District assumes a generally accepted annual growth of .8% based on its history, but water does not generate a great deal of revenue and is in fact capital-intensive, costing \$1.9 million per mile to replace one mile. The expected incremental water revenue would not even cover the bond carrying costs if this were the mechanism chosen to fund streetcar-related water main relocations and encasements which means a rate increase would be necessary.

Senior Vice-President and Chief Financial Officer Joseph Schaffart addressed a frequently raised topic of incremental revenue and drew a distinction between the expected annual .8% growth and the additional 'net new' customers/dollars that can reasonably be expected and the question remains as to how much 'net-new' can be relied upon to defray the additional expense. He stated that this was not minimizing the importance of the project to the City's urban core development but the proposed project is 'the poster child' example as to why developers pay for water mains – they are very capital-intensive and the revenue is uncertain, which is very much akin to subdivision developments. Developers pay for mains in subdivisions because it is unknown how long it takes for the development to fill up. Mr. Schaffart stated it is a philosophical argument. The District's rates would be dramatically higher if the District fronted water infrastructure costs associated with development. Developers pay for development because they are the ultimate beneficiary.

Director Cavanaugh posed the question as to whether any water mains along the proposed routes have been scheduled for replacement in the next couple years and Mr. Mendenhall responded that they were not. Director Cavanaugh stated that if District resources are redirected to handle mains that may or may not need to be replaced, then the District is ignoring problem areas that are clear and present.

Director Howard questioned what the consequences would be if the timeframe of the project was moved to 2027. She also suggested that following through on the proposed financing arrangement could establish a precedent that other developers could raise in the future in arguing against the currently required upfront payment for water main installations.

Mr. Mendenhall stated that courts have described the District's authority regarding the water distribution system as "plenary," meaning the Board has exclusive control over the water system as well as the authority to determine what resources are allocated to which projects.

Director Begley encouraged both factions to continue discussions and find a reasonable solution during the time leading up to next week's City Council vote on the bond issuance proposal. Director Cavanaugh reiterated that the parties' exchanges regarding the funding are being conducted in a cooperative spirit and will continue that way.

Director McGowan inquired as to what the following week's City Council meeting vote entails. Mr. Mendenhall stated his understanding was that the vote is to approve the \$360 million bond related to the streetcar project.

President Doyle stated that the District is fully engaged in, and supports, economic development throughout the District but simply takes issue with the proposed funding mechanism related to the streetcar project as one that is inconsistent with District policy. Mr. Doyle noted that the MUD Board of Directors approved over \$2 million in developer-funded main installations earlier that morning, a not uncommon occurrence at monthly Board Meetings.

Director Howard reiterated the importance of the Board's obligation to ratepayers in preventing the imposition of burdensome costs.

Vice-Chairperson Cook asked whether any member of the public in attendance would like to address the Board. There were none. Vice-Chairperson Cook asked if any Board Members had any further comments.

At 10:02 a.m., Vice-Chairperson Cook announced that the Committee Meetings had concluded, and the Board would reconvene for the regular monthly Board Meeting in ten minutes.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT
Minutes of the Regular Monthly Board Meeting
December 7, 2022

Vice-Chairperson Tanya Cook called to order the regular Board meeting of the Metropolitan Utilities District Board of Directors at 10:12 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, November 27, 2022 and on its online platform for seven consecutive days beginning with the date of the first publication. Notice was also provided on the MUD website at www.mudomaha.com and other social media platforms. Agendas and all pertinent Board materials to be presented at the December 7, 2022, Board Meeting were emailed to Directors and were posted to the MUD website by December 2, 2022.

Vice-Chairperson Cook announced that the meeting was being livestreamed and a recording of the meeting would be uploaded to the MUD website after the meeting's conclusion.

AGENDA NO. 1

ROLL CALL

On a roll call vote, the following Directors acknowledged their attendance: Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Mike McGowan. Director McGowan participated remotely. Director Frost was absent.

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

Vice-Chairperson Cook announced that a copy of the Open Meetings Act was located on the wall in the back of the Board Room.

Director Gwen Howard rejoined the meeting.

AGENDA NO. 3

PLEDGE OF ALLEGIANCE

Vice-Chairperson Cook 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 NOVEMBER 2, 2022

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for November 2, 2022, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 5

CAPITAL EXPENDITURES

Director Friend moved to approve the proposed capital expenditures as presented in the Committee Meetings by Vice-President of Water Operations Mike Koenig and as outlined in the letter to the Committee from Senior Vice-President and Chief Operations Officer Gina Langel dated November 30, 2022. The motion was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 6

ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the proposed acceptance of contracts & payment of final estimates as presented in the Committee Meetings by Director of Plant Engineering Stephanie Henn and as outlined in her letter to the Committee dated November 28, 2022. The motion was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 7

CHANGE ORDER NO. 3 FOR WEST DODGE PUMP STATION

Director Friend moved to approve the proposed change order No. 3 for the West Dodge Pump Station as presented in the Committee Meetings by Director of Plant Engineering Stephanie Henn and as outlined in her letter to the Committee dated November 16, 2022. The motion was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 8

WATER INFRASTRUCTURE REPLACEMENT - CONTRACTS

Director Friend moved to approve the proposed water infrastructure replacement contracts as presented in the Committee Meetings by Director of Plant Engineering Stephanie Henn and as outlined in her letter to the Committee dated November 28, 2022. The motion was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 9

BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve the bids on materials and contracts as presented by Vice-President of Procurement and Enterprise Services Jon Zellars and as outlined in the letter to the Committee dated November 21, 2022 from Director of Purchasing Sherri Meisinger with the exception of the first item listed on page one of the letter. The item in question involves installation of water mains in Cedar Hollow and will be held over until the January 2023 Board Meeting. The motion was seconded by Director Howard and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 10

MAIN EXTENSIONS

Director Friend moved to approve the proposed main extensions as presented by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated November 23, 2022, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 11

WAGE AND/OR SALARY INCREASES AND RATIFICATIONS

Director Begley moved to approve the wage and/or salary increases and ratifications as presented by Ms. Savine in the Committee Meeting and as outlined in her letter dated November 17, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 12
SETTLEMENT OF CLAIM

Director Cavanaugh moved to approve the proposed settlement agreement with the law firm of Lamson, Dugan and Murray concerning ongoing litigation as presented in the Committee Meetings by Mr. Mendenhall and as outlined in his letter to the Committee dated November 30, 2022. The motion was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 13
2023 GAS AND WATER BUDGET (RESOLUTION)

Director McGowan moved to approve the 2023 Gas and Water Budget and Resolution as presented in the Committee Meetings by Vice-President of Accounting Mark Myers and Manager of Rates and Regulatory Affairs Geneva Patterson and as reviewed in the PowerPoint presentation. The motion was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 14
PROPOSED WATER RATE (RESOLUTION)

Director McGowan moved to approve the proposed water rate and Resolution as presented in the Committee Meetings by Mr. Myers and Ms. Patterson, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 15
PROPOSED GAS RATE (RESOLUTION)

Director McGowan moved to approve the proposed gas rate and Resolution as presented in the Committee Meetings by Mr. Myers and Ms. Patterson, which was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 16

OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Vice-Chairperson Cook asked whether any Directors had any matters of District business for discussion. Director Friend suggested changing the order of agenda items in the future so that any proposed rate increase is presented prior to the agenda item seeking approval of the annual budget.

AGENDA NO. 17

PUBLIC COMMENT

Vice-Chairperson Cook asked whether there were any members of the public who would like to address the Board. There were none.

Mr. Doyle noted that Chairperson Jack Frost was honored at the November Board Meeting for a 36-year tenure on the Board that was coming to a close. Though he was unable to attend the December meeting, Mr. Doyle presented a proclamation from the Governor honoring Director Frost's induction as an Admiral in the Nebraska Navy.

AGENDA NO. 18

CLOSED SESSION – TERMINATION HEARING, LITIGATION, PERSONNEL & REAL ESTATE

At 10:27 a.m., Director Friend moved to go into Closed Session for the purpose of discussing a termination hearing, litigation, personnel and real estate, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

At 12:42 p.m., Director Begley moved to return to Open Session which was seconded by Director Friend and carried on a roll call vote.

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

Voting No: None

Vice-Chairperson Cook announced that the Board would take up the proposed termination of employee Crystal Badger. Director Begley moved to support and approve Management's recommendation to uphold the proposed termination. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

Vice-Chairperson Cook asked if any Directors or members of the public had any comments to share. There were none.

Director Friend moved to adjourn the meeting which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

The regular monthly Board meeting was adjourned at 12:44 p.m.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

December 29, 2022

Subject: CAPITAL EXPENDITURES

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

From: Gina Langel, Senior Vice President, Chief Operations Officer

The following items will be on the January 4, 2023, Committee Agenda for consideration and the Board Agenda for approval:

ANNUAL AUTHORIZATIONS

1. 100072000889 - \$600,000 – Crossbore inspection and repairs at various locations around the District’s gas distribution system. A crossbore occurs when a gas or water pipe is installed using a trenchless installation method and the pipe inadvertently penetrates or damages a sanitary sewer lateral. A sanitary sewer lateral is the pipe that connects a home or building to the sanitary sewer main line which is typically located under the street. This type of crossbore occurs because sewer laterals are not located when calling Nebraska 811 since they are owned by each individual homeowner rather than by a specific entity. A crossbore poses a danger because a person could sever the gas pipe when using mechanical cleaning equipment to clean the sewer lateral and thus cause a harmful release of natural gas into a home. These inspections contract professional plumbing companies inserting small cameras into sewer laterals and televising each lateral between a house’s foundation and the sanitary sewer main. During the inspection, the contractors will be looking for crossbores and/or damage that may have occurred due to the District’s construction work in the area. The money allocated to this capital expenditure will cover all work associated with inspecting, investigating and repairs to crossbores not necessarily associated with an active project for the period between March 1, 2023 and February 29, 2024.

2. 100082000000 and associated job numbers - \$13,335,000 – 2023 annual authorization for gas service installations. This request is for all commercial and residential gas services installations for 2023, including new installations, replacements and reconnections. Approximately \$2,885,000 is for new installations and \$1,800,000 is for the replacement of leaking gas services. In conjunction with infrastructure replacement, \$8,550,000 is to replace gas services and \$100,000 is to reconnect gas services. The estimated quantity of services is 5,271. It is estimated 53% of gas service work will be completed by District crews and 47% by a contractor.

3. 100080000000 and associated job numbers - \$2,095,000 – 2023 annual authorization for gas meters and regulators. This request is for material, meters and labor associated with all customer gas meters and regulators in 2023. This expenditure includes the purchase and installation costs of all gas meters and regulators for new customers and customers impacted by our infrastructure replacement program. The purchase of all replacement meters as part of our meter change-out program is also included in this request.

4. 100097000000 and associated job numbers - \$6,820,447 – 2023 annual authorization for reconnection and replacement of water services. This request is for the reconnection and replacement of water services required in conjunction with water main relocation and infrastructure replacement projects. The request includes relocating or reconnecting approximately 1,381 services. It includes both lead and non-lead services. The lead service replacement funds will include approximately \$300,000 generated from the HomeServe Fund.

5. 10008700XXXX and 10008800XXXX - \$18,504,550 – 2023 annual authorization for construction machines, equipment, vehicles and upfitting. Replacement and addition of construction machines, equipment, and vehicles including upfitting. Replacements and additions will be authorized by management before work commences. The request includes vehicles and equipment ordered in 2021 and 2022 that will be received in 2023. The Board will approve proposed bid recommendations per purchasing procedure on individual replacements and additions.

INFRASTRUCTURE REPLACEMENT - ANNUAL AUTHORIZATIONS

1. 10009200XXXX and 10004200XXXX - \$12,852,000 – 2023 annual authorization for gas infrastructure replacement. These mains will be replaced as part of the District's Gas Infrastructure Replacement (GIR) Program. This request is for an annual blanket authorization for various projects throughout the District's gas distribution system to abandon approximately 40 miles of predominately cast iron (CI) gas mains with 34 miles of high-pressure polyethylene plastic mains. Work will be completed by District crews and a contractor. District crews will abandon approximately 15 miles of mains while Q3 Contracting, Inc. will abandon approximately 25 miles. Some of these CI abandonments will be stand-alone GIR projects. Others will be part of relocation projects (such as City projects or private redevelopments). Typical project scopes can range from several hundred feet to multiple miles, depending on circumstances.

With approval of this annual authorization, the Board will be provided with regular periodic updates on the individual projects processed.

2. 10009300XXXX and 10004100XXXX - \$24,195,000 – 2023 annual authorization for water infrastructure replacement. These mains will be replaced as part of the District's Water Infrastructure Replacement (WIR) Program. This request is for an annual blanket authorization for various projects throughout the District's water distribution system to abandon 16 miles of primarily cast iron (CI) water mains and install or rehabilitate approximately 15.5 miles of water mains. Of the work slated for 2023, approximately seven miles are planned for construction by District crews with the remainder being completed by outside contractors. The scope of individual projects may range from several hundred feet to a mile or more. Individual projects will be authorized by Management before work commences.

The District plans to use the condition assessment program for higher consequence distribution size mains. These projects will provide data to make more precise replacement or rehabilitation decisions on sections of mains. Four miles of projects are planned for assessment in 2023 and it's anticipated a portion will be require replacement using these funds.

With approval of this annual authorization, the Board will be provided with regular periodic updates on the individual projects processed.

BUILDINGS, PLANTS AND EQUIPMENT

1. **100084001318 and 100084001319 - \$130,800 – Replace fire panel and system components at the Operations Center and Construction Center 1.** The fire panel systems at the Operations Center and Construction Center 1 (CC1) are 15 years old and need to be replaced due to age and lack of readily available replacement parts. Replacement will include the fire panels, fire alarm pull stations and system components. For CC1, the new fire panel will remain in place during planned future renovation work and the pull stations can be reused and relocated if needed to accommodate changes to the building.



Gina Langel
Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

December 23, 2022

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES**To:** Committee on Construction and Operations

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

From: Stephanie L. Henn, Director, Plant Engineering

The following items will be on the January 4, 2023, Committee Meeting for consideration and the Board Meeting Agenda for approval. Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
a. M.E. Collins, WP1731, 100093001291, 100095001221, 100097000000, 100097000001, 100041000080, Cast Iron Water Main Replacement; S. 42 nd St. to S. 48 th St. from Pine St. to Shirley St.	04/03/2021	\$3,375,292.75	\$3,088,578.77

Comments: There was an overall net decrease for this project of \$286,713.98, due to much more of the project was able to be bored and/or installed in the “green space”, rather than under paving, as originally planned. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
b. Kersten Construction, WP1797, 100055001354, 100057000496, Install Water Mains in Giles Pointe, Lots 1 – 104; 180 th St. and Giles Rd.	5/5/2021	\$898,697.50	\$958,811.75

Comments: There was an overall net increase for this project of \$60,114.25. This overall increase includes Change Order No. 1 for \$34,500 for hand digging around additional utilities that were designed and installed after the project was bid, and needing to bore more of the pipe than originally planned. This is a 6.7% increase to the overall contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
c. Cedar Construction, WP1611, 100055000459, 100055001264, Install Water Mains in Enclave Flats Replat 1: Northwest of North 186 th St. & Fort St.	7/7/2021	\$696,961.50	\$715,614.02

Comments: There was an overall net increase for this project of \$18,652.52, which includes Change Order No. 1 for \$22,326.02, primarily due to price increases in materials because of the supply chain. This is a 2.7% increase to the contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
d. Cedar Construction, WP1814, 100055001362, 100055001374, Install Water Mains in North Streams; Northeast of South 204 th St. and "Q" St.	7/7/2021	\$1,197,418.00	\$1,219,698.84

Comments: There was an overall net increase for this project of \$22,280.84, which includes Change Order No. 1 for \$34,861.94, primarily due to an increase in materials costs because of supply chain issues. This is a 1.9% increase to the contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
e. Hawkins Construction, WP1822, 100093001327, 100095001221, 100097000000, 100097000001, 100041000116, Cast Iron Water Main Replacement; Redick Ave. to Summit St., 33 rd Ave. to 30 th St.	2/2/2022	\$2,340,325.63	\$2,305,563.43

Comments: There was an overall net decrease for this project of \$34,762.20, which includes Change Order No. 1 for \$10,876.19, primarily due to additional traffic flagging for safety and some additional fuel surcharges charged by the materials suppliers due to supply chain issues. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
f. Kersten Construction, WP1828, 100055001369, Install Water Mains in Hanover Falls Center Phase 1; Northwest of North 156 th St. and State St.	8/4/2021	\$153,943.00	\$149,222.00

Comments: There was an overall net decrease for this project of \$4,721.00, primarily due to needing less bends and sample taps. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
g. Cedar Construction, WP1843, 100055001375, Install Water Mains at Hwy 370 Industrial Park; South 150 th and Shepard St. Lot 1	10/6/2021	\$207,908.00	\$211,165.23

Comments: There was an overall net increase for this project of \$3,257.23, which includes Change Order No. 1 for \$13,026.23, primarily due to material increases due to supply chain issues and some additional boring. This is a 1.6% increase to the contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

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

DocuSigned by:

Stephanie L. Henn

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Stephanie L. Henn
Director, Plant Engineering

Approved:

DocuSigned by:

Masa Niya

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Masa Niya
Vice President
Engineering

DocuSigned by:

Gina Langel

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Gina Langel
Senior Vice President
Chief Operations Officer

DocuSigned by:

Mark Doyle

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

12/14/2022

Subject: AMENDMENT NO. 1 – PLATTE WEST LIME GRIT REMOVAL SYSTEM UPGRADES; HDR ENGINEERING, INC.; WP1910 (100083001153)

To: Committee on Construction & Operations
Cc: All Board Members, Doyle, Langel, Schaffart, Mendenhall, Ausdemore, Lobsiger, and All Vice Presidents

From: Stephanie Henn, Director, Plant Engineering

On February 7, 2022, the District entered into an agreement with HDR Engineering, Inc. for professional engineering services to design improvements to the lime grit removal system at the Platte West Water Production Facility. The original not to exceed amount of the agreement was \$156,800.00.

This letter is to request an amendment to the existing contract. Additional engineering services are requested to account for essential items added to the project scope that were not part of the original estimate provided in December 2021. These changes include enhancements to the lime piping loops, and associated pumping equipment, to provide immediate and future redundancies. For context, the original fee estimate was based on 30 drawing sheets, and the project now consists of about 40 drawing sheets.

Amendment No. 1 is being requested for a total amount of \$41,800.00 will increase the not-to-exceed contract amount to \$198,600.00.

It is recommended that the President be authorized to execute Amendment No. 1 to the professional engineering agreement with HDR Engineering, Inc. This matter will be on the agenda of the January 4, 2023, Committee and Board meeting for discussion and approval.

DocuSigned by:
Stephanie L. Henn
100083001153
Stephanie Henn
Director, Plant Engineering

APPROVED:

DocuSigned by:
Masa Miya
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Masa Miya
Vice President
Engineering

DocuSigned by:
Gina Langel
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Gina Langel
Sr. Vice President,
Chief Operations Officer

DocuSigned by:
Mark Mendenhall
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Mark Mendenhall
Sr. Vice President,
General Counsel

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Mark Doyle
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Mark Doyle
President

QA/QC
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12/20/2022

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

December 23, 2022

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

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

From: Sherri A Meisinger, Director, Procurement

The following items will be on the January 4, 2023 Committee Agenda for consideration and the January 4, 2023 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 Cedar Hollow South, N.W. of 168 th Street and Giles Rd. 100055001424 WP 1964 Engineering Estimate: \$329,527.00 (C&A for 100055001424 approved December 7, 2022 in the amount of \$330,129.00.)	18/2	Kersten Construction <i>Cedar Construction</i>	\$263,298.00 306,351.00
Install Water Mains in Gemini Lot 2, 168 th Street and Schram Rd. to Capehart Rd., Capehart Rd. 168 th to E. of 156 th Street, S. 144 th Street; Fairview Rd. to N., Fairview Rd. 144 th Street to W. 100057000497 100057000498 100057000499 100057000500 WP 1842 Engineering Estimate: \$10,116,750.00 (A C&A in the amount of \$10,477,317.00 will be presented to the Board on January 4, 2023 for approval.)	18/4	Judds Brothers <i>Cedar Construction</i> <i>S.J. Louis Construction</i> <i>Kersten Construction</i>	\$7,875,000.00 9,937,338.50 10,606,000.00 11,599,561.68

OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
One (1) Extended Cab and Chassis for Utility Crane Truck (CNG) 100088000817 (An Annual Transportation C&A in the amount of \$18,504,550.00 will be presented to the Board on January 4, 2023 for approval.)	5/1	Truck Center	\$155,775.00
Four (4) Crew Cab and Chassis for Utility Crew Truck (CNG) 100088000815 (An Annual Transportation C&A in the amount of \$18,504,550.00 will be presented to the Board on January 4, 2023 for approval.)	5/1	Truck Center	\$635,100.00
Four (4) 24" MJ RH Vertical Resilient Seated Gate Valves 2 nd Low Bid Recommended	7/3	Core & Main Omaha WinWater <i>Clow</i>	\$111,827.96* 111,116.68 115,200.00
Two (2) 36" MJ RH Vertical Resilient Seated Gate Valves	7/3	Core & Main Omaha WinWater <i>Clow</i>	\$113,010.00 129,458.34 134,200.00
Replace Fire Panels and System Components at the Operating Center and Construction Center 1 100084001318 100084001319 (A C&A in the amount of \$130,800.00 will be presented to the Board on January 4, 2023 for approval.)	3/1	Assoc. Fire Protection	\$82,626.75

ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Polyethylene Pipe (January 1, 2023 to December 31, 2023)	4/3	Performance Pipe <i>PolyPipe</i> <i>Groebner</i>	\$654,625.00 762,703.10 861,979.40
Ready Mixed Concrete (January 1, 2023 to December 31, 2023)	5/1	Lyman-Richey Corp.	\$234,000.00

Residential Meter Set Kits (7" W.C.) (1500 Units) (January 1, 2023 to December 31, 2023)	8/4	Reliable Mfg. Ay McDonald Steel Blue Fab. Georg Fischer	\$199,500.00 220,545.00 232,725.00 237,780.00
Residential Meter Set Kits Sets (2PSIG) (1800 Units) (January 1, 2023 to December 31, 2023)	8/4	Reliable Mfg. Ay McDonald Georg Fischer Steel Blue Fab.	\$239,400.00 264,654.00 271,692.00 279,270.00
Ductile Iron Retainer Glands, MJ Accessory Packs and Gland Packs (January 1, 2023 to December 31, 2023)	5/1	Core & Main	\$279,697.35
Professional Engineering Services for Soil and Concrete Testing and SWPP Inspection Services Extension #3 (March 9, 2023 to March 8, 2024)	1/1	Olsson, Inc.	\$214,921.70



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

Approved:



Jon Zellars
Vice President, Procurement and Enterprise Services



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



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

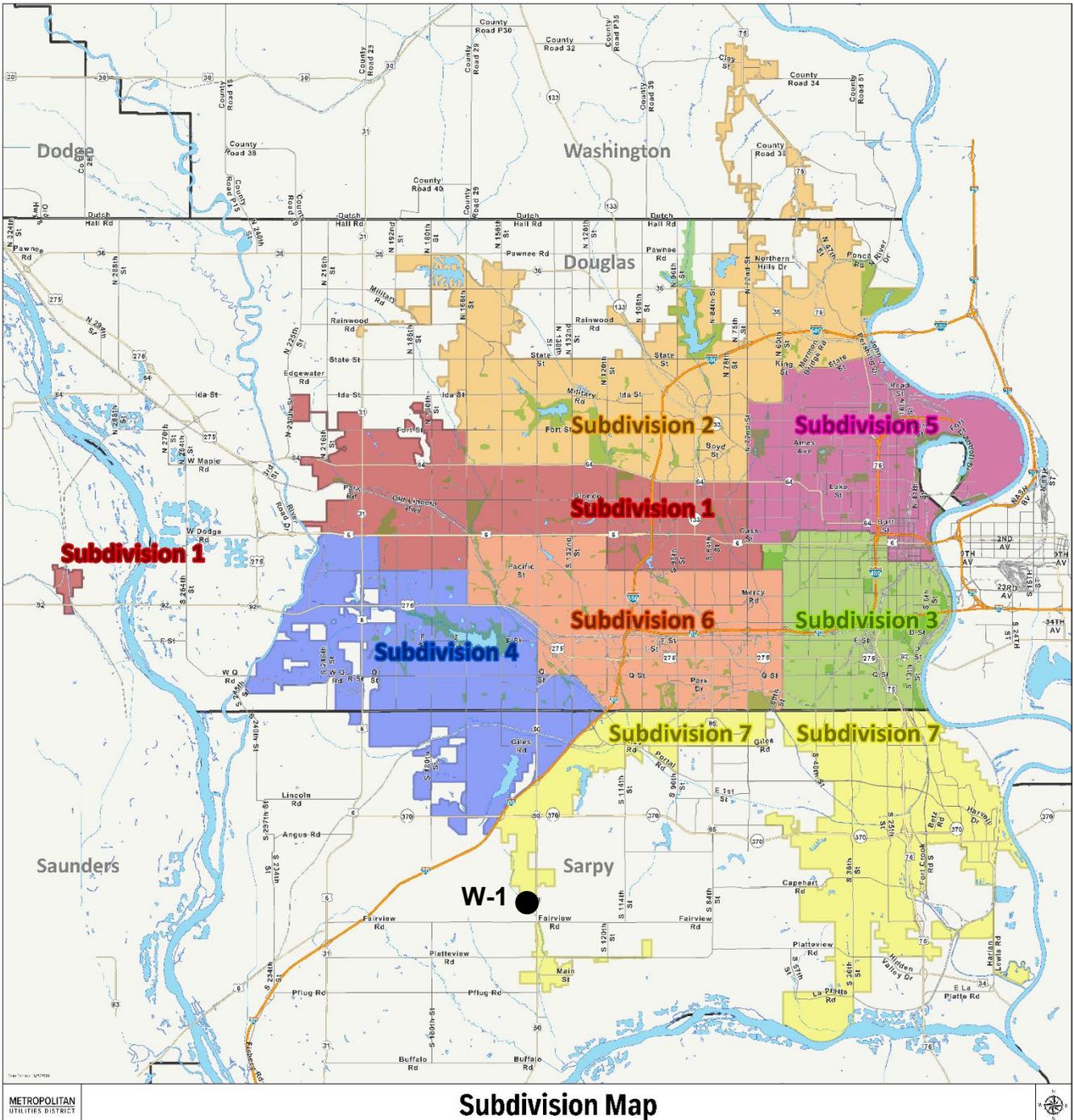
December 29, 2022

Subject: MAIN EXTENSIONS

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

From: Masa Niiya, Vice President, Engineering

The following main extensions will be on the January 4, 2023, Committee Agenda for consideration and the Board Agenda for approval:



WATER MAINS:

- 1. GEMINI DEVELOPMENT, Subdivision 7, Sidzyik:** This work is being done to provide water service and fire protection to one industrial lot for Gemini Development near Highway 50 and Fairview Road. The design cost for this project was previously approved on September 1, 2021 in the amount of \$339,598. This request is for the full authorization to install the mains including both design and construction. Work is requested to be completed by April 2024. Pioneer main fees are due to the existing 24-inch water mains in Highway 50 and the 36-inch water mains in 168th Street in the amount of \$343,083. (City of Papillion and Springfield zoning jurisdictions, Raven Northbrook LLC)

Subdivision: Gemini Development
Project Number: WP 1842
Project Cost: \$10,477,317
Applicant Contribution: \$10,820,400
Construction by Applicant: \$0.00
M.U.D. Cost: \$1,865,184



Masa Niiya
Vice President, Engineering

Approved:



Gina Langel
Sr. Vice President, Chief Operations Officer



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

December 21, 2022

Subject: Wage and/or Salary Increases and Ratifications, January 2023 Board Meeting

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

From: Bonnie Savine, Vice President, Human Resources

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

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

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

Employee: Linda Davis
Current position (department): Customer Service Technician (Field Services)
New position (department): Senior Customer Service Technician (Field Services)
Current rate; step/grade: \$41.76; Step 4
Proposed rate; step/grade: \$45.10; Step 4
Percent of increase: 8.00%
District hire date: November 4, 2002

Employee: Ryan Freeburg
Current position (department): Pipe Layer (Construction)
New position (department): Machine Operator I (Construction)
Current rate; step/grade: \$31.35; Step 2
Proposed rate; step/grade: \$33.31; Step 2
Percent of increase: 6.25%
District hire date: March 30, 2020

Employee: Joe Hubenka
Current position (department): Maintenance Mechanic I (Central Maintenance)
New position (department): Maintenance Mechanic II (Central Maintenance)
Current rate; step/grade: \$39.25; Step 4
Proposed rate; step/grade: \$41.21; Step 3
Percent of increase: 5.00%
District hire date: March 14, 2011

Employee: **David Johnson**
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer Welder (Construction)
Current rate; step/grade: \$27.71; Step 3
Proposed rate; step/grade: \$29.61; EN
Percent of increase: 6.86%
District hire date: May 17, 2021

Employee: **Joshua Jones**
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Machine Operator I (Construction)
Current rate; step/grade: \$27.71; Step 3
Proposed rate; step/grade: \$29.61; EN
Percent of increase: 6.86%
District hire date: May 10, 2021

Employee: **Nathan Laushman**
Current position (department): Pipe Layer (Construction)
New position (department): Pipe Layer Welder (Construction)
Current rate; step/grade: \$33.09; Step 3
Proposed rate; step/grade: \$35.16; Step 3
Percent of increase: 6.26%
District hire date: October 14, 2019

Employee: **Colton Meador**
Current position (department): Pipe Layer (Construction)
New position (department): Machine Operator I (Construction)
Current rate; step/grade: \$33.09; Step 3
Proposed rate; step/grade: \$35.16; Step 3
Percent of increase: 6.26%
District hire date: July 31, 2017

Employee: **Shane O'Connell**
Current position (department): Pipe Layer (Construction)
New position (department): Machine Operator I (Construction)
Current rate; step/grade: \$31.35; Step 2
Proposed rate; step/grade: \$33.31; Step 2
Percent of increase: 6.25%
District hire date: March 30, 2020

Employee: **Jacob Poteet**
Current position (department): Pipe Layer (Construction)
New position (department): Pipe Layer Welder (Construction)
Current rate; step/grade: \$33.09; Step 3
Proposed rate; step/grade: \$35.16; Step 3
Percent of increase: 6.26%
District hire date: September 9, 2019

Employee: **Bradley Quedensley**
Current position (department): Stores Clerk IV (Stores)
New position (department): Crew Leader - Stores (Stores)
Current rate; step/grade: \$38.52; Step 4
Proposed rate; step/grade: \$40.94; Step 4
Percent of increase: 6.28%
District hire date: July 16, 2005

Employee: **Austin Swartzendruber**
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer Welder (Construction)
Current rate; step/grade: \$27.71; Step 3
Proposed rate; step/grade: \$29.61; EN
Percent of increase: 6.86%
District hire date: May 10, 2021

Employee: **Tyler Vaca-Keller**
Current position (department): Machine Operator I (Construction)
New position (department): Pipe Layer Welder (Construction)
Current rate; step/grade: \$35.16; Step 3
Proposed rate; step/grade: \$37.01; Step 4
Percent of increase: 5.26%
District hire date: August 13, 2018

Employee: **Garrith Whaley**
Current position (department): Pipe Layer (Construction)
New position (department): Machine Operator I (Construction)
Current rate; step/grade: \$31.35; Step 2
Proposed rate; step/grade: \$33.31; Step 2
Percent of increase: 6.25%
District hire date: March 30, 2020

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

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

There are no recommendations for approval this month

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

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

There are no recommendations for approval this month

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

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

Employee:	Patti Duckworth
Current position (department):	Human Resources Specialist (Human Resources)
New position (department):	Human Resources Specialist – Compliance (Human Resources) Job Re-evaluation
Current rate; step/grade:	\$80,519; SPA – 01
Proposed rate; step/grade:	\$84,545; SPA – 02
Percent of increase:	5.00%
District hire date:	December 12, 2005

Employee:	Tim Mixan
Current position (department):	Field Engineer II (Construction)
New position (department):	Senior Engineering Technician – Operations (Plant Engineering)
Current rate; step/grade:	\$87,032; SPA – 02
Proposed rate; step/grade:	\$91,384; SPA – 03
Percent of increase:	5.00%
District hire date:	November 27, 2000

Employee: **Geneva Patterson**
Current position (department): Manager, Rates and Regulatory Affairs (Marketing & Rates Admin)
New position (department): Director, Rates & Regulatory Affairs (Marketing & Rates Admin) Job Re-evaluation
Current rate; step/grade: \$130,253; SPA – 07
Proposed rate; step/grade: \$136,766; SPA – 08D
Percent of increase: 5.00%
District hire date: November 14, 2005

Employee: **Dave Stroebele**
Current position (department): Supervisor, Field Engineering (Construction)
New position (department): Manager, Construction Planning (Construction)
Current rate; step/grade: \$110,860; SPA – 05
Proposed rate; step/grade: \$116,403; SPA – 07
Percent of increase: 5.00%
District hire date: October 21, 1997

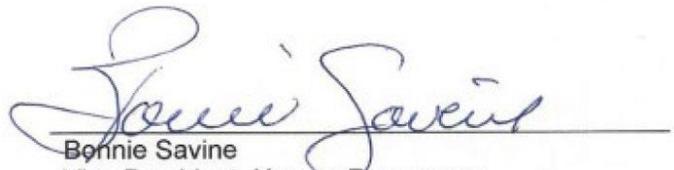
Employee: **Michael Quinn**
Current position (department): Engineer II (Engineering Design)
New position (department): Design Engineer (Engineering Design)
Current rate; step/grade: \$91,384; SPA – 04
Proposed rate; step/grade: \$95,953; SPA – 05
Percent of increase: 5.00%
District hire date: April `5, 2019

Employee: **Julie Thacker**
Current position (department): Manager, Customer Engagement (Marketing and Corporate Communications)
New position (department): Director, Business Development (Business Development)
Current rate; step/grade: \$130,253; SPA – 05TX
Proposed rate; step/grade: \$136,766; SPA – 07D
Percent of increase: 5.00%
District hire date: November 3, 1986

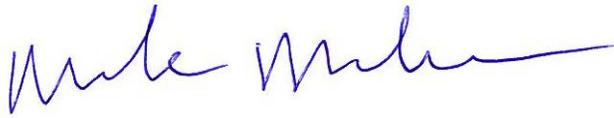
5. Supervisory, Professional and Administrative (SPA) New Hire Ratification

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

Employee: **Naresh Kumar Todukuri**
Current position (department): ERP Technical/Functional Analyst II (Information Technology)
Current rate; step/grade: \$110,000; SPA – 05
District hire date: December 12, 2022



Bonnie Savine
Vice President, Human Resources



Mark A. Mendenhall
Senior Vice President, General Counsel



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

December 22, 2022

Subject: Promotion of Vice President, Construction

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

From: Bonnie Savine, Vice President, Human Resources

The District is recommending the Board of Directors approve the promotional salary increase of Jeffery Schovanec from Director, Engineering Design to Vice President, Construction.

Mr. Schovanec received his Bachelor of Civil Engineering Degree from University of Nebraska. He is also a registered Professional Civil Engineer.

Mr. Schovanec was hired by the District on August 19, 1996, as an Engineer I and has held a variety of other positions in the Engineering Department. His leadership roles include Senior Design Engineer over the Relocations section followed by the Infrastructure Replacement section within the division. He was promoted to Director, Engineering Design in 2013.

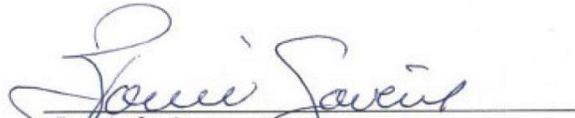
Based on his education and work experience prior to and while employed by the District, Mr. Schovanec was selected for the position of Vice President, Construction. Mr. Schovanec's promotion will be from Grade SPA – 09 to a Grade SPA -11 on the Supervisory, Professional and Administrative Scale.

Mr. Schovanec will immediately begin working with Cory O'Brien, Vice President, Construction, to develop a transition plan ahead of Mr. O'Brien's retirement. Mr. O'Brien's last workday is Friday, March 3, 2023. Mr. Schovanec will begin the role of Vice President, Construction on Saturday, March 4, 2023. During this transition period, Mr. Schovanec will also continue in his current role as the Director, Engineering Design while recruitment efforts begin to backfill his position. Management recommends that Mr. Schovanec's promotional salary increase effective date be Saturday, March 4, 2023 commensurate with assuming the responsibilities of the Vice President, Construction job. Due to the March 1, 2023 SPA compensation process, the exact salary will be calculated at the time of promotion in the event a General Increase and Progression Increase are awarded on March 1, 2023. In view of the additional responsibilities of this position as the Vice President, Construction; it is recommended the President be

authorized to increase the salary of Mr. Schovanec by 5% of Mr. Schovanec's annual salary as of March 4, 2023 per the District's SPA Salary Administration Policy.



Mark A. Mendenhall
Senior Vice President, General Counsel



Bonnie Savine
Vice President, Human Resources



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Departmental Communication

December 27, 2022

Subject: GAS DEPARTMENT BOND REIMBURSEMENT RESOLUTION

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

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

The District's 2023 Budget, as approved by the Board on December 7, 2022, included bond financing to yield proceeds of \$65.9 million for the Gas Department, with an assumed issuance date of October 31, 2023. The bond issuance is intended to fund design services, construction management services and construction costs for a new construction center and the remodel of the existing construction center.

Management is requesting that the Board adopt the attached resolution that identifies a bond issuance of up to \$72,500,000. The amount specified in the resolution provides an approximate ten percent "margin of safety" as compared with the amount described above, in the event estimated costs for the qualified projects change between now and the time the bonds are issued. The resolution will enable the District to use proceeds from the anticipated bond issuance to fund qualified expenditures occurring up to 60 days prior to the date of the attached resolution, as well as prospective qualified expenditures through the date of the bond issuance and beyond.

A Resolution has been prepared and this matter will be placed on the Committee agenda of the January 4, 2023 Board meeting.



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

Approved:



Mark E. Doyle
President

Attachment

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
METROPOLITAN UTILITIES DISTRICT OF OMAHA

WHEREAS, the District is in the process of constructing and remodeling certain improvements to the District's natural gas system, to include the design and construction of a new construction center, renovation of the existing construction center and related improvements (collectively, the "**Project**"), and the District has expended or will expend funds towards the Project; and

WHEREAS, the Board of Directors hereby finds and determines that it will likely be necessary and appropriate for the District to issue tax-exempt bond anticipation notes or bonds in order to finance the Project and it is in the best interest of the District to capture the opportunity to use the proceeds of such an issuance to reimburse the District for expenditures that have been incurred.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that it finds and determines that it is necessary and appropriate to declare an official intent to issue tax-exempt bond anticipation notes or bonds by the District and, in addition, the District's reasonable expectations to reimburse certain expenditures incurred with the proceeds of such bond anticipation notes or bonds as proposed to be issued by the District in connection with the Project; and

BE IT FURTHER RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that this resolution shall constitute the official intent of the District under Regulations Section 1.150-2 of the Internal Revenue Code of 1986, as amended for the purposes noted above and to be applicable to the principal amount of tax-exempt bond anticipation notes or bonds to be issued by the District for the Project, which is currently estimated to be a maximum of Seventy-two Million Five Hundred Thousand Dollars (\$72,500,000).

Adopted: January 4, 2023

2023 COMMITTEES

Committee	Chair	Members	
AEF&R	McGowan	Begley	Cook
Audit	McGowan	Howard	Begley
C&O	Friend	Sidzyik	Cavanaugh
Governance	Begley	Cook	Cavanaugh
I&P	Howard	McGowan	Cook
J&L	Cavanaugh	Cook	Howard
Marketing	Sidzyik	Cook	Cavanaugh
Personnel	Begley	Sidzyik	Friend
Security & Safety	Cavanaugh	Friend	Sidzyik
S&E	Friend	Begley	Howard

Board Committees

AEF & R (Accounts, Expenditures, Finance & Rates)

Audit

C & O (Construction & Operations)

Governance

I & P (Insurance & Pension)

J & L (Judicial & Legislative)

Marketing & Consumer Information

Personnel

Security & Safety

S & E (Services & Extensions)

2023 Committee / Board Meeting Dates *(all on Wednesdays)*

January 4

February 1

March 1

April 5

May 3

June 7

July 5

August 2

September 6

October 4

November 1

December 6