

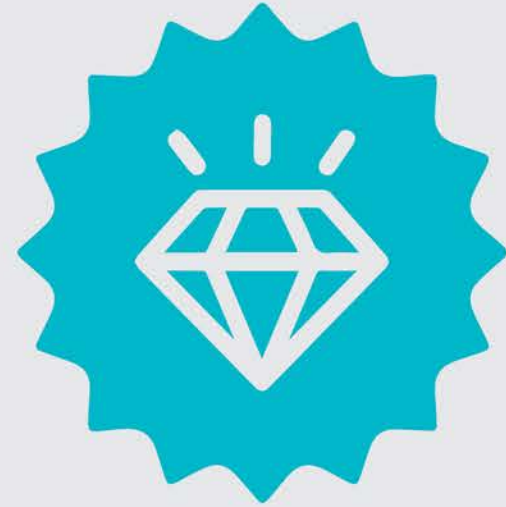
State of the District

President Mark Doyle – June 7, 2023



OUR MISSION

To provide safe, reliable and cost-effective natural gas and water services to our community.



CORE VALUES

Safety, Reliability, Fiscal Responsibility
and Organizational Excellence

Resiliency, Refocus and Renewal

Recovery post pandemic

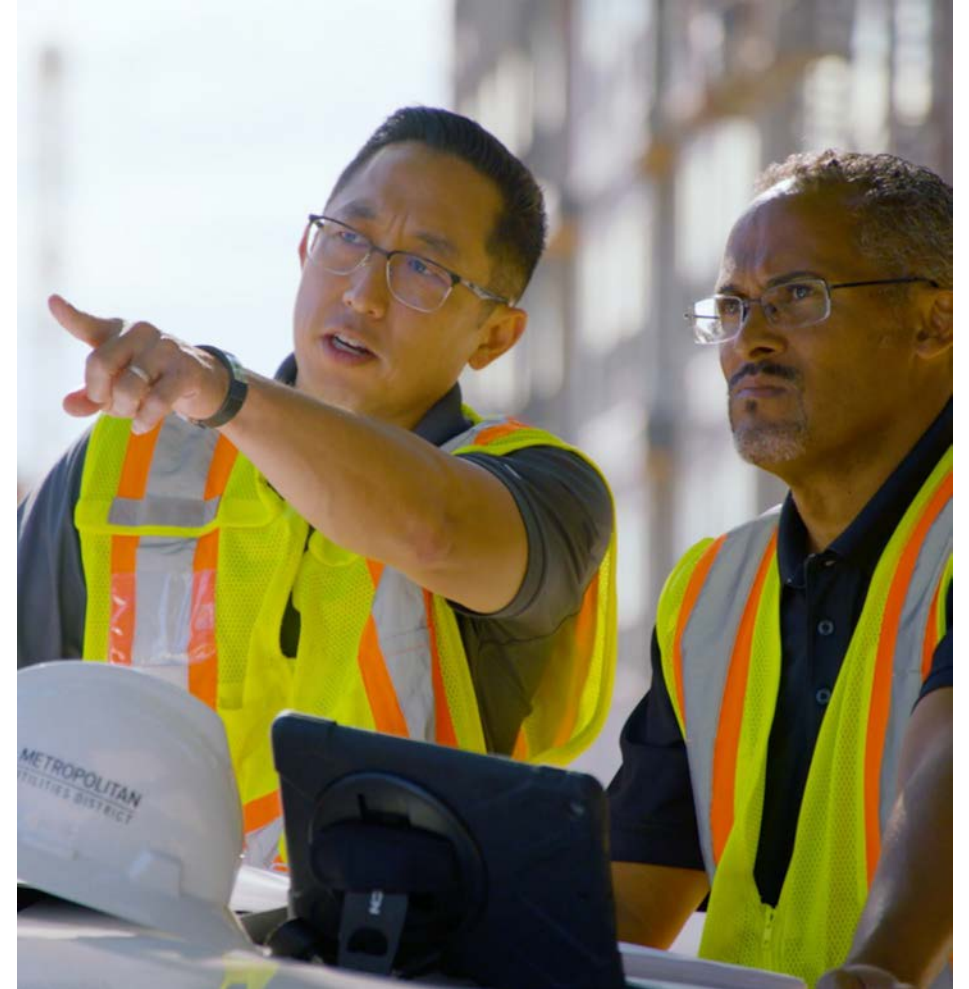
Inflationary pressures; increased costs

Industry challenges and threats

Weather-related impacts

We're taking care of business

Continued investment in our community



Public Safety

Nebraska811 Partnership

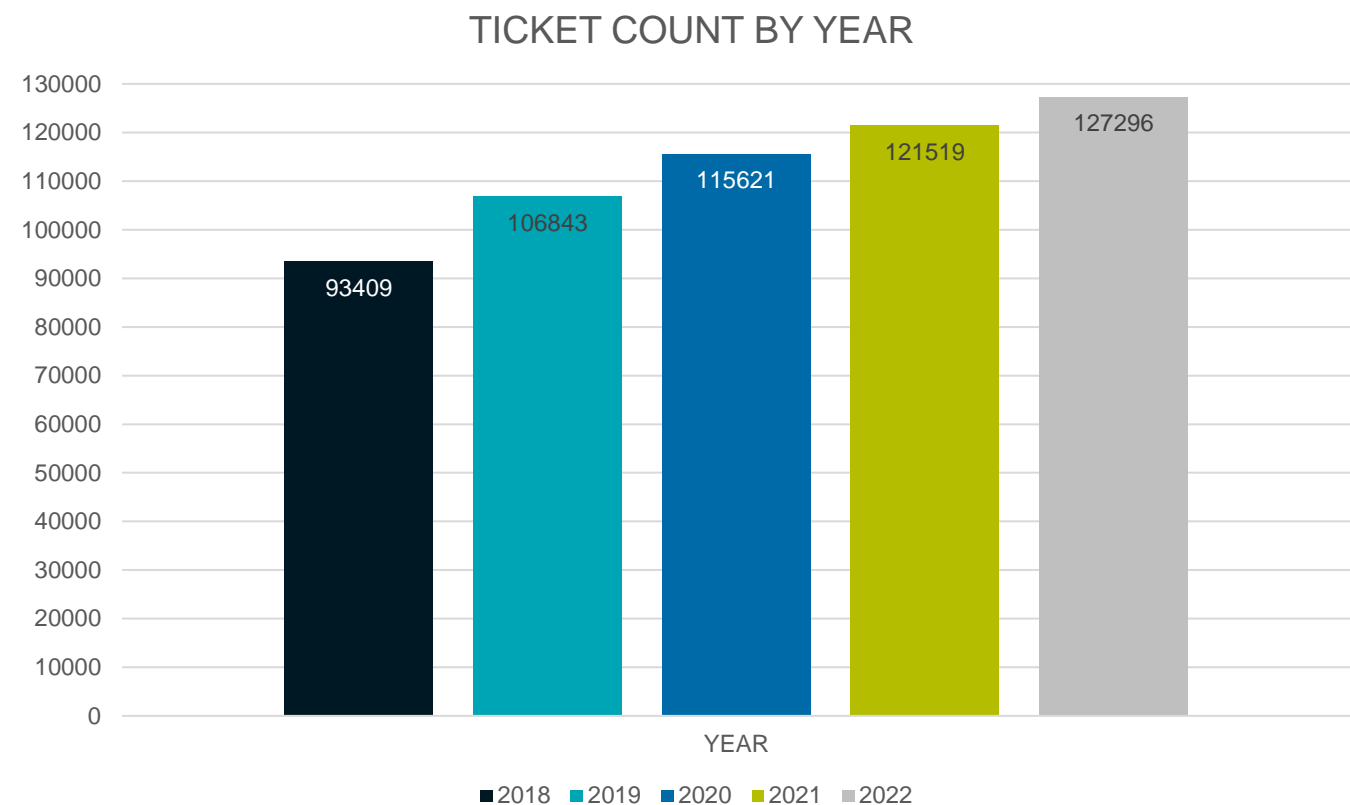
- 2022 Locator of the Year Pete Suski
- 811 Ambassador Award for Public Awareness Program

AGA Best Practices Program

- Selected as Leading Practice Company for two programs
- Leak Survey/Management and Public Awareness

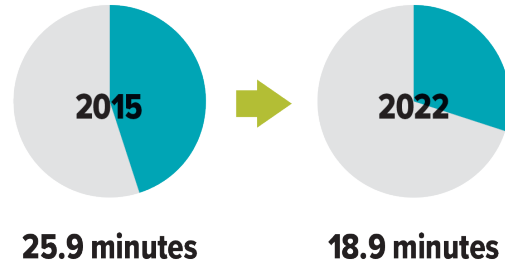


Locate Tickets Trending Up



27%

Decrease in gas emergency
response time since 2015



Field Operations & Employee Safety

Emergency Response

Safety Record

Total Safety Culture



15

Recordable injuries
in 2022



15

Vehicle accidents
in 2022



Employee Resource Groups

Committed to a diverse workforce

Women's ERG and Cultural ERG

Employee-led, offer personal and professional development opportunities.

More than 125 employees joined one or both groups to support each other and various community initiatives.



Fiscal Responsibility

Solid financial health with very strong third-party credit ratings for both water and gas departments.

Conducted Water Cost of Service and Impact Fees studies. Findings used to refine amounts charged across water rate classes, as necessary.

AA+

M.U.D. Gas Revenue Bonds
Standard & Poor's Ratings (May 2022)
S&P's Second Highest Rating

Aa2

M.U.D. Water Revenue Bonds -
Moody's (Sept 2022)
Moody's Third Highest Rating

Affordability Index

4.	Atlanta, GA
5.	Detroit, MI
6.	Oklahoma City, OK
7.	Omaha, NE
8.	Chicago, IL
9.	San Antonio, TX
10.	Jackson, TN

7th
LOWEST
GAS RATES

12.	Chicago, IL
13.	Charlotte, NC
14.	Denver, CO
15.	Omaha, NE
16.	Jackson, TN
17.	Reno, NV
18.	Nashville, TN

15th
LOWEST
WATER RATES

Memphis Gas, Light and Water 2023 Utility Bill Comparison Survey **Among 40 U.S. Utilities.**

Heating the Streets to Help Customers

\$151,400

Raised during the 2022 Heat the Streets
Run & Walk for Warmth.



15TH ANNIVERSARY



Connecting Those in Need

1983

Year the M.U.D. Home Fund was established to assist seniors, people with disabilities and limited-income customers suffering severe financial hardships.

\$5 million

Approximate amount distributed since 1983.

37,000

Approximate number of households receiving assistance since 1983.



544

Number of households receiving assistance in 2022.

\$186,260

Amount customers received in utility assistance in 2022. That's an average of \$342 per household.

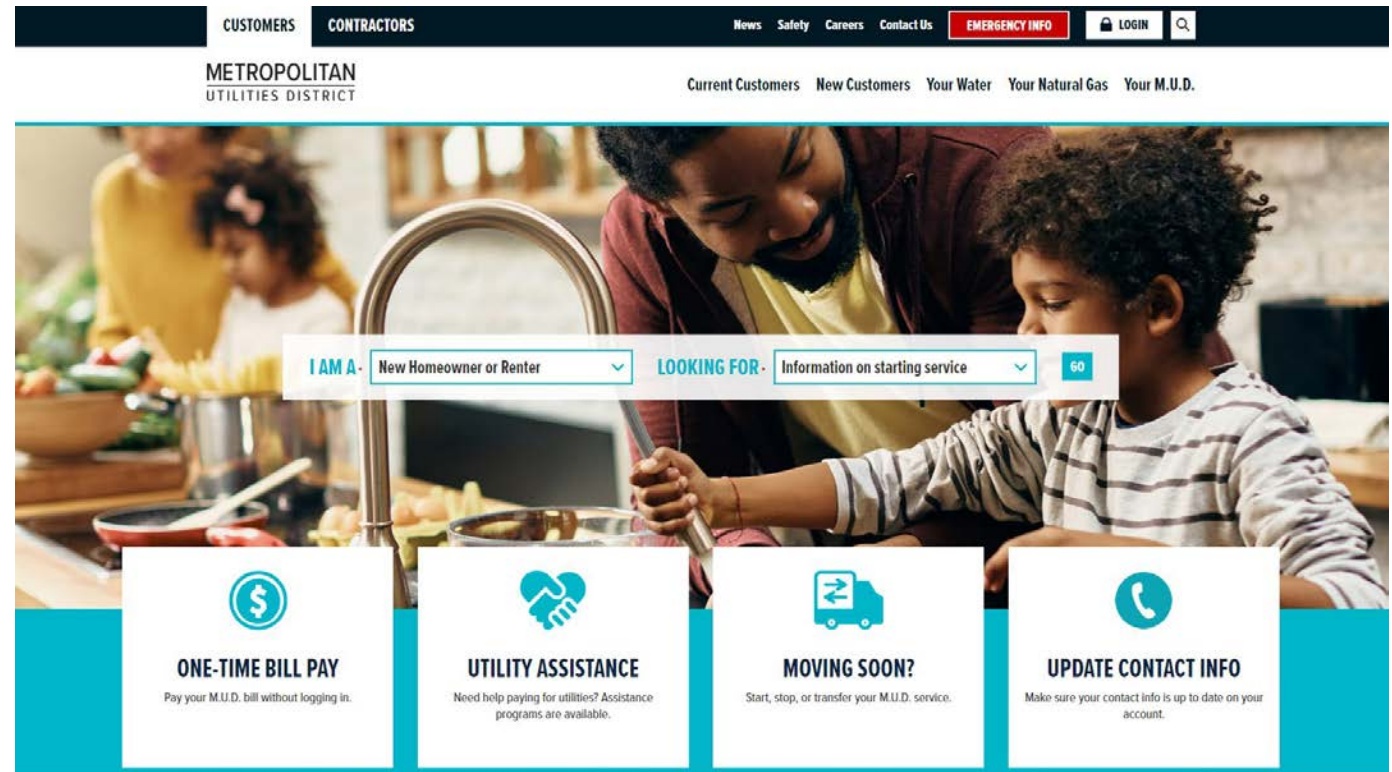
\$46,074

Amount donated by M.U.D. employees and retirees during 2022 Community Giving Drive to benefit the Home Fund.

New or Enhanced Business Capabilities

Introduced new payment options for our customers (Future dated payments, recurring credit card, PayPal/Venmo).

Completely redesigned District website and the addition of the Newsroom.



Customer Engagement

Digital message board for job sites

Signage with QR codes direct customers to website for project information

Project map and updates

Letters, Nextdoor posts

Customer surveys for feedback



Gas Infrastructure Replacement

Before 2008: 560 miles of cast iron mains, 60,000 low-pressure gas services

Today: 134 miles of mains, 12,000+ services remain

2022: Completed 18 miles (supply chain issues)

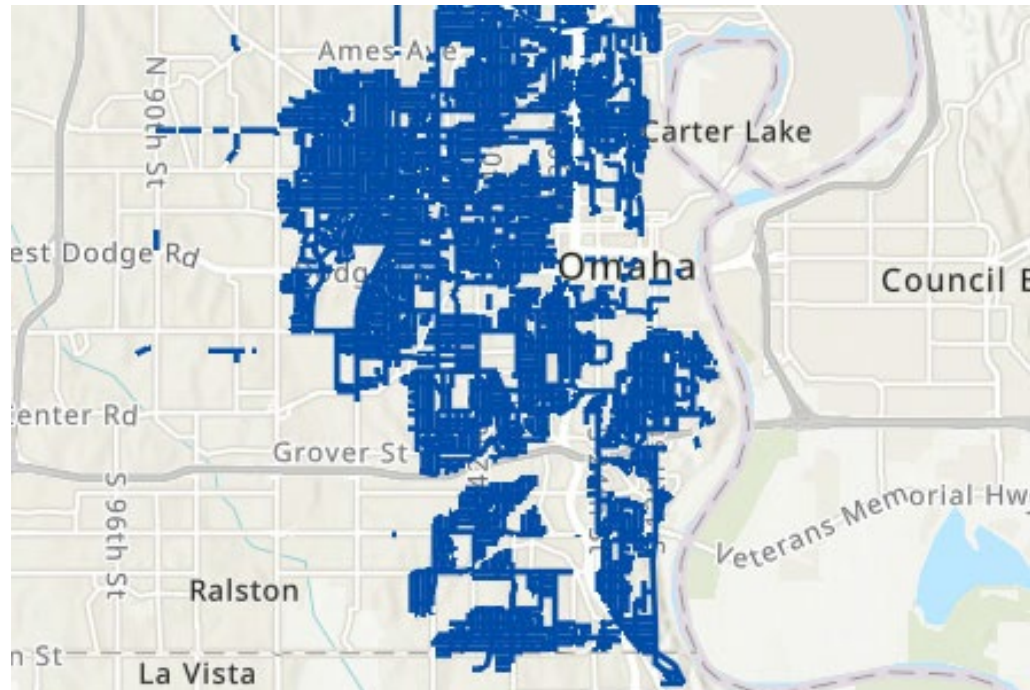
2023: Goal is 40 miles

Future: Substantially complete with CI replacement by 2027.

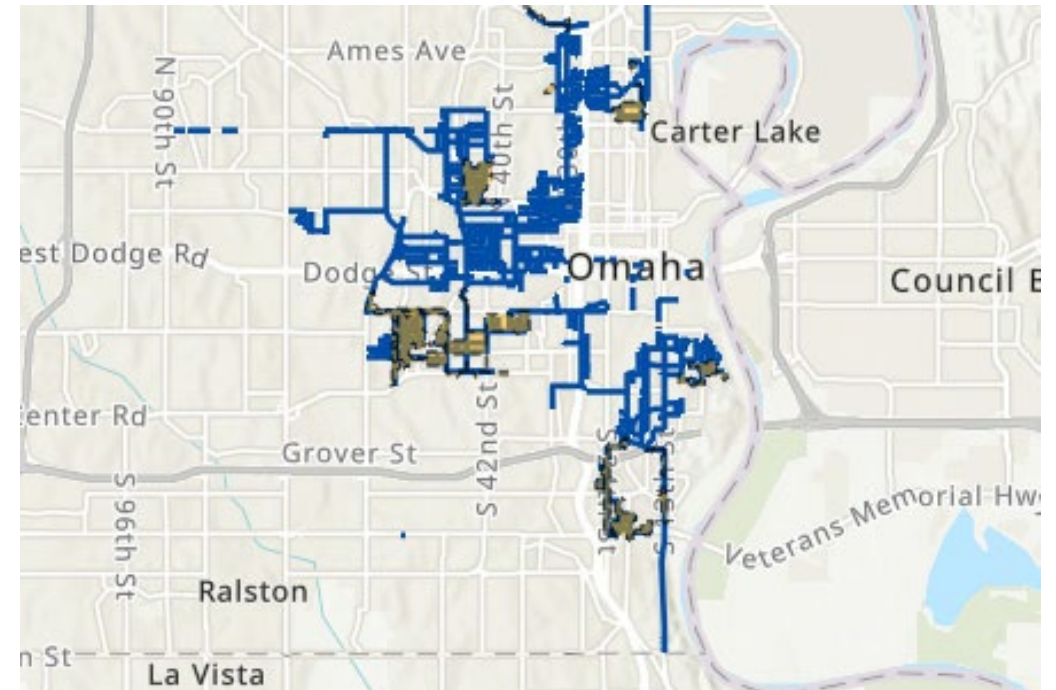


Before and After

Cast Iron Pre-2008: 560 Miles



Cast Iron Today: 134 Miles



Modernization Grant

Awarded \$10 million Natural Gas Distribution Infrastructure Safety and Modernization Grant by Pipeline and Hazardous Materials Safety Administration (PHMSA).

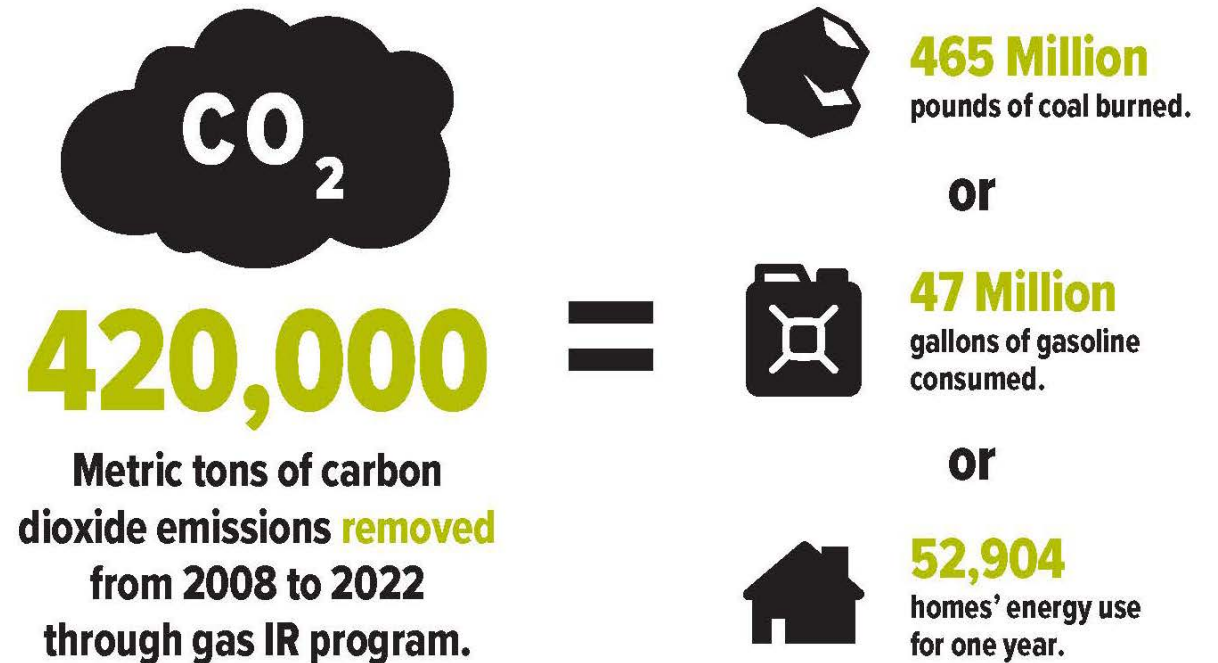
Part of Biden Administration's historic bipartisan Infrastructure Law.

Aimed at mitigating safety risk and methane emissions from natural gas distribution pipes.

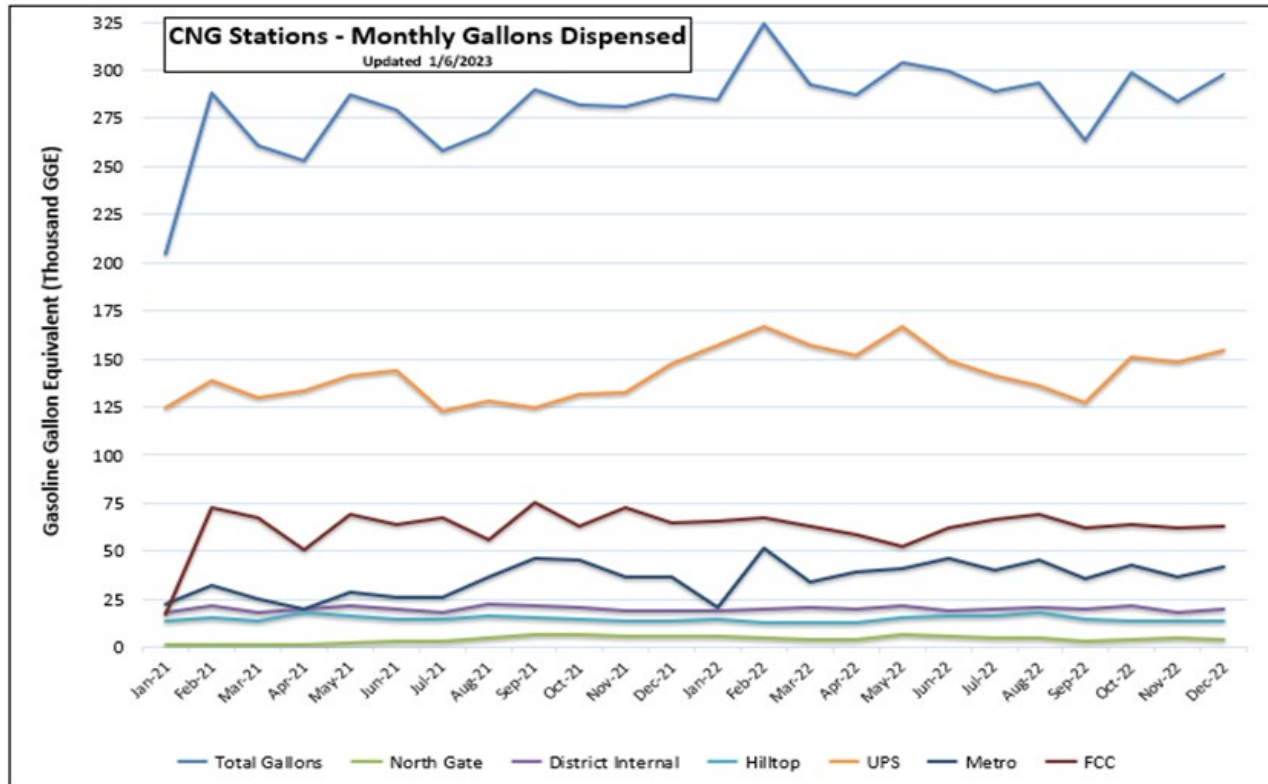


Global Methane Challenge

Environmental impact
from gas infrastructure
replacement



Environmental Sustainability



Compressed Natural Gas (CNG) Fleet Program

Over 3.5 million gasoline gallon equivalents dispensed in 2022; 6% increase from 2021

Renewable Natural Gas (RNG) – landfill project

Environmental Sustainability

Leadership and key stakeholders attended sustainability workshops focused on a variety of natural gas initiatives, including greenhouse gas emissions, CNG and RNG.

Tremendous progress on completing most of the top strategies outlined in our Sustainability Master Plan. Strategy development and prioritization continued, with focus on four areas:

- waste and recycling;
- active (human-powered) transportation to work;
- energy and water consumption, and
- employee engagement in sustainability.

M.U.D. RECYCLING

To ensure outgoing M.U.D. materials are being utilized to the highest potential, waste and recycling bins (with signage) can be found throughout Headquarters, and the Operation and Construction Centers. Please help this effort by disposing of materials as described below.



- 1 DataShield Shred Bin**
Any and all paper and envelopes—this includes magazines, envelopes, newspapers, sticky notes, etc. Staples are okay, as are plastic windows on envelopes.
- 2 Landfill Waste Bin**
Things that cannot be recycled now, including Styrofoam, soft plastics, food waste, glass and napkins should be placed in the landfill containers.
- 3 Recycle Bin**
Hard plastics #1-7, metal and aluminum containers—all items should be **empty** and **free** of food and waste.
- 4 Cardboard**
Please break down and place beside waste bins.

RECYCLE	LANDFILL	PAPER
ALL ITEMS MUST BE EMPTY & FREE OF FOOD AND LIQUID  Hard Plastics #1-7  Metal & Aluminum  Cardboard (no paper)	 Disposable Coffee Cups  Napkins  Styrofoam  Food  Soft Plastics (Gloves and Straws)  Glass	 All Paper goes in the DataShield Shred Bins For more information, visit the Sustainability and Recycling page under the For Work tab on myMUDConnect. METROPOLITAN UTILITIES DISTRICT

Enhancing Reliability and Resiliency



\$86 million capital improvement project to expand our LNG Plant

Vaporization phase to be completed: **November 2023**

Liquefaction phase to be completed: **August 2024**

Substantially improve reliability and peak capacity of the facility for next 40 years

Partnership with OPPD's renewable energy project to provide natural gas back up to improve reliability for solar and wind



Industry Outlook

Natural gas and its infrastructure play a critical role in the energy transition to a lower-carbon world.

Working together, natural gas and renewables can hasten reductions to reach net-zero goals, while keeping energy affordable and reliable.

Focus on continued methane reduction and renewable natural gas projects.

Water Infrastructure Risk Mitigation

Since 2008: Replaced 132 miles of critical water main

2022: Replaced 15.9 miles and evaluated 2.1 miles of main with condition assessment tools.

Future Goal: Replace or Condition Assess up to 25 miles a year by 2025.



Leak Detection Tools



Installed 32 Smart Hydrants and deployed Leak Loggers at various locations across the city.

Spot leaks in our system and potentially prevent more costly pipe problems.

Smart Hydrants have built-in multi-sensors to detect temperature and pressure conditions. Data is uploaded to a portal where scheduled reports and real-time alerts can be accessed by staff.

Leak Loggers monitor for potential leaks on nearby mains. Transmitter provides alerts for staff to further investigate.

Strategy for Lead Services

Changes in Lead and Copper Rule regulations.

Although water service lines are responsibility of property owner, regulations are expected to shift responsibility of full lead line replacement to water utility.

12,000 known lead services and an additional 4,000 services that may potentially be lead, which will be identified through investigation and testing.

District developing strategies for funding and implementing lead service line replacement program.

Task force is ensuring compliance deadlines are met.



Location of Lead Service Lines

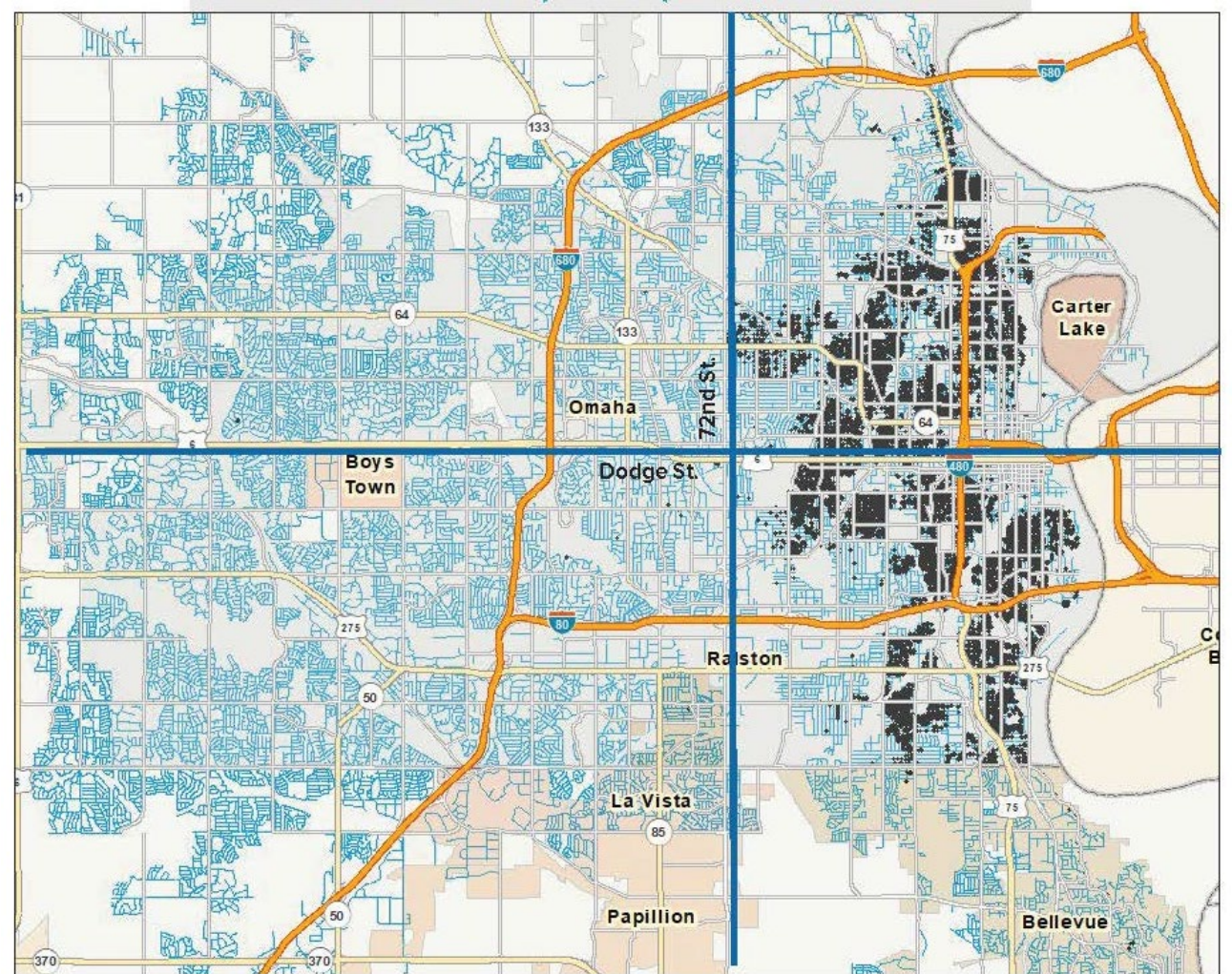
East of 72nd St.

12,000 known lead services

Additional 4,000 services that may potentially be lead

7% of our 225,000+ water accounts

Found in homes built prior to 1940.



Water Master Plan

Plan updated to serve as our roadmap for system improvements, including ongoing capital improvement projects for our three water treatment facilities.

Planned outages to complete facility updates while continuing to meet customer demand.

Board approved record 48 water main extension projects in 2022, totaling 47.7 miles at an estimated cost of \$42.7 million (financed primarily through developer funds).



Improvement Plans

Florence Plant – CIP 80% complete

Site Header - replacing all piping between the clearwell and Minne Lusa Pump Station.

Next up - Pre-sedimentation basins and raw water lines

Platte South Plant

CIP launched in 2021

Two projects underway in 2023



Platte South Projects

Underway:

New administrative building and security improvements, including new entrance, guard shack and fencing. Bid late summer; completion estimated in late 2024.



New electrical building and associated equipment, including new generators and switch gear. HDR will begin design process soon. Bid, construction and completion dates TBD.

Upcoming:

Wellfield improvements, including a horizontal collector well, new vertical wells and replacement of electrical distribution system. Currently developing RFQ/RFP. Highly likely this project will consist of multiple construction bid packages.

West Dodge Pump Station

Help meet peak demands for water in our growing service area.

Installed 30-inch water transmission main and completed new water pump station.

Scheduled to be online by **summer 2023**.



Hydration Station



Re-introduced mobile hydration station at large community events.

Updated station wrap with water stats and infographics.

Opportunity for employees to engage with public.

Continue to showcase our On Tap! branding to increase customer confidence in our safe, high-quality water.

Facility Updates – CC1 and CC2

Goal:

Provide business continuity for operations by constructing a new Construction Center (CC2) and modernizing existing Construction Center (CC1).

CC1 Status:

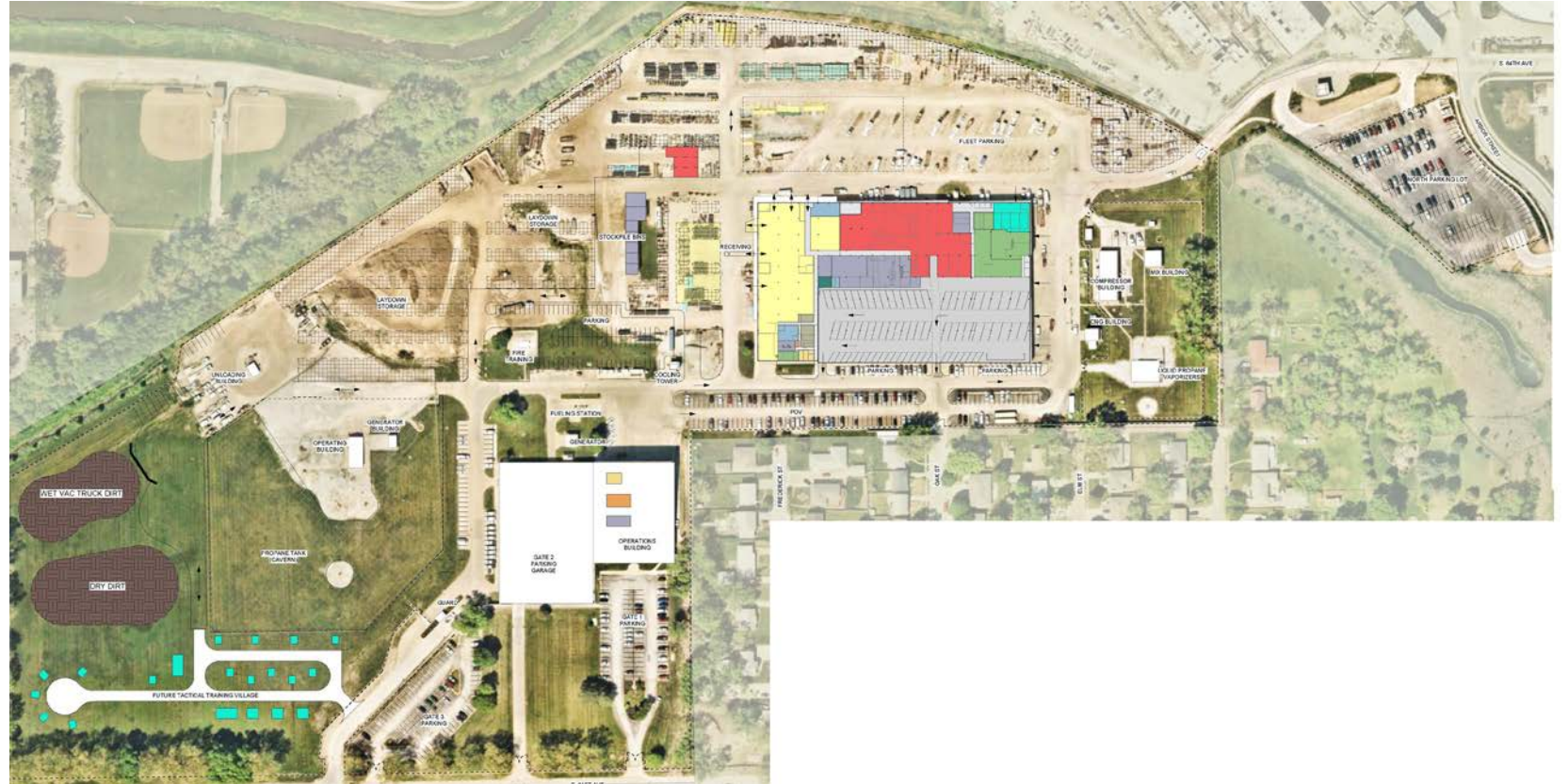
Master Planning and Programming Phase near complete:

- First step in the design process to establish space needs, general building configuration, and design goals and objectives.
- Collaborative effort through focus group meetings between the design team and employee groups.

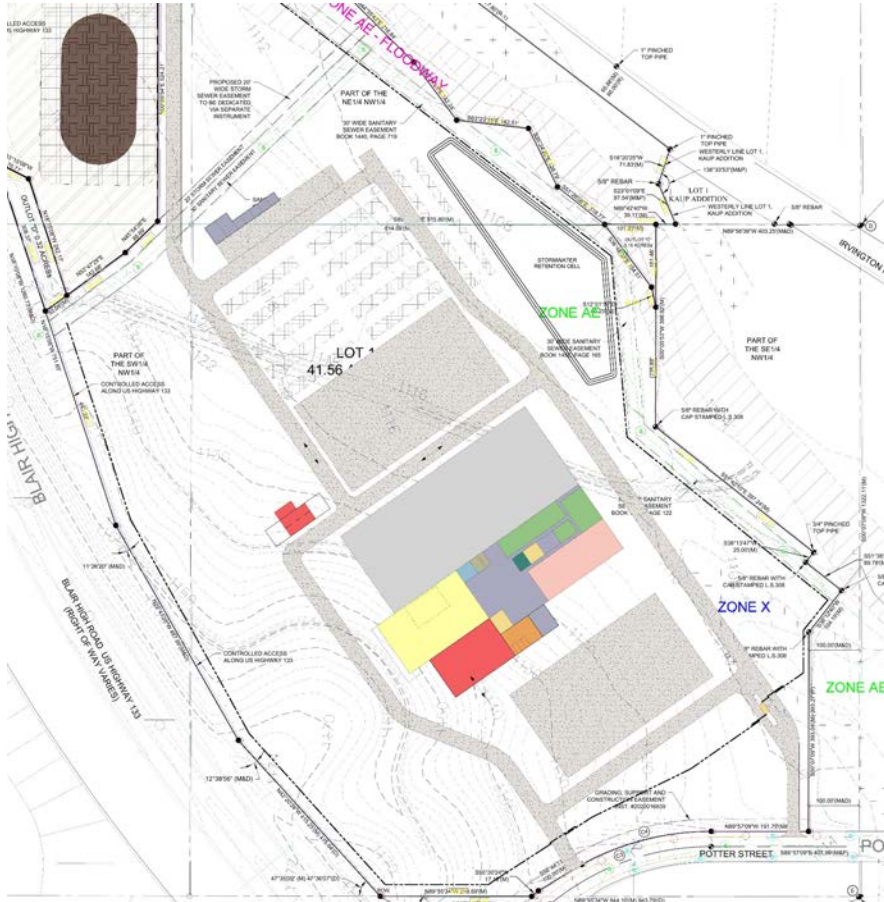
CC 1 Renovation Schedule

2023 - Start renovation of restroom and breakroom.

2025 through early 2027 - complete renovation.



CC 2 Status



Programming Phase nearly complete

- First step in design process to establish space needs, general building configuration and design goals and objectives.
- Collaborative effort through focus group meetings between the design team and employee groups.

Final Plat submitted to Omaha City Planning

Interlocal agreements being developed with neighboring SIDs for Right-of-Way (ROW) construction at Hwy. 133 and Potter.

Schedule:

2023 - Perform ROW construction required for project. Start rough grading site later in year.

2024 through early 2026 - complete construction.

Strategic Plan

Strategic Planning sessions are on-going.

Areas of focus include:

- Customer Experience
- Operational Excellence
- Strategic Asset Management
- Community Engagement
- Environmental Stewardship



Resiliency, Refocus and Renewal

Recovery post pandemic

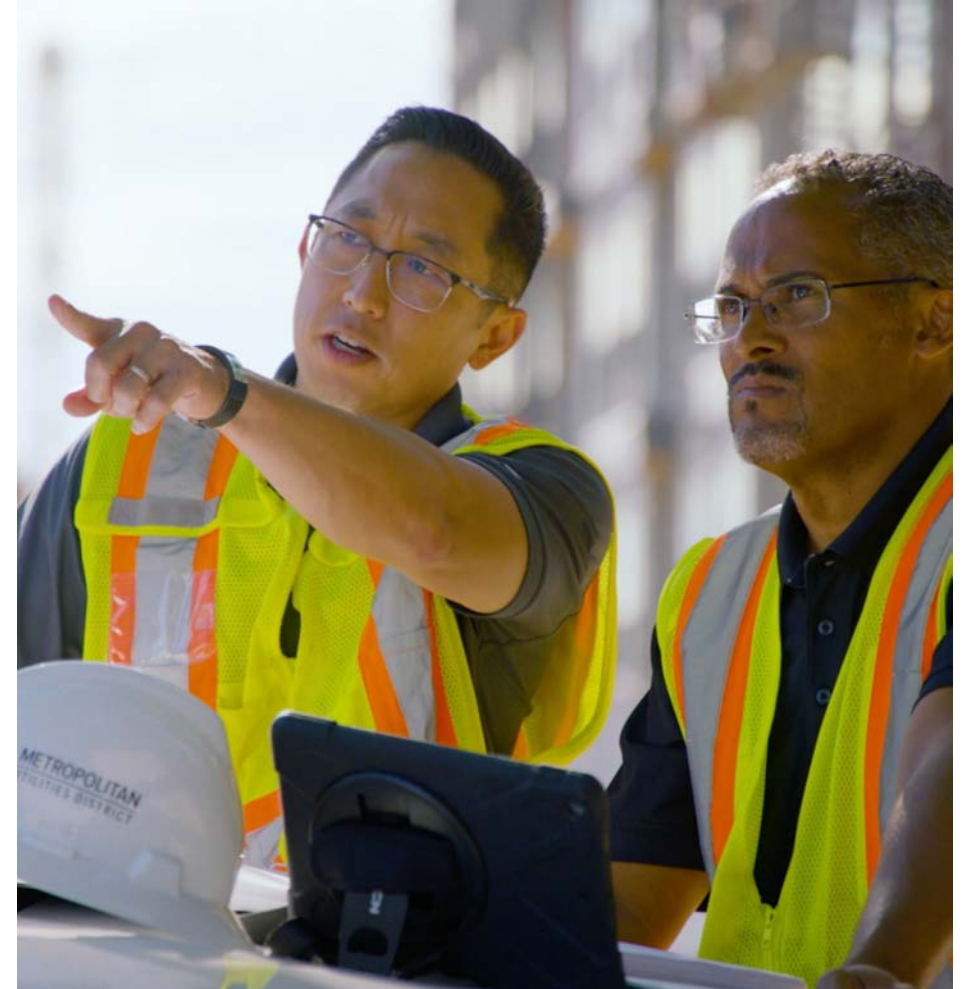
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Questions?



METROPOLITAN

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