

METROPOLITAN UTILITIES DISTRICT

Committee Meetings Agenda

8:15 a.m.

February 7, 2024

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

Construction & Operations – Friend, Sidzyik, Cavanaugh

1. Capital Expenditures [Andy Melville – Interim SVP & Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates
[Adam Gartner – Interim Director, Plant Engineering] – **Tab 6**
3. Bids on Materials and Contracts
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 7**

Services & Extensions – Friend, Begley, Howard

1. Main Extensions [Masa Niiya – VP, Engineering] – **Tab 9**

Personnel – Begley, Sidzyik, Friend

1. Wage and/or Salary Increases and Ratification [Bonnie Savine – VP, Human Resources] – **Tab 10**
2. SPA Salary Structure Adjustment [Bonnie Savine – VP, Human Resources] – **Tab 11**

Judicial & Legislative – Cavanaugh, Cook, Howard

1. City of Ralston Franchise and Acquisition [Mark Mendenhall – SVP, General Counsel] – **Tab 12**
2. Close on Purchase, Sarpy County Southwest Reservoir from G. Schram
[Mark Mendenhall – SVP, General Counsel] – **Tab 13**
3. Purchase Agreement and Closing – 2816 State Street [Justin Cooper – Attorney] – **Tab 14**
4. First Legislative Report for 2024 [Rick Kubat – Governmental Relations Attorney] – **Tab 15**

Insurance & Pension – Howard, McGowan, Cook

1. 2023 Investment Review - Retirement Plan and Other Post-Employment Benefits –
[Mark Myers – SVP, Chief Financial Officer and Joseph Wolfram, Vanguard Institutional Advisory
Services] – **Tab A – INFORMATION ONLY**

Committee of the Whole

1. CC1/CC2 Project Update
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab B – INFORMATION ONLY**

Public Comment

(Turn over for regular Board Meeting agenda)

METROPOLITAN UTILITIES DISTRICT
Regular Monthly Board Meeting Agenda

9:00 a.m.

February 7, 2024

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings and Regular Board Meeting for January 3, 2024

**CONSTRUCTION
& OPERATIONS**

5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Bids on Materials and Contracts
8. Notice of Purchases Between \$25,000 & \$50,000

**SERVICES
& EXTENSIONS**

9. Main Extensions

PERSONNEL

10. Wage and/or Salary Increases and Ratifications
11. SPA Salary Structure Adjustment

**JUDICIAL &
LEGISLATIVE**

12. City of Ralston Franchise and Acquisition
13. Close on Purchase, Sarpy County Southwest Reservoir from G. Schram
14. Purchase Agreement & Closing – 2816 State Street
15. First Legislative Report for 2024

BOARD

16. Other Matters of District Business for Discussion
17. Public Comment
18. CLOSED SESSION – Litigation, Personnel and Real Estate

Adjourn Regular Monthly Board Meeting

(Turn over for Committee Meetings agenda)

METROPOLITAN UTILITIES DISTRICT
Minutes of the Committee Meeting
January 3, 2024

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, December 24, 2023. 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 meeting were emailed to Directors and posted on the MUD website on December 29, 2023.

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: Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Bob Sidzyik. Director McGowan and Director Friend joined remotely.

Open Meetings Act Notice

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

Community Giving Drive Recap

Chairperson Cook reported that the District's Community Giving Drive fundraiser in November 2023 raised \$108,800, with a record \$73,700 benefiting M.U.D.'s Home Fund for utility assistance. She recognized the members of the employee led committee while Director Begley presented certificates to the committee members. Director Cook closed by extending her thanks and appreciation to all those who contributed to the very worthy effort.

Construction and Operations – Friend, Sidzyik, Cavanaugh

Vice-President of Engineering Masa Niiya presented the proposed capital expenditures as outlined in the letter to the Committee from Interim Senior Vice-President and Chief Operating Officer Andy Melville dated December 28, 2023. Director McGowan confirmed the annual blanket authorizations were included in the 2024 budget that was approved at the December 2023 Board Meeting.

Interim Director of Plant Engineering, Adam Gartner reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in his letter to the Committee dated December 18, 2023.

Mr. Gartner continued, presenting a Change Order regarding Pipe Bursting water mains along “Q” Street to “M” Street and South 84th Street to South 90th Street as outlined in his letter to the Committee dated December 13, 2023. The Change Order represents an additional cost of \$54,250.00 due to a change in the installation method from pipe bursting to directional boring for 217’ of 6” HPDE water main due to the depth of a storm sewer junction box.

Finally, Mr. Gartner presented a Change Order to install water mains in Echo Park as outlined in his letter to the Committee dated December 12, 2023. The Change Order represents an additional cost of \$28,591.00 due to an increase in the price of materials and labor costs due to a delayed contract execution in June 2023. Director Cook inquired as to the reason for the delay in contract execution. Sr. Vice President and General Counsel Mark Mendenhall explained that the delay was due to the Developer being unfamiliar with the District processes which led to more contract negotiations which prolonged the process.

Director Begley requested a report for 2023 Change Orders listing and amounts, similar to last year.

Vice-President of Procurement & Enterprise Services Jon Zellars presented the bids on materials and contracts as outlined in the letter to the Committee from Director of Procurement Sherri Lightfoot dated December 22, 2023. Director Howard asked if the bids related to the Minne Lusa Pump Station are related to the Summer 2023 incident. Mr. Zellars confirmed these are related. Director Howard and Director Begley asked if the Florence Water Production Facility is operational as expected despite repair efforts. Vice President of Water Operations Matt Hammond indicated the plant is running at 80-85% reduced capacity and the urgency to complete the repairs before higher demand picks up in the Spring and Summer 2024. Director Begley asked if the District anticipates being as close to normal operations as possible by Spring. Mr. Hammond indicated the team is working to bring the plant back to pre-incident capabilities as quickly as possible. President Doyle reiterated that the mild weather is helping with the repair efforts. Director Cook asked if repair costs would be recouped through the District’s insurance policy. Mr.

Mendenhall confirmed that a claim has been filed with the insurance company and that process has begun. The Districts' intention is to recoup all costs through the insurance policy. Director McGowan asked if the Information Technology bids would be paid in one payment or split over the 3 years of contract. Mr. Zellars confirmed it would be split over 3 years.

Personnel - Begley, Sidzyik, 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 December 22, 2023.

Public Comment

Chairperson Cook asked if there were any further comments from the Board or if any member of the public would like to address the Board. There were none.

At 8:50 a.m., Chairperson Cook announced the Committee Meetings had concluded and the Board would reconvene in ten minutes for the regular monthly Board Meeting.



Mark Doyle
President & Secretary to the Board

MD/sec

METROPOLITAN UTILITIES DISTRICT
Minutes of the Regular Monthly Board Meeting
January 3, 2024

Chairperson Cook called to order the regular Board Meeting of the Metropolitan Utilities District Board of Directors at 9:00 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, December 24, 2023. 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 meeting were emailed to Directors and posted on the MUD website on December 29, 2023.

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: Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Bob Sidzyik. Director McGowan and Director Friend joined remotely.

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

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

AGENDA NO. 3

PLEDGE OF ALLEGIANCE

Chairperson Cook invited all who wished to participate to recite the Pledge of Allegiance.

AGENDA NO. 4

APPROVAL OF MINUTES FOR THE COMMITTEE MEETINGS, REGULAR MONTHLY BOARD MEETING AND PUBLIC HEARING FOR DECEMBER 6, 2023

Director Cavanaugh moved to approve the minutes for the Committee Meetings, regular monthly Board Meeting and Public Hearing for December 6, 2023, which was seconded by Director Begley and carried on a roll call vote.

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

Committee Meetings & Regular Board Meeting

January 3, 2024

Page 4 of 8

Voting No: None

AGENDA NO. 5

ELECTION OF CHAIRPERSON and ELECTION OF VICE-CHAIRPERSON

Director Howard moved to appoint Director Begley as Board Chairperson for the 2024 session which was seconded by Directors Sidzyik and Cavanaugh and carried on a roll call vote.

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

Voting No: None

Director McGowan thanked Director Cook for her services as Board Chairperson. Director Cavanaugh echoed the sentiments.

Director Cook passed the gavel to Director Begley to continue the meeting.

Director Cavanaugh moved to select Director Friend for Vice-Chairperson which was seconded by Director Howard and carried on a roll call vote.

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

Voting No: None

Director Begley presented Director Cook a plaque as a token of appreciation for her leadership and service as Board Chairperson for 2023.

AGENDA NO. 6

CAPITAL EXPENDITURES

Director Friend moved to approve the proposed capital expenditures as presented in the Committee Meetings by Vice-President of Engineering Masa Niiya and as outlined in Interim Senior Vice-President and Chief Operations Officer Andy Melville's letter to the Committee dated December 28, 2023. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 7

ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the acceptance of contracts and payment of final estimates as presented in the Committee Meetings by Interim Director, Plant Engineering Adam Gartner and as outlined in his letter to the Committee dated December 18, 2023. The motion was seconded by Director Howard and carried on a roll call vote.

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

AGENDA NO. 8

CHANGE ORDER NO. 1 – PIPE BURSTING WATER MAINS ALONG “Q” STREET TO “M” STREET AND SOUTH 84TH STREET TO SOUTH 90TH STREET

Director Friend moved to approve the Change Order addressing installation method changes due to storm sewer junction box depths as presented in the Committee Meetings by Interim Director, Plant Engineering Adam Gartner and as outlined in his letter to the Committee dated December 13, 2023. The motion was seconded by Director Howard and carried on a roll call vote.

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

AGENDA NO. 9

CHANGE ORDER NO. 1 – INSTALL WATER MAINS IN ECHO PARK, NW OF 144TH STREET AND CHANDLER ROAD

Director Friend moved to approve the Change Order addressing increased cost due to the price of materials and labor costs as presented in the Committee Meetings by Interim Director, Plant Engineering Adam Gartner and as outlined in his letter to the Committee dated December 12, 2023. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

AGENDA NO. 10

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 December 22, 2023 from Director of Procurement Sherri Lightfoot. The motion was seconded by Director Begley and carried on a roll call vote.

Voting Yes: McGowan, Howard, Cavanaugh, Begley, Cook, Friend, Sidzyik
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 Vice-President of Human Resources Bonnie Savine and as outlined in her letter dated December 22, 2023. The motion was seconded by Director Howard and carried on a roll call vote.

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

AGENDA NO. 12

APPOINTMENT OF COMMITTEES

Chairperson Begley noted that a copy of the 2024 appointments for each of the committees was distributed to all sitting Board members and included in their Board Books, and unless anyone had comments, no discussion was necessary.

AGENDA NO. 13

OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Chairperson Begley invited Vice President, Gas Operations Jim Knight to speak on the 2024 outlook for gas reserves. Mr. Knight indicated that Omaha has experienced milder weather, leading to lower consumption and lower prices than this time last year. Gas prices in December 2023 were \$3/dekatherm vs December 2022 at \$7/dekatherm. The price has remained consistent into January 2024 compared to \$8/dekatherm in January 2023. Natural gas storage is 10% above 2023 and 10% above the 5-year average. Director McGowan asked if the District has used anything from the LNG plant this season. Mr. Knight indicated the only use has been to test equipment.

Chairperson Begley asked whether any Board Members had any comments they wished to share.

Director Cavanaugh asked if a code could be added to all items related to the City of Omaha Streetcar Project to help identify items as they come before the board. He recommended adding an "S" to the end of the current job codes "WP"/"GP" for transparency. President Doyle confirmed that the tracking of items related to the Streetcar Project will be transparent to the Board and Public. Mr. Niiya confirmed his team will work on that suggestion. Director Friend requested confirmation that any work M.U.D. performs related to the Streetcar Project would already be included in the District's long range planning. President Doyle and Mr. Mendenhall confirmed this statement.

Director Cavanaugh also suggested that marketing emphasize the "Natural" in Natural Gas for public awareness in all marketing campaigns.

AGENDA NO. 14

PUBLIC COMMENT

Chairperson Begley asked whether any members of the public were present who wished to address the Board. There were none.

AGENDA NO. 15

CLOSED SESSION – LITIGATION, PERSONNEL AND REAL ESTATE

A Closed Session was not necessary.

Chairperson Begley reminded those in attendance of the Heat the Streets event on Saturday, March 2 at Aksarben Village. Sponsorships are also still available.

Director Friend 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, Sidzyk

Voting No: None

The regular Board Meeting was adjourned at 9:19 a.m.



Mark Doyle
President & Secretary to the Board

MD/sec

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

February 1, 2024

Subject: CAPITAL EXPENDITURES

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

From: Andy Melville, Interim SVP & Chief Operations Officer

The following items will be on the February 7, 2024, Committee Agenda for consideration and the Board Agenda for approval.

BUILDINGS, PLANTS & EQUIPMENT

1. JOB #: WP2038 (100071000725 - \$70,000)

TOTAL COST: \$70,000

LOCATION: Platte West Water Production Facility

PURPOSE: Tree Clearing & Grubbing for security fence on property line

DESCRIPTION: This project will remove existing volunteer trees, stumps and brush to accommodate the installation of a fence to secure Platte West's east property line similar to the recent project along the north property line. The fencing will be an aesthetic anti-cut, anti-climb design to mitigate the potential for encroachment or trespass. In addition to securing the property, this fence will reduce the potential for accidents resulting in any liability to the District due to unauthorized access onto Platte West property. Request for procurement and installation of the fence will be submitted to the board for approval as a separate request following its own bidding process.

2. JOB #: RATIFICATION (100091000061 - \$53,850)

TOTAL COST: \$53,850

LOCATION: Platte West Water Production Facility

PURPOSE: Purchase & Install Variable Frequency Drive (VFD) for Backwash Water Pump at Platte West Water Production Facility

DESCRIPTION: This request is a ratification of the purchase and installation of a replacement backwash water pump that failed at the end of 2023. The pump must be operational ahead of a planned maintenance shutdown of the Florence Water Production Facility in March and the start of high pumpage season. The District's Central Maintenance personnel is currently performing the installation of the new VFD equipment.

3. JOB #: (100086000766 - \$470,534)

TOTAL COST: \$470,534

LOCATION: Various District Sites

PURPOSE: Security Camera Life Cycle Upgrades

DESCRIPTION: This request is for the procurement, upgrade, and installation of multidirectional cameras with PTZ (Pan-Tilt-Zoom) and high-resolution fixed dome cameras at various District sites: Florence, Platte West, and Platte South Water Production Facilities,

LNG Plant, and the Operation and Construction Center. These upgrades will enhance the surveillance capabilities while maintaining the current camera footprint.

4. JOB #: WP1831 (100083001137 - \$79,000)

TOTAL COST: \$79,000

LOCATION: Turner Pump Station – Turner Boulevard and Pacific Street

PURPOSE: Chlorine Building Demo & Grading

DESCRIPTION: This project will demolish the existing chlorine building at the Turner Pump Station, construct a retaining wall, and implement site improvements for more efficient maintenance and site access. The building was constructed in 1957 to boost chlorine residual within the water distribution system and is no longer needed due to process improvements over the years. The aging building is not functional for other District purposes due to its condition and location.

5. JOB #: (100031000016 - \$300,000)

TOTAL COST: \$300,000

LOCATION: Florence Water Treatment Facility

PURPOSE: Property Acquisition

DESCRIPTION: This request is for the acquisition of a property at 2816 State Street, adjacent to the Florence Water Treatment Facility which recently became available. Similar to previous neighboring purchases, this property will be cleared, and plant security fencing extended around it allowing for future operational use.

SYSTEM IMPROVEMENTS

1. JOB #: (100097000019 - \$200,000)

TOTAL COST: \$200,000

PURPOSE: Enhance and maintain the Water Distribution System Master Plan and hydraulic model

DESCRIPTION: Professional Engineering services are requested to continue maintenance and enhancement work on the District's Water System Master Plan and hydraulic model. The current Water System Master Plan was completed in 2022 and amended in 2023. Additional studies and model updates related to the Master Plan followed in 2023 which are now nearing completion. This Authorization will allow the District to continue to build from that work. Consistent reevaluation and refinement of the Master Plan and system model are necessary so they remain relevant and useful in guiding District decisions. With approval of this request, the President will enter into an agreement with HDR Engineering Inc. (HDR) to provide these services as they developed the District's current Master Plan and have worked closely with District staff in subsequent evaluations and model updates.

2. JOB #: R2244 (100054001131 - \$65,000) & (100068001113 - \$2,400)

TOTAL COST: \$67,400

LOCATION: N. 65th and Fowler Street

PURPOSE: Relocate gas mains to eliminate conflicts with proposed grading, paving and storm sewers

DESCRIPTION: This work is required to eliminate conflicts with work being done for the Bensonvale Acres Street Improvement on City of Omaha's Project OPW 54285. This work is not reimbursable as the mains are in public right-of-way. This project is anticipated to start in March 2024 and will be constructed by an MUD crew.

DocuSigned by:

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Andy Melville
Interim SVP, Chief Operations Officer

Approved:

DocuSigned by:

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 22, 2024

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

cc: all Board Members, Doyle, Mendenhall, Myers, Ausdemore, Melville, Lobsiger, and all Vice Presidents

From: Adam Gartner, Interim Director, Plant Engineering

The following items will be on the February 7, 2024, 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. Roloff Construction, WP1723, 100093001284, 100041000072, 100097000000, 100097000001, 100095000001, Pipe Burst Water Mains; Wright St. to Hascall St. and 75th St. to 77th St.	6/2/2023	\$947,025.00	\$1,085,667.07

Comments: There was an increase in this project of \$138,642.07 (14.6%), primarily due to a previously approved change order. A portion of this project installation method was changed from pipe bursting to direct replacement. 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. Cedar Construction, WP1894, 100055001393, Install Water Mains in Avante Subdivision Lots 1-272; NW. of N. 195th St. & Fort St.	10/5/2022	\$1,506,148.00	\$1,501,491.00

Comments: There was a small decrease in this project of \$4,657.00 (-0.3%), due to reduced unit quantities required to complete the work. 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
c. Kersten Construction, Inc., WP1907, 100057000519, 100057000522, 100057000523 Install Water Mains in Fairview & Fort Crook Road 12" Pioneer Main, Fort Crook from Fairview to 2,680' to S.	11/2/2022	\$1,744,667.00	\$1,664,713.20

Comments: There was a decrease in this project of \$79,953.80 (-4.6%), due primarily to reduced unit quantities required to complete the work. 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
d. Cedar Construction, Inc., WP1953, 100055001417, Install Water Mains in Bluestem Meadows Lots 110-114; NW. of 180th St. & Blondo St.	10/5/2022	\$272,131.00	\$241,034.00

Comments: There was a decrease in this project of \$31,097.00 (-11.4%), due to reduced unit quantities required to complete the work. The contractor was able to simplify a complicated connection in the field to eliminate some conservative design assumptions. 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
e. Pat Thomas Construction, Inc., WP2010, 100057000535, Install Water Mains in R&R Commerce Park South Lot 4, SE of 156th St. & Schram Rd.	8/2/2023	\$236,382.80	\$222,939.90

Comments: There was a decrease in this project of \$13,442.90 (-5.7%), due to reduced unit quantities required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Approved:

DocuSigned by:
Adam Garther
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Adam Garther
Interim Director, Plant Engineering

DocuSigned by:
Masa Miya
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Masa Miya
Vice President
Engineering

DocuSigned by:
Andy Melville
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Andy Melville
Interim Senior Vice President
Chief Operations Officer

DocuSigned by:
Mark Doyle
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Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

January 26, 2024

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

To: Construction & Operations Committee

cc: All Board Members, Doyle, Ausdemore, Lobsiger, Melville, Mendenhall, Myers
and all Vice Presidents

From: Sherri A Lightfoot, Director, Procurement

The following items will be on the February 7, 2024 Committee Agenda for consideration and the February 7, 2024 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 Hanover Falls Center Lots 9 and 10, N of 158 th Street and State Street 100055001452 WP2043 Engineering Estimate: \$197,650.00 (A C&A in the amount of \$227,187.00 will be presented to the Board on February 7, 2024 for approval.)	18/2	<i>Pat Thomas Const.</i> <i>Kersten Constr.</i>	\$179,083.00 196,816.70
Install Water Mains in Magnolia Trails Lots 1-206 16" Pioneer Main, SE of 216 th Street and Fort Street 100057000539 100055001454 WP2045 Engineering Estimate: \$1,985,767.00 (A C&A in the amount of \$2,122,413.00 will be presented to the Board on February 7, 2024 for approval.)	18/4	Cedar Constr. <i>Kersten Constr.</i> <i>Roloff Constr.</i> <i>Judds Bros Const.</i>	\$1,806,420.00 2,028,902.90 2,101,115.00 2,391,615.00

Install Water Mains in Harvell	18/5	Cedar Constr.	\$117,260.00
Center Replat 2 Lot 1 Herman		<i>General Excavating</i>	133,841.00
Drive S of Harvell Circle		Becker Trenching	155,550.00
100055001461 WP2075		Castle Contracting	161,890.00
Engineering Estimate: \$115,329.00		Kersten Constr.	198,058.50

(C&A for 100050001461 approved December 6, 2023 in the amount of \$124,756.00) (A Supplemental C&A in the amount of \$28,469.00 will be presented to the Board on February 7, 2024 for approval.)

RATIFICATION – JOINT CONTRACT

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders*</u>	<u>Bid Amount</u>
Joint Contract – City of Omaha	2/2	Hawkins Const.	\$2,467,603.00**
Project OPW 52875; 48 th Street		<i>Valley Corp.</i>	2,738,112.08
Improvements – Q Street 49 th to 44 th			
Streets and 48 th Street Q Street to			
Harrison Street			
100093001342, 100041000130			
100097000000, 100097000001			
100095000001, R2091			
Engineering Estimate: \$2,400,300.00			

*If different than the water main subcontractor, the general contractor of City of Omaha Project OPW 52875 is in parenthesis.

**The District and the City of Omaha previously agreed as part of the joint contracting process that the lowest overall bid for the project be accepted.

(C&A for An Annual Water Infrastructure Replacement approved January 3, 2024 in the amount of \$25,132,000.00.)

RATIFICATION

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Furnish and Install Variable	3/3	Malloy Electric	\$25,647.84*
Frequency Drive (VFD) for Backwash		Logic	21,867.00
Water Pump at Platte West WTP		Galco	25,949.80
100091000061			
*2 nd Low Bid Recommended			

(A C&A in the amount of \$53,850.00 will be presented to the Board on February 7, 2024 for approval.)

OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Turner Pump Station Chlorine Building Demo and Grading 100083001137 WP1831 Engineering Estimate: \$87,000.00 (A C&A in the amount of \$79,000.00 will be presented to the Board on February 7, 2024 for approval.)	8/3	Heimes Corp. <i>Neuvirth Constr.</i> Midwest DCM	\$67,858.00 149,941.00 178,500.00

Turner Pump Station Furnace Replacement 100085000674 (C&A for 100085000674 approved December 25, 2023 in the amount of \$35,000.00.)	6/3	Thermal Services Prairie Mechanical Mainelli Mechanical	\$39,225.73 48,000.00 49,071.00
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Security Camera Lifecycle Upgrade at Various District Locations 100086000766 (A C&A in the amount of \$470,534.00 will be presented to the Board on February 7, 2024 for approval.)	3/3	Prime Secured Paladin ECO	\$399,687.06 403,589.22 448,318.00
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Platte West Water Treatment Plant East Perimeter Tree Removal 100071000725 WP2038 (A C&A in the amount of \$70,000.00 will be presented to the Board on February 7, 2024 for approval.)	10/7	Vixen Constr. <i>Gana Trucking</i> <i>Terry Hughes Tree</i> <i>Midwest Maritime</i> <i>Absolute Tree</i> Heimes Corp. <i>National Concrete</i>	\$48,500.00 55,177.00 57,100.00 72,550.00 76,500.00 119,175.00 129,050.00
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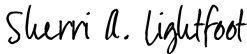
ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Perform Sanitary Sewer Lateral Inspections for Cross Bores caused by Recent Natural Gas Pipe Installations in the City of Omaha and the Surrounding Areas Extension #2 (March 1, 2024 to March 31, 2025)	1/1	Backlund Plumbing	\$803,375.00
Professional Engineering Services for Soil and Concrete Testing and SWPP Inspection Services (March 8, 2024 to March 7, 2025)	3/3	Olsson Schemmer Benesch	\$354,345.00 500,067.00 546,192.00
Perform Sanitary Sewer Lateral Pre-Inspections & Post-Inspections using Lateral Launching Equipment in the City of Omaha & the Surrounding Areas Extension #3 (April 1, 2024 to March 31, 2025)	1/1	Backlund Plumbing	\$246,500.00
Plate and Frame Filters Press Cloths Platte West WTP	5/3	Micronics <i>Pure Filtration</i> <i>Evoqua Water Tech.</i>	\$77,560.00 102,103.00 218,736.00
Polyethylene Pipe (January 1, 2024 to December 31, 2024)	8/4	PolyPipe Groebner Irby Utilities Performance Pipe	\$576,808.04 623,296.00 625,096.36 627,360.11


Ready Mixed Concrete
(January 1, 2024 to December 31, 2024)


3/1

Lyman-Richey Corp. \$252,000.00

DocuSigned by:

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

Approved:

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Jon Zellars
Vice President, Procurement and Enterprise Services

DocuSigned by:

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

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

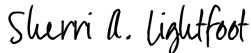
January 26, 2024

Subject: NOTICE OF PURCHASES BETWEEN \$25,000 - \$50,000**To:** All Board Members
cc: Doyle, Ausdemore, Lobsiger, Melville, Mendenhall, Myers and all Vice Presidents**From:** Sherri A. Lightfoot, Director, Procurement

During the month of January, the following item was purchased or contracted for and is being submitted to the Board to be placed on file. The purchase or contract was initiated with the low bidder which is bolded and listed first.

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidder</u>	<u>Amount Bid</u>
Professional Field Surveying and Mapping Services for WP2083	13/3	JEO Consulting R.W. Engr. & Survey E&A Consulting	\$30,000.00 31,319.00 32,100.00

DocuSigned by:

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

Approved:

DocuSigned by:

Jon Zellars
Vice President, Procurement and Enterprise Services

DocuSigned by:

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

DocuSigned by:

Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 31, 2024

Subject: MAIN EXTENSIONS**To:** Services and Extensions Committeecc: All Board Members, Ausdemore, Doyle, Lobsiger, Melville, Mendenhall, Myers,
and all Vice Presidents**From:** Masa Niiya, Vice President, Engineering

The following main extensions will be on the February 7, 2024, Committee Agenda for consideration and the Board Agenda for approval:

1. JOB #: WP2045 (100055001454 - \$1,198,047) & (100057000539 - \$924,366)**PROJECT COST:** \$2,122,413**DISTRICT COST:** \$768,920**LOCATION:** N. 216th St and Fort Street**DISTRICT SUBDIVISION:** Begley**PURPOSE:** Install water mains for Magnolia Trails Subdivision**DESCRIPTION:** Work to be done will provide water service and fire protection to 206 single family residential lots in Magnolia Trails subdivision.**2. JOB #: WP2075 SUPPLEMENTAL** (100055001461 - \$28,469)**PROJECT COST:** \$28,469**DISTRICT COST:** \$0**LOCATION:** Herman Drive between Fort Crook Road and Harvell Drive**DISTRICT SUBDIVISION:** Sidzyik**PURPOSE:** Install water mains for Harvell Center Replat 2**DESCRIPTION:** This water main extension project was originally approved by the Board on December 6, 2023 for an estimated cost of \$124,756 to front 1 newly platted commercial lot in Harvell Center Replat 2 with water mains. The previously approved estimated cost was based on historical costs of projects of similar size and scope due to the need for approval ahead of design and bidding for an executed Water Main Extension Agreement. This allowed for service from the existing water main in Harvell Circle to the new Bellevue University Fieldhouse as requested by the developer. The project has now been designed, bid, and bids received requiring an increase of \$28,469, or 23%, from the previous estimate for a total of \$153,225.**3. JOB #: WP2094** (100057000547 - \$90,000)**PROJECT COST:** \$90,000**DISTRICT COST:** \$19,260**LOCATION:** East of S. 13th and Kasper Street**DISTRICT SUBDIVISION:** Sidzyik**PURPOSE:** Install water mains for Cardinal Commons Subdivision**DESCRIPTION:** This work is being done to front 4 newly platted residential lots in Cardinal Commons Subdivision with water mains. Approval is being requested ahead of the design and bidding for this project so that the Water Main Extension Agreement executed to allow service from the existing water main in S. 13th Street as soon as possible.

4. JOB #: WP2043 (100055001452 - \$227,187)

PROJECT COST: \$227,187

DISTRICT COST: \$0

LOCATION: N. 158th St and State Street

DISTRICT SUBDIVISION: Friend

PURPOSE: Install water mains for Hanover Falls Center Subdivision

DESCRIPTION: Work to be done will provide water service and fire protection to 2 newly platted commercial lots in Hanover Falls Center subdivision.

DocuSigned by:

Masa Niiya

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Masa Niiya

Vice President, Engineering

Approved:

DocuSigned by:

Andy Melville

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Andy Melville

Interim Sr. Vice President, Chief Operations Officer

DocuSigned by:

Mark Doyle

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Mark E. Doyle

President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

January 29, 2024

Subject: Wage and/or Salary Increases and Ratifications, February 2024 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, Lobsiger, Mendenhall, and Myers;
Interim Senior Vice President Melville

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: Christopher Franck
Current position (department): Administrative Clerk III (Meter Services)
New position (department): Collection Service Representative (Meter Services)
Current rate; step/grade: \$30.90; Step 4
Proposed rate; step/grade: \$33.41; Step 1
Percent of increase: 8.12%
District hire date: March 21, 2016

Employee: Jeff Horak
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Collection Service Representative (Meter Services)
Current rate; step/grade: \$27.57; Step 2
Proposed rate; step/grade: \$31.44; EN
Percent of increase: 14.04%
District hire date: December 19, 2022

Employee: Lucas Matulka
Current position (department): Customer Service Technician – Fitter (Field Services)
New position (department): Senior Customer Service Technician (Field Services)
Current rate; step/grade: \$45.60; Step 4
Proposed rate; step/grade: \$47.36; Step 4
Percent of increase: 3.86%
District hire date: December 22, 2014

Wage and/or Salary Increases and Ratifications

February 2024

Page 2

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

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

There are no recommendations for approval this month

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

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

Employee:	Joseph Simpson
Current position (department):	Gas Maintenance Trainee (Gas Distribution)
New position (department):	Gas Maintenance Worker (Gas Distribution)
Current rate; step/grade:	\$31.96; Step 4
Proposed rate; step/grade:	\$35.56; Step 1
Percent of increase:	11.26%
District hire date:	February 4, 2019

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:	Sandra Padilla
Current position (department):	ERP Technical/Functional Analyst I (Information Technology)
New position (department):	ERP Technical/Functional Analyst II (Information Technology)
Current rate; step/grade:	\$107,392; SPA – 04
Proposed rate; step/grade:	\$112,762; SPA – 05
Percent of increase:	5.00%
District hire date:	November 14, 2022

Wage and/or Salary Increases and Ratifications

February 2024

Page 3

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: Thomas Arens
Current position (department): Sr. Engineering Technician – Operations (Plant Engineering)
Current rate; step/grade: \$85,000; SPA – 03
District hire date: January 22, 2024

Employee: Lori Stanek
Current position (department): Design Engineer (Facilities Management)
Current rate; step/grade: \$105,000; SPA – 05
District hire date: January 22, 2024

Employee: Logan Tanga
Current position (department): Help Desk Technician I (Information Technology)
Current rate; step/grade: \$79,010; SPA – 03
District hire date: January 8, 2024

DocuSigned by:

Bonnie Savine

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Bonnie Savine

Vice President, Human Resources

APPROVED:

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Mark Mendenhall

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Mark A. Mendenhall

Senior Vice President, General Counsel

DocuSigned by:

Mark Doyle

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Mark E. Doyle

President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

January 22, 2024

Subject: SPA SALARY STRUCTURE ADJUSTMENT

To: Personnel Committee, Jim Begley, Dave Friend and Robert Sidzyik
cc: Board Members Cavanaugh, Cook, Howard, and McGowan.
President Doyle, and Sr. Vice Presidents Ausdemore, Lobsiger,
Mendenhall and Myers. Interim Sr. Vice President Melville

From: Bonnie Savine, Vice President, Human Resources

As a matter of policy, the salary structure for Supervisory, Professional, and Administrative (SPA) employees is reviewed by the District’s management on an annual basis. This review has been completed for 2024. Below is a summary and recommendation for an adjustment to the SPA salary structure and compensation policy. If the recommendations are authorized by the Board, the SPA salary structure adjustment will be effective on March 1, 2024.

The 2024 recommendation continues to reflect management’s commitment to the District’s organizational excellence and fiscal responsibility pillars. As in past years, the District considers various factors when preparing a recommendation some of which are internal equity, compensation survey data, and the approved District budget. The information in this memo supports management’s recommendation for the 2024 SPA Salary Structure adjustment of 3.75%.

Organizational excellence and financial stability contribute to the District’s long-term success. The District continues to maintain an adequate financial position. Our employees continue to work safely and with a focus on customer service and operational efficiency in mind. This allows the District to continue delivering significant value to our customers. In contributing to the overall financial stability of the company a 3.75% salary scale adjustment is budgeted and fiscally responsible.

Compensation Survey Data

Each year, the District reviews salary data made available by outside consulting services and professional organizations. The data is consistent with what has been published in recent years. As part of this year’s survey the District collected the following increase data:

World at Work 2023-2024 Salary Budget Survey: Projected 2024 salary increase	4.10%
Mercer’s 2023/2024 U.S. Compensation Planning Survey: Projected 2024 budgeted salary increase	3.80%
Korn Ferry (Hay Group) 2024 Salary: Planned average salary growth U.S.	4.03%
Willis Towers Watson (AGA) Projected 2024 salary increase	4.00%
American Water Works Association (AWWA) Projected 2024 salary increase	3.98%
Human Resource Association of the Midlands (HRAM): Anticipated overall increase to the salary range for 2024	3.07%
Society of Human Resources Management (SHRM) Salary Increase Projections 2024 (and 2023)	4.00%
Published Survey Data Average	3.85%

SPA Salary Structure Adjustment
January 22, 2024

Recommendation

1) Salary Structure Adjustment

- Increase the SPA salary scale minimum and maximum values by 3.75% effective March 1, 2024.
- Grant a 3.75% general increase effective March 1, 2024, to SPA employees in accordance with the 2024 SPA Compensation Guidelines.
 - See the full 2024 SPA Compensation Guidelines for more details.
- An annual analysis of the SPA compensation changes will be conducted to identify potential compression issues. Per the SPA Compensation Administration Policy, supervisors at the maximum of their pay grade may receive a compression adjustment to ensure a 10% differential is maintained between them and their highest paid OAC direct report.

2) Compensation Policy Revisions - Compression

Salary compression between SPA management personnel and OAC subordinates continues to exist. To address the salary compression with OAC subordinates, the recommendation is to update the compression policy language to match recently approved compression policy language related to supervisors and SPA direct reports. The recommendation is to modify Section 5: Personnel Policy Manual (Salary Administration Plan for Supervisory, Professional, and Administrative (SPA) Personnel) policy language to authorize Human Resources to set the salary of employees in a supervisory role at least 5% over their highest paid direct report (OAC or SPA) at the time of hire or promotion. This 5% differential will help mitigate the compression issues between supervisors and their direct reports. Additionally, this language will aid in the recruitment and retention of District supervisory jobs.

DocuSigned by:

Bonnie Savine

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Bonnie Savine
Vice President, Human Resources

APPROVED:

DocuSigned by:

Mark Mendenhall

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Mark A. Mendenhall
Sr. Vice President, General Counsel

DocuSigned by:

Mark Doyle

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Mark E. Doyle
President

Attachments:

2024 SPA Compensation Guidelines
2024 SPA Salary Scale

SPA Compensation Guidelines for 2024

(Appraisal Year 2023)

General Increases

All SPA employees will be eligible for the approved General Increase. The increase will be effective on the same date as a Board of Director's approved revision to the SPA salary structure. Employees may receive up to the same percentage increase as the structure increase for their assigned salary grade. For 2024, the effective date is March 1, 2024. This policy will be reviewed and updated for each calendar year in January of each succeeding year. General Increases for SPA employees are subject to the following:

The prior year's SPA appraisals will be reviewed, and SPA General Increases will be awarded, based on the aggregate appraisal score of each SPA employee, according to the 1 through 5 rating system.

- An employee with an appraisal score for the prior calendar year of 3.00 to 5.00 will receive 100% of the Board approved General Increase.
- An appraisal score of 2.50 to 2.99 shall result in adjustment to 75% of the Board approved General Increase.
- An appraisal score of 2.00 to 2.49 shall result in adjustment to 50% of the Board approved General Increase.
- An appraisal score of 1.99 or lower will result in the employee not being eligible for the Board approved General Increase.

Progression Increases

Note: All progression increases are subject to the *proration schedule, if applicable, during the first year of hire, transfer, or promotion. (See the attached *Proration Schedule chart.) All prorated progression increases shall be calculated effective on the first of the month following the employee's anniversary date or job change date.

Progression Increases of up to 5% can be granted annually to SPA employees who have not yet attained the maximum of their salary grade. This includes employees who are promoted or transferred, or who are new hires still eligible to obtain Progression increases--- until the maximum salary for their grade has been reached. The progression increase will be determined by scores achieved on the prior year's annual appraisal. Progression Increases are granted effective March 1st of each year (subject to the proration schedule). The Progression Increases are determined by the following:

- An appraisal score of 3.00 or higher shall result in 100% of the 5% Progression Increase or applicable prorated progression percentage.
- An appraisal score of 2.50 to 2.99 shall result in 75% of the maximum Progression Increase ($75\% \times 5\% = 3.75\%$).
- An appraisal score of 2.00 to 2.49 shall result in 50% of the maximum Progression Increase ($50\% \times 5\% = 2.50\%$).
- An appraisal score of 1.99 or lower shall result in the employee not being eligible for a Progression Increase for the year.

Timely Appraisal Completion Requirements

All OAC and SPA appraisals must be completed timely by supervisors.

The 2023 SPA Appraisal Timeline is as follows:

- SPA Appraisal/Self-Assessments Launch on December 1st
- Employee Self-Assessments Due on December 16th
- 1st Level Manager Assessments Due on January 6th
- 2nd Level Manager Approval Due January 20th
- 3rd Level Manager Approval Due February 3rd
- Manager Feedback and 1:1 Meetings Due by Feb. 23rd

It is expected that all SPA appraisals will be completed for the 2023 calendar year, and going forward, in compliance with the policy.

***Proration Schedule** (effective March 1, 2015)

(Based on first of the month following Hire, Promotion or Transfer)

•	March	12/12 =	1.0000 x 5%	= 5.00%
•	April	11/12 =	.9167 x 5%	= 4.58%
•	May	10/12 =	.8333 x 5%	= 4.17%
•	June	9/12 =	.7500 x 5%	= 3.75%
•	July	8/12 =	.6667 x 5%	= 3.33%
•	August	7/12 =	.5833 x 5%	= 2.92%
•	September	6/12 =	.5000 x 5%	= 2.50%
•	October	5/12 =	.4167 x 5%	= 2.08%
•	November	4/12 =	.3333 x 5%	= 1.67%
•	December	3/12 =	.2500 x 5%	= 1.25%
•	January	2/12 =	.1667 x 5%	= .83%
•	February	1/12 =	.0833 x 5%	= .42%

Note: Prorated progression increases, per the above guidelines and proration schedule became effective March 1, 2015. These guidelines replaced previous compensation policy for progression increases.

METROPOLITAN

UTILITIES DISTRICT

2024 SPA Salary Scale		
3.75% Increase Effective March 1, 2024		
Grades	2024 Minimum	2024 Maximum
SPA - 13	\$221,780	\$332,671
SPA - 12	\$192,854	\$289,279
SPA - 11	\$167,697	\$251,546
SPA - 10	\$145,825	\$218,737
SPA - 9	\$132,569	\$198,851
SPA - 8D**	\$120,515	\$180,774
SPA - 8	\$120,228	\$153,673
SPA - 7D**	\$111,479	\$167,218
SPA - 7	\$111,465	\$141,895
SPA - 6	\$103,356	\$131,031
SPA - 5	\$95,645	\$120,768
SPA - 4	\$88,601	\$111,419
SPA - 3	\$81,973	\$102,656
SPA - 2	\$76,028	\$94,811
SPA - 1	\$70,623	\$87,715
**Director jobs in grade 7 & 8		

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 30, 2024

Subject: RENEWAL OF WATER FRANCHISE AGREEMENT WITH CITY OF RALSTON

To: Construction and Operations Committee

Cc: All Board Members, President. Doyle, Senior Vice Presidents, Ausdemore, Myers and Lobsiger, Interim Senior Vice President Melville and all Vice Presidents

From: Mark Mendenhall, Senior Vice President, General Counsel

The District has, pursuant to a water franchise agreement, provided the City of Ralston, Nebraska with water services since 1972. The agreement has been in the form of a franchise and has been renewed several times, each for a successive 25-year period. The City officials to renew again for another 25-year term.

The District services several other communities via a franchise. A franchise agreement is an agreement that allows the District to utilize the rights of way within the particular city in the same manner the District operates within Omaha. Over the past several years, efforts have been made to ensure the various franchise agreements are similar in terms and conditions.

The historical arrangement with the City of Ralston is unique in that the District did not own the water distribution system. The District provided services within the City limits but the facilities used to provide those services, the pipes, hydrants, valves etc, were owned by the City. The City and the District desire to change that arrangement. This agreement not only provides the District the rights to continue to operate within the City of Ralston but that it will own the water distribution system, not the City.

The agreement to undertake ownership though comes with a specific risk associated with Ralston. Within the City, an approximate three-quarter mile stretch of water main was identified that is buried at a shallow depth. In order to take ownership of the system, the District required an agreement to remediate that shallow section of water main to ensure it meets District standards.

Accordingly, the parties agreed the District will collect an additional charge from customers within the City of Ralston to fund a relocation of that section of main. Such fund will be collected over the course of ten years and will be based on the customer's meter size. The average residential customer is expected to pay approximately \$2.60 per month. The parties intend to collaborate to ensure appropriate messaging regarding this additional fee.

This matter will appear on the February 7, 2024 Committee Agenda and, subject to Committee review, the February 7, 2024 Board Agenda for consideration. The City of Ralston City Council will undertake a review the following week.

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



Mark Mendenhall
Senior Vice President, General Counsel

Approved:



Mark Doyle
President

CITY OF RALSTON DOUGLAS COUNTY, NEBRASKA

WATER FRANCHISE

AN ORDINANCE GRANTING TO METROPOLITAN UTILITIES DISTRICT OF OMAHA, A MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION OF THE STATE OF NEBRASKA, ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT AND PRIVILEGE TO OWN, CONSTRUCT, OPERATE AND MAINTAIN A SYSTEM OF WATERWORKS AND WATER SUPPLY CONSISTING OF MAINS, PIPES, HYDRANTS AND OTHER APPURTENANCES, IN UPON, OVER, ACROSS AND ALONG STREETS, AVENUES, ALLEYS, BRIDGES AND PUBLIC PLACES OF THE CITY OF RALSTON, DOUGLAS COUNTY, NEBRASKA, FOR THE TRANSMISSION, DISTRIBUTION AND SALE OF WATER FOR DOMESTIC, MANUFACTURING, INDUSTRIAL, PUBLIC AND FIRE PROTECTIONS PURPOSES IN THE CITY AND ELSEWHERE; PRESCRIBING THE TERMS AND CONDITIONS UNDER WHICH METROPOLITAN UTILITIES DISTRICT OF OMAHA IS TO OPERATE AND PRESCRIBING THE TIME WHEN THIS ORDINANCE SHALL BE IN FULL FORCE AND TAKE EFFECT.

BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF RALSTON, DOUGLAS COUNTY, NEBRASKA

Section 1. FRANCHISE; GRANT; PERIOD; RIGHTS OF GRANTEE: In consideration of the benefits to be derived from the operation of a water supply and water distribution system in the City of Ralston, Nebraska ("City"), by the City and its inhabitants, there is hereby granted to Metropolitan Utilities District of Omaha, a municipal corporation and political subdivision of the State of Nebraska ("District"), its successors and assigns, the exclusive right, permission and authority to own, construct, operate and maintain a water distribution system, including all necessary appurtenances and structures therefore, and including the existing water distribution system installed by others, within the limits of the City, as the same now exists or hereafter may be extended, for a period of twenty-five

(25) years from and after the effective date of this Ordinance; and for this purpose there is also further granted to the District the right, permission and authority, during the franchise period, to own, construct, operate and maintain, in, upon, over, across and along all of the streets, avenues, alleys, bridges and public places of the City, all mains, pipes, structures and appurtenances necessary or convenient for transmitting, transporting, distributing and supplying water for domestic, manufacturing, industrial, public and fire protection purposes for which water may be used by the inhabitants of the City during the terms hereof and for the purpose of transmitting, transporting and conveying such water into, through or beyond the immediate limits of the City to other customer, villages or cities.

2. RATES, TERMS AND CONDITIONS: This ordinance incorporates by reference all applicable terms and conditions set forth in the separate agreement for the franchise, sale and transfer of the water distribution system and other assets of the City of Ralston, Nebraska, to the Metropolitan Utilities District of Omaha, date _____, 2023, attached hereto and marked as Exhibit "A".

PASSED AND APPROVED this ____ day of _____, 2023.

(Corporate Seal)

CITY OF RALSTON, NEBRASKA

Mayor

ATTEST:

WATER FRANCHISE AND SYSTEM ACQUISITION AGREEMENT

THIS WATER FRANCHISE AND SYSTEM ACQUISITION AGREEMENT ("Agreement"), entered this _____, 2024, between the City of Ralston, Douglas County, Nebraska, a municipal corporation, and political subdivision of the State of Nebraska, ("City"), and Metropolitan Utilities District of Omaha, a municipal corporation and political subdivision of the State of Nebraska ("District").

WHEREAS, City is a City of the first class located in Douglas County, Nebraska, adjacent to the City of Omaha, a City of the metropolitan class; and

WHEREAS, the District is the natural gas and water provider for the City of Omaha and several adjacent municipalities pursuant to Neb. Rev. Stat. § 14-2101; and

WHEREAS, City is the owner of certain waterworks, water distribution system, equipment and property serving water to the residents of the City and adjacent areas; and

WHEREAS, District and City intend for District to continue providing water services to the City and its residents and further each agrees, as set forth herein, that the District will acquire from the City the waterworks, water distribution system, equipment, with some exceptions, and the City is willing to convey such system to District subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the covenants and agreements set forth herein, it is agreed between the parties as follows:

I. FRANCHISE

- A. There is hereby granted to District, its successors and assigns, the exclusive right, permission and authority to own, construct, operate and maintain a water distribution system, including all necessary appurtenances and structures therefore, and including the existing water distribution system installed by others, within the limits of the City, as the same now exists or hereafter may be extended, for a period of twenty-five (25) years from and after the effective date of this Ordinance; and for this purpose there is also further granted to the District the right, permission and authority, during the franchise period, to own, construct, operate and maintain, in, upon, over, across and along all of the streets, avenues, alleys, bridges and public places of the City, all mains, pipes, structures and appurtenances necessary or convenient for transmitting, transporting, distributing and supplying water for domestic, manufacturing, industrial, public and fire protection purposes for which water may be used by the inhabitants of the City during the terms hereof and for the purpose of transmitting, transporting and conveying such water into, through or beyond the immediate limits of the City to other customer, villages or cities.

- B. Upon agreement by the parties, this Franchise may be renewed for an additional twenty-five (25) year period under terms and rates agreeable to both parties negotiating in good faith.
- C. This Franchise allows the District to continue to use all existing and future publicly dedicated streets, avenues, alleys, bridges, and public rights of way to repair, maintain, replace, modify, extend and relocate all or any part of its water distribution system as it deems necessary. District shall, in performing any work in connection with its water distribution system, avoid, so far as may be practicable, interfering with the use of any street, alley or other highway, and where the paving or surface of the street is disturbed, District shall, at its own expense, replace such paving or surface of the streets, alleys, or other highways in as reasonably good a condition as existed before work was commenced. District shall obtain from City all required permits for street openings in connection with work on its water distribution system, but City shall waive any permit fees on such permits issued to District. In the event of emergency street openings, District shall obtain the permit as soon thereafter as practicable.
- D. The District shall provide water services to its existing ratepayers and any new ratepayers within the City's corporate boundaries and extra territorial jurisdiction as such boundaries may be modified from time to time by the City.
- E. Such water services are provided by the District within the City pursuant to the District's Water Rules and Regulations as the same exist as of the effective date of this Agreement and as they may be modified from time to time by the District, and as similarly provided to all ratepayers and municipalities within District's boundaries.
- F. The District will continue to keep all public fire hydrants within the City in good and working condition pursuant to all relevant District Water Rules and Regulations.
- G. In the event the District is required to initiate water use restrictions, those ratepayers within the City shall be treated in the same manner as all other customers within of the District within the city of the metropolitan class.
- H. The parties acknowledge that the water to be supplied to City from the District's is fluoridated in accordance with Neb. Rev. Stat. § 71-3305 and the rules and regulations of the State of Nebraska.
- I. No provision within this Agreement shall be construed to create any property right or interest of any nature in, over, along, under or across any public right of way within the City nor shall it preclude the City from making any change or modification to its public rights of way as it deems necessary.

- J. All ratepayers within the City boundaries as they exist as of the effective date of this Agreement and as they may change from time to time as determined by the City, will be subject to all applicable rules and regulations established by the District.
- K. The District will charge all ratepayers within the City boundaries the appropriate rate schedule mandated by those ratepayers' respective agreements with the District as established by and modified by the District, being the same rate schedules charged by the District to its other ratepayers within the District's water service boundary.
- L. The Parties agree that all of the District's Water Rules and Regulations including those rates and services set forth in its Billing Price Book as they exist on the effective date of this Agreement and as they may be amended from time to time by the District shall apply to the area subject to this franchise in the same manner as they apply throughout the remainder of the District's water service boundary, including the payment of all sums as may be required by Neb. Rev. Stat §14-2139.

II. CITY WATER DISTRIBUTION SYSTEM CONVEYANCE

- A. The City hereby conveys and the District hereby accepts any and all facilities that comprise the City's water distribution system as of the effective date of this Agreement including but not limited to water main pipelines, fire or other hydrants, valves, pump stations and any associated appurtenances with the exception of any water service lines as further described in this Agreement or as defined in the District's Water Rules and Regulations.
- B. City shall provide to District any and all drawings, documents and records associated with the water distribution system including any engineering designs or drawings that show the location of any of the facilities that comprise the City's water distribution system.
- C. City shall and hereby assigns any and all property rights including easement rights it may have as of the date of this Agreement necessary for District to operate its water distribution system.
- D. District accepts and acquires the City's water distribution system as it exists as of the date of this Agreement, including such parts of the water distribution system that do not meet the District's engineering specifications and standards. The attached Exhibit A details the City's boundaries and further depicts water main pipelines. Exhibit A contains several bold lines that depict nonconforming parts of the City's water distribution system referred to as shallow depth water mains ("Shallow Mains") and are more specifically identified on Exhibit A. As consideration for acquiring the City's water distribution system and specifically those Shallow Mains, City shall pay to District an estimate for replacement of those Shallow Mains as described in Section III of this Agreement.

III. PAYMENT BY CITY AND REINVESTMENT BY DISTRICT

- A. City shall pay and District shall receive \$899,000.00 ("Payment") as further defined below.
- B. District shall collect Payment for City through an additional charge on District's bills to ratepayers within City's territorial jurisdiction. District shall allocate such charge proportionally among ratepayers in proportion to each ratepayer's water meter size.
- C. The additional charge will be established at rates sufficient to collect the full amount of the Payment over 10 years based upon the number of meters in place on the effective date of this Agreement. The additional charge will begin as soon as practical upon execution of this Agreement and will continue until the amount of the Payment has been paid in full.
- D. District shall commit to invest the full Payment on improvements to bring the City's water distribution system up to District's standards, including but not limited to those Shallow Mains, within the ten-year period after the date of this Agreement. District shall provide an accounting of such expenditures and description of such improvements to City upon 30 days of City's request.

IN WITNESS WHEREOF, the parties through their duly authorized officers, execute this Agreement

City of Ralson

Metropolitan Utilities District
Of Omaha

Donald A. Groesser, Mayor

Approved as to form:

Donald F. Ficenec, City Attorney

District

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 25, 2024

Subject: RATIFICATION OF PURCHASE AND EASEMENT AGREEMENTS,
SARPY COUNTY SOUTHWEST RESERVOIR FROM G. SCHRAM

To: Judiciary and Legislative Committee

Cc: All Board Members; President Doyle, Senior Vice Presidents Ausdemore, Lobsiger and Myers, Interim Senior Vice President Melville and all Vice Presidents

From: Mark Mendenhall Senior Vice President, General Counsel

The District began negotiations with property owner George Schram over a year ago with the goal of acquiring property near 168th and Capehart Road in Sarpy County, Nebraska. The property was identified as critical for the development of a future water reservoir and pump station. That reservoir and pump station would support existing and planned growth in Sarpy County.

As a result of those negotiations, the District and Mr. Schram entered into a purchase agreement for the acquisition of approximately 20 acres on S. 168th Street, south of Capehart Road. That agreement was approved by the Board and executed on December 6, 2023. The District completed due diligence steps following. Following those due diligence efforts, the District and Mr. Schram scheduled a closing.

With the assistance of Missouri River Title, the property acquisition was completed on January 10, 2024 with a total final purchase price of \$1,931,669.52. This letter is seeking your ratification of the recommendation to close on the transaction.

This matter will appear on the February 7, 2024 Committee Agenda and, subject to Committee review, the February 7, 2024 Board Agenda.

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



Mark Mendenhall
Senior Vice President/General Counsel

Approved:



Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 30, 2023

Subject: RATIFICATION OF PURCHASE 2816 State Street, Omaha, NE 68112
Florence Lot 7 Block 37 & ½ Vacated Alley [66X 142]

TO: Judicial & Legislative Committee

cc: All Board Members; President Doyle, Senior Vice Presidents Ausdemore, Lobsiger and Myers, Interim Senior Vice President Melville and all Vice Presidents

From: Mark Mendenhall Senior Vice President, General Counsel

Management is recommending the Board of Director's approve efforts to purchase residential property at 2816 State Street, Omaha, Nebraska. The property at issue, depicted on the attached map, is located approximately one hundred feet from critical infrastructure within the District's Florence Water Treatment Plant. It recently came up for sale and after negotiating with the seller, a purchase agreement was finalized.

The property is important for two primary reasons. One is to expand a safety buffer considering its proximity to the District's Chemical Building and two is to expand the security buffer. Two lots to the east of this property were recently purchased by the District for similar reasons. The District intends to demolish the home and expand its security fencing to encompass the lot.

As a result of negotiations with the owners, the District entered into a purchase agreement for the acquisition of the property on January 25, 2024 subject to approval by the Board at its February 7, 2024 meeting. This matter will appear on the Committee Agenda for February 7, 2024 and the regular Board meeting for February 7, 2024. If approved by the Board, the anticipated closing date is February 16, 2024, with a final purchase price of \$227,490.18. Funds necessary for closing were budgeted anticipating the possibility of such outcome.

DocuSigned by:



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Mark Mendenhall

Senior Vice President / General Counsel

Approved:

DocuSigned by:



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Mark Doyle
President

PURCHASE AND SALE AGREEMENT

(This is a legally binding contract. If not understood, seek legal advice.)

Whereas, the Metropolitan Utilities District of Omaha, a political subdivision of the State of Nebraska ("Buyer") and Dah Lu and Naw Gay, husband and wife, (the "Sellers") each desires to enter into this Purchase and Sale Agreement ("Agreement") to respectively buy and sell the property described herein subject to the terms of this Agreement;

Whereas Buyer desires to purchase land within the Omaha, Nebraska metropolitan area and Seller owns that certain real estate described herein and desires to sell said property;

Now therefore, the parties hereto do agree to the following:

1. **Address:** 2816 State Street Omaha, Douglas County, Nebraska 68112.
2. **Legal Description:** Florence LOT 7 BLOCK 37 ½ VAC ALLEY ADJ & 66 X 142.
3. **Personal Property:** Buyer agrees that Seller may remove any and all personal property including a range/cooktop, oven, refrigerator, washer and dryer prior to Closing as defined herein.
4. **Conveyance:** Seller represents that it has good, valid and marketable title subject to easements, covenants, and restrictions currently of record, in fee simple, and agrees to convey title to the Property to Buyer or its nominee by special warranty deed subject to easements, covenants and restrictions currently of record, free and clear of all liens and encumbrances or special taxes levied or assessed against the Property. The Property is not subject to any leases. The Property will be conveyed free and clear of tenants in possession. The sale and purchase of the Property is subject to all applicable building codes and zoning laws, and other governmental laws and regulations.
5. **Assessments:** Seller is not aware of any assessments which have been assessed but not collected or are being contemplated to be assessed.
6. **Purchase Price:** Buyer agrees to pay Two Hundred Twenty-Five Thousand and no/100 Dollars (\$225,000.00) (the "Purchase Price") at Closing (as defined in section 12) on the following terms: One Thousand and no/100 Dollars (\$1,000.00) (the "Deposit") deposited with Missouri River Title, 11239 Chicago Circle, Omaha, NE 68154 (the "Title/Escrow Agent") within three (3) business days after full execution of this Agreement. The Title/Escrow Agent will provide a receipt to both parties confirming receipt of the Deposit immediately upon receipt of same. The Deposit is non-refundable except for the provisions of Section 7 below, Seller's inability to provide clear title or Seller's default. In the event of a breach of this Agreement by Buyer, the Seller may, as its sole option, retain the Deposit as liquidated damages as Seller's sole remedy for failure to carry out the terms of this Agreement; it being the agreement of the parties that upon the happening of such event, the Seller may have sustained damages, the exact amount of which would not be easily ascertained and the Deposit is agreed by the parties to be equitable compensation to Seller for the actual loss which may have been sustained. The Deposit amount shall be credited against the Purchase Price subject to adjustment as set forth herein and the balance of the Purchase Price is to be paid in immediately available funds to the Title/Escrow Agent at Closing.
7. **Applicable Conditions:** This Agreement is conditioned upon and is ineffective as to the parties unless and until the happening of the following event. If the same has not occurred within the time stated and to the explicit satisfaction of Buyer, this offer shall be null and void, and any Deposit promptly returned to Buyer by the Title/Escrow Agent.
 - A. **Contingent on Board Approval:** This Agreement is contingent upon approval of the Buyer's Board of Directors (the "Board") during the Board's regularly scheduled February 7, 2024 meeting (the "Board Meeting"). Seller acknowledges that this Agreement is ineffective unless specifically authorized via Resolution by the Board made by a vote at the Board Meeting (the "Board Approval"). In the event the Buyer does not receive Board Approval, Buyer shall provide Seller written notice of same within five (5) days of the Board Meeting and this Agreement shall be deemed cancelled, ineffective and without meaning and the Deposit shall be immediately returned to the Buyer.

8. **Taxes:** All consolidated real estate taxes which become delinquent in the year in which Closing takes place shall be treated as though all are current taxes, and those taxes shall be prorated as of the Closing Date, and all the prior years' taxes, interest, and other charges, if any, will be paid by Seller.

9. **Rents, Deposit and Leases, If Rented:** The Property is not subject to any lease so no rents or deposits are in place or need to be prorated.

10. **Title:** The date this Agreement becomes fully executed by both Buyer and Seller shall be the effective date (the "Effective Date"). Within ten (10) days after the Effective Date, Buyer shall obtain from Missouri River Title, 11239 Chicago Circle, Omaha, NE 68154 (the "Title Company") and deliver to Seller an A.L.T.A. commitment for a standard owner's policy of title insurance (the "Title Commitment") with respect to the Property issued by the Title Company, together with copies of all documents listed as an exception thereon.

11. **Conveyance of Title and Closing.**

11.1 **Title and Title Exceptions.** Seller shall through Seller's Agent or Closing agent furnish a current title insurance commitment or complete abstract of title to Purchaser as soon as practical. If title defects are found, Seller must cure them within a reasonable time, and Closing shall be automatically extended until such defects are cured, in accordance with Section 12, below.

12. **Closing:** Subject to the terms and conditions of this Agreement, Closing shall occur on or before **February 16, 2024. Time is of the essence.** The Closing shall occur at a time mutually agreeable to Buyer and Seller on the Closing Date. Possession of the Property will be delivered on the Closing Date.

13. **Escrow Closing:** Buyer and Seller acknowledge and understand that Closing will be handled by the Title Company and is authorized to transfer any funds it receives from buyer or seller pertaining to closing.

14. **Other Costs and Prorations:**

A. **State Documentary Tax:** State Documentary Tax on the deed, if any, shall be paid by the Seller.

B. **Additional Amounts:** None

C. **Attorney's Fees:** Each of the parties will pay its own attorney's fees, except that a party defaulting under this Agreement or any of Seller's Closing Documents or Buyer's Closing Documents will pay the reasonable attorney's fees and court costs incurred by the non-defaulting party to enforce its rights regarding such default.

D. **Recording Costs:** Seller will pay the cost of recording all documents necessary to place record title in the condition required by this Agreement. Buyer will pay the cost of recording all other documents.

E. **Title Insurance:** Buyer and Seller will equally share the cost of an owners Title Insurance Policy. Buyer will be responsible for the cost of any endorsements requested by Buyer.

F. **Escrow Closing Fees:** Escrow closing fees charged by the Title/Escrow Agent shall be equally divided between Buyer and Seller.

15. **Wood Infestation:** Intentionally Deleted.

16. **Smoke & Carbon Monoxide Detectors:** Two of each.

17. **Condition of Property:** Seller represents to the best of Seller's knowledge, information and belief, and without investigation there are no latent defects in the Property. Seller agrees to maintain improvements on the

Property, if any, in working condition until delivery of possession. Condition of property subject to the seller property condition disclosure statement dated October 6, 2023.

18. **Environmental:** Except as otherwise disclosed to Buyer in writing, Seller represents to the best of the Seller's knowledge, information and belief, and without investigation, there are no conditions present or existing with respect to the Property which may give rise to or create environmental hazards or liabilities and there are no enforcement actions pending or threatened with respect thereto.

19. **As-Is/Where-Is:** Buyer acknowledges and agrees that Seller is selling and conveying to Buyer, and Buyer is accepting, the Property "AS IS, WHERE IS, WITH ALL FAULTS", except as provided in Section 17 of this Agreement and except as may be expressly provided in any document executed by Seller and delivered to Buyer at Closing. Except as expressly set forth in this Agreement, Buyer acknowledges that it has not relied and will not rely on, and Seller has not made and is not liable for or bound by, any express or implied warranties, representations or information pertaining to the Property furnished by Seller or any agent representing or purporting to represent Seller. Buyer represents that it is a knowledgeable, experienced and sophisticated purchaser of real estate and that, except as expressly set forth in this Agreement, it is relying solely on its own expertise and that of its representatives in purchasing the Property. Buyer further acknowledges that it will conduct such investigations and inspections of the Property as Buyer deems necessary and shall rely exclusively on the same.

20. **Agency:** The REALTOR(S) involved in this transaction are:

Buyer Representative: Les Kay, America's Realty Team, 1334 South 119th, Suite B, Omaha, Nebraska 68144.

The Seller is represented by Leaston Moo by N.P. Dodge Real Estate Sale Inc., 86th & Dodge.

21. **Broker Compensation:** Buyer and Seller acknowledge that N.P. Dodge. is being paid a fee by Seller pursuant to Seller's separate agreement with N.P. Dodge. Seller and Buyer represent to the other that, except as specifically set forth herein, no other agent, broker, finder, representative or other person or entity acting pursuant to authority of either of the parties will be entitled to any commission or finder's fee in connection with the transaction contemplated under this Agreement. In the event that any other broker, agent or finder perfects a claim for a commission, broker or finder's fee, the party responsible for the contact or communication on which the broker, agent or finder who perfected such claim shall indemnify, save harmless and defend the other party from said claim and all costs and expenses (including reasonable attorneys' fees) incurred by the other party in defending against the same and any commission, fee or compensation payable to the other broker, agent or finder with respect thereto. N.P. Dodge & America's Realty Team are being paid a fee by seller's separate agreement with N.P. Dodge.

22. **Offer Expiration:** This offer to purchase is subject to acceptance by Seller on or before January 29, 2024 at noon.

23. **Notice:** Any notice, or other communication which may or shall be given or served by Seller to or on Buyer, or by Buyer to or on Seller, shall be deemed to have been given or served on the date the same is email address. The addresses set forth below may be changed at any time by the parties by notice given in the manner provided above.

If to Seller: Leaston Moo
Leaston.Moo@NPDodge.com

If to Buyer: Metropolitan Utilities District
Attn: Justin Cooper, Attorney
Justin_cooper@mudnebr.com

With a Copy to: Les Kay
Lkay728@aol.com

24. **Enforceability:** If any provision of this Agreement is held to be illegal, invalid or unenforceable, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof.

25. **Counterparts:** This Agreement may be executed in multiple counterparts, including but not limited to facsimile and electronic mail transmittal, and each shall be deemed to constitute an original for all purposes.

26. **Entire Agreement:** This Agreement contains the entire agreement between Seller and Buyer, and there are no other terms, conditions, promises, undertakings, statements or representations, either written or oral or express or implied, concerning the sale contemplated by this Agreement. This Agreement shall supersede any and all prior communications or agreements between the parties.

27. **Governing Law; Jurisdiction/Venue:** This Agreement shall be construed in accordance with the laws of the State of Nebraska.

28. **Authority/Representation/Warranty:**

A. Buyer is duly and legally authorized to enter into this Agreement and Buyer's representative executing this Agreement is authorized to act on behalf of and bind Buyer to the terms of this Agreement.

B. Seller is duly and legally authorized to enter into this Agreement and Seller's representative executing this Agreement is authorized to act on behalf of and bind Seller to the terms of this Agreement.

29. **Insurance:** Any risk of loss to the Property shall be borne by the Seller until title has been conveyed to the Buyer. In the event, prior to Closing, any structure on the Property is materially damaged by fire, explosion or any other cause, Buyer shall have the right to rescind this Agreement, and Seller shall then refund the Deposit to Buyer.

30. **Changes in Condition of Property:** There shall not have occurred prior to Closing, without Buyer's prior written consent (i) any change to title or survey matters previously reviewed, or (ii) any material changes to the condition of the Property or its occupancy or operations except as may be expressly provided for in this Agreement, including, without limitation any change of zoning or potential or threatened change of zoning of the Property, the commencement or potential commencement of a condemnation action affecting the Property or any violation of any law, regulation rule or ordinance relating to the Property or physical defects of the Property not known by Buyer prior to the Closing Date, and (iii) the discovery of Hazardous Substances in, under or on the Property.

31. **Assignment of the Purchase Agreement:** The Buyer shall have the privilege of assigning this Agreement to any person, partnership, corporation, L.L.C. or L.L.P which is affiliated with or controlled by Buyer. prior to Closing, however, no such assignment or transfer shall release the Buyer signing this Agreement from primary liability for timely performance of all of Buyer's obligations under this Agreement. Buyer shall deliver to Seller an executed copy of any such assignment in which event the Seller shall close the transaction with the Assignee of the Buyer.

32. **Documentation:** Within five (5) days after the Effective Date hereof, Seller shall deliver to Buyer copies of the following documents (the "Diligence Documents"), if in Seller's possession or control.

- A. Seller is aware of no surveys of the Property in Seller's possession or control;
- B. environmental surveys, studies, and notices;
- C. any notices from governmental agencies received within the past two (2) years regarding zoning, eminent domain, life safety or traffic.

Buyer: Metropolitan Utilities District, a political subdivision of the State of Nebraska

By: 

Print Name: Mark Doyle

Its: President

Date: 1/26/24

Seller: Dah Lu



dotloop verified
01/26/24 2:42 PM CST
UN4C-RGEC-GFJQ-YJIG

Date: 01/26/2024

Seller: Naw Gay



dotloop verified
01/26/24 2:41 PM CST
RZ8C-A3DQ-SMUK-9GLM

Date: 01/26/2024

METROPOLITAN UTILITIES DISTRICT*Inter-Department Communication*

January 29, 2024

Subject: FIRST LEGISLATIVE REPORT – 2024 SESSION**To:** Judicial and Legislative Committee**cc:** All Board Members; Doyle, Mendenhall, Ausdemore, Myers, Melville, Lobsiger; all Vice Presidents; Edwards**From:** Rick Kubat, Government Relations Attorney

The legislature began the 60-day short session on January 3, 2024, and is tentatively scheduled to adjourn on April 18, 2024. On January 18th, Governor Pillen gave his State of the State address. A portion of the Governor's agenda included a goal to reduce property taxes by 40%, enhance workforce development, and the need to make future investments in technology and innovation to enable Nebraska's farmers to produce more crops with less water. Provided below is a list of newly introduced 2024 legislation along with management's recommendations and a listing of Board positions from legislation introduced in 2023. In addition to the list of bills provided below, there are numerous other legislative proposals that will be monitored on behalf of the District.

NEWLY INTRODUCED LEGISLATION IN THE 2024 SESSION

LB 1018 (Holdcroft) – State agencies or political subdivisions may not require applicants for public employment to possess a postsecondary degree, provided the applicant has qualifying career and life skills. Exceptions are provided for positions where a postsecondary degree is mandated by federal or state law.

Mgmt. Rec: Neutral**Status:** February 2, 2024, Government, Military and Veterans Affairs Committee hearing

LB 1069 (Halloran) – Introduced on behalf of the State Fire Marshall's Office (SFM) and proposes numerous changes to SFM statutes. Of concern to the District are the following two items:

1. Raises the potential fines for violations of the Nebraska Natural Gas Pipeline Safety Act from \$10k per violation to \$200k and raises the potential of penalties for a series of violations arising out of the same event from \$500k to \$2 million.
2. The SFM plans to raise their current statutory authority on meter set assessments paid by natural gas providers from 20 cents per meter to 50 cents per meter. The SFM claims the increase in the assessment is necessary to fund one more employee at the SFM's Office and without an increase, the SFM might be subject

to less allocation of federal funds. The District has roughly 240,000 meter sets. The District pays roughly \$50,000 per year under current law. If LB 1069 were to be enacted, and the meter set assessment fee was set at the statutory maximum of 50 cents, it would be a \$75,000 increase to the District for a total of roughly \$125,000.

The District, Black Hills Energy, Northwestern Energy and the Nebraska League of Municipalities provided opposition testimony to LB 1069. Concerns were raised during the hearing that the excessive increase in penalties will lead to more adversarial posturing by parties regarding potential violations under the Nebraska Natural Gas Pipeline Safety Act due to the significantly enhanced fiscal liability. As a result, natural gas providers will be less likely to work with the SFM in what should be a cooperative effort to enhance safety. Nebraska's natural gas providers were not given the opportunity to work with the SFM regarding LB 1069 prior to the bill's introduction.

Mgmt. Rec: Oppose
Status: January 22, 2024, Business and Labor Committee hearing

LB 1186 (Sanders) – Removes strict liability for excavators when telecommunications or fiber are not buried at a depth of ten inches or more.

Mgmt. Rec: Neutral
Status: February 27, 2024, Transportation and Telecommunications Committee hearing

LB 1234 (Wayne) – Appropriates \$1,000,000 from the general fund to the Nebraska Department of Environment and Energy for the Low-Income Weatherization Assistance Program for weatherization improvements and energy efficiency audits.

Mgmt. Rec: Support
Status: February 2, 2024, Appropriations Committee hearing

LB 1245 (McDonnell) – In the 2023 session, the legislature appropriated \$10 million for the District to replace lead service lines via the Lead Service Line Cash Fund (LSLCF) to be administered by the Nebraska Department of Environment and Energy (NDEE). LB 1245 clarifies that up to \$2 million of the LSLCF may be used for expenditures necessary to establish a labor training program via grants to qualified labor training organizations. The bill further clarifies that the District has the authority to utilize the LSLCF to pay loan provisions of NDEE's Drinking Water State Revolving Fund. LB 1245 further clarifies the District's discretion for expenditures related to replacing lead service lines from the LSLCF.

Mgmt. Rec: Support
Status: February 2, 2024, Appropriations Committee hearing

LB 1277 (Wayne) – Provides political subdivisions that supply electricity, natural gas, water, or sewer service with permissive authority to request an emergency proclamation from the Governor when the political subdivision operates in multiple counties. LB 1277 was introduced to address the requirement of requesting multiple counties to sign-off on an emergency declaration when utilities are operating in more than one county. The utilities listed will have the authority under the bill to make a direct request to the Governor for such a declaration.

Mgmt. Rec: Support
Status: Referred to the Government, Military and Veterans Affairs Committee

LB 1300 (Bostar) – Enacts the Pacific Conflict Stress Test Act. The purpose of this Act is to make reasonable preparations for conflict in the Pacific theater that would disrupt the state and the nation's supply chains. The Act requires the Governor to annually publish a state risk assessment that includes "all substantial risks to state or national security...occurring within and threatening the State of Nebraska." It requires the Department of Administrative Services to conduct an audit of the State's critical procurements and to identify all procurements and supply chains subject to disruption in the event of a conflict. The Act requires the State Treasurer to review and identify all state investments at risk of losing value or being frozen or seized in the event of a Pacific conflict and recommend alternative strategies and investments. The Act creates a Committee on Pacific Conflict to prepare a "comprehensive risk assessment" focused on critical infrastructure. For purposes of completing the assessment, owners and operators of critical infrastructure may be required to submit information related to such assets. Finally, the Act creates constraints and certain prohibitions on the ability of a public entity to contract with a foreign adversary.

Mgmt. Rec: Neutral
Status: Referred to Government, Military and Veterans Affairs Committee

LB 1315 (Linehan) – Raises the state sales tax rate from 5.5% to 6.5%.

Mgmt. Rec: Oppose
Status: Referred to the Revenue Committee

LB 1342 (Wayne) – Provides a state sales tax exemption for residential electricity and natural gas.

Mgmt. Rec: Support
Status: Referred to the Revenue Committee

LB 1358 (McDonnell) – The bill provides that it is the intent of the legislature that any increase in the salary of any governing body of any political subdivision which is in excess of the increase in the cost of living since the last increase in salary of such governing body plus one percent be approved by the registered voters of such political subdivision at a statewide general election before the increase can be included in the budget of the political subdivision. The bill also provides that no governing body shall increase such

salaries more than once every two fiscal years. The bill further directs the Government, Military and Veterans Affairs Committee to prepare legislation to amend the necessary statutes affecting salaries of governing bodies, budgeting, tax levies, and elections for the various political subdivisions in order to implement the act.

Mgmt. Rec: Support
Status: Referred to Government, Military and Veterans Affairs

LB 1366 (Cavanaugh J.) – The bill proposes that a political subdivision of this state shall not take property through the use of eminent domain under sections outside of the boundaries of such political subdivision unless a majority vote of the governing body of the county, city, or village where the property is located approves such taking. The bill also proposes that a private entity shall not take property through the use of eminent domain for use of pipelines unless all pipeline routes are approved by the Public Service Commission; or unless a majority vote of the governing body of the county, city, or village where the property is located.

Mgmt. Rec: Oppose
Status: February 2, 2024

2023 Carryover Legislation

LB 40 (Blood) – Establishes the Riparian Protection and Water Quality Practices Act (Act). Requires Nebraska's Department of Agriculture to consult with local management authorities to develop a summary of watercourses for inclusion in a comprehensive local watershed management plan and to create buffer protection maps. The District is defined as a water management authority. LB 40 requires riparian buffers and water quality practices to: (a) protect state water resources from erosion and runoff pollution, (b) stabilize soils, shores, and banks, and (c) protect or provide riparian corridors. The bill requires landowners with property adjacent to a water source identified on a buffer-protection map to maintain buffers in accordance with the Act. The bill requires the District, with assistance from the Dept. of Agriculture, to assist landowners with riparian protection requirements including planning, technical assistance, implementation of approved alternative practices, and tracking progress towards compliance. The District would be required to notify the Dept. of Agriculture if a landowner is not in compliance. The Dept. of Agriculture is authorized to levy civil penalties not to exceed \$1,000 per violation. The bill further provides categories of exempted properties to include land enrolled in a Conservation Reserve Program, recreational use, regulated by a National Pollutant Discharge Permit, part of a water-inundation cropping system, or in a temporary non-vegetated condition. The District supports the underlying goals of LB 40 to enhance water quality with the recommendation that financing be made available to support volunteer agricultural practices.

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

LB 122 (Bostelman) – Changes provisions of the One-Call Notification Act. Current law enables the State Fire Marshall (SFM) to investigate One-Call violations specifically

related to natural gas. LB 122 expands the duties of the SFM to investigate One-call violations to include water, fiber, sewer, electricity and all other utilities. The bill requires initial complaints be filed with the SFM. It requires the SFM to investigate each complaint and refer One-Call violations to an Excavation Safety Committee. It creates the Underground Excavation Safety Committee (UESC), referred to as a “hit court”. LB 122 has a pending amendment. As amended, the UESC will be comprised of three excavators and three operators appointed by the Governor and a designee of the SFM. The Committee would determine whether complaints constitute One-Call violations and impose civil penalties. Penalties may include the requirement of completion of educational courses established by the SFM. Violations related to gas, hazardous liquid, or fiber optic facilities may not exceed ten thousand dollars for each violation for each day a violation persists, up to a maximum of five hundred thousand dollars. Violations related to any other underground facility, may not exceed five thousand dollars for each violation for each day a violation persists, up to a maximum of fifty thousand dollars. Any recommendations by the UESC for penalties above these statutory amounts would be referred to the Attorney General’s Office for further prosecution. LB 122 further provides that it is a violation to request utility locates in an area in which excavation cannot reasonably commence within seventeen calendar days after the indicated excavation start date or within fourteen calendar days after a request for remarking or reidentification is completed. LB 122 has been amended into LB 683 via AM 1142.

Board Pos: Neutral
Status: Amended into LB 683 and signed into law by the Governor

LB 161 (McDonnell) – Prohibits employers from requiring employees to wear electronic communication devices to track an employee’s location or travel patterns or to confirm contacts with other employees. An exception is provided if the Governor proclaims a state of emergency related to a pandemic. Under the pandemic exclusion, employee tracking information is to be used only for the limited purpose of contact tracing. Senator McDonnell was informed by the District and other employers that tracking systems are used for vehicular safety and to track the location of District assets. Senator McDonnell’s has indicated that the intent of the bill, should it be considered by the full legislature, is to provide an exception for the tracking of employer owned property. Provided this exclusionary language becomes part of the bill, the District will remain neutral. LB 161 will sit on General File and be carried over into the 2024 session.

Board Pos: Neutral
Status: Remains on General File

LB 171 (McKinney) – LB 171 is a bill intended to “clean up” the District’s enabling act which is found in Neb. Rev. Stat. § 14-2101 through §14-2157. Every year, the Urban Affairs Committee picks a chapter under their jurisdiction to update and remove obsolete statutory language. The intended purpose of “clean-up” is not to make any substantive law changes. The bill moves the enabling act into its own section of law that will be known as the Metropolitan Utilities Act. Below are two changes made under LB 171 Management would like to bring to your attention.

1. The Bill eliminates language that the District “may”, by resolution, move to subdivisions and replaces it with “shall”. Those involved in bill drafting have taken the position that once the District moved to subdivision elections, there is no mechanism under current law that would permit the District to move back to at-large elections.
2. Current law requires a two-thirds vote of the “full” Board for termination of a regular full-time employee. LB 171 changes the language to two-thirds of the Board. This change would permit employee removal if 4 of 6 Directors voted for termination *if* a Board Director was absent. Current law requires two thirds of the full Board which is interpreted as 5 Directors regardless of the number of Directors that are absent.

Board Pos: Neutral
Status: Remains on General File

LB 205 (von Gillern) – Would establish the Government Neutrality in Contracting Act. Unless otherwise required by federal law, a government entity shall ensure that any requests for proposals or bid specifications for a public contract or the procurement procedures for a public contract *do not contain*:

- (a) A term that requires, prohibits, encourages, or discourages bidders, public contractors, or subcontractors from entering into or adhering to a collective-bargaining agreement relating to construction under the public contract; or
- (b) A term that discriminates against bidders, public contractors, or subcontractors based on status as a party or nonparty to, or the willingness or refusal to enter into, a collective-bargaining agreement relating to construction under the public contract; or
- (c) Contract award pass or fail scoring criteria regarding a bidder's hiring requirements, labor assignments, local headquarters, political affiliation, political activity, or demographic makeup.

An amendment was offered at the committee hearing to remove gas, water and electric utilities from the bill.

Board Pos: Neutral
Status: Remains on General File

LB 237 (Wayne) – Appropriates \$1 million from the General Fund to the Department of Environment and Energy for the Low-Income Weatherization Assistance Program, to aid in carrying out energy efficiency audits and weatherization improvements.

Board Pos: Support
Status: Remains in the Appropriations Committee

LB 267 (Brewer) – Provides for the prioritization of resources for the protection of critical infrastructure utility workers to include specific District employees during any civil defense emergency. It provides priority access to personal protective equipment, medical screening, testing, preventative health services, medical treatment, and the

administration of vaccines in the event of an emergency involving a severe threat to human health. LB 267 has been amended into LB 191 via AM 1330.

Board Pos: Support
Status: Amended into LB 191 and signed into law by the Governor

LB 270 (McKinney) – Changes provisions to the Landlord and Tenant Act and rental registration ordinances. LB 270 provides requirements for a city or village when rental property is condemned to include meeting with residents of the rental property and providing a plan for providing housing, food, transportation, moving expenses, and legal services for residents. Of interest to the District is a provision contained within LB 270 that would require landlords to remove and replace lead service lines.

Board Pos: Neutral
Status: Remains in the Judiciary Committee

LB 292 (Cavanaugh M.) - No land within the Lake Development District, as designated by the Department of Natural Resources under the JEDI bill passed last year shall be acquired by the State or any political subdivision of the State through the use of eminent domain.

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

LB 389 (Linehan) – Would prohibit the use of Tax Increment Financing (TIF) for any property that has used TIF in the preceding 50 years.

Board Pos: Neutral
Status: Remains in the Urban Affairs Committee

LB 394 (Erdman) – LB 394 changes the calculation of fair market value and severance damages when an entity uses eminent domain. Current law allows for fair market value and all compensable damages suffered by the condemnee including, but not limited to, reasonable severance damages and condemnee's abstracting, or more generally, title research expenses. LB 394 divides out compensation for agricultural lands and all other property. For property other than agricultural land, the damages include: (i) The fair market value of the condemned property; (ii) Reasonable severance damages; and (iii) The condemnee's abstracting expenses. For agricultural land, the damages include: (i) Two times the fair market value of the condemned property; (ii) Reasonable severance damages; and (iii) the condemnee's abstracting expenses.

Board Pos: Oppose
Status: Remains in the Judiciary Committee

LB 477 (Wayne) – Appropriates \$100 million of general fund dollars for the Omaha Streetcar Authority. Fifty percent or \$50 million is to be used to establish a North Omaha line.

Board Pos: Neutral
Status: Remains in the Appropriations Committee

LB 506 (Bostar) – Appropriates \$200 million in American Rescue Plan (ARPA) dollars to the City of Lincoln for an alternative water supply. Appropriates \$20 million to small and rural communities for reverse osmosis to address nitrates. LB 506 was amended into LB 814 and provides \$177 million in ARPA funds to Lincoln for alternative water supply projects.

Board Pos: Neutral
Status: Provisions of LB 506 amended into LB 814 and signed into law by the Governor

LB 613 (McDonnell) – Appropriates \$45 million of general fund dollars over a two-year period to the Nebraska Department of Environment and Energy for the removal of lead service lines for District customers. Up to ten percent of the funds may be used for workforce training. Provisions of LB 613 were amended into LB 814 and LB 818. The District is to receive \$10 million in state general funds for lead service line replacements.

Board Pos: Support
Status: Provisions of LB 613 amended into LB 814 and LB 818 and signed into law by the Governor.

LB 636 (Albrecht) – Prohibits municipal ordinances from limiting fuel choices. LB 636 would prohibit regulations or ordinances limiting fuel choices to include propane and natural gas.

Board Pos: Support
Status: Placed on General File

LB 672 (Hansen) – Appropriates \$30 million of the Drinking Water Facilities Loan Fund to the Nebraska Department of Environment and Energy for loan funds for municipal water grants. Provides up to fifty percent loan forgiveness to expand municipal drinking water treatment plants and related expenditures. Management is recommending a neutral position on LB 672 because the target of this legislation is for the City of Blair.

Board Pos: Neutral
Status: Remains in the Appropriations Committee

LB 691 (Linehan) – Amends Nebraska Revised Statute 14-3,109. If a fixed rail or streetcar system is constructed in a city, all project-related costs for natural gas and water utilities shall be paid by the city or owner of the fixed rail or streetcar system. Project-related costs include any and all necessary utility work required for the construction of such a project and shall include engineering services for any and all gas and water utility work. Senator Linehan requested the Urban Affairs Committee Indefinitely Postpone LB 691 due to the agreement reached with the City of Omaha on relocations.

Board Pos: Support

Status: Indefinitely postponed

LB 693 (Linehan) – If a City of the Metropolitan class uses Tax Increment Financing for any project that includes a fixed rail or streetcar system, an authority shall pay for all project-related costs for natural gas and water utilities. Project-related costs shall include any and all necessary utility work required for the construction of a fixed rail or streetcar system and shall include engineering services performed for any and all gas and water utility work. Senator Linehan requested the Urban Affairs Committee Indefinitely Postpone LB 693 due to the agreement reached with the City of Omaha on relocations.

Board Pos: Support
Status: Indefinitely Postponed

LB 734 (Bostar) – Creates a Class II Felony if an actor intentionally causes a substantial interruption or impairment of public communication, transportation, supply of water, gas or power, or other public service if such impairment or interruption is a significant contributing factor in death or serious injury to any person.

Board Pos: Support
Status: Remains in the Judiciary Committee

LB 746 (Cavanaugh M.) – Beginning on the effective date of the bill, if the total amount of ad valorem taxes estimated to be generated exceeds \$20 million for a Tax Increment Financed project, such project shall be submitted to a vote of the people.

Board Pos: Neutral
Status: Remains in the Urban Affairs Committee

LB 785 (McKinney) – Appropriates \$250 million in American Rescue Plan Act (ARPA) funds to the Department of Natural Resources and \$350 million in general funds to the Nebraska Department of Economic Development to provide financial support for the North and South Omaha fiscal recovery grant programs. Pending amendment, AM 865, adds specificity to the allocation of both ARPA and general funds contained within LB 785. AM 865 contains a \$30 million allocation of ARPA funds to be administered by the Nebraska Department of Environment and Energy to provide grant funding to the District for the removal of lead service lines. Provisions of LB 785 were amended into LB 814, however the provisions contained within LB 785 to finance lead services were removed.

Board Pos: Support
Status: Provisions of LB 785 excluding financial assistance for lead services were amended into LB 814 and signed into law by the Governor



Richard A. Kubat
Government Relations Attorney

Approved:



Mark A. Mendenhall
Senior Vice President/General Counsel



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT*Inter-Departmental Communication*

January 30, 2024

Subject: 2023 RETIREMENT PLAN AND OPEB INVESTMENT REVIEW**To:** Insurance and Pensions Committee

cc: All Board Members; Doyle, Ausdemore, Lobsiger, Mendenhall, Melville and all Vice Presidents

From: Mark F. Myers, Senior Vice President, Chief Financial Officer**Investment Performance**

Attached please find a report from Vanguard Institutional Advisory Services (VIAS) that presents 2023 investment performance for the Retirement and Other Post-Employment Benefits (OPEB) trust funds. The composite investment returns for the year ending December 31, 2023, were 16.22% and 17.19% for the Retirement and OPEB plans respectively (net of fees). The composite returns for the three-month period ending December 31, 2023, were 10.45% and 10.74% for the Retirement and OPEB plans respectively (net of fees).

As a point of reference, the investment return assumption for the Retirement trust is 6.75%, as delineated in the Investment Policy Statement that governs its investment practices. The Investment Policy Statement for the OPEB trust does not specify a return assumption, but rather addresses the return goal as follows: "The Fund's long-term total return objective (income plus market appreciations) is to earn the highest possible rate of return consistent with the Plan's tolerance for risk."

This item will be on the February 7, 2024, Board Committee Meeting agenda for discussion and informational purposes only. Joseph Wolfram, Senior Investment Consultant with Vanguard Investment Advisory Services (VIAS), will provide a brief presentation to the Board regarding investment performance and will be available to answer any questions. This information was also presented at the January 22, 2024, meeting of the Insurance and Pension Committee.

Interim Investment Management Agreement

As previously communicated, the District was notified by Mr. Wolfram on December 11, 2023 that Vanguard has entered into an agreement with Mercer Investments, LLC under which Mercer will acquire Vanguard's VIAS business unit. It was further noted that Mercer does not provide services to public pension plans, and it will be necessary for the District to select a new investment advisor for the Retirement and OPEB plans.

The Mercer transaction is expected to close near the end of February 2024. Mr. Wolfram has indicated that Vanguard will continue to offer advisory services for up to 90 days after the closing, or through about the end of May. However, he will become an employee of Mercer upon closing and we expect there will be limitations to the level of service available to the District after that date.

As an alternative, we were informed that PFM Asset Management, LLC (PFMAM) approached Vanguard and expressed interest in taking over management of its public pension plan accounts.

PFMAM subsequently contacted the District with an offer to provide investment advisory services on an interim basis.

PFMAM is a 100%-owned subsidiary of U.S. Bank based in Philadelphia, PA. The company is an investment advisor with \$25.2 billion in total discretionary assets under management, of which \$9.2 billion are public sector funds (as of September 30, 2023). The firm has a substantial presence in the governmental sector where it has provided services directly or through predecessor firms since 1980. Today, PFMAM serves over 185 governmental entities covering defined contribution, defined benefit, and OPEB Trust Funds.

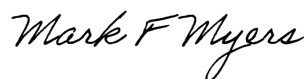
While management intends to conduct a Request for Proposal (RFP) process to select an ongoing investment advisor, we believe it will be prudent to enter into an interim investment management agreement with PFMAM. This will ensure a consistent level of service after the Vanguard sale is complete and will allow flexibility in the timing of the transition to the new investment advisor once selected. We intend to initiate the RFP process by mid-February.

At the meeting held on January 22, 2024, the Insurance and Pension Committee approved Management's request to enter into an interim agreement with PFMAM to provide investment advisory services for the District's Retirement and OPEB plans until the RFP process is complete and a new investment advisory firm is selected for ongoing service.

Management is working with PFMAM to finalize this agreement. With minor modification and clarifications, PFMAM will serve the District under the same substantive terms, pricing, and strategy currently offered by Vanguard.

The District will not be obligated to retain PFMAM for a long-term engagement. The interim agreement may be terminated by either party with 30 days prior written notice to the other. PFMAM is aware of our intent to conduct a search for ongoing services and is expected to submit a proposal for consideration.

This item is included for informational purposes only. Management is not requesting Board authorization at the February 7, 2024 meeting.



Mark F. Myers
Senior Vice President, Chief Financial Officer
(402) 504-7174

Approved:



Mark E. Doyle
President

Attachment

Prepared for

Metropolitan Utilities District

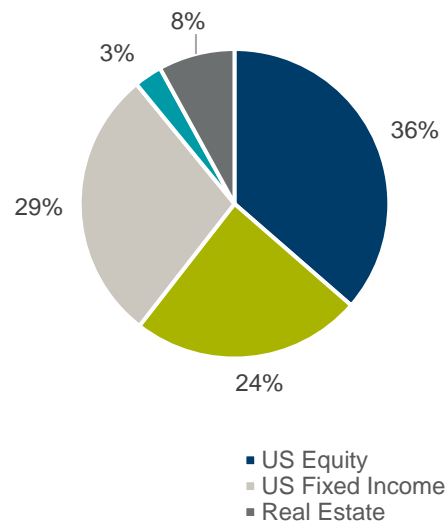
Joseph Wolfram, CFA, Senior Investment Consultant
Vanguard Institutional Advisory Services

February 7, 2024

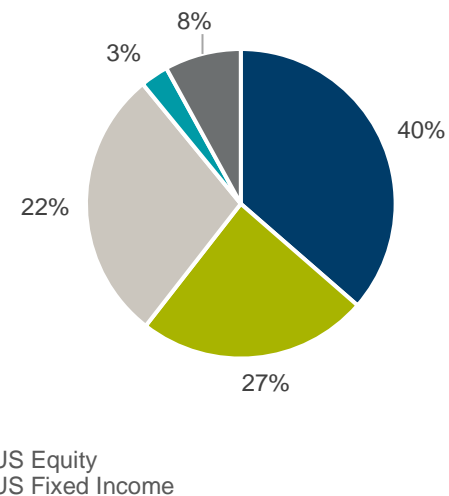
Total portfolio snapshot as of December 31, 2023

	Q1 2023 (%)	Q2 2023 (%)	Q3 2023 (%)	Q4 2023 (%)	1 Year (%)	Since Inception Pension (Feb 2009)	Since Inception OPEB (March 2016)
Pension Plan Portfolio	5.38	3.58	(3.62)	10.45	16.22	8.35	
OPEB Plan Portfolio	5.62	4.00	(3.70)	10.74	17.19		7.95
Domestic Equity	7.16	8.42	(3.29)	12.17	26.03	11.33	13.08
International Equity	6.66	2.61	(4.01)	9.97	15.53	5.08	6.54
Domestic Fixed Income	3.28	(0.68)	(2.62)	6.98	6.87	1.65	1.44
International Fixed Income	3.54	0.18	(1.46)	6.50	8.85	1.83	1.44
Real Estate fund	1.79	1.63	(8.50)	18.13	11.82	5.10	4.79

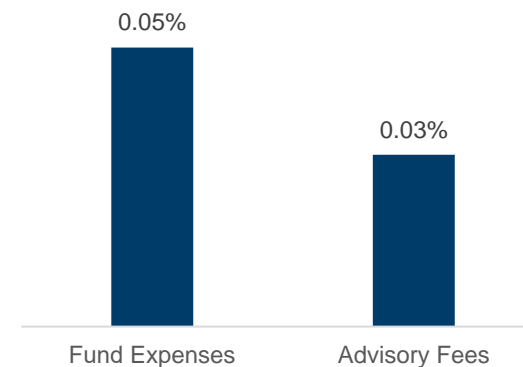
Pension policy allocation



OPEB policy allocation



Total Investment Fees



Source: Vanguard. Portfolio return performance is displayed net of advisory fees and expense ratios. Asset class performance is shown net of expense ratios.. Past performance is not a guarantee of future results. Returns greater than one year represent annualized returns. Returns less than one year represent quarterly returns. Asset class returns shown since inception vary by date. Those dates are shown in the appendix on slides 13 to 20.

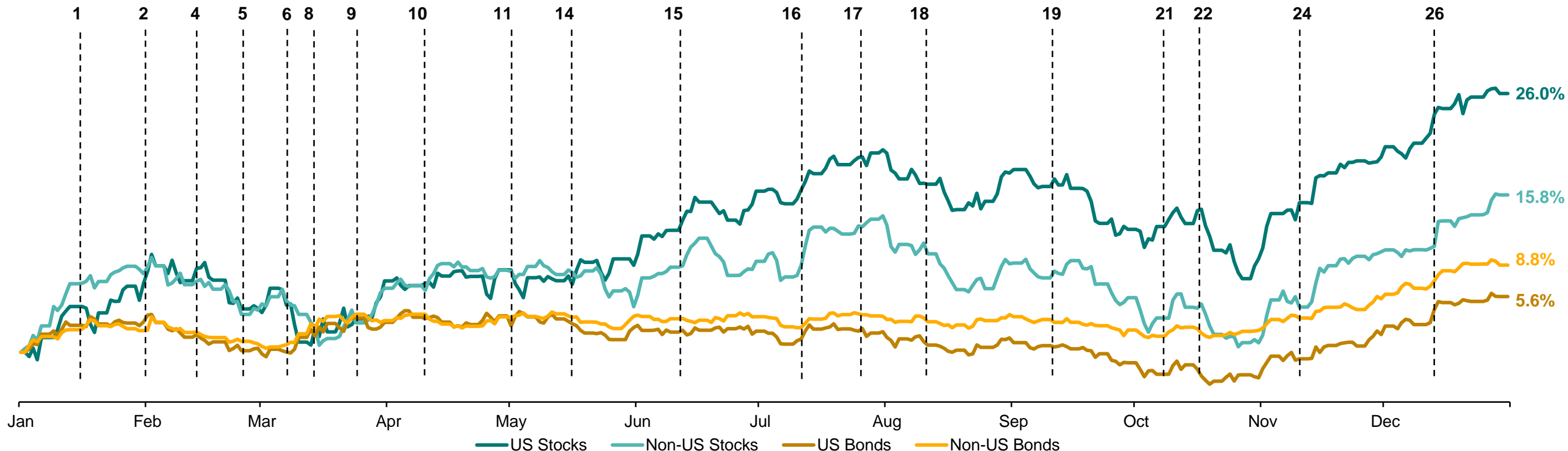
Cash flow summary and market value history as of December 31, 2023

Pension Plan

	Last month	Last 3 months	Year-to-date	One year	Since 1/1/2015
Beginning market value	\$510,306,593	\$486,857,540	\$468,666,401	\$468,666,401	\$208,732,543
Net cash flow	−\$631,077	−\$2,152,528	−\$8,672,929	−\$8,672,929	\$76,532,479
Capital appreciation	\$21,749,769	\$45,751,046	\$61,222,148	\$61,222,148	\$154,736,264
Income	\$4,108,281	\$5,077,509	\$14,317,946	\$14,317,946	\$95,352,282
Net investment change	\$25,858,051	\$50,828,555	\$75,540,095	\$75,540,095	\$250,268,545
Ending market value	\$535,533,567	\$535,533,567	\$535,533,567	\$535,533,567	\$535,533,567

Source: Vanguard and FactSet B-One; data as of December 31, 2023.
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2023 Performance and notable events



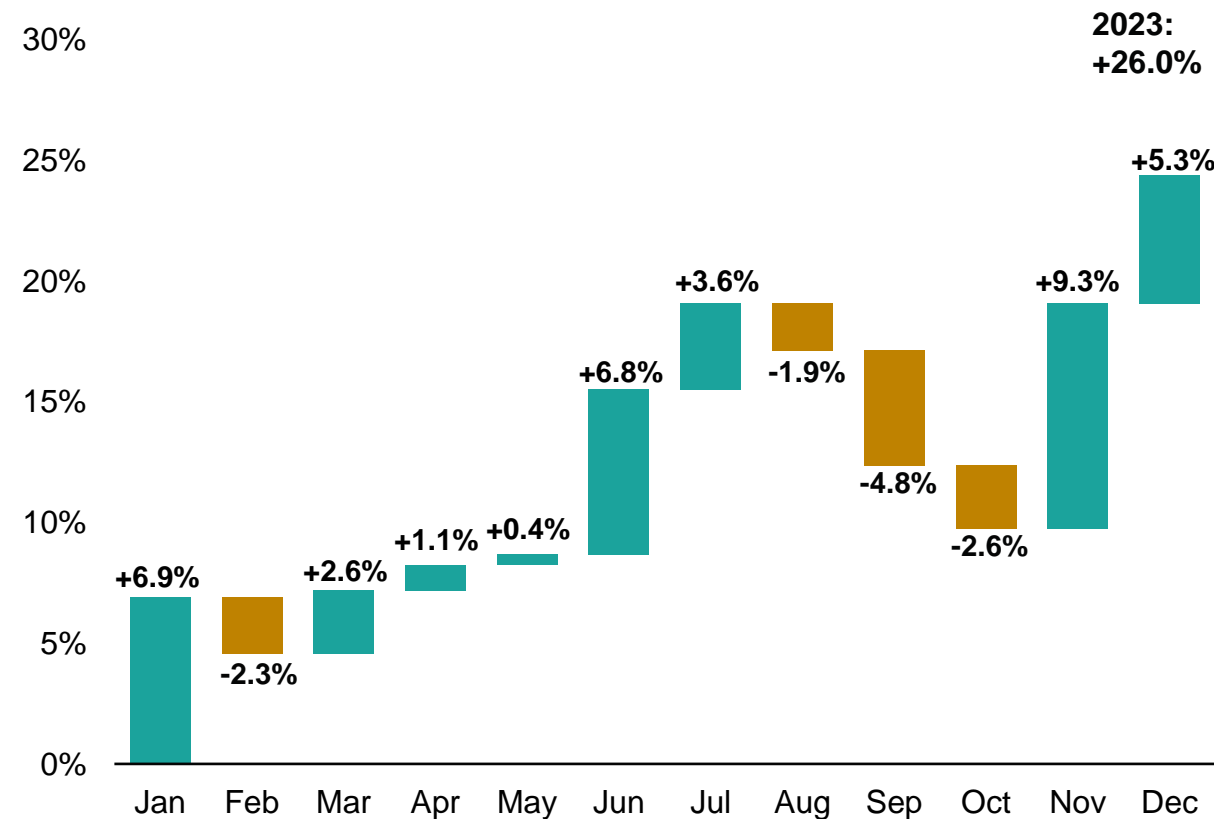
- | | | |
|---|---|---|
| 1) December inflation announced 6.4% (1/12) | 10) March inflation announced 4.9% (4/12) | 19) August inflation announced 3.7% (9/13) |
| 2) Fed raises rate by 25 bps (2/1) | 11) First Republic Bank Failure (5/1) | 20) UAW Strike Begins (9/15) |
| 3) Spy Balloons Over the U.S. (2/3) | 12) Writer's Strike Begins (5/2) | 21) U.S. Federal Government averts shutdown (9/30) |
| 4) January inflation announced 6.0% (2/14) | 13) Fed raises rate by 25 bps (5/3) | 22) Hamas attack on Israel (10/7) |
| 5) 1-Year Anniversary of Russia-Ukraine War (2/24) | 14) April inflation announced 4.0% (5/10) | 23) September inflation announced 3.2% (10/12) |
| 6) Silicon Valley Bank Failure (3/10) | 15) May inflation announced 3.0% (6/13) | 24) October inflation announced 3.2% (11/14) |
| 7) Signature Bank Failure (3/12) | 16) July inflation announced 3.2% (7/12) | 25) U.S. Federal Government averts shutdown (11/16) |
| 8) ChatGPT-4 is launched by OpenAI & February inflation announced 5.0% (3/14) | 17) Fed raises rate by 25 bps (7/26) | 26) November inflation announced 3.1% (12/12) |
| 9) Fed raises rate by 25 bps (3/22) | 18) July inflation announced 3.7% (8/10) | 27) Fed held rates steady and signaled cuts in 2024 (12/13) |

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.
Source: Vanguard. Data based on daily returns from 12/31/2022 - 12/31/2023. 2023 Total Returns in parentheses. Note: Inflation represent the 12-month percentage change to the Headline Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics. US Stocks (CRSP US Total Market), Non-US Stocks (FTSE Global All-Cap ex-US), US Bonds (Barclays US Aggregate Float-adjusted Bond Index), Non-US Bonds (Bloomberg Global Aggregate ex-USD Float Adjusted RIC Cap Hedged).

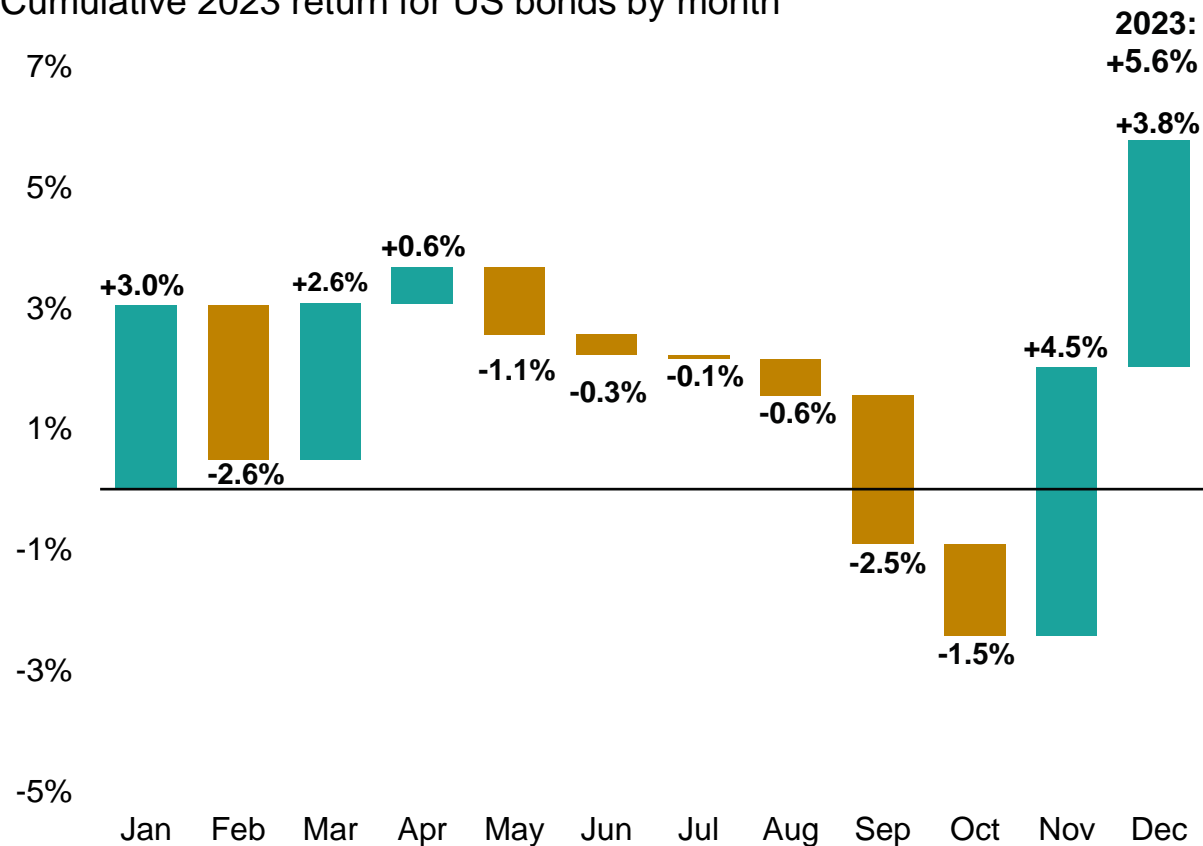
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Roller coaster of a year ending with an incredible rally during the fourth quarter

Cumulative 2023 return for US stocks by month



Cumulative 2023 return for US bonds by month



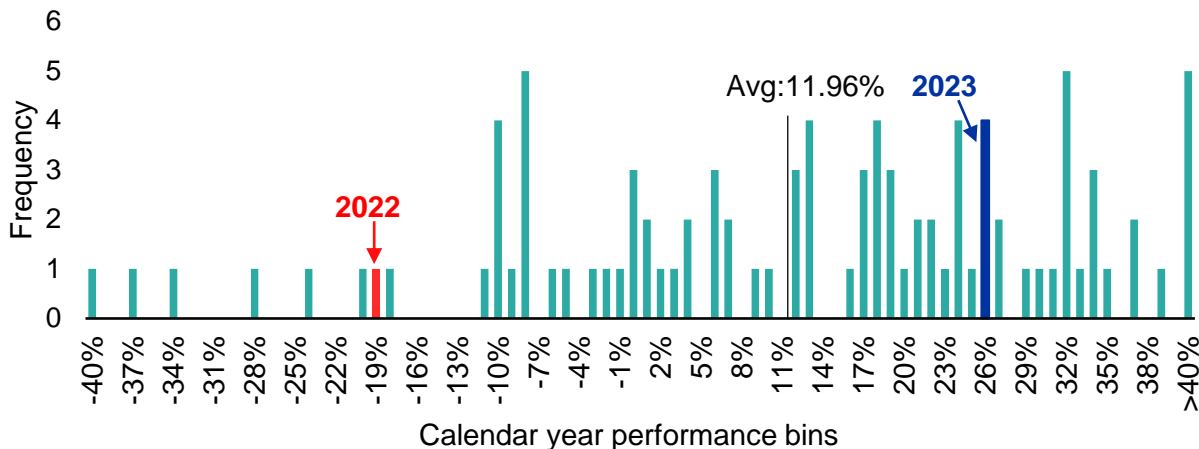
The performance data shown represent past performance, which is not a guarantee of future results. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Source: Vanguard.

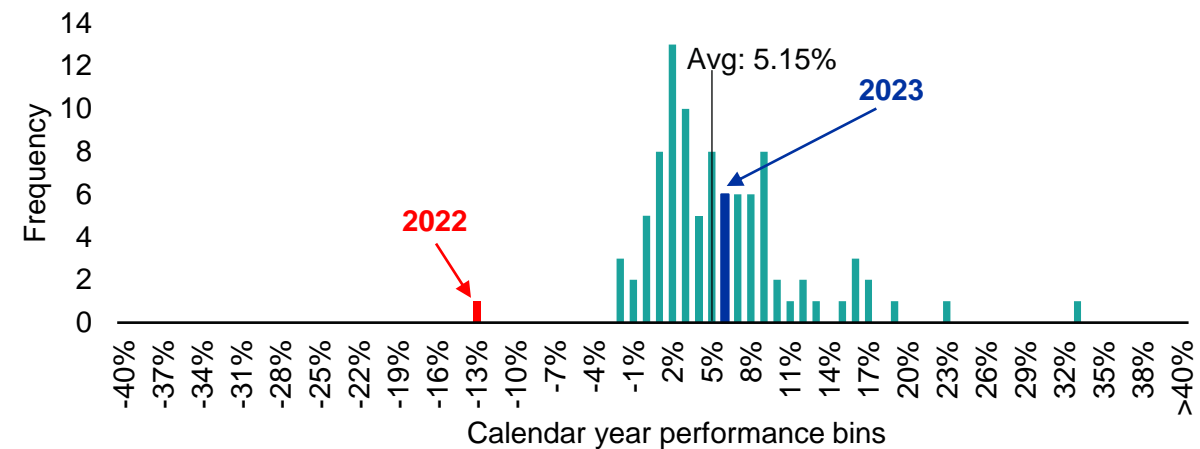
Note: Cumulative performance, by month, from January 1st through December 31, 2023 for stocks and bonds. Stocks: CRSP US Total Market Index, Bonds: Bloomberg U.S. Aggregate Bond Float Adjusted Index.

In 2023, the markets put 2022's challenges in the rear-view mirror

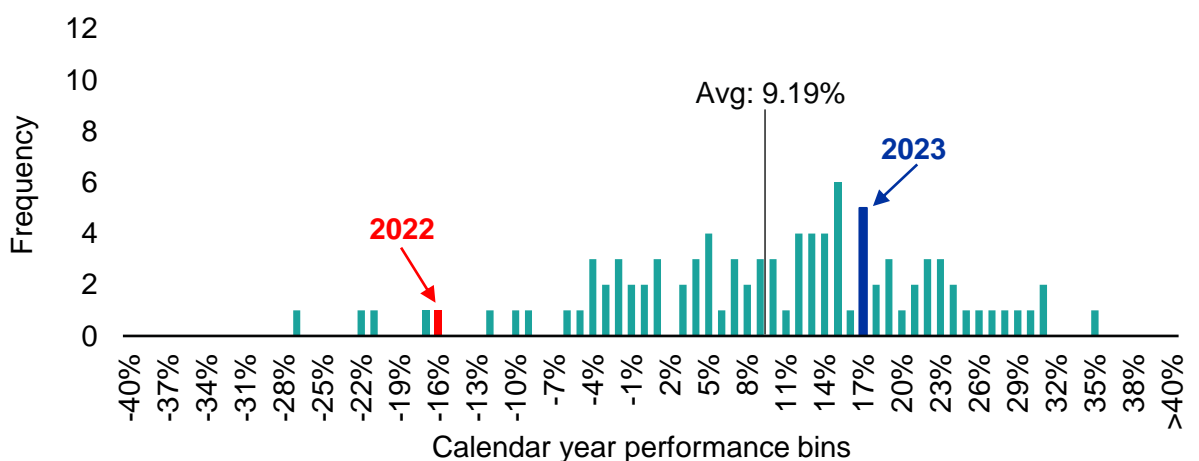
a.) Distribution of annual **stock** performance (1928-2023)



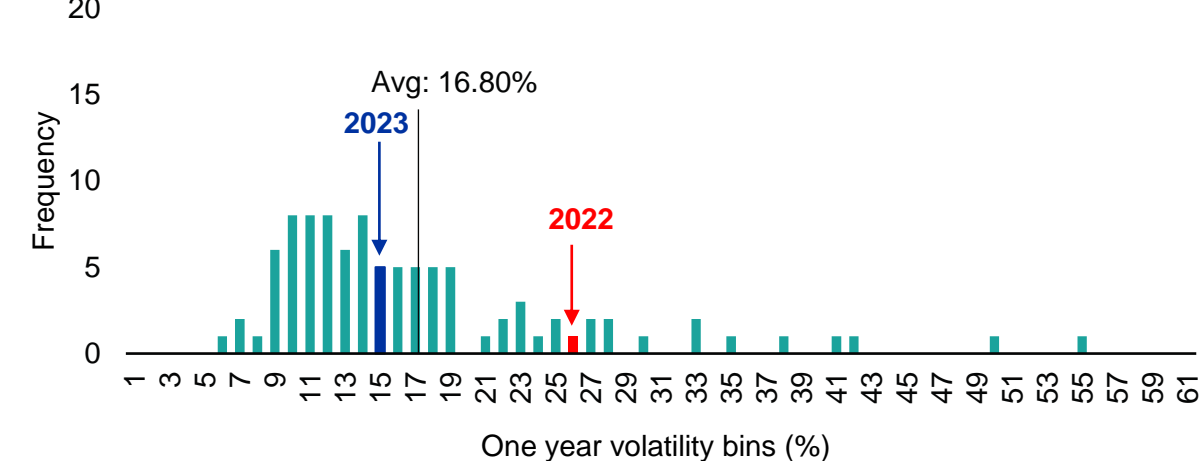
b.) Distribution of annual **bond** performance (1928-2023)



c.) Distribution of annual **60-40** performance (1928-2023)



d.) Distribution calendar year **stock volatility** (1928-2023)



Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Notes: Figures a. through c. show the cumulative performance from January through December each calendar year going back to 1928. Figure d. shows the annualized volatility for the year.

Sources: Figures a.-c.: Stocks: S&P 90 Index from 1928 through 3/3/1957; S&P 500 Index from 3/4/1957 through 1970; Wilshire 5000 from 1971 through April 22, 2005; MSCI US Broad Market Index through June 2, 2013; CRSP US Total Market Index thereafter. Bonds: IA SBBI U.S. Intermediate-Term Government Bond Index through 1972; Bloomberg U.S. Government/Credit Intermediate-Term Index from 1973 through 1975; Bloomberg U.S. Aggregate Bond Index thereafter.

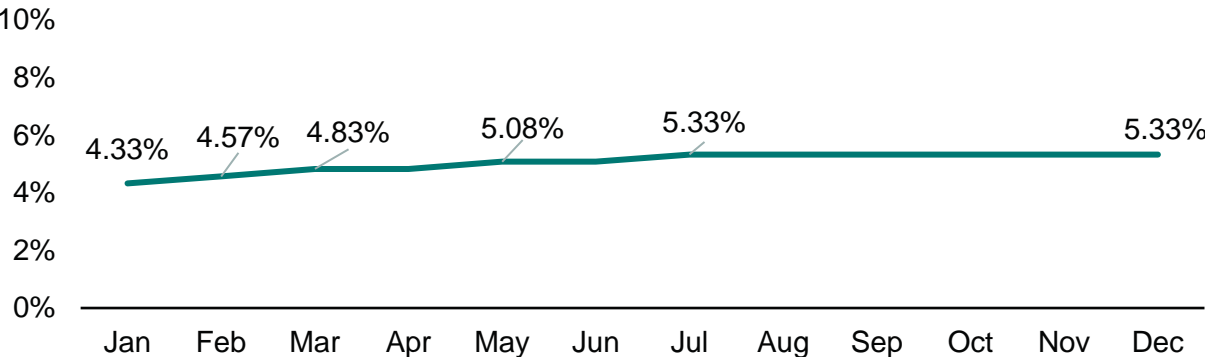
60-40: Simulated portfolio with 60% allocated to stocks and 40% allocated to bonds. Figure d.: S&P 500 from 1928 through December 31, 2023.

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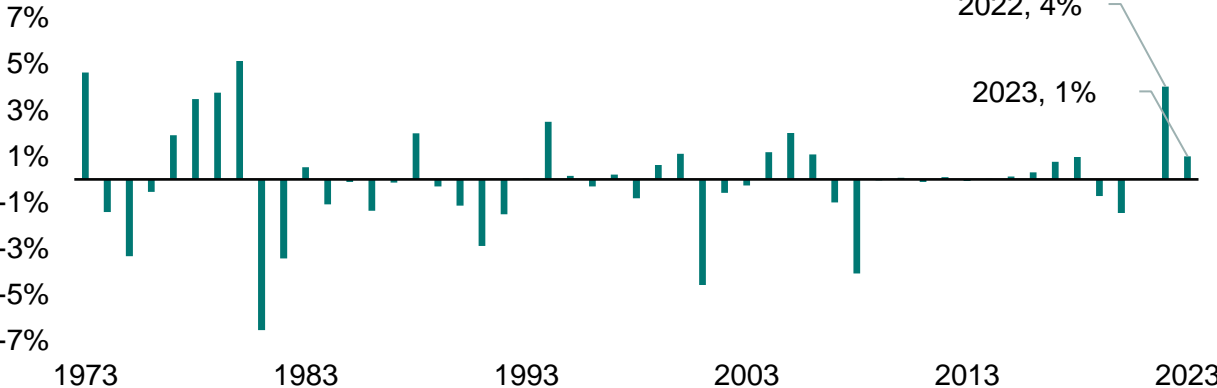
The Fed has likely reached the peak of the rate hiking cycle

The Fed increased its policy rate four times in 2023 – each time by a quarter percent



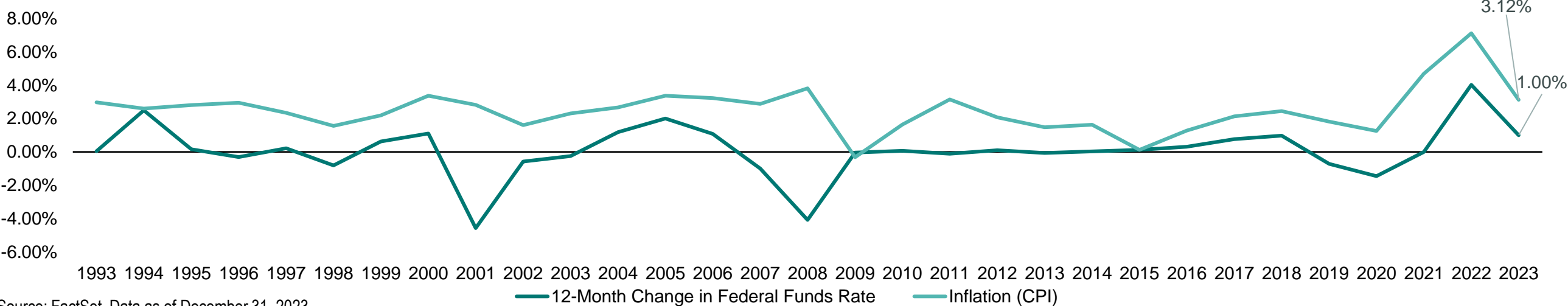
Source: FactSet

The 12-month Federal Funds cumulative rate increase was less abrupt than the historic rate hikes in 2022



Source: FactSet

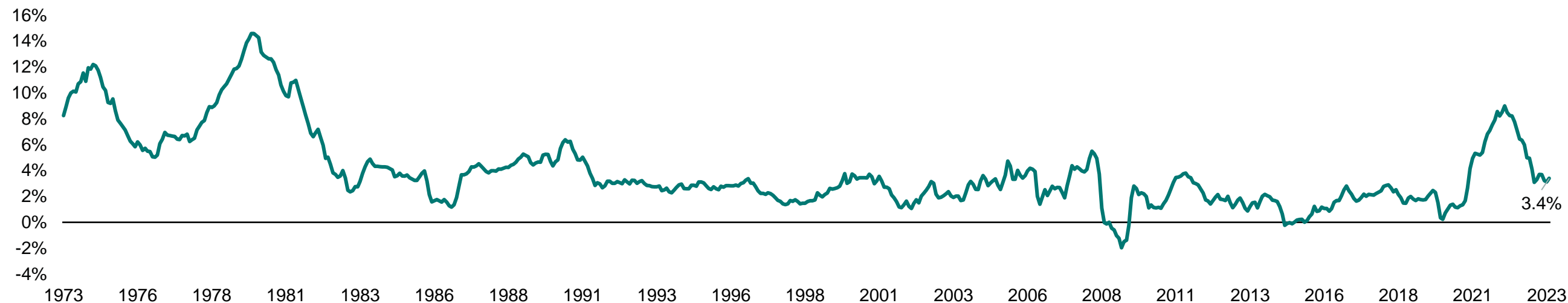
As inflation decelerated, the Fed responded with a more cautious approach to restrictive policy



Source: FactSet. Data as of December 31, 2023.

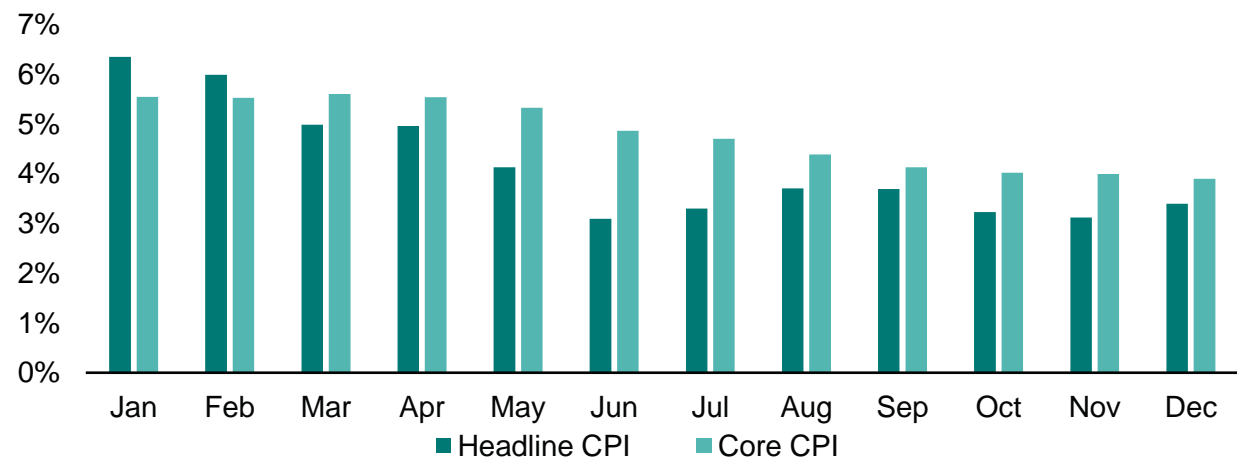
Inflation returned to more typical levels

Inflation continued to slow in 2023 as the Fed hiked rates



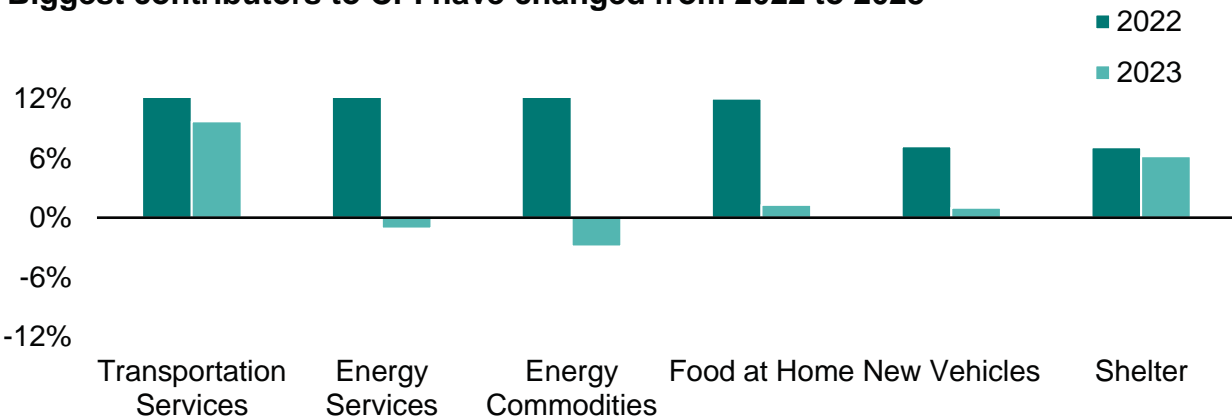
Source: FactSet. CPI data as of December 2023. Note: Inflation represents the 12-month percentage change to the Headline Consumer Price Index (CPI) as reported by the U.S. Bureau of Labor Statistics.

Both headline CPI and core CPI slowed but remain above target



Source: Federal Reserve Bank of St. Louis. Data as of December 2023.

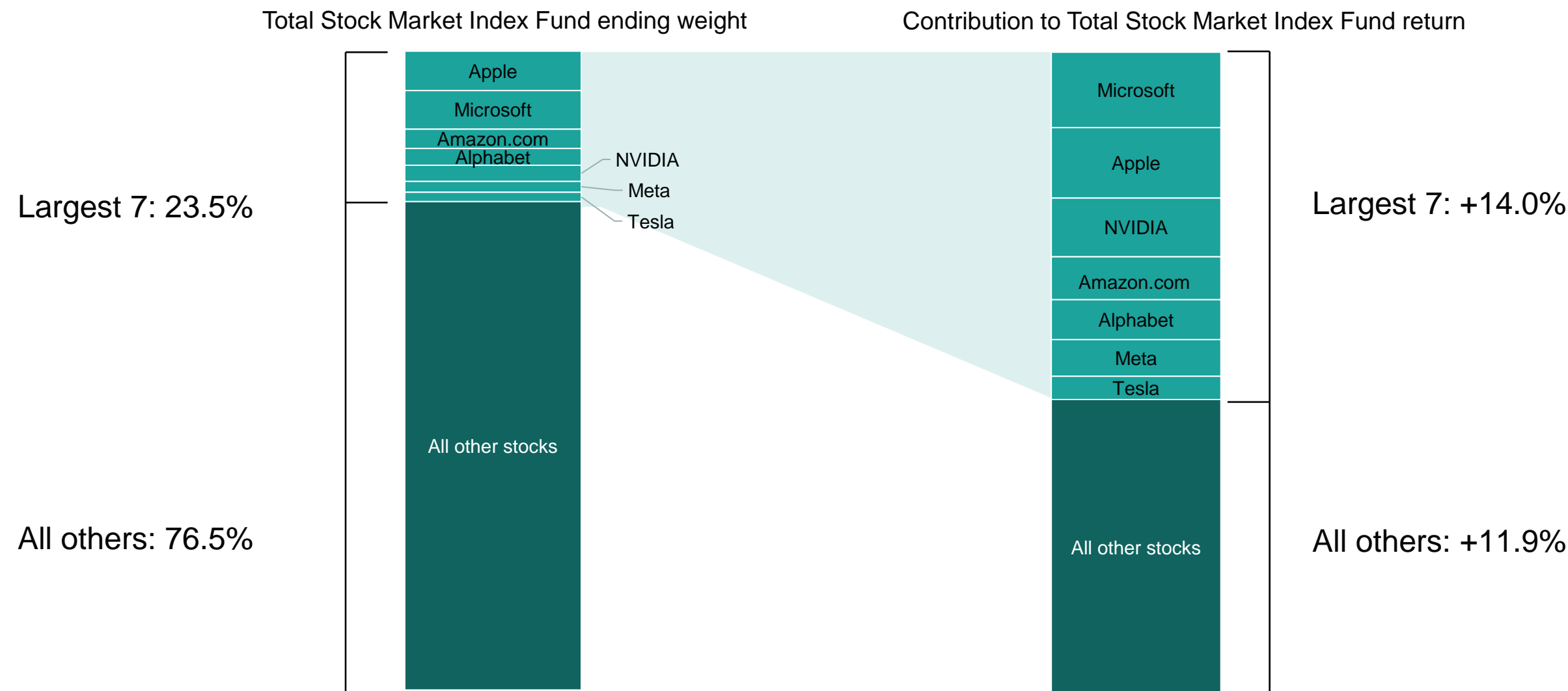
Biggest contributors to CPI have changed from 2022 to 2023



Source: Bureau of Labor Statistics as of 12/31/2023. 2022 represents December 2021 to December 2022 CPI; 2023 represents December 2022 through December 2023 CPI.

*CPI contributors are the 2nd level breakdown of CPI components, sorted from the highest of 2022 numbers.

Magnificent seven contributes to 54% of the Total Stock Market Index Fund return in 2023



The performance data shown represent past performance, which is not a guarantee of future results.

Source: Factset as of 12/31/2023.

Note: Return data can be referenced in the appendix.

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Market leadership changes

- Emerging markets equities has struggled in recent history illustrating the relatively high volatility of single asset classes.
- Growth and Large Cap US rebounded after their lackluster performance during high inflation and rapidly rising interest rates.
- During the year we saw Commodities return back to the bottom of the list after incredibly performance in 2021 and 2022.
- U.S. stock returns exceeded non-U.S. stock returns by a significant amount over the past ten years, yet it's important to remember that recent outperformance by a sub-asset class or market segment does not imply future outperformance.

Source: Vanguard. Last observation: December 31, 2023; 10-year average performance from December 31, 2014 through December 31, 2023.

* Source: Hedge Fund Research, Inc.

** U.S. stocks: MSCI US Broad Market Index.

† International Stocks: FTSE Global All Cap ex-US Index.

†† Bonds: Bloomberg US Aggregate Bond Index and Bloomberg Global Aggregate ex-USD Index Hedged.

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	10-Year Average
REIT 30.4	Grw 5.1	Sml 21.3	Emg 31.1	IB 3.2	Grw 35.8	Grw 38.3	REIT 43.1	Cmd 13.8	Grw 41.2	Grw 14.3
Lrg 13.2	REIT 2.5	Val 18.4	Grw 29.6	T-Bill 1.9	Lrg 31.4	Lrg 21	Cmd 27.1	T-Bill 1.5	Lrg 26.5	Lrg 11.8
Val 12.7	IB 1.4	HY 17.1	Dev 26.3	Bnd 0	Val 26.3	Sml 20	Lrg 26.5	HF -4.4	Dev 18.0	Val 8.3
Grw 12.4	Lrg 0.9	Lrg 12.1	Lrg 21.7	HY -2.1	REIT 25.8	Emg 15.5	Grw 25.8	Val -8	Sml 16.9	REIT 7.6
IB 8.8	Bnd 0.5	Cmd 11.4	Bal 16.5	Grw -2.1	Sml 25.5	Bal 13.4	Val 25.4	IB -9.8	Bal 16.6	Sml 7.2
Bal 6.4	T-Bill 0	Emg 10.3	Sml 14.6	REIT -4.6	Dev 22.3	Dev 10	Sml 14.8	HY -11.2	REIT 13.7	Bal 6.5
Bnd 6	Bal -0.6	REIT 8.6	Val 13.2	Lrg -4.8	Bal 20.7	Bnd 7.5	Bal 12	Bnd -13	HY 13.4	HY 4.6
Sml 4.9	Dev -1.8	Grw 7.4	HY 7.5	Bal -5.5	Emg 20.4	HY 7.1	Dev 11.6	Dev -15.6	Val 11.7	Dev 4.5
Emg 2.6	HF -3.6	Bal 7.3	HF 6	HF -6.7	HY 14.3	HF 6.8	HY 5.3	Bal -15.9	Emg 9.5	Emg 3.4
HY 2.5	Val -4.1	IB 4.9	REIT 5.1	Val -8.6	Bnd 8.7	IB 3.9	HF 3.7	Emg -17.6	IB 8.3	IB 2.8
T-Bill 0	Sml -4.4	Dev 3.1	Bnd 3.5	Sml -11	HF 8.6	Val 2.9	Emg 1.5	Lrg -19.1	Bnd 5.5	Bnd 1.8
HF -0.6	HY -4.5	Bnd 2.6	IB 2.5	Cmd -13	IB 7.6	T-Bill 0.6	T-Bill 0	Sml -20.4	T-Bill 5.3	HF 1.4
Dev -4.4	Emg -13.5	HF 2.5	T-Bill 0.8	Emg -14.8	Cmd 5.4	Cmd -3.5	IB -1.4	REIT -24.5	HF 3.1	T-Bill 1.3
Cmd -17	Cmd -24.7	T-Bill 0.3	Cmd 0.7	Dev -14.8	T-Bill 2.3	REIT -7.6	Bnd -1.5	Grw -29	Cmd -12.6	Cmd -2.4

Val	Value oriented U.S. based stocks (Russell 3000 Value Index)
Grw	Growth oriented U.S. based stocks (Russell 3000 Growth Index)
Lrg	Large U.S. based stocks (Russell 1000 Index)
Sml	Small U.S. based stocks (Russell 2000 Index)
Dev	International stocks from developed countries (FTSE Developed All Cap ex US Index)
Emg	International stocks from emerging countries (FTSE Emerging ACap CN A Inclus Idx)
Bnd	Investment-grade U.S. bonds (Bloomberg US Aggregate Bond Index)
HY	High-yield U.S. bonds (Bloomberg US Corp High Yield Index)
IB	Investment-grade international bonds (Bloomberg GA ex-USD Index Hedged)
T-Bill	Short-term Treasury rates (Citigroup 3-Month US T-Bill Index)
REIT	U.S. public equity real estate (REIT) (MSCI US REIT Index)
Cmd	Commodities (Bloomberg Commodity Index)
HF	Hedge funds (HFRX Global Hedge Fund Index*)
Bal	Balanced Static Composite (39% U.S. stocks**, 26% Int'l stocks [†] , 24.5% Invest-grade U.S. bonds ^{††} , 10.5% Invest-grade Int'l bonds ^{††})

Past performance is no guarantee of future returns. The performance of an index is not an exact representation of any particular investment, as you cannot invest directly in an index.

Vanguard's 2024 economic forecasts

Country/region	GDP growth		Unemployment rate		Core inflation	Monetary policy		
	2024		2024		2024			
	Vanguard	Trend	Vanguard	NAIRU	Vanguard	Year-end 2023	Year-end 2024	Neutral rate
U.S.	0.25%–0.75%	1.8%	4.5%–5%	3.5%–4%	2.3%	5.5%	3.5%–4%	3%–3.5%
Euro area	0.5%–1%	1.2%	7%–7.5%	6.5%–7%	2.1%	4%	3.25%	2%–2.5%
U.K.	0.5%–1%	1%	4.5%–5%	3.5%–4%	2.8%	5.25%	4.25%	3%–3.5%
China	4.5%–5%	4.1%	4.5%–5%	4.5%–5%	1.2%	2.5%	2.2%	4.5%–5%

Notes: Forecasts are as of December 4, 2023. For the U.S., GDP growth is defined as the year-over-year change in fourth-quarter GDP. For all other countries/regions, GDP growth is defined as the annual change in GDP in the forecast year compared with the previous year. Unemployment forecasts are the average for the fourth quarter of 2024. NAIRU is the nonaccelerating inflation rate of unemployment, a measure of labor market equilibrium. Core inflation excludes volatile food and energy prices. For the U.S., euro area, and U.K., core inflation is defined as the year-over-year change in the fourth quarter compared with the previous year. For China, core inflation is defined as the average annual change compared with the previous year. For the U.S., core inflation is based on the core Personal Consumption Expenditures Index. For all other countries/regions, core inflation is based on the core Consumer Price Index. For U.S. monetary policy, Vanguard's forecast refers to the top end of the Federal Open Market Committee's target range. The neutral rate is the equilibrium policy rate at which no easing or tightening pressures are being placed on an economy or its financial markets.

Source: Vanguard.

Appendix: Additional slides

Portfolio monthly snapshot

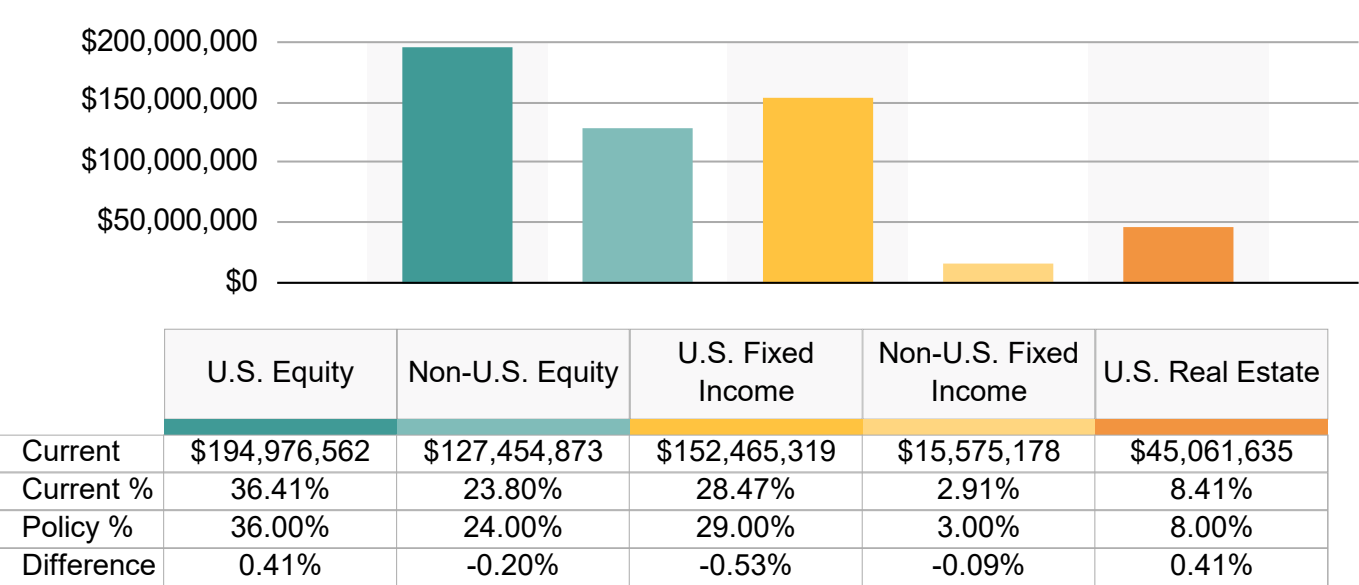
The Retirement Plan for Employees of Metropolitan Utilities District of Omaha

As of December 31, 2023

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$510,306,592.85	\$468,666,400.95	\$468,666,400.95
Net Cash Flow	-\$631,076.66	-\$8,672,928.66	-\$8,672,928.66
Net Capital Appreciation	\$21,749,769.48	\$61,222,148.43	\$61,222,148.43
Investment Income	\$4,108,281.49	\$14,317,946.43	\$14,317,946.43
Ending Market Value	\$535,533,567.16	\$535,533,567.16	\$535,533,567.16

Current asset allocation by sub-asset class



Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	5.06	10.46	16.26	16.26	3.16	8.79	6.75	8.36	02/28/09
Client portfolio (net)	5.06	10.45	16.22	16.22	3.13	8.76	6.72	8.35	02/28/09
Policy benchmark	5.07	10.30	15.89	15.89	3.05	8.43	6.68	9.88	02/28/09

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities

The Retirement Plan for Employees of Metropolitan Utilities District of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	535,533,567	100.0	100.0	5.06	10.46	16.26	16.26	3.16	8.79	6.75	8.36	02/28/09
Client portfolio (net)				5.06	10.45	16.22	16.22	3.13	8.76	6.72	8.35	02/28/09
Policy benchmark				5.07	10.30	15.89	15.89	3.05	8.43	6.68	9.88	02/28/09
■ Equity	322,431,435	60.2	60.0	5.23	11.30	21.84	21.84	5.85	12.03	-	8.97	12/31/14
Equity - Policy benchmark				5.22	11.17	21.86	21.86	5.91	12.09	-	9.00	12/31/14
• Domestic Equity	194,976,562	36.4	36.0	5.32	12.17	26.03	26.03	8.45	15.09	-	11.33	12/31/14
Domestic Equity - Policy benchmark				5.32	12.14	25.98	25.98	8.44	15.08	-	11.32	12/31/14
- Vanguard Total Stock Market Index Fund Institutional Plus Shares	194,976,562	36.4	-	5.32	12.17	26.03	26.03	8.45	15.09	-	11.50	04/30/15
CRSP U.S. Total Market Index				5.32	12.14	25.98	25.98	8.44	15.08	-	11.49	04/30/15
Multi-Cap Core Funds Average				5.46	11.47	21.01	21.01	7.16	12.83	-	9.01	04/30/15
• International Equity	127,454,873	23.8	24.0	5.08	9.97	15.53	15.53	1.80	7.38	-	5.08	12/31/14
International Equity - Policy benchmark				5.06	9.72	15.82	15.82	1.98	7.52	-	5.17	12/31/14
- Vanguard Total International Stock Index Fund Institutional Plus Shares	127,454,873	23.8	-	5.08	9.97	15.53	15.53	1.80	-	-	6.48	05/31/19
Spliced Total International Stock Index				5.18	9.77	15.79	15.79	1.88	-	-	6.54	05/31/19

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

The Retirement Plan for Employees of Metropolitan Utilities District of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
International Funds Average				5.02	10.06	16.40	16.40	1.66	-	-	6.61	05/31/19
■ Fixed Income	168,040,497	31.4	32.0	3.61	6.94	7.05	7.05	-2.67	1.54	-	1.67	12/31/14
Fixed Income - Policy benchmark				3.70	6.69	5.89	5.89	-3.24	1.12	-	1.40	12/31/14
● Domestic Fixed Income	152,465,319	28.5	29.0	3.65	6.98	6.87	6.87	-2.69	1.61	-	1.65	12/31/14
Domestic Fixed Income - Policy benchmark				3.75	6.72	5.60	5.60	-3.33	1.13	-	1.34	12/31/14
- Vanguard Total Bond Market Index Fund Institutional Shares	78,591,274	14.7	-	3.70	6.69	5.72	5.72	-3.34	1.13	-	1.35	12/31/14
Spliced Bloomberg U.S. Aggregate Float Adjusted Index				3.75	6.72	5.60	5.60	-3.33	1.17	-	1.39	12/31/14
Spliced Intermediate Investment-Grade Debt Funds Average				3.80	6.73	5.87	5.87	-3.32	1.23	-	1.32	12/31/14
- Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	58,153,436	10.9	-	4.07	8.20	8.61	8.61	-2.54	2.46	-	2.40	12/31/14
Bloomberg U.S. 5-10 Year Credit Bond Index				4.16	8.20	8.47	8.47	-2.70	2.81	-	2.65	12/31/14
Spliced Core Bond Funds Average				3.80	6.73	5.87	5.87	-3.32	1.23	-	1.32	12/31/14
- Vanguard Short-Term Investment-Grade Fund Institutional Shares	15,720,609	2.9	-	1.80	3.96	6.19	6.19	-0.06	2.15	-	1.99	12/31/14
Bloomberg U.S. 1-5 Year Credit Bond Index				1.81	3.96	5.94	5.94	-0.17	2.21	-	2.01	12/31/14
1-5 Year Investment-Grade Debt Funds Average				1.35	2.93	5.42	5.42	-0.69	1.31	-	1.28	12/31/14

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

The Retirement Plan for Employees of Metropolitan Utilities District of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
• International Fixed Income	15,575,178	2.9	3.0	3.20	6.50	8.85	8.85	-2.48	0.91	-	1.83	07/31/15
International Fixed Income - Policy benchmark				3.21	6.38	8.75	8.75	-2.41	1.02	-	1.95	07/31/15
- Vanguard Total International Bond Index Fund Institutional Shares	15,575,178	2.9	-	3.20	6.50	8.85	8.85	-2.48	0.91	-	1.83	07/31/15
Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged				3.21	6.38	8.75	8.75	-2.41	1.02	-	1.95	07/31/15
International Income Funds Average				3.38	7.38	6.84	6.84	-4.58	-0.42	-	0.61	07/31/15
■ Real Estate	45,061,635	8.4	8.0	9.37	18.13	11.82	11.82	5.05	7.35	-	5.10	12/31/14
Real Estate - Policy benchmark				9.40	18.18	11.96	11.96	5.15	7.44	-	5.19	12/31/14
• Domestic Real Estate	45,061,635	8.4	8.0	9.37	18.13	11.82	11.82	5.05	7.35	-	5.10	12/31/14
Domestic Real Estate - Policy benchmark				9.40	18.18	11.96	11.96	5.15	7.44	-	5.19	12/31/14
- Vanguard Real Estate Index Fund Institutional Shares	45,061,635	8.4	-	9.37	18.13	11.82	11.82	5.05	7.35	-	5.10	12/31/14
Real Estate Spliced Index				9.40	18.18	11.96	11.96	5.15	7.44	-	5.19	12/31/14
Real Estate Funds Average				8.39	15.57	12.20	12.20	4.73	6.95	-	4.73	12/31/14

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Portfolio monthly snapshot

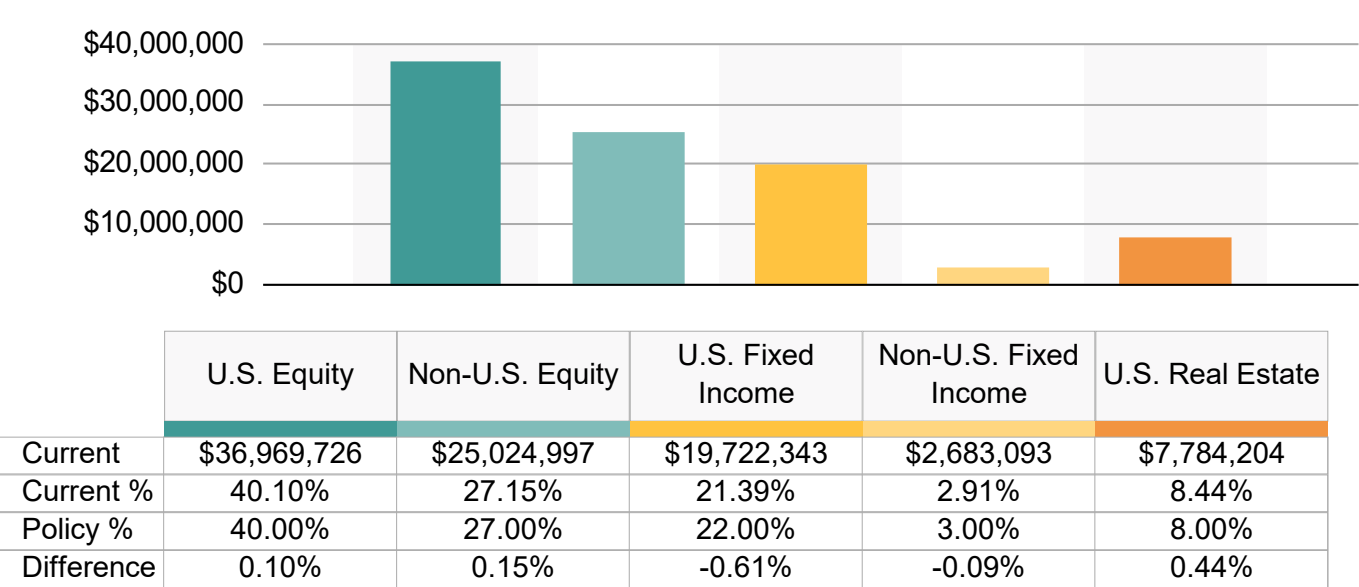
Postretirement Benefits of Employees of The Metropolitan Utilities of Omaha

As of December 31, 2023

Cash flow and market activity by portfolio

	One Month	Year-to-Date	One Year
Beginning Market Value	\$86,356,836.10	\$71,702,389.54	\$71,702,389.54
Net Cash Flow	\$1,310,000.00	\$7,495,422.24	\$7,495,422.24
Net Capital Appreciation	\$3,774,251.33	\$10,686,748.68	\$10,686,748.68
Investment Income	\$743,276.02	\$2,299,802.99	\$2,299,802.99
Ending Market Value	\$92,184,363.44	\$92,184,363.44	\$92,184,363.44

Current asset allocation by sub-asset class



Performance summary

	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	5.17	10.75	17.23	17.23	3.68	9.24	-	7.98	03/31/16
Client portfolio (net)	5.17	10.74	17.19	17.19	3.65	9.21	-	7.95	03/31/16
Policy benchmark	5.17	10.60	17.02	17.02	3.67	9.16	-	7.94	03/31/16

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark represents. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities

Postretirement Benefits of Employees of The Metropolitan Utilities of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
Client portfolio (gross)	92,184,363	100.0	100.0	5.17	10.75	17.23	17.23	3.68	9.24	-	7.98	03/31/16
Client portfolio (net)				5.17	10.74	17.19	17.19	3.65	9.21	-	7.95	03/31/16
Policy benchmark				5.17	10.60	17.02	17.02	3.67	9.16	-	7.94	03/31/16
■ Equity	61,994,724	67.3	67.0	5.22	11.28	21.74	21.74	5.79	11.99	-	10.52	03/31/16
Equity - Policy benchmark				5.22	11.16	21.83	21.83	5.90	12.06	-	10.59	03/31/16
• Domestic Equity	36,969,726	40.1	40.0	5.32	12.17	26.03	26.03	8.45	15.09	-	13.08	03/31/16
Domestic Equity - Policy benchmark				5.32	12.14	25.98	25.98	8.44	15.08	-	13.06	03/31/16
- Vanguard Total Stock Market Index Fund Institutional Plus Shares	36,969,726	40.1	-	5.32	12.17	26.03	26.03	8.45	15.09	-	13.07	03/31/16
CRSP U.S. Total Market Index				5.32	12.14	25.98	25.98	8.44	15.08	-	13.06	03/31/16
Multi-Cap Core Funds Average				5.46	11.47	21.01	21.01	7.16	12.83	-	10.71	03/31/16
• International Equity	25,024,997	27.1	27.0	5.08	9.97	15.53	15.53	1.80	7.38	-	6.54	03/31/16
International Equity - Policy benchmark				5.06	9.72	15.82	15.82	1.98	7.52	-	6.67	03/31/16
- Vanguard Total International Stock Index Fund Institutional Plus Shares	25,024,997	27.1	-	5.08	9.97	15.53	15.53	1.80	-	-	5.08	04/30/19
Spliced Total International Stock Index				5.18	9.77	15.79	15.79	1.88	-	-	5.21	04/30/19

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

Postretirement Benefits of Employees of The Metropolitan Utilities of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
International Funds Average				5.02	10.06	16.40	16.40	1.66	-	-	5.24	04/30/19
■ Fixed Income	22,405,436	24.3	25.0	3.62	6.99	7.17	7.17	-2.68	1.51	-	1.44	03/31/16
Fixed Income - Policy benchmark				3.69	6.68	5.97	5.97	-3.21	1.11	-	1.15	03/31/16
• Domestic Fixed Income	19,722,343	21.4	22.0	3.68	7.06	6.94	6.94	-2.71	1.58	-	1.44	03/31/16
Domestic Fixed Income - Policy benchmark				3.75	6.72	5.60	5.60	-3.33	1.12	-	1.09	03/31/16
- Vanguard Total Bond Market Index Fund Institutional Shares	9,847,544	10.7	-	3.70	6.69	5.72	5.72	-3.34	1.13	-	1.12	03/31/16
Spliced Bloomberg U.S. Aggregate Float Adjusted Index				3.75	6.72	5.60	5.60	-3.33	1.17	-	1.16	03/31/16
Spliced Intermediate Investment-Grade Debt Funds Average				3.80	6.73	5.87	5.87	-3.32	1.23	-	1.20	03/31/16
- Vanguard Intermediate-Term Investment-Grade Fund Admiral Shares	8,101,888	8.8	-	4.07	8.20	8.61	8.61	-2.54	2.46	-	2.11	03/31/16
Bloomberg U.S. 5-10 Year Credit Bond Index				4.16	8.20	8.47	8.47	-2.70	2.81	-	2.46	03/31/16
Spliced Core Bond Funds Average				3.80	6.73	5.87	5.87	-3.32	1.23	-	1.20	03/31/16
- Vanguard Short-Term Investment-Grade Fund Institutional Shares	1,772,911	1.9	-	1.80	3.96	6.20	6.20	-0.06	2.16	-	1.93	03/31/16
Bloomberg U.S. 1-5 Year Credit Bond Index				1.81	3.96	5.94	5.94	-0.17	2.21	-	1.97	03/31/16
1-5 Year Investment-Grade Debt Funds Average				1.35	2.93	5.42	5.42	-0.69	1.31	-	1.32	03/31/16

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

Performance summary—by securities (continued)

Postretirement Benefits of Employees of The Metropolitan Utilities of Omaha

For the periods ended December 31, 2023

	Mkt value (\$)	% of portfolio	Policy benchmark	1 mo (%)	3 mo (%)	YTD (%)	1 yr (%)	3 yrs (%)	5 yrs (%)	10 yrs (%)	Since inception	Inception date
• International Fixed Income	2,683,093	2.9	3.0	3.20	6.50	8.85	8.85	-2.48	0.91	-	1.44	03/31/16
International Fixed Income - Policy benchmark				3.21	6.38	8.75	8.75	-2.41	1.02	-	1.58	03/31/16
- Vanguard Total International Bond Index Fund Institutional Shares	2,683,093	2.9	-	3.20	6.50	8.85	8.85	-2.48	0.91	-	1.44	03/31/16
Bloomberg Global Aggregate ex-USD Float Adjusted RIC Capped Index Hedged				3.21	6.38	8.75	8.75	-2.41	1.02	-	1.58	03/31/16
International Income Funds Average				3.38	7.38	6.84	6.84	-4.58	-0.42	-	0.25	03/31/16
■ Real Estate	7,784,204	8.4	8.0	9.37	18.13	11.82	11.82	5.05	7.35	-	4.79	03/31/16
Real Estate - Policy benchmark				9.40	18.18	11.96	11.96	5.15	7.44	-	4.88	03/31/16
• Domestic Real Estate	7,784,204	8.4	8.0	9.37	18.13	11.82	11.82	5.05	7.35	-	4.79	03/31/16
Domestic Real Estate - Policy benchmark				9.40	18.18	11.96	11.96	5.15	7.44	-	4.88	03/31/16
- Vanguard Real Estate Index Fund Institutional Shares	7,784,204	8.4	-	9.37	18.13	11.82	11.82	5.05	7.35	-	4.79	03/31/16
Real Estate Spliced Index				9.40	18.18	11.96	11.96	5.15	7.44	-	4.88	03/31/16
Real Estate Funds Average				8.39	15.57	12.20	12.20	4.73	6.95	-	4.63	03/31/16

Source: Vanguard. See Benchmark allocation history for description of what the policy benchmark and asset-class benchmarks represent. Policy Benchmark is rebalanced monthly. Portfolio is generally rebalanced quarterly, but may vary. All Returns greater than one year are annualized. **Past performance is not a guarantee of future results.** Diversification and asset allocation can not ensure profit or prevent loss. All returns shown are time-weighted (TWR). Gross Portfolio returns include the deduction of all underlying fund expense ratios, but are gross of advisory, service fees, and purchase/redemption fees applied to the client portfolio. Net Portfolio returns are net of all advisory and security-level fees and expenses. Both Gross and Net returns do reflect the reinvestment of dividends, capital gains, and interest but do not reflect the deduction of taxes. Had those expenses been deducted then performance would have been lower. Indexes are unmanaged; therefore direct investment is not possible. Unless otherwise noted, index returns do not reflect deduction of fees and expenses but do reflect reinvestment of dividends, capital gains, and interest. **Read additional information in Benchmark and Disclosures sections.**

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METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

January 26, 2024

Subject: CC1 Renovation and CC2 Construction – Board Update

To: Committee of the Whole
cc: All Board Members, Doyle, Ausdemore, Lobsiger, Melville, Mendenhall, Myers,
and all Vice Presidents

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

On June 7, 2023, the Board of Directors authorized \$80.4 million for the renovation of CC1 and the construction of CC2. At that time, the first step in the design process, Programming Phase, was near completion. On October 4, 2023, the Board of Directors authorized the President to enter into a Construction Manager at Risk (CMAR) agreement with MCL Construction for design assistance and construction phase services. Prior to, on October 5, 2022, the Board of Directors authorized the President to enter into an agreement with the design team of Holland Basham Architects (HBA) and Davis Design for design services.

Project design of CC2 has progressed into the Design Development Phase, third step in the design process. This phase starts to solidify spaces in the building and configuration of the site accounting for office spaces, shop spaces, equipment layout, general furniture layout, storage, and common spaces to include dimensions, vehicle and pedestrian flow patterns, and overall site layout. Collaboration with operating divisions that will work out of CC1 and CC2, and other stakeholders, continue to refine and account for needs and requests for respective spaces to be effective for their specific functions. To date, the building footprint for CC2 has been determined. Though some changes may occur for both facilities, internal work areas are established; equipment needs defined; and site layouts are being finalized.

MCL has provided initial construction estimates based on those received from potential subcontractors and suppliers for building components including structural, electrical, plumbing, mechanical, finishes, and industrial equipment. These initial cost estimates are based on the project narrative they received in the Request for Proposal (RFP) which included a design early in development. The estimates include contingencies to account for the risk associated with the many unknowns that will be defined as the design matures to completion. The importance of the initial estimate is to provide a gauge such that the full project team, which includes HBA, Davis Design, Olsson, Project Control, MCL, and the District, may determine areas to be considered for value engineering efforts in order to align the projects to comply with the overall budget while maintaining project objectives.

The initial construction estimate for CC2 was not favorable to the budgeted funds for this work. As is normal and required by the CMAR process, included with the estimate were several areas for value engineering opportunities. These included such considerations as adjusting the type of pre-engineered metal building covering; reducing the area of pre-cast concrete panels to those areas of best value; reconfiguring the main entrance of the building; reducing the number

of overhead doors; eliminating a freestanding Transportation area and incorporating it into the main building; alternative structural members; and rock surfaces versus concrete surfaces. To date, twenty-one items were provided for review. Sixteen have been accepted; three rejected; and two still under review. Current acceptance of value engineering options has reduced the construction estimate by 18% and within 4% of the target construction budget with combined contingencies exceeding the 4% variance. Efforts will continue to identify areas for value engineering as the design matures without compromising the intent, quality, and longevity of the facility. Additionally, MCL recently held a half day workshop with potential mechanical, electrical, and plumbing subcontractors to review in more detail each respective design and answer questions. Narratives and designs for these building components have developed further since the initial construction estimates allowing the subcontractors to provide more representative estimates for the work required. The mechanical, electrical, and plumbing work is approximately 30% of the total construction costs. Estimates are expected to be returned in February. Estimates and value engineering processes will continue to be conducted as the design progresses towards completion and a guaranteed maximum price (GMP) established.

Currently two early package construction projects, outside the CMAR agreement with MCL, have been awarded. On October 4, 2023, the Board of Directors awarded a contract to JC Excavating for mass grading and site preparation for CC2. Their bid was approximately 31% favorable to budgeted funds for this work. A change order is expected for the grading work due to City of Omaha permitting requirements and encountered soil conditions and will be presented to the Board at a later date. Total cost for the grading is expected to remain favorable to the budgeted funds for the work. On December 6, 2023, the Board of Directors awarded a contract to Graham Construction for right-of-way improvement work at the CC2 site. Their bid was approximately 30% favorable to budgeted funds for this work.

Each member of the project team is dedicated to developing a product, through the renovation of CC1 and construction of CC2, that provides for District operations now and into the future. The objectives continue to remain the same: business continuity, growth and expansion, emergency response, building longevity, and employee engagement. Beginning in March 2024, a monthly progress report will be distributed to the Board of Directors.

This item is for information only. No Board action is required.

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Jon Zellars

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

Approved:

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Steven E. Ausdemore

Senior Vice President, Safety, Security and Field Operations

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Mark E. Doyle

President