METROPOLITAN UTILITIES DISTRICT

Committee Meetings Agenda

8:15 a.m. **April 3, 2024**

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

Construction & Operations – *Friend, Sidzyik, Cavanaugh*

1. Capital Expenditures [Kendall Minor – SVP & Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates
   [Matthew Pelton – Senior Plant Engineer, 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 8**
2. Amendment No. 2 – Southeast Bellevue Water Main Extensions Project
   [Masa Niiya – VP, Engineering] – **Tab 9**

Personnel – *Begley, Sidzyik, Friend*

1. Wage and/or Salary Increases & Ratification [Bonnie Savine – VP, Human Resources] – **Tab 10**

Judicial & Legislative – *Cavanaugh, Cook, Howard*

1. Third Legislative Report for 2024 [Rick Kubat – Governmental Relations Attorney] – **Tab 11**

Insurance & Pensions – *Howard, McGowan, Cook*

1. Actuarial Valuation Report on the Retirement Plan
   [Mark Myers, SVP & Chief Financial Officers] – **Tab 12**

Audit – *McGowan, Howard, Begley*

1. 2023 Audited Financial Statement [Mark Myers, SVP & Chief Financial Officers] – **Tab 13**

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

1. 2023 Financial Review [Steve Dickas – VP, Accounting] – **Tab A (INFORMATION ONLY)**

Committee of the Whole

1. Infrastructure Replacement Program Update [Jared Svagera – Director, Infrastructure Integrity & Evan Martin, Senior Infrastructure Engineer] – **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. **April 3, 2024**

	1.	Roll Call
	2.	Open Meetings Act Notice
	3.	Pledge of Allegiance
	4.	Approval of Minutes – Committee Meetings and Regular Board Meeting for March 6, 2024
CONSTRUCTION & OPERATIONS	5.	Capital Expenditures
	6.	Acceptance of Contracts and Payment of Final Estimates
	7.	Bids on Materials and Contracts
SERVICES & EXTENSIONS	8.	Main Extensions
	9.	Amendment No. 2 – Southeast Bellevue Water Main Extension
PERSONNEL	10.	Wage and/or Salary Increases and Ratifications
JUDICIAL & LEGISLATIVE	11.	Third Legislative Report for 2024
INSURANCE & PENSION	12.	Actuarial Valuation Report on the Retirement Plan
AUDIT	13.	2023 Audited Financial Statement
BOARD	14.	Other Matters of District Business for Discussion
	15.	Public Comment
	16.	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

March 6, 2024

Chairperson Jim Begley 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, February 25, 2024. 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 March 1, 2024.

Chairperson Begley 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: Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Mike McGowan. Bob Sidzyik and Gwen Howard were absent.

Open Meetings Act Notice

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

On behalf of the Board of Directors and Management, Director Begley presented Gas Distribution employee Paul Contreras with the Distinguished Service Award for heroic lifesaving efforts on February 14, 2024 at the Kansas City Chiefs Superbowl victory parade. Mr. Contreras was quick to act, tackling and restraining a suspected gunman when a gunfire broke out in the crowd. Mr. Contreras was thanked for his courageous and selfless act and presented with a plaque to honor him.

Construction and Operations – *Friend, Sidzyik, Cavanaugh*

Interim Senior Vice-President and Chief Operations Officer Andy Melville presented the proposed capital expenditures as outlined in his letter to the Committee dated February 27, 2024.

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 February 16, 2024. Discussion was held on the state of the Walnut Hill Reservoir.

Mr. Gartner continued, reviewing the request for Water Service Reconnect Contract Extensions for Backlund Plumbing, NxtGen Plumbing, and Veskerna Plumbing and Excavating through Spring 2027.

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 February 22, 2024.

Vice-President of Engineering Masa Niiya presented the proposed main extensions as outlined in his letter to the Committee dated February 27, 2024.

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 February 27, 2024.

Ms. Savine continued, presenting the Selection of Senior Vice President, Chief Operations Officer as outlined in her letter to the Committee dated March 1, 2024.

Judicial & Legislative - *Cavanaugh, Cook, Howard*

Assistant General Counsel Joseph Kehm presented a Condemnation Authority Request for a permanent easement in lot 16 of Bennington Park, a platted subdivision in Douglas County, Nebraska as outlined in his letter to the Committee dated February 28, 2024.

Governmental Relations Attorney Rick Kubat presented the Second Legislative Report dated February 28, 2024, summarizing all legislative bills that have been identified as being of interest to the District. Of particular note was the recommended change of position from oppose to neutral on LB 1069 after an amendment was introduced. A brief discussion took place. Mr. Kubat also reiterated the District's appreciation of the bipartisan effort of United States Senator Deb Fischer who, along with United States Senator Amy Klobuchar, encouraged the IRS to resolve the potential tax liability of lead service line replacement. President Doyle highlighted Mr. Kubat's work to have the tax liability concern brought to light and rectified.

Public Comment

Chairperson Begley asked if there were any further comments from the Board or if any member of the public would like to address the Board.

Director Cavanaugh expressed condolences to the family of Kay Lange, retired Executive Assistant, on behalf of the Board.

At 9:13 a.m., Chairperson Begley 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

March 6, 2024

Chairperson Jim Begley called to order the Committee meetings of the Metropolitan Utilities District Board of Directors at 9:23 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, February 25, 2024. 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 March 1, 2024.

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

AGENDA NO. 1
ROLL CALL

On a roll call vote, the following Directors acknowledged their attendance: Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Mike McGowan. Bob Sidzyik and Gwen Howard were absent.

AGENDA NO. 2
OPEN MEETINGS ACT NOTICE

Chairperson Begley 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 Begley 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 FEBRUARY 7, 2024.

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for February 7, 2024, which was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 5
CAPITAL EXPENDITURES

Director Friend moved to approve the proposed capital expenditures as presented in the Committee Meetings by Interim Senior Vice-President and Chief Operations Officer Andy Melville as outlined in his letter to the Committee dated February 27, 2024. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

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

Director Friend moved to approve the 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 February 16, 2024. The motion was seconded by Director McGowan and carried on a roll call vote.

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

AGENDA NO. 7
WATER SERVICE RECONNECT CONTRACT EXTENSIONS FOR BACKLUND, NXTGEN PLUMBING, AND VESKERNA PLUMBING & EXCAVATING THROUGH SPRING 2027

Director Friend moved to approve the Contract Extension request for Backlund Plumbing, NxtGen Plumbing and Veskerna Plumbing & Excavating as presented in the Committee Meetings by Interim Director, Plant Engineering Adam Gartner and as outlined in his letter to the Committee dated February 14, 2024. The motion was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 8
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 February 22, 2024 from Director of Procurement Sherri Lightfoot. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

AGENDA NO. 9
MAIN EXTENSIONS

Director Friend moved to approve the proposed main extensions as presented by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated February 27, 2024, which was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 10
WAGE AND/OR SALARY INCREASES AND RATIFICATIONS

Director Begley moved to approve the Wage and/or Salary Increases and Ratifications as presented by Vice-President of Human Resources Bonnie Savine and as outlined in her letter dated February 27, 2024. The motion was seconded by Director Friend and carried on a roll call vote.

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

AGENDA NO. 11
SELECTION OF SENIOR VICE PRESIDENT & CHIEF OPERATIONS OFFICER

Director Begley moved to approve the hire of Kendall Minor as the Senior Vice President and Chief Operations Officer as presented by Vice-President of Human Resources Bonnie Savine and as outlined in her letter dated March 1, 2024. The motion was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 12
BENNINGTON CONDEMNATION AUTHORITY REQUEST (RESOLUTION)

Director Cavanaugh moved to approve the Condemnation Authority request for a permanent easement in Bennington as presented by Assistant General Counsel Joseph Kehm and as outlined in his letter dated February 28, 2024. The motion was seconded by Director McGowan and carried on a roll call vote.

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

AGENDA NO. 13
SECOND LEGISLATIVE REPORT FOR 2024

Director Cavanaugh moved to approve the recommended positions on legislative bills outlined in the Second Legislative Report for 2024 as presented by Government Relations Attorney Rick Kubat in the Committee Meetings and as outlined in her letter dated February 28, 2024. The motion was seconded by Director Friend and carried on a roll call vote.

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

AGENDA NO. 14
PRESIDENT'S PERFORMANCE AND SALARY REVIEW

Director Begley moved to a 3.75% general salary increase for President Doyle and any progression increase, consistent with the percentage for SPA employees for the 2024 calendar year. The motion was seconded by Director Friend. Each Board member provided a comment of appreciation for President Doyle. The motion was carried on a roll call vote.

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

AGENDA NO. 15
OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

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

Director McGowan asked what the current gas prices are compared to last year at this time. Vice-President, Gas Operations Jim Knight reported that gas prices were $1.45 in March 2024 and $2.60 in March 2023 and that this is the lowest gas prices we've seen since 1995 nationally. Mr. Knight also indicated that storage reserves are 25% above the 5-year average nationally.

AGENDA NO. 16
PUBLIC COMMENT

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

Director McGowan requested a date be set for the "State of the District" update from President Doyle. The May 2024 Board Meeting was selected.

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

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

The regular Board Meeting was adjourned at 9:41 a.m.

Mark Doyle
President & Secretary to the Board

MD/sec

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 26, 2024

Subject: CAPITAL EXPENDITURES

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

From: Kendall Minor, SVP & Chief Operations Officer

The following items will be on the April 3, 2024, Committee Agenda for consideration and the Board Agenda for approval.

BUILDINGS, PLANTS & EQUIPMENT

1. JOB #: (100033000017 - $225,000)
TOTAL COST: $225,000
LOCATION: Platte South Water Production Facility
PURPOSE: Remove Existing Underground Fuel Tanks and Replace with Above Ground Tanks
DESCRIPTION: This project is for the replacement of two existing 1,000 gallon underground fuel storage tanks with above ground tanks of the same size at Platte South. The existing underground tanks are original to the facility and are nearing their useful lifespan. Above ground fuel tanks require less leak detection and monitoring equipment than underground tanks. In addition, any leak in an above ground tank can be detected and repaired more easily than in a below ground tank. Due to the containment provided with an above ground tank, the environmental implications of a leak are far less than that of a buried tank as well.

2. JOB #: (100089000963 - $1,495,000)
TOTAL COST: $1,495,000
LOCATION: Various
PURPOSE: Purchase and install 1,000 leak loggers with 5 years of analyst services, web portal maintenance, and communication.
DESCRIPTION: The newer generation leak loggers have sensitive microphones coupled with modern communication which allow for deployment throughout the water system - an arrangement commonly referred to as the “internet-of-things.” The devices report to a web portal which can be analyzed by the user. What makes these devices transformative is their ability to find leaks that are non-surfacing with minimal labor. Finding a break prior to surfacing allows us to manage the repair differently. The repair and operating crews can plan for an optimal time to fix, and customers can be given advanced notice of the outage thereby reducing the cost of repairs, improving safety to the public and our employees, and providing earlier notification of outage needs during repairs. These benefits were evident with the success of 345 loggers previously deployed that have found 72 leaks on mains and services.

These loggers will monitor approximately 100 miles of pipe. This is the first phase of our leak detection program. We eventually plan to monitor 500-700 miles of pipe. The expansion of the program will proceed incrementally budgeted over the next several years.

3. JOB #: (100033000016 - $181,750)
TOTAL COST: $181,750
LOCATION: Platte South Water Production Facility
PURPOSE: Purchase 8 New Propeller Meters for Upflow Piping
DESCRIPTION: This project will purchase two 42", four 36", and two 30" replacement Propeller Meters manufactured by Water Specialties. These meters will replace existing Sparling propeller meters that currently measure the flows in the upflow basins at the Platte South Water Treatment Facility. Previous projects have replaced multiple Sparling Meters that are at the end of their lifespan and this project will replace the remaining units within the facility.

Accurate metering of water throughout the upflow basins is essential as chemical dosing and plant balancing is dependent on these meters. The Water Specialties Propeller Meters are custom built to drop into the existing piping. Similar Water Specialties Propeller Meters have been used in the wellfield, high service, and raw water meters within the facility. Installation will be done by District forces during our scheduled November 2024 shutdown.

4. JOB #: RATIFICATION (100031000019 - $217,000)
TOTAL COST: $217,000
LOCATION: Florence Water Production Facility
PURPOSE: Rebuild of a Traveling Intake Screen
DESCRIPTION: This request is ratification of rebuilding a traveling intake screen at the Florence Water Production Facility. Recently, a traveling screen was approved at the December 2023 Board meeting to be rebuilt and that work has been completed. The vender agreed to rebuilding another screen at the same contract price and we were able to reduce specialized crane and freight expenses by removing and installing the units at the same time. This is the 3rd screen to be rebuilt under the current contract pricing and will also receive the specialized antifoulant coating which has successfully reduced the number of zebra mussels attaching to them.

5. JOB #: (100086000773 - $280,000)
TOTAL COST: $280,000
PURPOSE: Replace MicroStation with AutoCAD
DESCRIPTION: This C&A is to request funds to replace the MicroStation application with the AutoCAD application for Computer Aided Design (CAD) drawings. This migration to AutoCAD will add integration capabilities with ArcGIS Pro, Open Text, and SAP applications, thereby improving efficiency and reducing cost and time. In addition, this follows industry CAD application trends as Microstation application has a smaller share of the market and fewer companies and institutions using and training for that software. Migrating to AutoCAD will improve the ability to recruit CAD Technicians. Further this will improve the accuracy of GPS data collection and third-party vendor collaboration. The integration projects will follow after the successful implementation of AutoCAD.

6. JOB #: (100086000772 - $180,000)
TOTAL COST: $180,000
LOCATION: Platte West Water Production Facility and MUD Operating Center
PURPOSE: ITS Storage Area Network Replacement
DESCRIPTION: This project aims to replace the aging Storage Area Network (SAN) at Platte West and the Operations data centers. The SAN supports on-premise servers located at each of those locations. The current equipment is 7 years old and the vendor support has become too costly to maintain. Due to the reduced size of the on-premise footprint, we plan to downsize the new SAN equipment and save on the annual support cost.

SYSTEM IMPROVEMENTS

1. JOB #: R2257 (100053001571 - $210,000), (100067001541 - $9,600), (100054001159 – $17,000) & (100068001142 - $1,800)
TOTAL COST: $238,400
LOCATION: 222nd Street from West "Q" Road to Orchard Plaza
PURPOSE: Relocate 400' +/- of 12" ductile iron water main and lower in place 350' +/- of 4" plastic gas main.
DESCRIPTION: This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for the roadway project C-28(577). This project is anticipated to start spring 2024 and will be constructed by an MUD crew. A portion of these water mains were installed in permanent easement and the work is reimbursable to the District. The total sum of reimbursable work is firm priced at $67,300. The remainder of the work is not reimbursable as the mains are in public right-of-way. No services are impacted during this project.

2. JOB #: (100071000717 - $500,000)
TOTAL COST: $500,000
LOCATION: Various
PURPOSE: 2024 Contracted Hydrant Painting
DESCRIPTION: This request is for authorization to paint approximately 3,400 hydrants in 2024 as part of the annual maintenance cycle for fire hydrants. Water Distribution operates and maintains nearly 30,000 hydrants within the water distribution system. Paint provides corrosion protection for the hydrant assembly and specific paint colors provide information to the fire department about the capacity of each hydrant. The work includes sandblasting each hydrant, then applying a primer coat and topcoat of paint. A local contactor, Buss Lincoln Painting of Omaha, has successfully performed this hydrant painting work for multiple years and agreed to extend their 2023 pricing through 2024.

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Kendall Minor
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Kendall Minor
SVP, Chief Operations Officer

Approved:

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Mark Doyle
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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 19, 2024

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

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

From: Adam Gartner, Interim Director, Plant Engineering

The following items will be on the April 3, 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. Kersten Construction, WP1619, 100055001270, Install Water Mains in Copper Creek; 168th St. & Military Rd.	11/7/2018	$302,033.00	$453,725.60

Comments: There was a relatively large increase of $151,692.60 (+50.2%) for this project, due to two previously approved change orders. The project was bid in 2018 and postponed by the developer until 2022. Change order no. 1 previously approved significant price increases for labor and material inflation. Change order no. 2 was a small change previously approved for a deeper than expected water main connection. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
b. Kersten Construction, WP1966, 100055001426, Install Water Mains in Steel Ridge South Lots 4-8, NW. of 156th St. & Schram Rd.	12/7/2022	$577,863.00	$556,717.00

Comments: There was a decrease of $21,146.00 (-3.7%) for this project, due to a reduction of 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. Cedar Construction Company, Inc., WP1984, 100055001430, Install Water Mains in Arborview Phase V Lots 534-641, SW. of 210th Ave. & Fort St.	3/1/2023	$510,270.00	$485,440.99

Comments: There was a decrease of $24,829.01 (-4.9%) for this project, due to a reduction of 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 Company, Inc., WP2006, 100055001441, Install Water Mains in Avenue One Replat 2 Lots 2-4, SE. of 188th St. & Harney St.	4/5/2023	$246,006.00	$236,443.00

Comments: There was a decrease of $9,563.00 (-3.9%) for this project, due to a decrease in 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	
		Contract Bid	Actual
e. Judds Bros Construction Co., WP2017, 100083001180, Platte South Garage Drain Trench Repair	9/6/2023	$97,000.00	$96,226.61

Comments: This project replaced a large section of concrete and drainage inside the Platte South Garage Building. There was a small decrease of $773.39 (<-1%) for this project, due to a deduct to repair a contractor damaged electrical conduit feed which occurred during 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
f. Hawkins Construction, R2118, 100093001350, 100041000110, 100053001515, 100067001492, Joint Contract – City of Omaha; OPW 55896 Grover Street; 50th Street to 60th Street	2/1/2023	$1,927,199.20	$1,807,046.80

Comments: This was a joint contract with the City of Omaha and Hawkins Construction for roadway reconstruction along Grover St. This work is not reimbursable because the gas and water mains were in the public right-of-way. There was a decrease of $120,152.40 for this project, primarily due to a reduction of unit quantities required to complete the work and a deduct for a struck gas main. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

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Adam Gartner
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Adam Gartner
Interim Director, Plant Engineering

Approved:

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Masa Niiya
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Masa Niiya
Vice President
Engineering

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Kendall Minor
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Kendall Minor
Senior Vice President
Chief Operations Officer

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Mark Doyle
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Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 20, 2024

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

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

From: Sherri A Lightfoot, Director, Procurement

The following items will be on the April 3, 2024 Committee Agenda for consideration and the April 3, 2024 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

WATER/GAS MAIN CONTRACTS

Item	Bids Sent / Rec'd	Bidders	Bid Amount
Install Water Mains in Coventry	22/4	**Cedar Construction**	**$869,931.00**
Wood Lots 1-174, NE of 216th		Kersten Construction	872,813.00
Street and Harrison Street		*Valley Corporation*	*1,033,856.83*
100055001455 WP2067		Becker Trenching	1,054,890.00

Engineering Estimate: $895,650.00
(A C&A in the amount of $1,040,168.00 will be presented to the Board on April 3, 2024 for approval.)

Item	Bids Sent / Rec'd	Bidders	Bid Amount
Install Water Mains in Stratford	22/4	**Cedar Construction**	**$930,876.00**
West Lots 1-236, SW of N 171st		Kersten Construction	936,793.00
Street and Military Road		*Valley Corporation*	*1,026,844.37*
100055001462 WP2077		Becker Trenching	1,195,465.00

Engineering Estimate: $989,100.00
(A C&A in the amount of $1,097,308.00 will be presented to the Board on April 3, 2024 for approval.)

Item	Bids Sent / Rec'd	Bidders	Bid Amount
Install Water Mains in Deer Crest	22/4	**Cedar Construction**	**$902,130.00**
North 12" Pioneer Main, Lot 1-46		Kersten Construction	915,930.50
SE of 114th Street and State Street		*Valley Corporation*	*918,007.35*
100055001465 100057000545 WP2085		Becker Trenching	982,000.00

Engineering Estimate: $887,200.00
(A C&A in the amount of $1,069,912.00 will be presented to the Board on April 3, 2024 for approval.)

Install Water Mains in Cardinal Commons 12" Pioneer Main, NE of S. 13th Street and Kasper Street 100057000547 WP2094 Engineering Estimate: $89,505.00	22/6	***McAninch Corporation*** Castle Contracting Becker Trenching Vincentini Plumbing *General Excavating* *Pat Thomas Const.*	***$71,500.00*** 77,885.00 78,600.00 82,142.00 *82,627.00* *106,725.00*

(C&A for 100057000547 approved February 7, 2024 in the amount of $90,000.00.)

OTHER

Item	Bids Sent / Rec'd	Bidders	Bid Amount
Removal and Replacement of Platte South WTP Underground Fuel Storage Tanks 100033000017 WP2099	13/2	**Cummings and Sons** *Eriksen Construction*	**$127,769.88** *258,719.50*

(A C&A in the amount of $225,000.00 will be presented to the Board on April 3, 2024 for approval.)

Eight (8) Propeller Meters for Platte South WTP Up Flow Basins 100033000016 WP2098	2/2	***Heartland Controls*** *Mellen & Assoc.*	***$166,128.00*** *228,448.00*

(A C&A in the amount of $181,750.00 will be presented to the Board on April 3, 2024 for approval.)

Florence Storage Building 100031000014 WP 2088 *Bids Rejected	13/5	Cummings and Sons Midwest DCM Cormaci Construction Midwest Mechanical Neuvirth Construction	$531,675.40* 549,786.44* 638,869.25* 660,437.00* 1,210,311.01*
Leak Detection Program Expansion Water Operations 100089000963	2/2	***Echologics*** Subsurface Solutions	***$1,247,700.00*** 1,253,610.00

(A C&A in the amount of $1,495,000.00 will be presented to the Board on April 3, 2024 for approval.)

Two (2) Heavy Duty Medium Rubber Tire 4x4 Loader Backhoe 100087000681 Bid Rejected, Does Not Meet Specifications	8/2	**Murphy Tractor** NMC	**$374,608.00** 370,752.00*

(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of $18,794,100.00.)

One (1) Heavy Duty Large Rubber Tire 4x4 Loader Backhoe 100087000682	6/2	**Murphy Tractor** NMC	**$249,014.00** 243,832.00*

Bid Rejected, Does Not Meet Specifications
(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of $18,794,100.00.)

Eight (8) Heavy Duty 4x4 Extended Cab, Cab and Chassis 100088000830	6/3	***Stiver Ford*** *Sid Dillion* *Anderson Ford*	***$485,570.00*** *488,768.00* *492,846.00*

(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of $18,794,100.00.)

Two (2) Regular Cab, Tandem Axle Chassis with Dump Body Dump Trucks 100088000832	6/1	**Truck Center**	**$477,476.00**

(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of $18,794,100.00.)

One (1) Single Axle Chassis 100088000833	8/2	**Truck Center** *Midwest Peterbilt*	**$98,926.00** *120,291.00*

(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of $18,794,100.00.)

ANNUAL

Item	Bids Sent / Rec'd	Bidders	Bid Amount
Resilient Seated Gate Valves (April 1, 2024 - March 31, 2025)	3/2	**Core and Main** American UGD	**$505,068.64** 544,385.00
Corporation Ball Valves (April 1, 2024 - March 31, 2025)	5/3	**American UGD** Omaha WinWater Core and Main	**$485,742.00** 502,800.00 535,712.00
Large Wedge Resilient Seated Gate Valves (April 1, 2024 - March 31, 2025)	4/2	**American UGD** Core and Main	**$140,770.41** 151,157.97
Liquid Nitrogen (April 1, 2024 - March 31, 2025)	2/1	**Matheson Tri-Gas**	**$125,700.00**

Roof Inspection and Maintenance Services for M.U.D. Facilities (Calendar Year 2024)	5/2	**Anderson Roofing** Mckinnis Roofing	**$69,825.00** 256,000.00
Sandblast and Paint Fire Hydrants Year 2024 ($145 per Hydrant) 100071000717 Extension #1	1/1	**Buss Lincoln**	**$499,525.00**

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

Approved:

DocuSigned by:
Jon Zellars
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Jon Zellars
Vice President, Procurement and Enterprise Services

DocuSigned by:
Steve Ausdemore
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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

March 25, 2024

Subject: MAIN EXTENSIONS

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

From: Masa Niiya, Vice President, Engineering

The following main extensions will be on the April 3, 2024, Committee Agenda for consideration and the Board Agenda for approval:

1. JOB #: WP2067 (100055001455 - $1,040,168)
PROJECT COST: $1,040,168
DISTRICT COST: $0
LOCATION: S. 216th Street and Harrison Street
DISTRICT SUBDIVISION: Cavanaugh
PURPOSE: Install water mains in Coventry Wood Subdivision
DESCRIPTION: Work to be done will provide domestic water service and fire protection to 174 single family residential lots in Coventry Wood Subdivision.

2. JOB #: WP2077 (100055001462 - $1,097,308)
PROJECT COST: $1,097,308
DISTRICT COST: $0
LOCATION: North 171st Street and Military Road
DISTRICT SUBDIVISION: Friend
PURPOSE: Install water mains in Stratford West Subdivision
DESCRIPTION: Work to be done will provide domestic water service and fire protection to 235 single family residential lots, 1 parking lot, and 11 out-lots in Stratford West Subdivision.

3. JOB #: WP2085 (100055001465 - $869,676) & (100057000545 - $200,236)
PROJECT COST: $1,069,912
DISTRICT COST: $0
LOCATION: North 114th Street and State Street
DISTRICT SUBDIVISION: Friend
PURPOSE: Install water mains in Deer Crest North Subdivision
DESCRIPTION: Work to be done will provide domestic water service and fire protection to 146 single family residential lots in Deer Crest North Subdivision.

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Masa Niiya
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Masa Niiya
Vice President, Engineering

Approved:

DocuSigned by:
Kendall Minor
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Kendall Minor
Sr. Vice President, Chief Operations Officer

DocuSigned by:
Mark Doyle
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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 11, 2024

Subject: AMENDMENT NO. 2 – SOUTHEAST BELLEVUE WATER MAIN EXTENSIONS PROJECT; HDR ENGINEERING, INC.; WP1871 (100057000000, 100057000504,100057000505, 100057000507, 100057000508, 100057000527, 100057000528, 100051001070)

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

From: James W. Bartels, Director, Engineering Design

On March 3, 2022, the District entered into an agreement with HDR Engineering, Inc. for professional engineering services to design water mains for the Southeast Bellevue Water Main Extension project. The original not to exceed amount of the agreement was $925,047, with amendment number 1 increasing the not to exceed amount to $982,817. This letter is to request an amendment to that existing contract.

Additional engineering services are requested for the removal, redesign, and rebidding of Job Numbers 100057000505 and 100057000527 at the request of the City of Bellevue (the Developer) as they pursue grant funding. Due to the nature of the funding sources, these segments of main will need to be designed to allow the project to bid separately, after notification of grant award is known.

Additional services and permitting fees associated with Job Number 100057000528 due to requirements at a shared rail crossing.

The additional services requested also include an onsite resident project representative subject matter expert in horizontal directional drilling, as a requirement of the 408 permit to be performed by HDR. These services include updating the Levee Operations and Maintenance Manual as a condition of the 408 permit.

Amendment No. 2 is being requested for a total amount of $123,400.00 which will increase the not-to-exceed contract amount to $1,106,217.00. The District will be responsible for an estimated $875.00 of this increase due to contributions to Phase A, Job Number 100057000000.

It is recommended that the President be authorized to execute Amendment No. 2 to the professional engineering agreement with HDR Engineering, Inc. This matter will be on the agenda of the April 3, 2024, Committee and Board meeting for discussion and approval.

DocuSigned by:
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James W. Bartels
Director, Engineering Design

APPROVED:

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Masa Niiya
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Masa Niiya
Vice President
Engineering

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Kendall Minor
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Kendall Minor
Sr. Vice President,
Chief Operations Officer

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Mark Mendenhall
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Mark Mendenhall
Sr. Vice President,
General Counsel

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Mark Doyle
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Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 26, 2024

Subject: Wage and/or Salary Increases and Ratifications, April 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, Minor, and Myers

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:	**Tom Finn**
Current position (department):	Mechanic II (Transportation)
New position (department):	Mechanic II (Transportation) Job Reclassification
Current rate; step/grade:	$37.93; Step 2
Proposed rate; step/grade:	$40.03; Step 3
Percent of increase:	5.54%
District hire date:	March 2, 2020

Employee:	**Nick Haynes**
Current position (department):	Mechanic I (Transportation)
New position (department):	Mechanic I (Transportation) Job Reclassification
Current rate; step/grade:	$32.02; Step 3
Proposed rate; step/grade:	$35.03; Step 3
Percent of increase:	9.40%
District hire date:	August 8, 2022

Employee:	**Chris Muhlbauer**
Current position (department):	Valve Maintenance Mechanic (Water Distribution)
New position (department):	Utility Locator (Safety and Security)
Current rate; step/grade:	$42.26; Step 4
Proposed rate; step/grade:	$42.67; Step 4
Percent of increase:	0.97%
District hire date:	July 14, 2014

Employee:	**Brandon Mace**
Current position (department):	Mechanic I (Transportation)
New position (department):	Mechanic I (Transportation) Job Reclassification
Current rate; step/grade:	$33.71; Step 4
Proposed rate; step/grade:	$36.87; Step 4
Percent of increase:	9.37%
District hire date:	March 21, 2022

Employee:	**Rodrigo Martinez**
Current position (department):	Mechanic I (Transportation)
New position (department):	Mechanic I (Transportation) Job Reclassification
Current rate; step/grade:	$30.34; Step 2
Proposed rate; step/grade:	$33.18; Step 2
Percent of increase:	9.36%
District hire date:	November 28, 2022

Employee:	**Jesse Norman**
Current position (department):	Customer Service Technician (Field Services)
New position (department):	Customer Service Technician – Fitter (Field Services)
Current rate; step/grade:	$36.39; EN
Proposed rate; step/grade:	$40.21; Step 1
Percent of increase:	10.50%
District hire date:	September 25, 2017

Employee:	**Shane O’Connell**
Current position (department):	Machine Operator I (Construction)
New position (department):	Utility Locator (Safety and Security)
Current rate; step/grade:	$38.30; Step 3
Proposed rate; step/grade:	$40.54; Step 3
Percent of increase:	5.85%
District hire date:	March 30, 2020

Employee:	**Zachary Rose**
Current position (department):	Mechanic I (Transportation)
New position (department):	Mechanic I (Transportation) Job Reclassification
Current rate; step/grade:	$30.34; Step 2
Proposed rate; step/grade:	$33.18; Step 2
Percent of increase:	9.36%
District hire date:	January 9, 2023

Employee:	**Thomas Sneed**
Current position (department):	Customer Service Technician (Field Services)
New position (department):	Customer Service Technician – Fitter (Field Services)
Current rate; step/grade:	\$36.39; EN
Proposed rate; step/grade:	\$40.21; Step 1
Percent of increase:	10.50%
District hire date:	January 7, 2019

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:	**Zachery Aurand**
Current position (department):	Material Handler Trainee (Stores)
New position (department):	Material Handler I (Stores)
Current rate; step/grade:	\$36.30; Step 4
Proposed rate; step/grade:	\$39.20; Step 3
Percent of increase:	7.99%
District hire date:	May 24, 2021

Employee:	**Richard Erlandson**
Current position (department):	Material Handler Trainee (Stores)
New position (department):	Material Handler I (Stores)
Current rate; step/grade:	\$36.30; Step 4
Proposed rate; step/grade:	\$39.20; Step 3
Percent of increase:	7.99%
District hire date:	August 26, 2019

Employee:	**Colton Carey**
Current position (department):	Mechanic I (Transportation)
New position (department):	Mechanic II (Transportation)
Current rate; step/grade:	$36.87; Step 4
Proposed rate; step/grade:	$40.03; Step 3
Percent of increase:	8.57%
District hire date:	July 19, 2021

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:	**Stephanie Henn**
Current position (department):	Director, Plant Engineering (Plant Engineering)
New position (department):	Director, Program Management (Engineering)
Current rate; step/grade:	$192,220; SPA – 09
Proposed rate; step/grade:	$198,851; SPA – 09
Percent of increase:	3.45%
District hire date:	December 29, 1994

Employee:	**Travis Talbitzer**
Current position (department):	GIS Technical/Functional Analyst I (Information Technology)
New position (department):	GIS Technical/Functional Analyst II (Information Technology)
Current rate; step/grade:	$109,483; SPA – 04
Proposed rate; step/grade:	$114,957; SPA – 05
Percent of increase:	5.00%
District hire date:	July 11, 2022

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

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

There are no recommendations for approval this month

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

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Mark Doyle
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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 26, 2024

Subject: THIRD 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 is tentatively set to adjourn on April 18, 2024. An update to LB 636 has been added to this report on the last page. LB 636 as introduced by Senator Albrecht is an energy choice bill, supported by the District, and was introduced during the previous 2023 legislative session. In addition to the list of bills provided below, there are numerous other legislative proposals that will continue to 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. LB 1018 has a pending amendment making the bill only applicable to state agencies, thus excluding the District.

Board Pos: Neutral
Status: Remains in the Government, Military and Veterans Affairs Committee

LB 1069 (Halloran) – Introduced on behalf of the State Fire Marshall's Office (SFM) and proposes numerous changes to SFM statutes. Aspects of the bill that impact the District are as follows:

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 to 50 cents. 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 at 20 cents. 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 worked with the State Fire Marshall in an effort to reach a compromise related to LB 1069. The enhanced potential fines and the increase in the meter set assessment remain. However, LB 1069 has been amended, and now affords natural gas providers with additional due process rights for alleged violations to the Nebraska Natural Gas Pipeline Safety Act via access to the Administrative Procedures Act.

Board Pos: Neutral
Status: Speaker priority and advanced to Select File with AM 2583 adopted

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

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

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.

Board Pos: Support
Status: Remains in the Appropriations Committee

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 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 also provides the District with additional discretion for expenditures related to replacing lead service lines from the LSLCF.

Board Pos: Support
Status: Amended into LB 1413, a biennium budget bill, with the adoption of AM 2698 and placed on final reading

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.

Board Pos: Support
Status: Remains in 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 all state critical procurements and to identify all procurements and supply chains subject to disruption in the event of a conflict. The bill 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 bill 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. LB 1300 creates constraints and certain prohibitions on the ability of a public entity to contract with a foreign adversary. The bill continues to evolve and will likely be substantively changed to address security concerns brought forward by on behalf of public utilities.

Board Pos: Neutral
Status: Remains in the Government, Military and Veterans Affairs Committee, Senator Ballard priority

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

Board Pos: Oppose
Status: Remains in the Revenue Committee

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

Board Pos: Support
Status: Remains in 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. LB 1358 continues to evolve as several drafts of amended language have been offered for consideration by public power, the District and other political subdivisions under the purview of the bill.

Board Pos: Support
Status: Placed on General File

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.

Board Pos: Oppose
Status: Remains in the Judiciary Committee

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: Amended into LB 867 via AM 3064 and placed on Final Reading

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

March 27, 2024

Subject: ACTUARIAL AND ACCOUNTING REPORTS FOR THE RETIREMENT PLAN

To: Insurance and Pensions Committee
cc: All Board Members; Doyle, Ausdemore, Minor, Lobsiger, Mendenhall, and all Vice Presidents

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

Attached for your review, please find three documents related to the District's Retirement Plan, as follows:

1) The Retirement Plan for Employees of the Metropolitan Utilities District of Omaha – Actuarial Valuation as of January 1, 2024
2) GASB Statements No. 67 & 68 Report for the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha – Measurement Date: December 31, 2023
3) Cavanaugh Macdonald Consulting – Retirement Plan for Employees of MUD – Summary Presentation of the Highlights of the Actuarial Valuation Results

The first document, the Actuarial Valuation of the Retirement Plan, is used to determine the annual Actuarially Determined Contribution amount to fund the Plan as well as provide an actuarial funded ratio. Annual funding of the Plan is comprised of both Employer and Employee contributions. Beginning in 2023, employees contribute 9.0% of "covered payroll" to the Plan.

An Executive Summary of the Actuarial Valuation document can be found on pages 1-10 of the report, which provides an excellent synopsis of the information contained therein. Though the report contains considerable detail, the key statistical highlights follow:

	2024	2023
Funded Ratio at January 1 (Actuarial Value)	92.9%	93.9%
Actuarially Determined District Contribution	$ 11,437,095	$ 10,203,922

As a point of reference, the District's actual pension contribution in 2023 was $11.1 million, which was 8.3% greater than the Actuarially Determined District Contribution noted in the table above. Given the uncertainty and volatility of investment performance, we err on the side of conservatism in the determination of required District contributions when preparing the budget; this resulted in a 2024 budgeted contribution of $12.9 million. The District has historically contributed more than the Actuarially Determined Contribution, and we believe it is prudent to continue this practice in that it serves to reduce the unfunded actuarial liability and serves to offset any unfavorable experience that may occur in 2024. Management is recommending that the District contribute $12.9 million towards the pension in 2024, consistent with assumptions used in the preparation of the 2024 budget.

The second document, the "GASB Statements No. 67 & 68 Report", provides the District with necessary information to meet the requirements of the Governmental Accounting Standards Board, most notably relative to financial reporting, which includes the determination of annual pension expense. This guidance separates the funding of the pension plan, which is addressed in the actuarial valuation report, from pension expense recognition, which is prescribed by GASB 68. Following are key statistics contained in the GASB 67 & 68 Report:

	2023	2022
Plan Fiduciary Net Position as % of Total Pension Liability (At December 31)	92.0%	84.5%
Pension Expense	$ 7,409,761	$ 16,501,369

As you compare the difference in funded percentage as well as pension expense vs. actuarial required funding levels, it becomes very apparent that the GASB 67/68 guidance is much more sensitive to market return volatility, as compared with the information derived from the actuarial valuation. Though market return impacts the actuarial required contribution as well as actuarial funding levels, the actuarial plan valuation uses an actuarial (smoothed) value of assets, not the pure market value.

The final document, "Cavanaugh Macdonald Consulting – Retirement Plan for Employees of MUD", is a synopsis of information contained in the Actuarial Valuation document as prepared by Pat Beckham, Principal and Consulting Actuary with Cavanaugh Macdonald Consulting. Pat will be presenting this information at the April Board meeting.

The Retirement Plan of the District remains in a very strong financial position. The Board's continuing commitment to the financial health of the Plan is consistent with the District's "Fiscal Responsibility" core value, which encompasses a key tenet: properly funding promises to our employees. The documents attached and referred to above will be on the April 3, 2024 Committee and Board Agendas to be placed on file.

Mark F Myers

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

Approved:

Mark E Doyle

Mark E. Doyle
President

Attachments

Cavanaugh Macdonald
CONSULTING, LLC

The experience and dedication you deserve

METROPOLITAN
UTILITIES DISTRICT

The Retirement Plan for Employees of The Metropolitan Utilities District of Omaha

Actuarial Valuation as of January 1, 2024

www.CavMacConsulting.com

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

March 18, 2024

Board of Directors
Metropolitan Utilities District
7350 World Communications Dr.
Omaha, NE 68122-4041

Members of the Board:

In accordance with your request, we have completed an actuarial valuation of the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha as of January 1, 2024 for the plan year ending December 31, 2024. The major findings of the valuation are contained in this report. There have been no changes to the plan provisions, actuarial assumptions, or actuarial methods since the prior valuation.

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by the District's staff. This information includes, but is not limited to, plan provisions, employee data, and financial information. We found this information to be reasonably consistent and comparable with information provided in prior years. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our report, we did not perform an analysis of the potential range of future measurements.

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Actuarial computations presented in this report are for purposes of determining the actuarially determined contribution amount for funding the Plan and have been made on a basis consistent with our understanding of the Plan's funding policy and goals. Determinations for purposes other than meeting these requirements may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. For example, actuarial computations for purposes of fulfilling financial accounting requirements for the Plan under Governmental Accounting Standards No. 67 and No. 68 are provided in a separate report.

The consultants who worked on this assignment are public pension actuaries. CMC's advice is not intended to be a substitute for qualified legal or accounting counsel.

This is to certify that the independent consulting actuaries are members of the American Academy of Actuaries and meet the qualification standards to render the actuarial opinion contained herein. We further certify that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement plan and on actuarial assumptions that are internally consistent and reasonable based on the actual experience of the Plan. The final decision regarding the appropriateness of the actuarial assumptions used in the valuation resides with the Board of Directors. The current set of assumptions, adopted by the Board, is disclosed in Appendix B.

We respectfully submit the following report and look forward to discussing it with you.

Sincerely,

Patrice Beckham

Patrice A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary

Aaron Chochon

Aaron C. Chochon, ASA, EA, FCA, MAAA
Senior Actuary

Megan E. Skiles

Megan E. Skiles
Consultant

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This report presents the results of the January 1, 2024 actuarial valuation of the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha. The primary purposes of performing the valuation are:

- to estimate the liabilities for future benefits expected to be paid by the Plan;
- to determine the recommended contribution amount, based on the District's funding policy;
- to measure and disclose various asset and liability measures;
- to assess and disclose the key risks associated with funding the System;
- to monitor any deviation between actual plan experience and experience predicted by the actuarial assumptions, so that recommendations for assumption changes can be made when appropriate;
- to analyze and report on any significant trends in contributions, assets and liabilities over the past several years.

Summary Results

The key results of the January 1, 2024 valuation are compared to the 2023 valuation in the following table:

	January 1, 2024	January 1, 2023
Actuarial Liability	$589,608,342	$559,155,231
Actuarial Assets	547,986,291	524,969,442
Unfunded Actuarial Liability	$41,622,051	$34,185,789
Funded Ratio	92.94%	93.89%
District Contribution Rate	14.03%	13.51%
Projected Payroll For Upcoming FY	$81,518,849	$75,528,659
District Actuarial Contribution	$11,437,095	$10,203,922

The actuarial valuation results provide a "snapshot" view of the Plan's financial condition on January 1, 2024, which reflects net unfavorable experience for the past plan year. The rate of return on the actuarial value of assets was lower than the expected return (6.1% actual versus 6.75% expected), which resulted in an actuarial loss on assets of $3.5 million. There was also unfavorable experience on the plan liabilities for the past plan year, mainly due to higher salary increases than expected based on the actuarial assumptions. The net liability experience from all demographic assumptions was an actuarial loss of $5.5 million, so the aggregate experience for the 2023 plan year, on both actuarial assets and actuarial liabilities, was a loss of $9.0 million. This unfavorable experience increased the unfunded actuarial liability.

The valuation uses an asset smoothing method to mitigate the impact of the volatility of investment experience on the funding results. As a result, the plan's funded status and the actuarially determined contribution are based on the actuarial (smoothed) value of assets, not the pure market value. The money-weighted rate of return on the market value of assets during 2023, as reported by Vanguard, was 16.2%, higher than the assumed rate of return of 6.75%. However, due to the deferred (unrecognized) investment experience resulting from the asset smoothing method, the rate of return on the actuarial value of assets was 6.1%. The strong return on the market value of assets in 2023 decreased the deferred investment loss of $54.4 million in the 2023 valuation to $10.6 million in the current valuation. Actual returns over the next few years will determine if, and when, the deferred investment loss will be recognized. We estimate a return of around 9% on the market value of assets in 2024 would result in the actuarial value of assets being equal to the market value of assets at January 1, 2025. The deferred investment loss would be eliminated and no actuarial gain/loss on assets would occur for the 2024 plan year.

The change in the assets, liabilities, and contributions of the Plan over the last year are discussed in more detail in the following pages.

Assets

As of January 1, 2024, the Plan had total funds of $537.4 million, when measured on a market value basis. This was an increase of $66.8 million from the prior year and represents a 16.2% rate of return for the 2023 plan year.

The market value of assets is not used directly in the actuarial calculation of the Plan's funded status and the District's recommended contribution. An asset valuation method is used to smooth the effects of market fluctuations. The actuarial value of assets is equal to the expected asset value (based on last year's actuarial value of assets, net cash flows and a rate of return equal to the actuarial assumed rate of 6.75%) plus 25% of the difference between the actual market value and the expected asset value. See Exhibit 2 for the detailed development of the actuarial value of assets as of January 1, 2024. The rate of return on the actuarial value of assets was 6.1% (lower than the 6.75% assumption) which generated an actuarial loss of $3.5 million.

The components of the change in the market value and actuarial value of assets are shown below:

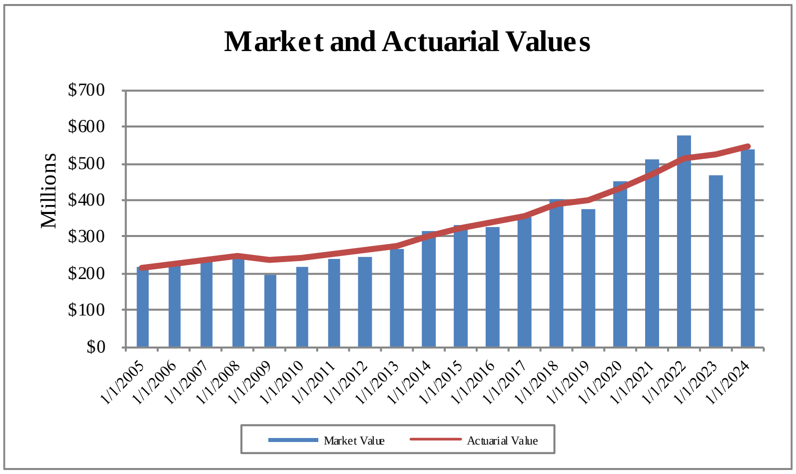
	Market Value ($M)	Actuarial Value ($M)
Net Assets, January 1, 2023	$ 470.6	$ 525.0
• District Contributions	+ 11.1	+ 11.1
• Member Contributions	+ 7.0	+ 7.0
• Benefit Payments, Refunds and Administrative Expenses	- 26.6	- 26.6
• Net Investment Return	+ 75.3	+ 31.5
Net Assets, January 1, 2024	$ 537.4	$ 548.0
Rate of Return	16.2%	6.1%

The deferred investment loss (actuarial value less market value of assets) as of January 1, 2024 is $10.6 million, compared to a $54.4 million deferred loss in last year's valuation. This unrecognized investment loss will flow through the asset smoothing method over the next few years, producing actuarial losses to the extent it is not offset by investment experience that is higher than the assumed rate of return.

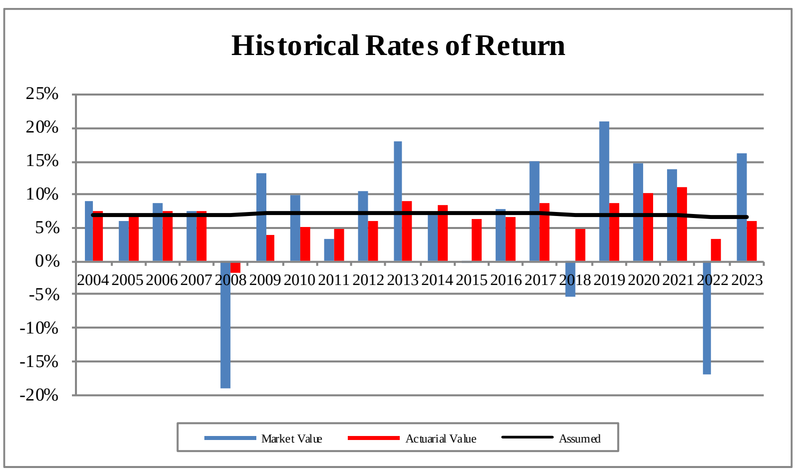
If the deferred investment loss was recognized immediately in the actuarial value assets, the unfunded actuarial liability would increase by $10.6 million to $52.2 million, the funded percentage would decrease from 92.94% to 91.14%, and the actuarially determined contribution for the District would increase from $11.4 million to $12.2 million. This information is provided for discussion purposes and transparency only. An asset smoothing method is used in the valuation process because of the extreme volatility in the actual investment returns from year to year which would lead to volatility in contributions. Readers of this report should understand the risks of relying on funding metrics that use the market value of assets.

A comparison of asset values on both a market and actuarial basis for the last six years is shown below.

	January 1 ($M) 2019	2020	2021	2022	2023	2024
Actuarial Value of Assets	403	432	472	517	525	548
Market Value of Assets	378	452	514	577	471	537
Actuarial Value/Market Value	106%	96%	92%	90%	112%	102%



An asset smoothing method is used to mitigate the volatility in the market value of assets. By using a smoothing method, the actuarial (or smoothed) value can be, and is expected to be, both above and below the pure market value.



The rate of return on the actuarial value of assets has been less volatile than the return on market value, which is the main reason for using an asset smoothing method.

Liabilities

The first step in determining the contribution for the Plan is to calculate the liabilities for all expected future benefit payments. These liabilities represent the present value of future benefits (PVFB) expected to be paid to the current Plan members, assuming that all actuarial assumptions are realized. Thus, the

PVFB reflects future service and salary increases for active members that are expected to occur before a benefit becomes payable. The components of the PVFB can be found in the liabilities portion of the valuation balance sheet (see Exhibit 3). The other critical measurement of plan liabilities in the valuation process is the actuarial liability (AL). The PVFB is funded over each employee's expected working career and the portion of the PVFB that is allocated to prior service periods is called the actuarial liability. The portion allocated to the current year of service is called the normal cost.

The following chart compares the Present Value of Future Benefits (PVFB), the Actuarial Liability (AL), and plan assets for the current and prior valuation.

	As of January 1	
	2024	**2023**
Present Value of Future Benefits (PVFB)	$752,054,966	$707,753,682
Actuarial Liability (AL)	$589,608,342	$559,155,231
Assets at Actuarial Value	$547,986,291	$524,969,442
Funded Ratio (Actuarial Value)	92.94%	93.89%
Assets at Market Value	$537,384,371	$470,606,758
Funded Ratio (Market Value)	91.14%	84.16%

The calculation of the unfunded actuarial liability for the Plan as of January 1, 2024 is shown below:

Actuarial Liability	$589,608,342
Actuarial Value of Assets	547,986,291
Unfunded Actuarial Liability	$ 41,622,051

Actuarial gains (or losses) result from actual experience that is more (or less) favorable than anticipated based on the actuarial assumptions. These "experience" (or actuarial) gains or losses are reflected in the unfunded actuarial liability and are measured as the difference between the expected unfunded actuarial liability and the actual unfunded actuarial liability, considering any changes due to assumption or benefit provision changes. The Plan experience, in total, was unfavorable (a higher unfunded actuarial liability than expected). There was an actuarial loss of $5.5 million on liabilities and an actuarial loss of $3.5 million on the actuarial value of assets, resulting in a combined loss of $9.0 million.

The change in the unfunded actuarial liability between January 1, 2023 and 2024 is shown in the following table (in millions):

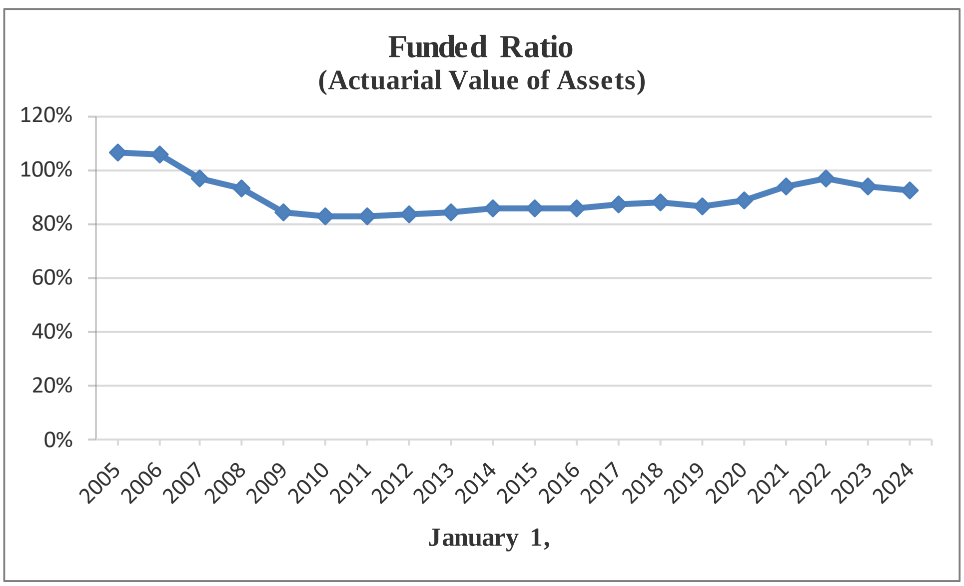
Unfunded Actuarial Liability, January 1, 2023	$	34.2
· Expected change in UAL	+	0.0
· Contributions in excess of the actuarial amount	-	0.9
· Investment experience	+	3.5
· Demographic experience	+	5.5
· Other experience	-	0.7
Unfunded Actuarial Liability, January 1, 2024	$	41.6

A number of factors impact the funded ratio from year to year. The major drivers of the decrease in the funded ratio from the January 1, 2023 to the January 1, 2024 valuation are shown in the following table.

	Actuarial Value of Assets	Market Value of Assets
January 1, 2023 Funded Ratio	93.89%	84.16%
· Expected change	0.37%	0.17%
· Excess contributions	0.15%	0.15%
· Investment experience	(0.60%)	7.51%
· Demographic experience	(0.87%)	(0.85%)
· Total Change	(0.95%)	6.98%
January 1, 2024 Funded Ratio	92.94%	91.14%

Note that the funded ratio, as a standalone measurement, does not indicate whether or not the Plan has sufficient funds to settle all current obligations, nor is it necessarily indicative of the need or amount of future funding.

An evaluation of the unfunded actuarial liability on a pure dollar basis may not provide a complete analysis since only the difference between the assets and liabilities (which are both large numbers) is reflected. Another way to evaluate the progress made in funding the Plan is to track the funded ratio, the ratio of actuarial assets to actuarial liability. The historical funded ratio of the Plan for the past 20 years is shown in the following graph:



The large reduction in the funded ratio from 2006 to 2011 is attributable to the benefit improvement granted in 2007 (change in the benefit formula) and the impact of the Great Recession in 2008. As the graph indicates, the funded ratio has increased over the last ten years. However, the deferred investment experience is expected to decrease the funded ratio over the next few years, absent actual experience better than anticipated by the actuarial assumptions in the future. If employer contributions above the actuarial amount are made in the future and/or actual experience, especially investment return, is better than anticipated by the assumptions, the Plan may reach a funded ratio of 100% before the projected date of 2044.

Contribution Levels

The Plan is funded by contributions from both the District and employees who contribute a fixed percentage of their payroll. The District is responsible for contributing the remaining amount required to fund the Plan on an actuarial basis. For calendar year 2024, members will contribute 9.0% of pensionable earnings.

The actuarially determined contribution to the Plan is composed of three parts:

(1) Normal cost (which is the allocation of benefit costs to the current year of service),
(2) Administrative expense, and
(3) Amortization payment on the Unfunded Actuarial Liability.

The normal cost rate is independent of the Plan's funded status and represents the cost, as a percentage of payroll, of the benefits provided by the Plan which is allocated to the current year of service. The total normal cost for the Plan is 19.49% of payroll. When offset by the employee contribution rate of 9.00%, the employer portion of the normal cost is 10.49% of pay. The normal cost represents the long-term cost of the benefit structure in the Plan, based on the current actuarial assumptions. The Plan's administrative expenses are funded using an explicit assumption that is based on the actual administrative expenses in the prior year. The administrative expense component for the 2024 plan year is 0.11% of expected payroll.

Currently, the actuarial value of assets is less than the actuarial liability, so there is an unfunded actuarial liability of $41.6 million. Under the current "layered" amortization method, the unfunded actuarial liability as of January 1, 2014 is treated as a separate amortization base and is amortized, on a level-percent of payroll basis, over a closed 30-year period beginning January 1, 2014 (20 payments remaining in this valuation). Additionally, every year a new amortization base is calculated reflecting the actual plan experience in the immediately preceding plan year, as well as any change in the unfunded actuarial liability due to assumption changes or plan amendments. Each new base is amortized, with payments developed as a level-percent of payroll, over a closed 20-year period that begins on the valuation date when the new base is established. Using this methodology, the total UAL amortization payment for 2024 is 3.43% of payroll.

Please note that the use of closed amortization periods, coupled with the District contributing the full actuarially determined contribution each year, will result in the Plan being fully funded at the end of the amortization period, if all actuarial assumptions are met. In our opinion, the amortization policy meets the requirements of Actuarial Standard of Practice Number 4.

This approach is intended to promote stable contributions, balance cost among generations of taxpayers and members, and ensure adequate advance funding of benefits. The amortization schedule will fully fund the UAAL within 20 years, and the scheduled payments currently exceed the normal cost plus interest on the UAAL.

The total actuarially determined contribution rate for 2024 is:

19.49% (normal cost)
0.11% (administrative expense)
3.43% (UAL amortization payment).
23.03%

Given the employee contribution rate of 9.00% for calendar year 2024, the District's share of the total contribution rate is 14.03% of expected payroll, or $11.4 million.

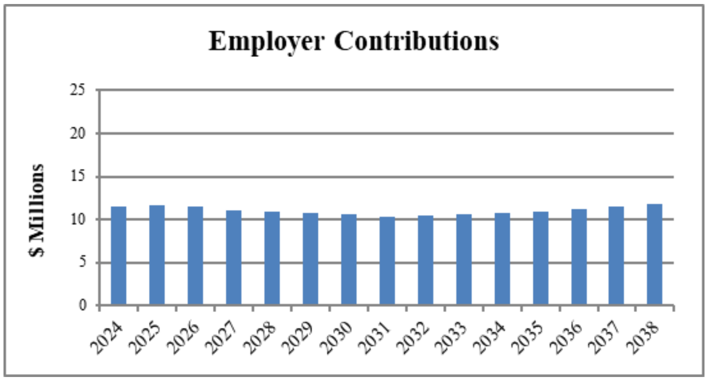
The primary components of the change in the actuarially determined contribution rate are shown in the following table:

Total Actuarially Determined Contribution Rate, January 1, 2023	22.51%
· Change in normal cost rate and administrative expense	0.01%
· Contributions in excess of the actuarial amount	(0.08%)
· Investment experience	0.31%
· Demographic experience	0.48%
· Payroll increase greater than expected	(0.17%)
· Other experience	(0.03%)
Total Actuarially Determined Contribution Rate, January 1, 2024	23.03%

Most of the increase in the actuarially determined contribution rate is due to unfavorable experience in 2023, as previously discussed. The increase in the actuarially determined contribution rate from the January 1, 2023 valuation to the January 1, 2024 valuation was 0.52%. The actuarial losses on assets and liabilities increased the contribution rate 0.79%, but the increase was partially offset by District contributions in 2023 that were in excess of the actuarially determined contribution and higher than expected covered payroll in the 2024 valuation (discussed below).

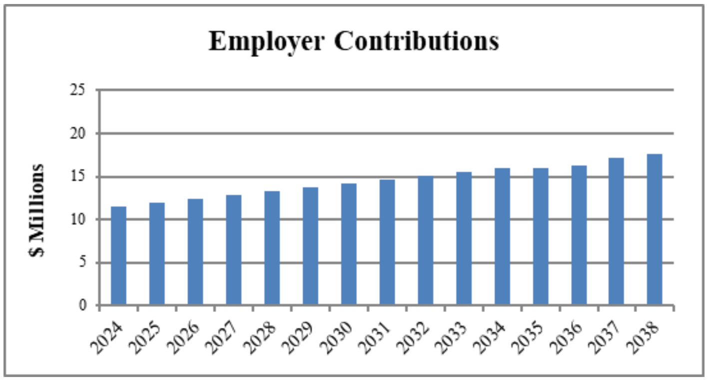
The number of active members increased by 2.7%, from 865 in the January 1, 2023 actuarial valuation to 888 in the January 1, 2024 actuarial valuation. As a result of the increase in active membership and higher salary increases than expected based on the actuarial assumptions, the covered payroll increased by nearly 8.0%. The actuarially determined contribution rate is developed as a percentage of covered payroll with an assumption that covered payroll will increase 3.0% per year. When the actual increase is higher than assumed, as is the case this year, it results in a decrease in the contribution rate (see table above which shows the 0.17% decrease). Note, however, the lower contribution rate is then applied to higher covered payroll which may still result in an increase in the dollar amount of the actuarially determined contribution.

To illustrate the importance of future investment returns on the contribution level, we have included graphs of the estimated employer contributions based on three different scenarios for the rate of return on the market value of assets in 2024, 2025, and 2026. The projections assume that all other actuarial assumptions are met (including a 6.75% assumed rate of return on the market value of assets in 2027 and later) and that the full actuarially determined contribution will be made each year in the future:



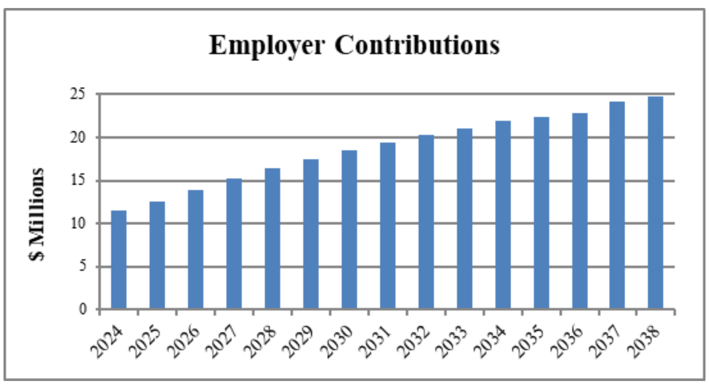
OPTIMISTIC
(10% return on market value for 2024-2026)

Under this scenario, the current deferred investment loss is largely offset by the actuarial gains in the future. The overall impact is an initial increase in the contribution rate which then stabilizes. The contribution amount increase is due to increases in covered payroll over the period.



INTERMEDIATE
(6.75% return on market value for 2024-2026)

If the assumed rate of return is earned on the market value of assets, the deferred investment loss will be recognized in the smoothing method and contributions increase significantly over time.



PESSIMISTIC
(0% return for 2024, 4% for 2025-2026)

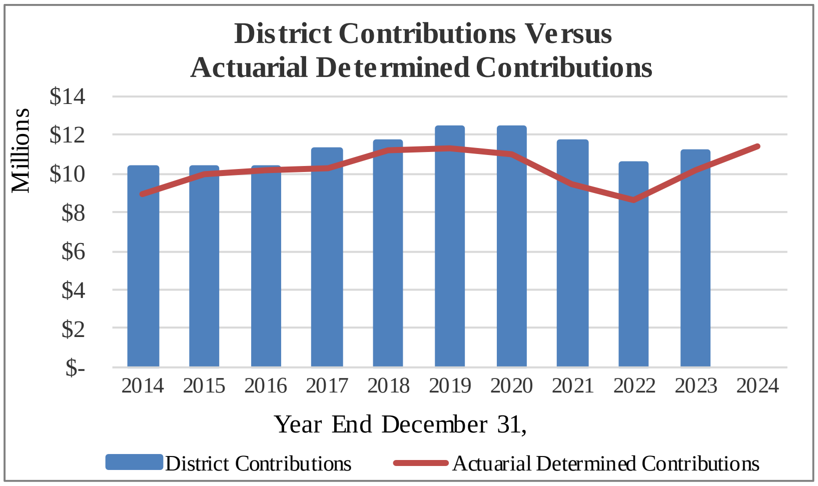
Under this scenario, new investment losses occur in addition to the current deferred investment losses. Coupled with expected increases in covered payroll, the District's contributions are expected to increase significantly in the future.

Under the funding policy adopted by the Board, contributions by the District (exclusive of employee contributions) in the following amount will satisfy the actuarially determined contribution for the 2024 plan year:

Actuarially Determined Contribution:	
Normal Cost	$15,880,908
Administrative Expenses	92,954
Amortization of UAL	2,799,929
Expected Employee Contributions	(7,336,696)
Total	$11,437,095

The resulting contribution for the District (net of expected employee contributions) is $11,437,095, which is 14.03% of expected covered payroll for 2024. Since 2012, the District has budgeted, and contributed, an amount that is greater than the actuarially determined contribution. This contribution policy was implemented to reflect several goals:

(1) to pay off the UAL more rapidly,
(2) to improve the Plan's funded status more quickly, and
(3) to stabilize the volatility in the District's contribution level.



As provided by staff, the budgeted District contribution amount for 2024 is $12.9 million, which is $1.5 million higher than the actuarially determined contribution of $11.4 million for the 2024 plan year. Given the deferred investment loss and the likelihood of increasing contributions in the near term, we recommend a contribution of $12.9 million for 2024. If all assumptions are met in 2024, the estimated contribution for 2025 will be $11.9 million so maintaining the higher contribution for 2024 is consistent with the policy established to stabilize contributions. Any additional contribution made this year will serve to reduce the unfunded actuarial liability or offset any unfavorable experience that occurs in 2024.

Given the asset allocation of the Plan assets, there is considerable volatility in the actual returns on the market value of assets (see graph on page 3). Therefore, future contribution levels will depend heavily on actual investment returns in future years, as illustrated in the graphs on the prior pages. However, it should be noted that even if the actuarially determined contribution rate were to hold steady, the dollar amount of total contributions is expected to increase as covered payroll increases over time.

A typical retirement plan faces many different risks. The term "risk" is most commonly associated with an outcome with undesirable results. However, in the actuarial world risk can be translated as uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. Actuarial Standard of Practice Number 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions. Risk evaluation is an important part of managing a defined benefit plan. Please see Section III of this report for an in-depth discussion of the specific risks facing the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha.

METROPOLITAN UTILITIES DISTRICT OF OMAHA
RETIREMENT PLAN FOR EMPLOYEES

PRINCIPAL VALUATION RESULTS

	January 1, 2024	January 1, 2023	% Chg
MEMBERSHIP			
1. Active Membership			
- Number of Members	888	865	2.7
- Projected Payroll for Upcoming Fiscal Year	$81,518,849	$75,528,659	7.9
- Average Projected Salary	$91,801	$87,316	5.1
- Average Attained Age	46.1	46.2	(0.2)
- Average Entry Age	33.8	33.8	0.0
2. Inactive Membership			
- LTD and Inactive Vesteds*	74	79	(6.3)
- Inactive Non-vested	5	5	0.0
- Number of Retirees / Beneficiaries	728	722	0.8
- Average Retiree/Beneficiary Annual Benefit	$37,460	$35,997	4.1
ASSETS AND LIABILITIES			
1. Net Assets			
- Market Value	$537,384,371	$470,606,758	14.2
- Actuarial Value	$547,986,291	$524,969,442	4.4
2. Projected Liabilities			
- Retirees and Beneficiaries	$326,193,597	$311,469,273	4.7
- Inactive Members	17,154,822	17,753,535	(3.4)
- Active Members	408,706,547	378,530,874	8.0
- Total Liability	$752,054,966	$707,753,682	6.3
3. Actuarial Liability	$589,608,342	$559,155,231	5.4
4. Unfunded Actuarial Liability (UAL)	$41,622,051	$34,185,789	21.8
5. Funded Ratios			
Actuarial Value Assets / Actuarial Liability	92.94%	93.89%	(1.0)
Market Value Assets / Actuarial Liability	91.14%	84.16%	8.3
CONTRIBUTIONS			
1. Normal Cost Rate	19.49%	19.46%	0.2
2. Administrative Expense	0.11%	0.13%	(15.4)
3. UAL Contribution Rate	3.43%	2.92%	17.5
4. Total Contribution Rate (1) + (2) + (3)	23.03%	22.51%	2.3
5. Less Employee Contribution Rate	(9.00%)	(9.00%)	0.0
6. District Contribution Rate (4) + (5)	14.03%	13.51%	3.8
7. District Actuarial Contribution	$11,437,095	$10,203,922	12.1

*Includes 5 beneficiaries who are not yet receiving benefits.

EXHIBIT 1

SUMMARY OF FUND ACTIVITY
(Market Value Basis)

For Year Ended December 31, 2023

1. Market Value of Assets as of January 1, 2023		$	470,606,758
2.	a. Contributions - District	$	11,055,924
	b. Contributions - Employees		6,991,643
	c. Total		18,047,567
3. Benefit payments and refunds		$	(26,553,746)
4. Administrative expenses		$	(92,954)
5. Investment income, net of investment expenses		$	75,376,746
6. Market Value of Assets as of December 31, 2023		$	537,384,371
7. Rate of Return on Market Value of Assets*			16.2%

*Annual money-weighted rate of return, net of investment expenses, as reported by Vanguard

EXHIBIT 2

DETERMINATION OF ACTUARIAL VALUE OF ASSETS

The actuarial value of assets is used to minimize the impact of annual fluctuations in the market value of investments on the contribution rate. The current asset valuation method is called the "Expected Value + 25% Method" and has been used since 1998.

The "expected value" of assets is determined by applying the investment return assumption to last year's actuarial value of assets and the net difference of receipts and disbursements for the year. The actual market value is compared to the expected value and 25% of the difference (positive or negative) is added to the expected value to arrive at the actuarial value of assets for the current year.

1. Actuarial Value of Assets as of January 1, 2023	$524,969,442
2. a. Contributions during 2023	18,047,567
b. Benefit payments and refunds during 2023	26,553,746
c. Administrative expenses during 2023	92,954
3. Expected Value of Assets as of December 31, 2023	551,520,264
(1) x 1.0675 + [(2a) - (2b) - (2c)] x $1.0675^{½}$	
4. Market Value of Assets as of December 31, 2023	537,384,371
5. Excess of Market Value over Expected Value as of December 31, 2023	(14,135,893)
6. Actuarial Value of Assets as of December 31, 2023	547,986,291
(3) + 0.25 x (5)	
7. Corridor for Actuarial Value of Assets	
a. 80% of (4)	429,907,497
b. 120% of (4)	644,861,245
8. Final Actuarial Value of Assets as of December 31, 2023	$547,986,291
(6) but not < (7a) nor > (7b)	
9. Estimated Rate of Return on Actuarial Value of Assets*	6.1%

*Net of investment expenses.

EXHIBIT 2 (continued)

A historical comparison of the market and actuarial value of assets is shown below:

Date	Market Value of Assets (MVA)	Actuarial Value of Assets (AVA)	AVA / MVA
1/1/2005	$219,605,615	$216,654,583	98.66%
1/1/2006	225,161,798	224,761,515	99.82%
1/1/2007	237,959,892	234,707,113	98.63%
1/1/2008	249,095,495	245,760,175	98.66%
1/1/2009	196,124,538	235,349,446	120.00%
1/1/2010	218,042,907	241,024,751	110.54%
1/1/2011	238,265,999	252,420,193	105.94%
1/1/2012	244,777,760	263,114,155	107.49%
1/1/2013	268,895,003	277,702,452	103.28%
1/1/2014	314,630,091	300,065,992	95.37%
1/1/2015	333,135,690	322,199,383	96.72%
1/1/2016	329,261,948	339,057,547	102.98%
1/1/2017	352,513,865	358,959,262	101.83%
1/1/2018	402,738,799	387,412,491	96.19%
1/1/2019	378,210,890	402,503,121	106.42%
1/1/2020	452,080,699	432,489,879	95.67%
1/1/2021	513,638,775	471,538,702	91.80%
1/1/2022	577,149,019	517,407,389	89.65%
1/1/2023	470,606,758	524,969,442	111.55%
1/1/2024	537,384,371	547,986,291	101.97%

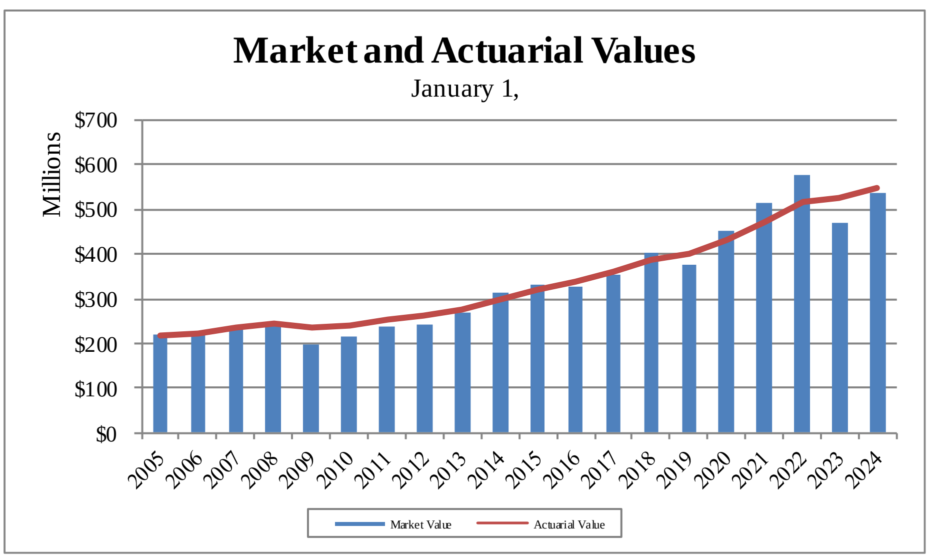


EXHIBIT 3

ACTUARIAL BALANCE SHEET

An actuarial statement of the status of the plan in balance sheet form as of January 1, 2024 is as follows:

Assets

Current assets (actuarial value)		$ 547,986,291
Present value of future normal costs		162,446,624
Present value of future employer contributions to fund unfunded actuarial liability		41,622,051
Total Assets		$ 752,054,966

Liabilities

Present value of future retirement benefits for:		
Active employees	$ 391,645,046	
Retired employees, contingent annuitants and spouses receiving benefits	326,193,597	
Deferred vested employees	12,628,764	
Inactive employees – disabled	4,494,138	
Total		$ 734,961,545
Inactive non-vested employees – refund due		31,920
Present value of future death benefits payable upon death of active members		6,223,653
Present value of future benefits payable upon termination of active members		10,837,848
Total Liabilities		$ 752,054,966

EXHIBIT 4

UNFUNDED ACTUARIAL LIABILITY

As of January 1, 2024

The actuarial liability is the portion of the present value of future benefits which will not be paid by future normal costs. The actuarial value of assets is subtracted from the actuarial liability to determine the unfunded actuarial liability.

1.	Present Value of Future Benefits	$	752,054,966
2.	Present Value of Future Normal Costs		162,446,624
3.	Actuarial Liability (1) – (2)		589,608,342
4.	Actuarial Value of Assets		547,986,291
5.	Unfunded Actuarial Liability (3) – (4)	$	41,622,051
6.	Funded Ratio (4) / (3)		92.94%

EXHIBIT 5

CALCULATION OF ACTUARIAL (GAIN)/LOSS
For Plan Year Ending December 31, 2023

Liabilities		
1. Actuarial liability as of January 1, 2023	$	559,155,231
2. Normal cost as of January 1, 2023		13,757,303
3. Interest at 6.75% on (1) and (2) to December 31, 2023		38,671,596
4. Benefit payments during 2023		(26,553,746)
5. Interest on benefit payments		(881,556)
6. Expected actuarial liability as of December 31, 2023	$	584,148,828
7. Actuarial liability as of December 31, 2023	$	589,608,342
Assets		
8. Actuarial value of assets as of January 1, 2023	$	524,969,442
9. Contributions during 2023		18,047,567
10. Benefit payments and administrative expenses during 2023		(26,646,700)
11. Interest on items (8), (9) and (10)		35,149,955
12. Expected actuarial value of assets as of December 31, 2023	$	551,520,264
13. Actual actuarial value of assets as of December 31, 2023	$	547,986,291
(Gain) / Loss		
14. Expected unfunded actuarial liability (6) – (12)	$	32,628,564
15. Actual unfunded actuarial liability (7) – (13)	$	41,622,051
16. Actuarial (Gain) / Loss (15) – (14)	$	8,993,487
17. Actuarial (Gain) / Loss on Actuarial Assets (12) – (13)	$	3,533,973
18. Actuarial (Gain) / Loss on Actuarial Liability (7) – (6)	$	5,459,514

EXHIBIT 6

ANALYSIS OF EXPERIENCE

The purpose of conducting an actuarial valuation of a retirement plan is to estimate the costs and liabilities for the benefits expected to be paid from the plan, to determine the annual level of contribution for the current plan year that should be made to support these benefits and, finally, to analyze the plan's experience. The costs and liabilities of this retirement plan depend not only upon the benefit formula and plan provisions but also upon factors such as the investment return on plan assets, mortality rates among active and retired members, withdrawal and retirement rates among active members, rates at which salaries increase and the rate at which the cost of living increases.

The actuarial assumptions employed as to these and other contingencies in the current valuation are set forth in Appendix B of this report.

Since the overall results of the valuation will reflect the choice of assumptions made, periodic studies of the various components comprising the plan's experience are conducted in which the experience for each component is analyzed in relation to the assumption used for that component (experience study). This summary is not intended to be an actual "experience study", but rather an analysis of sources of gain and loss in the past plan year.

(Gain)/Loss by Source

The Plan experienced a net actuarial loss on liabilities of $5,460,000 during the plan year ended December 31, 2023, as well as an actuarial loss on assets of $3,534,000. The overall actuarial loss was $8,993,000. The major components of this net actuarial experience (gain)/loss are shown below:

Liability Sources		**(Gain)/Loss**
Salary Increases	$	4,551,000
Mortality		(592,000)
Terminations		(158,000)
Retirements		(2,000)
Disability		(88,000)
New Entrants/Rehires		477,000
COLA		1,504,000
Miscellaneous		(232,000)
Total Liability (Gain)/Loss	$	5,460,000
Asset (Gain)/Loss	$	3,534,000
Net Actuarial (Gain)/Loss*	$	8,993,000

*May not add due to rounding.

EXHIBIT 7

AMORTIZATION SCHEDULE OF THE UNFUNDED ACTUARIAL LIABILITY BASES

We believe the use of the layered amortization policy, with new bases over 20 years and the remainder of the legacy base over 20 years, complies with Actuarial Standard of Practice Number 4. This policy will fully amortize the individual, as well as the total, unfunded actuarial accrued liability within a reasonable timeframe and/or reduce the amount of the UAAL by a reasonable amount within a sufficiently short period.

Amortization Bases	Original Amount	January 1, 2024 Remaining Payments	Date of Last Payment	Outstanding Balance as of January 1, 2024	Annual Contribution*
2014 UAL Base	$ 49,110,413	20	1/1/2044	$ 53,699,680	$ 3,814,808
2015 Assumption Change Base	$ 9,846,943	11	1/1/2035	$ 8,490,405	$ 947,545
2015 Experience Base	$ (7,281,065)	11	1/1/2035	$ (6,278,008)	$ (700,637)
2016 Experience Base	$ 1,395,779	12	1/1/2036	$ 1,244,137	$ 129,415
2017 Experience Base	$ (3,897,186)	13	1/1/2037	$ (3,566,443)	$ (348,160)
2018 Assumption Change Base	$ 9,057,593	14	1/1/2038	$ 8,460,307	$ 779,629
2018 Experience Base	$ (8,192,496)	14	1/1/2038	$ (7,652,258)	$ (705,167)
2019 Experience Base	$ 8,980,430	15	1/1/2039	$ 8,551,494	$ 747,615
2020 Assumption Change Base	$ 5,133,619	16	1/1/2040	$ 4,961,866	$ 413,337
2020 Experience Base	$ (16,294,094)	16	1/1/2040	$ (15,748,951)	$ (1,311,930)
2021 Experience Base	$ (22,229,911)	17	1/1/2041	$ (21,733,697)	$ (1,731,688)
2022 Assumption Change Base	$ 6,066,864	18	1/1/2042	$ 5,979,523	$ 457,235
2022 Experience Base	$ (20,151,936)	18	1/1/2042	$ (19,861,823)	$ (1,518,771)
2023 Experience Base	$ 17,771,281	19	1/1/2043	$ 17,666,464	$ 1,300,340
2024 Experience Base	$ 7,409,355	20	1/1/2044	$ 7,409,355	$ 526,358
Total				**$ 41,622,051**	**$ 2,799,929**

* Contribution amount reflects mid-year timing.

1. Total UAL Amortization Payments	$ 2,799,929
2. Projected Payroll for FY 2024	$ 81,518,849
3. UAL Amortization Payment Rate	3.43%

EXHIBIT 8

DEVELOPMENT OF
2024 ACTUARIALLY DETERMINED CONTRIBUTION

The actuarial cost method used to determine the required level of annual contributions to support the expected benefits is the Entry Age Normal Cost Method. Under this method, the total cost is comprised of the normal cost rate, the administrative expense and the unfunded actuarial liability (UAL) payment. The Plan is financed by contributions from the employees and the District.

1. Normal Cost Rate		19.49%
2. Administrative Expense		0.11%
3. Unfunded Actuarial Liability Payment as Percent of Pay		3.43%
4. Total Actuarially Determined Contribution Rate (1c) + (2) + (3)		23.03%
5. Employee Contribution Rate		9.00%
6. District Actuarial Contribution Rate (4) – (5)		14.03%
7. Expected Payroll for 2024	$	81,518,849
8. Total Recommended District Contribution (6) x (7)	$	12,900,000
9. Monthly District Contribution	$	1,075,000

SECTION II

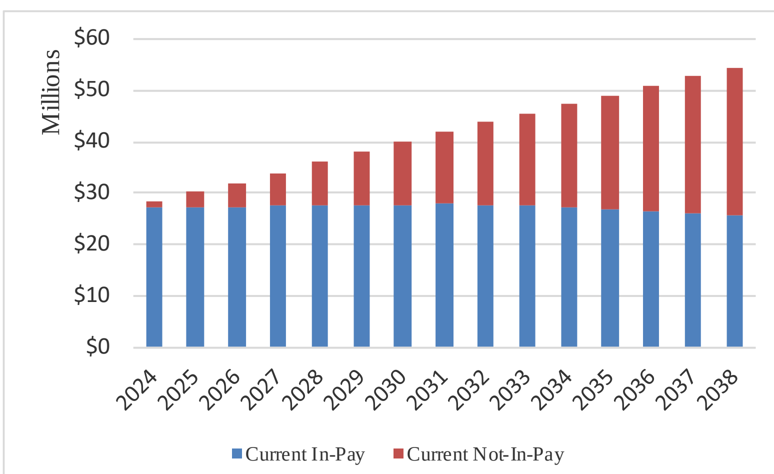
OTHER INFORMATION

In this section, we provide some historical information regarding the funding progress of the Plan. These exhibits retain some of the information that used to be required for accounting purposes and are included because they provide relevant information on the Plan's historical funding. An exhibit showing the expected future benefit payments for the Plan is also included.

EXHIBIT 9

ESTIMATED BENEFIT PAYMENTS*

Year End	Current In-Pay	Current Not-In-Pay	Total
2024	$27,230,000	$ 1,155,000	$28,385,000
2025	27,320,000	2,841,000	30,161,000
2026	27,399,000	4,558,000	31,957,000
2027	27,528,000	6,432,000	33,960,000
2028	27,688,000	8,320,000	36,008,000
2029	27,771,000	10,243,000	38,014,000
2030	27,821,000	12,199,000	40,020,000
2031	27,854,000	14,154,000	42,008,000
2032	27,692,000	16,100,000	43,792,000
2033	27,490,000	18,055,000	45,545,000
2034	27,222,000	20,076,000	47,298,000
2035	26,918,000	22,205,000	49,123,000
2036	26,593,000	24,398,000	50,991,000
2037	26,201,000	26,517,000	52,718,000
2038	25,740,000	28,671,000	54,411,000



*Amounts shown are the cash flows for current members only, based on the current benefit structure and assuming that all actuarial assumptions are met in each year. To the extent that actual experience deviates from that expected, results will vary. Amounts are shown in future nominal dollars and have not been discounted to the valuation date.

EXHIBIT 10

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Actuarial Valuation Date	Fiscal Year Ending	Actuarial Determined Contribution (ADC) (a)	Total Employer Contribution (b)	Percentage of ADC Contributed (b / a)
1/1/2005	12/31/2005	$ 1,454,070	$ 1,905,277	131.03%
1/1/2006	12/31/2006	1,723,353	2,144,188	124.42%
1/1/2007	12/31/2007	2,602,505	2,885,080	110.73%
1/1/2008	12/31/2008	5,965,250	3,200,004	53.64%
1/1/2009	12/31/2009	7,688,825	6,200,004	80.64%
1/1/2010	12/31/2010	8,587,857	8,637,518	100.58%
1/1/2011	12/31/2011	9,235,199	9,300,000	100.70%
1/1/2012	12/31/2012	9,231,058	10,311,552	111.70%
1/1/2013	12/31/2013	8,995,793	10,299,996	114.50%
1/1/2014	12/31/2014	8,987,679	10,299,996	114.60%
1/1/2015	12/31/2015	9,956,157	10,301,268	103.47%
1/1/2016	12/31/2016	10,214,549	10,300,000	100.84%
1/1/2017	12/31/2017	10,273,167	11,193,821	108.96%
1/1/2018	12/31/2018	11,198,244	11,606,179	103.64%
1/1/2019	12/31/2019	11,269,603	12,300,000	109.14%
1/1/2020	12/31/2020	11,036,307	12,300,000	111.45%
1/1/2021	12/31/2021	9,481,333	11,600,000	122.35%
1/1/2022	12/31/2022	8,588,396	10,500,000	122.26%
1/1/2023	12/31/2023	10,203,922	11,055,924	108.35%
1/1/2024	12/31/2024	11,437,095		

EXHIBIT 11

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AL) (b)	Unfunded AL (UAL) (b-a)	Funded Ratio (a / b)	Covered Payroll (P / R) (c)	UAL as a Percentage of Covered P / R [(b-a) / c]
1/1/2005	$216,654,583	$203,355,807	($13,298,776)	106.5%	$38,256,948	(34.8%)
1/1/2006	224,761,515	212,358,261	(12,403,254)	105.8%	38,706,810	(32.0%)
1/1/2007	234,707,113	241,171,731	6,464,618	97.3%	40,945,335	15.8%
1/1/2008	245,760,175	262,626,673	16,866,498	93.6%	43,105,294	39.1%
1/1/2009	235,349,446	277,523,938	42,174,492	84.8%	46,428,438	90.8%
1/1/2010	241,024,751	291,186,530	50,161,779	82.8%	50,781,583	98.8%
1/1/2011	252,420,193	304,163,301	51,743,108	83.0%	51,484,227	100.5%
1/1/2012	263,114,155	315,121,772	52,007,617	83.5%	51,868,957	100.3%
1/1/2013	277,702,452	328,044,761	50,342,309	84.7%	51,031,067	98.7%
1/1/2014	300,065,992	349,176,405	49,110,413	85.9%	55,847,203	87.9%
1/1/2015	322,199,383	374,788,099	52,588,716	86.0%	59,332,362	88.6%
1/1/2016	339,057,547	393,919,275	54,861,728	86.1%	63,384,548	86.6%
1/1/2017	358,959,262	410,749,711	51,790,449	87.4%	61,064,398	84.8%
1/1/2018	387,412,491	440,820,801	53,408,310	87.9%	62,624,066	85.3%
1/1/2019	402,503,121	465,369,852	62,866,731	86.5%	62,865,829	100.0%
1/1/2020	432,489,879	484,575,088	52,085,209	89.3%	63,272,421	82.3%
1/1/2021	471,538,702	501,663,185	30,124,483	94.0%	66,588,665	45.2%
1/1/2022	517,407,389	533,671,865	16,264,476	97.0%	67,274,914	24.2%
1/1/2023	524,969,442	559,155,231	34,185,789	93.9%	70,609,770	48.4%
1/1/2024	547,986,291	589,608,342	41,622,051	92.9%	77,757,044	53.5%

SECTION III

RISK CONSIDERATIONS

Actuarial Standards of Practice are issued by the Actuarial Standards Board and are binding on credentialed actuaries practicing in the United States. These standards generally identify what the actuary should consider, document and disclose when performing an actuarial assignment. In November 2018, Actuarial Standard of Practice Number 51, *Assessment and Disclosure of Risk in Measuring Pension Obligations*, (ASOP 51) was issued as final with application to measurement dates on or after November 1, 2018. This ASOP, which applies to funding valuations, actuarial projections, and actuarial cost studies of proposed plan changes, was first applicable for the January 1, 2019 actuarial valuation for MUD's Retirement Plan.

A typical retirement plan faces many different risks, but the greatest risk is the inability to make benefit payments when due. If plan assets are depleted, benefits may not be paid which could create legal and litigation risk or the plan could become "pay as you go". The term "risk" is most commonly associated with an outcome with undesirable results. However, in the actuarial world, risk is translated into uncertainty. The actuarial valuation process uses many actuarial assumptions to project how future contributions and investment returns will meet the cash flow needs for future benefit payments. Of course, we know that actual experience will not unfold exactly as anticipated by the assumptions and that uncertainty, whether favorable or unfavorable, creates risk. ASOP 51 defines risk as the potential of actual future measurements to deviate from expected results due to actual experience that is different than the actuarial assumptions.

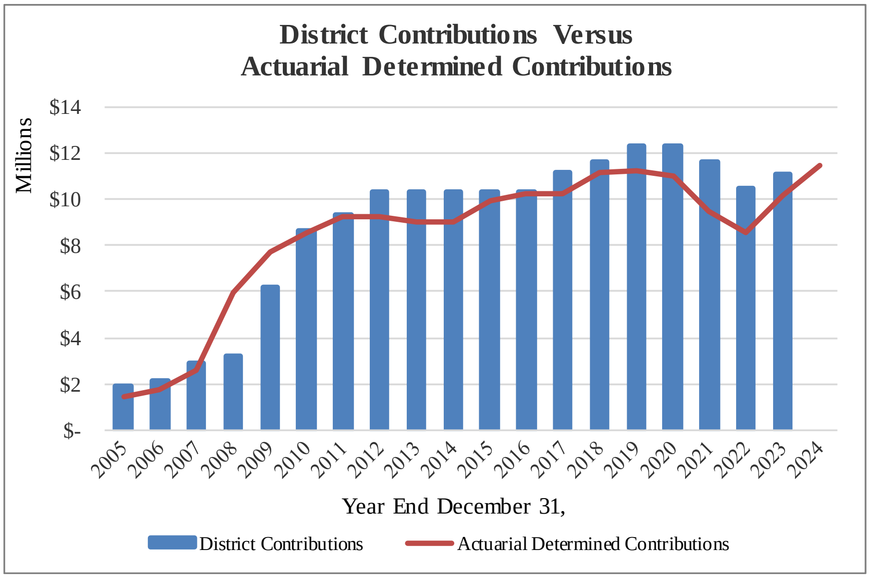
The various risk factors for a given plan can have a significant impact – good or bad – on the actuarial projection of liability and contribution rates.

There are a number of risks inherent in the funding of a defined benefit plan. These include:

- economic risks, such as investment return and inflation;
- demographic risks such as mortality, payroll growth, aging population including impact of baby boomers, and retirement ages;
- contribution risk, i.e., the potential for contributions to become too high for the plan sponsor/employer to pay and
- external risks such as the regulatory and political environment.

Note that the last two items are not risks that the actuary must address under ASOP 51.

There is a direct correlation between healthy, well-funded retirement plans and consistent contributions equal to the full actuarially determined contribution each year. As the following graph shows, the District has contributed an amount equal to or greater than the actuarially determined contribution in all but 2 of the last 19 years, including every year for the past 14 years.



One of the strongest factors regarding the funding of the MUD Retirement Plan is the District's commitment to make contributions that are at least equal to the actuarially determined contribution. The higher contribution amount serves to reduce the UAL more quickly while producing greater stability in the contribution amounts.

The most significant risk factor is investment return because of the volatility of returns and the size of plan assets compared to payroll (see Exhibit 12). A perusal of historical returns over 10-20 years reveals that the actual return each year is rarely close to the average return for the same period. This is an expected result given the underlying capital market assumptions and the plan's asset allocation. Please see the three investment return scenarios that were illustrated on page 8 in the executive summary as another indication of the investment risk and its impact on the actuarially determined contribution amount.

Under the revised Actuarial Standards of Practice (ASOP) No. 4 effective for valuations after February 15, 2023, we are required to include a low-default-risk obligation measure of the System's liability in our funding valuation report. This is an informational disclosure as described below and would not be appropriate for assessing the funding progress or health of the plan. This measure uses the unit credit cost method and reflects all the assumptions and provisions of the funding valuation except that the discount rate is derived from considering low-default-risk fixed income securities. We considered the FTSE Pension Discount Curve based on market bond rates published by the Society of Actuaries as of December 31, 2023 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately $674.3 million. This amount approximates the termination liability if the plan (or all covered employment) ended on the valuation date and all of the accrued benefits had to be paid with cash-flow matched bonds. This assurance of funded status and benefit security is typically more relevant for corporate plans than for governmental plans since governments rarely have the need or option to completely terminate a plan. However, this informational disclosure is required for all plans whether corporate or governmental and care should be taken to ensure the one size fits all metric is not misconstrued.

A key demographic risk for all retirement systems, including MUD, is improvements in mortality (longevity) greater than anticipated. While the actuarial assumptions reflect small, continuous improvements in mortality experience and these assumptions are refined every experience study, the risk arises because there is a possibility of some sudden shift, perhaps from a significant medical breakthrough that could quickly increase liabilities. Likewise, there is some possibility of a significant public health crisis that could result in a significant number of additional deaths in a short time period, as experienced with the COVID-19 pandemic. This type of event is also significant, although more easily absorbed. While these events could happen, it represents a small probability and thus represents much less risk than the volatility associated with investment returns.

Finally, the unfunded actuarial liability is amortized as a level percentage of payroll. The underlying assumption used in developing the payment schedule assumes an increasing payroll over time which is dependent on a stable employment level, i.e., active member count remains the same. When payroll does not grow as expected, the UAL contribution rate will be higher than expected even if the dollar amount of the payment is as scheduled. The growth in the covered payroll is a lower risk for the MUD Plan because the District contributes a dollar amount, not a rate of pay.

The following exhibits summarize some historical information that helps indicate how certain key risk metrics have changed over time.

EXHIBIT 12

HISTORICAL ASSET VOLATILITY RATIOS

As a retirement system matures, the size of the market value of assets increases relative to the covered payroll of active members, on which the System is funded. The size of the plan assets relative to covered payroll, sometimes referred to as the asset volatility ratio, is an important indicator of the contribution risk for the System. The higher this ratio, the more sensitive a plan's contribution rate is to investment return volatility. In other words, it will be harder to recover from investment losses with increased contributions.

Actuarial Valuation Date	Market Value of Assets	Covered Payroll	Asset Volatility Ratio	Increase in ADC with a Return 10% Lower than Assumed*
1/1/2005	$219,605,615	$38,256,948	5.74	4.08%
1/1/2006	225,161,798	38,706,810	5.82	4.13%
1/1/2007	237,959,892	40,945,335	5.81	4.13%
1/1/2008	249,095,495	43,105,294	5.78	4.11%
1/1/2009	196,124,538	46,428,438	4.22	3.00%
1/1/2010	218,042,907	50,781,583	4.29	3.05%
1/1/2011	238,265,999	51,484,227	4.63	3.29%
1/1/2012	244,777,760	51,868,957	4.72	3.35%
1/1/2013	268,895,003	51,031,067	5.27	3.74%
1/1/2014	314,630,091	55,847,203	5.63	4.00%
1/1/2015	333,135,690	59,332,362	5.61	3.99%
1/1/2016	329,261,948	63,384,548	5.19	3.69%
1/1/2017	352,513,865	61,064,398	5.77	4.10%
1/1/2018	402,738,799	62,624,066	6.43	4.57%
1/1/2019	378,210,890	62,865,829	6.02	4.28%
1/1/2020	452,080,699	63,272,421	7.14	5.07%
1/1/2021	513,638,775	66,588,665	7.71	5.48%
1/1/2022	577,149,019	67,274,914	8.58	6.10%
1/1/2023	470,606,758	70,609,770	6.66	4.73%
1/1/2024	537,384,371	77,757,044	6.91	4.91%

*The impact of asset smoothing is not reflected in the impact on the Actuarially Determined Contribution Rate (ADC). Current year assumptions are used for all years shown.

The assets at January 1, 2024 are 691% of payroll, so underperforming the investment return assumption by 10% (i.e., earn -3.25% for one year) is equivalent to 69.1% of payroll. While the actual impact in the first year is mitigated by the asset smoothing method and amortization of the UAL, this illustrates the risk associated with volatile investment returns.

EXHIBIT 13

HISTORICAL CASH FLOWS

Plans with negative cash flows will experience increased sensitivity to investment return volatility. Cash flows, for this purpose, are measured as contributions less benefit payments. If the System has negative cash flows and then experiences returns below the assumed rate, there are fewer assets to be reinvested to earn the higher returns that typically follow. While any negative cash flow will produce such a result, it is typically a negative cash flow greater than expected dividends and interest that cause greater concerns. While this is not a concern for MUD at this time, it is important to monitor this metric so that any trends can be identified.

Year End	Market Value of Assets (MVA)	Contributions	Benefit Payments	Net Cash Flow	Net Cash Flow as a Percent of MVA
12/31/2010	$238,265,999	$10,512,622	$11,826,611	($1,313,989)	(0.55%)
12/31/2011	244,777,760	11,186,401	12,629,378	(1,442,977)	(0.59%)
12/31/2012	268,895,003	12,214,990	13,713,290	(1,498,300)	(0.56%)
12/31/2013	314,630,091	12,197,069	14,731,395	(2,534,326)	(0.81%)
12/31/2014	333,135,690	12,412,137	15,566,617	(3,154,480)	(0.95%)
12/31/2015	329,261,948	13,121,864	16,154,414	(3,032,550)	(0.92%)
12/31/2016	352,513,865	14,195,899	16,555,144	(2,359,245)	(0.67%)
12/31/2017	402,738,799	14,951,265	17,445,020	(2,493,755)	(0.62%)
12/31/2018	378,210,890	15,411,552	19,116,693	(3,705,141)	(0.98%)
12/31/2019	452,080,699	16,713,137	21,204,786	(4,491,649)	(0.99%)
12/31/2020	513,638,775	17,321,423	21,897,160	(4,575,737)	(0.89%)
12/31/2021	577,149,019	16,974,956	23,236,403	(6,261,447)	(1.08%)
12/31/2022	470,606,758	16,494,641	25,339,507	(8,844,866)	(1.88%)
12/31/2023	537,384,371	18,047,567	26,553,746	(8,506,179)	(1.58%)

EXHIBIT 14

LIABILITY MATURITY MEASUREMENTS

Most public sector retirement systems have been in operation for many years. As a result, they have aging plan populations indicated by an increasing ratio of retirees to active members and a growing percentage of retiree liability. The retirement of the remaining baby boomers over the next decade is expected to further exacerbate the aging of the retirement system population. With more of the total liability residing with retirees, investment volatility has a greater impact on the funding of the system since it is more difficult to restore the system financially after losses occur when there is comparatively less payroll over which to spread costs.

Projections provide the most effective way of analyzing the impact of these changes on future funding measures, but studying several key metrics from the valuation can also provide some valuable insight.

Valuation Date	Retiree Liability (a)	Total Actuarial Liability (b)	Retiree Percentage (a / b)
1/1/2011	$124,451,572	$304,163,301	40.9%
1/1/2012	132,413,950	315,121,772	42.0%
1/1/2013	149,277,461	328,044,761	45.5%
1/1/2014	164,136,287	349,176,405	47.0%
1/1/2015	170,780,555	374,788,099	45.6%
1/1/2016	177,342,511	393,919,275	45.0%
1/1/2017	181,213,617	410,749,711	44.1%
1/1/2018	196,060,508	440,820,801	44.5%
1/1/2019	238,188,848	465,369,852	51.2%
1/1/2020	247,490,777	484,575,088	51.1%
1/1/2021	257,862,392	501,663,185	51.4%
1/1/2022	299,692,808	533,671,865	56.2%
1/1/2023	311,469,273	559,155,231	55.7%
1/1/2024	326,193,597	589,608,342	55.3%

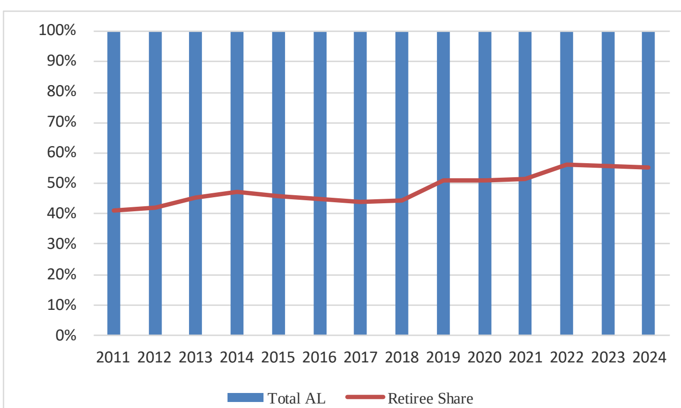


EXHIBIT 15

COMPARISON OF VALUATION RESULTS UNDER ALTERNATE INVESTMENT RETURN ASSUMPTIONS
($ in Thousands)

This exhibit compares the key January 1, 2024 valuation results under five (5) different investment return assumptions to illustrate the impact of different assumptions on the funding of the System. Note that only the investment return assumption is changed, as identified in the heading below. All other assumptions are unchanged for purposes of this analysis.

Investment Return Assumption	**6.25%**	**6.50%**	**6.75%**	**7.00%**	**7.25%**
Contributions					
Normal Cost Rate	22.01%	20.70%	19.49%	18.35%	17.29%
Administrative Expense	0.11%	0.11%	0.11%	0.11%	0.11%
UAL Contribution Rate	6.32%	4.87%	3.43%	2.00%	0.58%
Total Actuarially Determined Contribution Rate	28.44%	25.68%	23.03%	20.46%	17.98%
Employee Contribution Rate	(9.00%)	(9.00%)	(9.00%)	(9.00%)	(9.00%)
District Contribution Rate	19.44%	16.68%	14.03%	11.46%	8.98%
District Actuarial Contribution	$15,847	$13,597	$11,437	$9,342	$7,320
Actuarial Liability	$625,873	$607,328	$589,608	$572,670	$556,470
Actuarial Value of Assets	547,986	547,986	547,986	547,986	547,986
Unfunded Actuarial Liability*	$77,886	$59,342	$41,622	$24,684	$8,484
Funded Ratio	87.56%	90.23%	92.94%	95.69%	98.48%

Note: All other assumptions are unchanged for purposes of this sensitivity analysis.

*Numbers may not add due to rounding.

APPENDIX A

SUMMARY OF PLAN PROVISIONS

The Retirement Plan for Employees of the Metropolitan Utilities District was established on October 1, 1944, using a conventional group annuity contract with Metropolitan Life Insurance Company (MLI) as the vehicle for funding the retirement benefits under the plan. Effective December 31, 1967, the plan was amended which brought about changes in the benefit and contribution formulas and added a spouse's benefit.

As of December 31, 1967, the MLI Group Annuity Contract was amended to discontinue further purchases of annuities. However, under contractual rights, annuities purchased prior to December 31, 1967 continue to be guaranteed under the provisions of such contract. Further amendments modified the pre-existing contract from a conventional group annuity contract to an Immediate Participation Guaranteed (IPG) group annuity contract (effective December 31, 1967).

The following summary of plan provisions reflects the plan as in effect on the date of the valuation.

Effective Date:	December 31, 1967
Participation:	(a) Each Employee on the Effective Date, provided he was employed before his 60th birthday, became a participant on the Effective Date (b) Each person who becomes an employee after the Effective Date becomes a participant on his employment date.
Final Average Salary:	The average of the salaries for the highest paid 24 consecutive months out of the last 120 months before retirement (high 36 months prior to 3/1/06).
Age and Service Requirements for Benefits:	
Normal Retirement	First day of the month next following the 60th birthday
Early Retirement	Age 55 with at least five years of service.
Deferred Vested Benefit	Separate service before age 55 with at least five years of service.
Spouse's Benefit	Upon death of employee in active service with at least five years of service and married at least one year prior to the date of death. Payable based on employee's age according to early or normal retirement provisions.

APPENDIX A

SUMMARY OF PLAN PROVISIONS
(continued)

Retirement Benefits:

Normal & Late Retirement	A monthly amount which equals (a) percentage of Final Average Salary based on years of continuous service, beginning at 2.15% for each of the first 25 years of service (2.00% prior to 3/1/06) plus 1.00% for the next 10 years, plus 0.50% for each year of service after 35 years. (b) any monthly normal retirement annuity purchased under the MLI contract up to December 31, 1967.
Minimal Normal	A monthly amount which, together with the annuity under the MLI contract, if any, equals $6 for each year of service, beginning with $30 for five years of service and grading up to $120 for 20 or more years of service.
Early Retirement	A monthly amount which equals (1) times (2) (1) An amount determined in the same manner as the normal retirement benefit, based on: (a) Years of continuous service and Final Average Salary on the early retirement date, and (b) Any monthly annuity, payable at age 65, to which the employee may be entitled under the MLI contract, (2) A percentage factor equal to 100% at age 60 and above, with reductions of 0.25% a month for each month of early retirement (from age 60 to age 55)

Form of Annuity:

Normal	Monthly payments for life with refund at death of excess, if any, of the employee’s contributions over payments received.
Optional	Contingent annuitant options are provided in the plan (a “pop-up” feature applies to any Contingent Annuitant Option if the employee’s spouse is the Contingent Annuitant and the spouse predeceases the employee). Prior to 3/1/06, the pop up provision applied only to the Joint and 50% Contingent Annuitant option.

APPENDIX A

SUMMARY OF PLAN PROVISIONS
(continued)

Termination Benefits:

Less than 5 years of service	A refund of the employee's contributions under the plan with interest to date of termination.
Before age 55 with 5 or more years of service	At the employee's election either: (1) refund of the employee's contributions under the plan with interest to date of termination, or (2) a deferred retirement income based on years of service and Final Average Salary at termination date.

Spouse's Benefit:

Effective 3/1/06:

(1) if death occurs before age 55, the spouse is eligible for a survivor benefit at the member's earliest retirement age. The amount received is the member's accrued benefit adjusted for early commencement, if applicable, and conversion to a joint 100% survivor form of payment.

(2) if death occurs after age 55, the spouse is eligible for a survivor benefit immediately. The amount is adjusted for early commencement, if applicable, and conversion to a joint and 100% survivor form of payment.

Single Sum Death Benefits:

Before Retirement (if no spouse eligible for spouse's benefit)	To designated beneficiary or estate of employee – the employee's contributions under the plan with interest to date of death
Vested Terminated Employee (before retirement income payments commence)	Same as above.
After Retirement (if normal form benefit)	To designated beneficiary or estate of employee – the excess, if any, of the lump sum death benefit that would have been payable at date of retirement over the retirement income payments to date of death.

APPENDIX A

SUMMARY OF PLAN PROVISIONS
(continued)

Surviving Spouse (receiving spouse's benefit)	To designated beneficiary or estate of the spouse, the excess, if any, of the employee's contributions under the plan with interest to the date of the employee's death over the payments made to the date of the spouse's death.
Contingent Annuitant (if retirement income payments have commenced)	To designated beneficiary or estate of the last survivor as between the retired employee and the contingent annuitant – the excess, if any, of the lump sum death benefit that would have been payable at date of retirement over the retirement income payments to the retired employee and the contingent annuitant to the date of death of the last survivor.
Employee Under MLI Contract	Contributions under MLI contract payable subject to provisions of MLI contract.
<u>Cost of Living Adjustments:</u>	To retired employees, spouses and contingent annuitants – the supplemental pension payments based on the change in the Consumer Price Index, not less than 0% and not more than 3% a year. Adjustments are made twice a year on January 1 and July 1.
<u>Disability Benefits:</u>	If a participant becomes totally and permanently disabled, he/she is deemed to remain active for plan purposes, at his/her salary at the time of disability, until recovery or retirement. No employee contributions are required during the period of disability. The maximum disability period is typically age 65. However, members who become disabled after age 60 may receive disability benefits beyond age 65.
<u>Source of Funds:</u>	
Employee Contributions	9.00% Interest is credited at 3.50% per annum, compounded annually.
District Contributions	The remaining amount required to fund the benefit on an actuarially sound basis.

APPENDIX B

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods

Liability Method

Valuations of the plan use the *"entry age-normal"* cost method. Under this actuarial method, the value of future costs attributable to future employment of participants is determined. This is called present value of future normal costs. The following steps indicate how this is determined for benefits expected to be paid upon normal retirement.

The expected pension benefit at normal retirement is determined for each participant.

A normal cost expressed as a level-percent of pay is determined for each participant assuming that such a level percent is paid from the employee's entry age into employment to his normal retirement age. This normal cost is determined so that its accumulated value at normal retirement is sufficient to provide the expected pension benefits.

The sum of the normal costs for all participants for one year determines the total normal cost of the plan for one year.

The value of future payments of normal cost in future years is determined for each participant based on his years of service to normal retirement age.

The sum of the present value of future payments of normal cost for all participants determines the present value of future normal costs.

The value of future costs attributable to past employment of participants, which is called the accrued liability, is equal to the present value of benefits less the present value of future normal costs.

As experience develops with the plan, actuarial gains and actuarial losses result. These actuarial gains and losses indicate the extent to which actual experience is deviating from that expected on the basis of the actuarial assumptions. In each year, as they occur, actuarial gains and losses are recognized in the unfunded accrued liability as of the valuation date.

Asset Valuation Method

The actuarial value of assets is determined based on a method that smooths the effects of short-term volatility in the market value investments. The actuarial value is equal to the expected value, based on the assumed rate of return, plus 25% of the difference between market and expected values. A corridor of 80% to 120% of market value is also applied.

APPENDIX B

ACTUARIAL METHODS AND ASSUMPTIONS

Actuarial Methods
(continued)

UAL Amortization Method

Under the current amortization method, the unfunded actuarial liability as of January 1, 2014 is treated as a separate base that will be amortized on a level-percent of pay basis over a closed 30-year period beginning January 1, 2014. Additionally, each year a new base will be calculated reflecting the Plan experience in the immediately preceding Plan year, changes in plan provisions or actuarial assumptions. Each new base will be amortized on a level-percent of pay basis over a closed 20-year period that begins on the valuation date when the new base is calculated. Changes in plan provisions or actuarial assumptions may be amortized over a longer period if the Retirement Committee elects to do so. If the UAL is less than or equal to zero, all of the prior amortization bases will be eliminated, and the net amount of the surplus shall be amortized over an open 30-year period.

APPENDIX B

ACTUARIAL ASSUMPTIONS
(continued)

In addition to depending upon the actuarial methods used, actuarial cost estimates depend to an important degree on the assumptions made relative to various occurrences, such as rate of expected investment earnings by the fund, rates of mortality among active and retired employees and rates of termination from employment. In the current valuation, the actuarial assumptions made in the calculation of costs and liabilities are as follows:

Investment Return: (revised 2021)	6.75% per annum, compounded annually
Payroll Growth: (revised 2021)	3.00% per year
Inflation: (revised 2021)	2.50% per year
Mortality Rates: (revised 2021)	
Active	Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale
Retired	Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale
Beneficiary	Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale
On Long Term Disability	Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale

Withdrawal Rates: (revised 2021)

	Annual Rate	
Years of Service	Male	Female
1	7.00%	10.00%
5	1.80%	3.50%
10	1.50%	2.25%
15	1.50%	1.25%
20	1.00%	1.25%
25	0.00%	0.00%

APPENDIX B

ACTUARIAL ASSUMPTIONS
(continued)

Retirement Rates: (revised 2021)

Age	Annual Rate
55 to 57	2%
58	5%
59	8%
60	25%
61-63	30%
64	25%
65	50%
66-67	35%
68-69	30%
70	100%

Retirement benefits are assumed to commence at age 58 for vested terminated members and age 62 for disabled members.

Salary Scale: (revised 2021)

Salaries of the employees are assumed to increase according to the following schedule:

Years of Service	Annual Percentage Increase
1	10.40%
5	6.40%
10	4.40%
15	4.10%
20	4.10%
25	3.90%
30	3.65%
35	3.65%

Note: Includes salary inflation at 3.40%

Spouse's Benefit: (revised 2015)

It is assumed that 90% of employees are married, with wives three years younger than husbands.

APPENDIX B

ACTUARIAL ASSUMPTIONS
(continued)

Form of Payment:	Members who terminated vested are assumed to take a refund of contributions if it is more valuable than their deferred benefit.
Cost of Living Adjustment: (revised 2021)	Retirement benefits are assumed to increase at 2.50% per year
Administrative Expense: (implemented 2015)	Component of contribution rate, based on the prior year's actual administrative expenses.
Decrement Timing:	Middle of year
Other:	Active liabilities for withdrawal and retirement benefits are loaded 0.50% for those members expected to elect a Joint and Contingent Annuitant form of payment that has a pop-up feature. Missing contribution balances with interest are assumed to equal three times the annual benefit amount for inactive members. The salary amounts used as an input for valuation purposes represent pensionable compensation for the 12-month period immediately preceding the valuation date. These amounts are calculated by using the employees' contribution amounts for the 12-month period immediately preceding the valuation date, as provided to us by the client.

APPENDIX C

HISTORICAL SUMMARY OF MEMBERSHIP

The following table displays selected historical data as available.

Valuation		Active Members						Number			
			Average								
Date January 1	Total Count	Number	Age	Entry Age	Service	Annual Pay ($)	Pay Increase	Disabled	Vested Inactive	Non-Vested Inactive	Retired/Benef
2005	1,345	786	45.5	31.2	14.3	49,637	3.60%	26	27		506
2006	1,352	782	45.8	31.4	14.4	50,184	1.10%	25	35		510
2007	1,371	793	46.1	31.6	14.5	53,104	5.82%	26	37		515
2008	1,401	814	46.1	31.8	14.3	54,730	3.06%	28	38		521
2009	1,413	831	46.7	31.9	14.8	57,576	5.20%	27	38		517
2010	1,429	851	47.1	32.1	15.0	59,997	4.20%	26	38		514
2011	1,434	852	47.5	32.3	15.2	62,082	3.48%	28	40		514
2012	1,436	846	48.0	32.7	15.3	62,458	0.61%	29	44		517
2013	1,409	815	48.6	32.9	15.6	62,822	0.58%	21	34		539
2014	1,446	821	48.3	33.1	15.2	65,631	4.47%	22	35		568
2015	1,491	856	48.0	33.2	14.8	66,999	2.08%	20	38		577
2016	1,492	851	48.3	33.2	15.1	69,168	3.24%	20	34	1	586
2017	1,484	836	48.8	33.3	15.5	72,200	4.38%	24	34	1	589
2018	1,489	824	49.0	33.4	15.6	75,567	4.66%	21	40	2	602
2019	1,516	792	48.3	33.6	14.7	76,528	1.27%	22	42	4	656
2020	1,536	808	48.0	33.7	14.3	78,026	1.96%	23	49	1	655
2021	1,546	808	47.9	33.7	14.2	79,834	2.32%	26	49	2	661
2022	1,602	813	46.9	33.9	13.0	80,838	1.26%	25	53	1	710
2023	1,671	865	46.2	33.8	12.4	82,435	1.98%	20	59	5	722
2024	1,695	888	46.1	33.8	12.3	86,650	5.11%	14	60	5	728

MEMBERSHIP DATA FOR VALUATION

The summary of employee characteristics presented below covers the employee group as of January 1, 2024. The schedules at the end of the report show the distribution of the various employee groups by present age along with other pertinent data.

Total number of employees in valuation:

(a)	Active employees	888
(b)	Inactive vested employees	
	Terminated*	60
	Disability	14
(c)	Inactive non-vested employees	5
(d)	Retirees and beneficiaries	728
(e)	Total	1,695

Average age of employees in valuation:

(a)	Active employees:	
	Attained age	46.1
	Entry age	33.8
(b)	Inactive vested employees:	
	Termination*	49.4
	Disability	55.7
(c)	Retired employees	71.5
(d)	Beneficiaries	76.5

Active employees eligible for vested benefits as of January 1, 2024

(a)	Employees under age 55 with 5 or more years of service - eligible for deferred vested benefits	334
(b)	Employees age 55 and over with 5 or more years of service - eligible for early or normal retirement benefits	249
(c)	Employees eligible for refund of contributions only	305
(d)	Total	888

*Includes 5 beneficiaries who are not yet receiving benefits.

MEMBERSHIP DATA RECONCILIATION

January 1, 2023 to January 1, 2024

The number of members included in the valuation, as summarized in the table below, is in accordance with the data submitted by the District for eligible employees as of the valuation date.

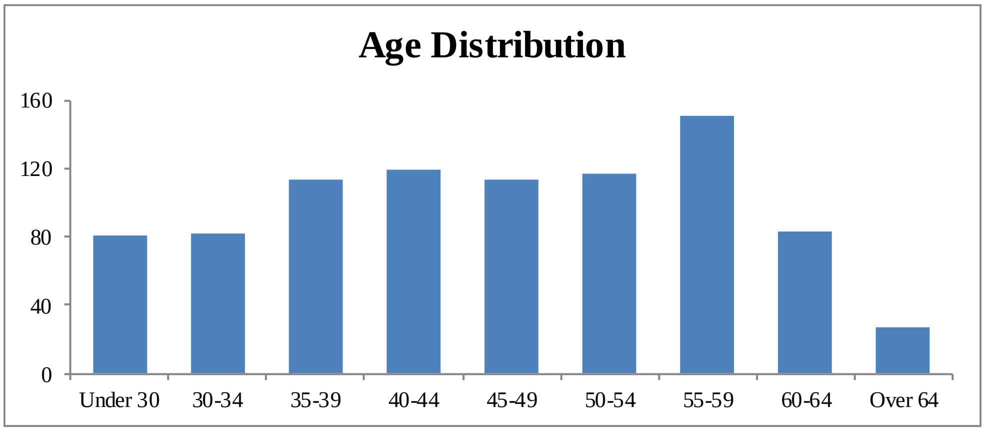
	Active Participants	Long-Term Disability	Retirees	Terminated Vested*	Terminated Non-Vested	Beneficiaries	Total
Participants as of 1/1/2023	865	20	578	59	5	144	1,671
New Participants	66	0	0	0	3	0	69
Moved to Full-Time	0	0	0	0	0	0	0
Moved to Part-Time	(1)	0	0	0	0	0	(1)
Terminations							
Refunded	(13)	0	0	(1)	(5)	0	(19)
Refund-Due	(2)	0	0	0	2	0	0
Deferred Vested	(3)	0	0	3	0	0	0
Disabilities	(1)	1	0	0	0	0	0
Retirements	(21)	(3)	27	(3)	0	0	0
Deaths							
With Beneficiary	(2)	(2)	(4)	2	0	6	0
Without Beneficiary	0	(2)	(17)	0	0	(6)	(25)
Data Corrections	0	0	0	0	0	0	0
Total Participants 1/1/2024	888	14	584	60	5	144	1,695

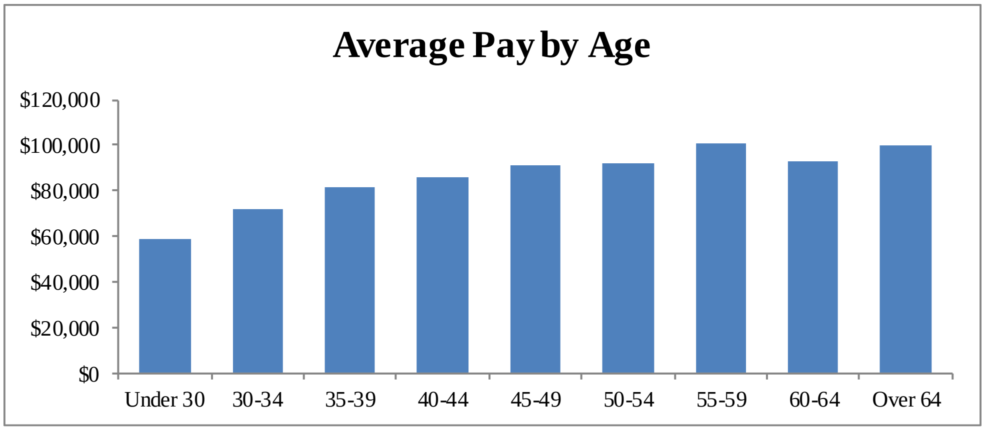
*Includes beneficiaries who are not yet receiving benefits.

SCHEDULE I

ACTIVE EMPLOYEES AS OF JANUARY 1, 2024

	Count of Members			2023 Pensionable Pay of Members		
Age	Males	Females	Total	Males	Females	Total
Under 30	76	5	81	$ 4,484,724	$ 307,335	$ 4,792,059
30-34	71	11	82	5,058,989	842,513	5,901,502
35-39	93	21	114	7,693,763	1,572,149	9,265,912
40-44	94	25	119	8,186,878	2,000,107	10,186,985
45-49	91	23	114	8,402,095	2,022,990	10,425,085
50-54	83	34	117	7,964,153	2,844,611	10,808,764
55-59	109	42	151	11,324,412	3,859,928	15,184,340
60-64	59	24	83	5,615,160	2,077,144	7,692,304
Over 64	14	13	27	1,672,719	1,015,570	2,688,289
Total	690	198	888	$60,402,893	$16,542,347	$76,945,240

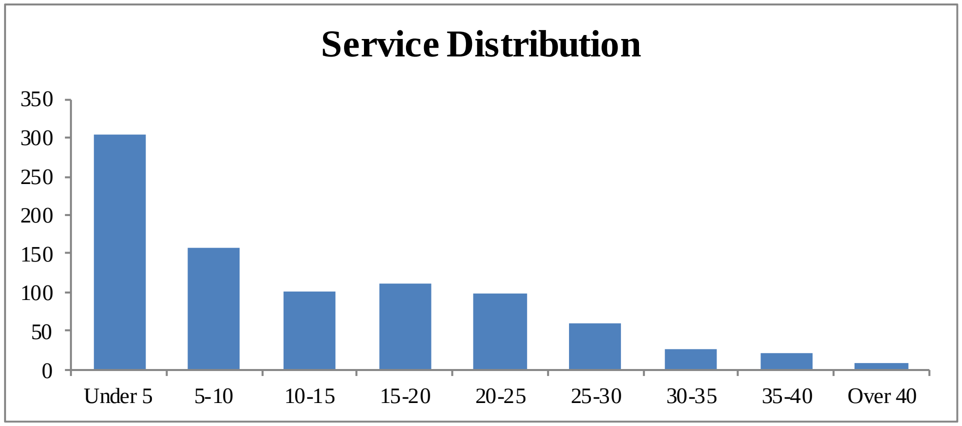




SCHEDULE I (continued)

ACTIVE EMPLOYEES AS OF JANUARY 1, 2024

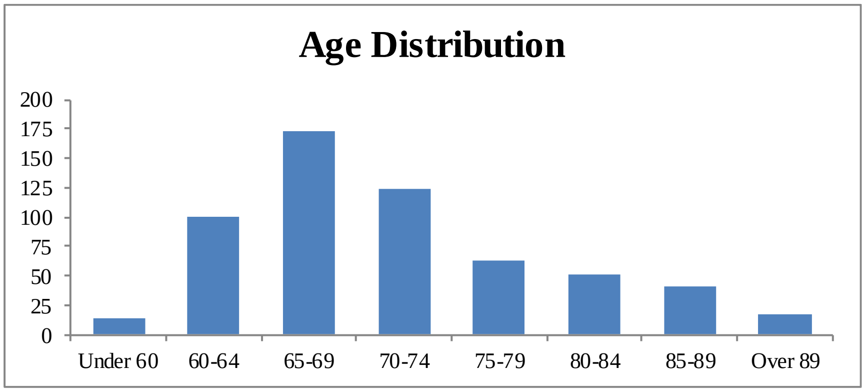
	Service									
Age	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	Over 40	Total
Under 30	78	3	0	0	0	0	0	0	0	81
30-34	59	23	0	0	0	0	0	0	0	82
35-39	66	35	11	2	0	0	0	0	0	114
40-44	44	30	27	14	4	0	0	0	0	119
45-49	27	25	12	28	21	1	0	0	0	114
50-54	19	18	18	16	32	14	0	0	0	117
55-59	10	14	15	29	26	31	16	10	0	151
60-64	2	8	10	19	11	11	9	11	2	83
Over 64	0	2	7	4	4	3	2	0	5	27
Total	305	158	100	112	98	60	27	21	7	888

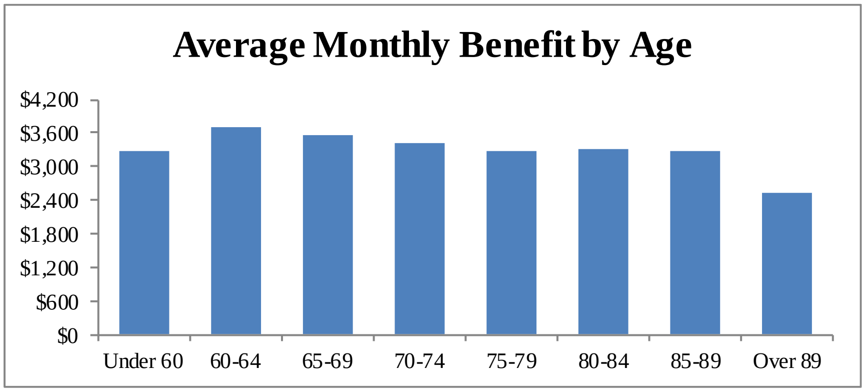


SCHEDULE II

RETIRED PARTICIPANTS AS OF JANUARY 1, 2024

	Count of Retirees			Current Monthly Benefits		
Age	Males	Females	Total	Males	Females	Total
Under 60	12	2	14	$ 38,205	$ 7,838	$ 46,043
60-64	75	25	100	289,708	81,563	371,271
65-69	118	55	173	450,860	168,169	619,029
70-74	74	50	124	271,316	151,178	422,494
75-79	46	17	63	170,103	37,344	207,447
80-84	42	9	51	146,307	23,365	169,672
85-89	33	8	41	107,758	26,190	133,948
Over 89	14	4	18	40,196	5,400	45,596
Total	414	170	584	$1,514,453	$501,047	$2,015,500

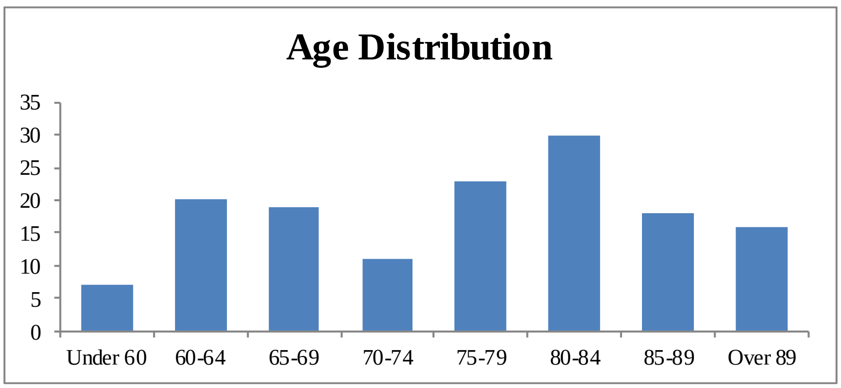


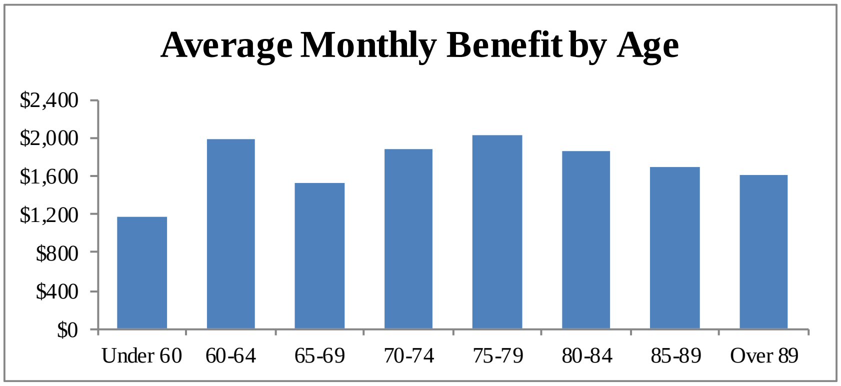


SCHEDULE III

BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2024

	Count of Beneficiaries			Current Monthly Benefits		
Age	Males	Females	Total	Males	Females	Total
Under 60	0	7	7	$ 0	$ 8,233	$ 8,233
60-64	2	18	20	4,685	35,004	39,689
65-69	2	17	19	2,491	26,710	29,201
70-74	1	10	11	615	20,054	20,669
75-79	2	21	23	2,557	44,308	46,865
80-84	0	30	30	0	56,038	56,038
85-89	2	16	18	3,659	26,912	30,571
Over 89	0	16	16	0	25,820	25,820
Total	9	135	144	$14,007	$243,079	$257,086





SCHEDULE IV

TERMINATED VESTED FORMER EMPLOYEES AS OF JANUARY 1, 2024

	Count of Members			Expected Monthly Benefit		
Age	Males	Females	Total	Males	Females	Total
Under 25	0	0	0	$ 0	$ 0	$ 0
25-29	0	0	0	0	0	0
30-34	1	0	1	660	0	660
35-39	2	2	4	2,181	2,270	4,451
40-44	10	2	12	12,338	3,609	15,947
45-49	6	1	7	8,761	1,643	10,404
50-54	13	11	24	29,349	26,361	55,710
55-59	7	3	10	10,309	1,963	12,272
Over 59	1	1	2	303	3,762	4,065
Total	40	20	60	$63,901	$39,608	$103,509

Note: Includes 5 beneficiaries who are not yet receiving benefits.

SCHEDULE V

DISABLED VESTED FORMER EMPLOYEES AS OF JANUARY 1, 2024

	Count of Members			Estimated Monthly Benefit		
Age	Males	Females	Total	Males	Females	Total
Under 25	0	0	0	$ 0	$ 0	$ 0
25-29	0	0	0	0	0	0
30-34	0	0	0	0	0	0
35-39	0	0	0	0	0	0
40-44	2	0	2	5,547	0	5,547
45-49	1	1	2	4,376	3,219	7,595
50-54	1	0	1	3,247	0	3,247
55-59	3	0	3	10,258	0	10,258
Over 59	5	1	6	15,741	1,357	17,098
Total	12	2	14	$39,169	$4,576	$43,745

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GASB STATEMENTS NO. 67 & 68 REPORT

FOR THE

RETIREMENT PLAN FOR EMPLOYEES OF THE METROPOLITAN UTILITIES DISTRICT OF OMAHA

MEASUREMENT DATE: DECEMBER 31, 2023

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February 2, 2024

Mr. Mark Myers
Chief Financial Officer
Metropolitan Utilities District
7350 World Communications Dr.
Omaha, NE 68122

Dear Mr. Myers:

Presented in this report is information to assist the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statements No. 67 and 68. GASB Statement No. 67 (GASB 67) is the accounting standard that applies to the financial reports issued by retirement systems. GASB Statement No. 68 (GASB 68) establishes accounting and financial reporting requirements for governmental employers who provide pension benefits to their employees through a trust. The information in this report is presented for the December 31, 2023 Measurement Date. The calculations in this report have been made on a basis that is consistent with our understanding of these accounting standards.

The annual actuarial valuation used as the basis for much of the information presented in this report was performed as of January 1, 2023. The valuation was based upon data, furnished by the District's staff, concerning active, inactive and retired members along with pertinent financial information. This information was reviewed for completeness and internal consistency but was not audited by us. The valuation results depend on the integrity of the data. If any of the information is inaccurate or incomplete our results may be different and our calculations may need to be revised. Please see the actuarial valuation report for additional details on the funding requirements for the Plan including actuarial assumptions and methods and the funding policy.

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To the best of our knowledge, the information contained in this report is complete and accurate. The calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. In order to prepare the results in this report, we have utilized actuarial models that were developed to measure liabilities and develop actuarial costs. These models include tools that we have produced and tested, along with commercially available valuation software that we have reviewed to confirm the appropriateness and accuracy of the output. In utilizing these models, we develop and use input parameters and assumptions about future contingent events along with recognized actuarial approaches to develop the needed results. The calculations are based on the current provisions of the Plan, and on actuarial assumptions that are internally consistent and individually reasonable based on the actual experience of the Plan. In addition, in our opinion, the calculations meet the requirements of GASB 67 and GASB 68.

These results are only to be used for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

We, Patrice A. Beckham, FSA, and Bryan K. Hoge, FSA, are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. We are available to answer any questions on the material contained in this report or to provide explanations or further details as may be appropriate.

Respectfully submitted,

Patrice Beckham

Patrice A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary

Bryan K. Hoge, FSA, EA, FCA, MAAA
Consulting Actuary

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ANNUAL GASB STATEMENTS NO. 67 & 68 REPORT

RETIREMENT PLAN FOR EMPLOYEES OF THE
METROPOLITAN UTILITIES DISTRICT OF OMAHA

SUMMARY OF PRINCIPAL RESULTS

Valuation Date (VD):	January 1, 2023
Prior Measurement Date:	December 31, 2022
Measurement Date (MD):	December 31, 2023
Membership Data:	
Retirees and Beneficiaries	722
Disabled Members	20
Inactive Vested Members	59
Inactive Nonvested Members	5
Active Employees	865
Total	1,671
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	6.75%
Municipal Bond Index Rate at Prior Measurement Date	3.65%
Municipal Bond Index Rate at Measurement Date	3.38%
Fiscal Year in which Fiduciary Net Position is Projected to be Depleted	N/A
Single Equivalent Interest Rate at Prior Measurement Date	6.75%
Single Equivalent Interest Rate at Measurement Date	6.75%
Net Pension Liability:	
Total Pension Liability (TPL)	$584,148,828
Fiduciary Net Position (FNP)	537,384,371
Net Pension Liability (NPL = TPL – FNP)	$46,764,457
FNP as a percentage of TPL	91.99%
Collective Pension Expense:	$7,409,761
Collective Deferred Outflows of Resources:	$90,383,100
Collective Deferred Inflows of Resources:	$63,443,026

INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 67 (GASB 67), *"Financial Reporting for Pension Plans"*, and Statement No. 68 (GASB 68), *"Accounting and Financial Reporting For Pensions"* in June 2012. GASB 67's effective date was the plan year beginning after June 15, 2013, and GASB 68's effective date was the plan year beginning after June 15, 2014, i.e., the plan year ending December 31, 2015 for the Metropolitan Utilities District of Omaha (District or MUD). The Retirement Plan for Employees of the Metropolitan Utilities District of Omaha (Plan) is a single-employer defined benefit pension plan, as defined by GASB 67 and 68.

This report, prepared as of December 31, 2023 (the Measurement Date), presents information to assist the District in meeting the requirements of GASB 67 and GASB 68. Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of the Plan performed as of January 1, 2023 (the Valuation Date). The results of the valuation were detailed in a report dated February 24, 2023.

GASB 67 discloses the Total Pension Liability (TPL) utilizing the Entry Age Normal actuarial cost method. If the valuation date at which the TPL is determined is before the Measurement Date, as is the case here, the TPL must be rolled forward to the Measurement Date using standard actuarial formulae. The Net Pension Liability (NPL) is equal to the TPL minus the Fiduciary Net Position (FNP) (basically the fair (market) value of assets). The benefit provisions recognized in the calculation of the TPL are summarized in Appendix B.

Among the items needed for the liability calculation is the discount rate, or Single Equivalent Interest Rate (SEIR), as described by GASB 67. To determine the SEIR, the FNP must be projected using GASB 67 guidelines into the future for as long as there are anticipated benefits payable under the plan's provisions applicable to the members and beneficiaries of the Plan on the Measurement Date. If the FNP is not projected to be depleted at any point in the future, the long-term expected rate of return on plan investments expected to be used to finance the benefit payments may be used as the SEIR.

If, however, the FNP is projected to be depleted at a future measurement date, the SEIR is determined as the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by discounting all projected benefit payments through the date of depletion by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion by a 20-year tax-exempt municipal bond (rating AA/Aa or higher) rate. The rate used, if necessary, for this purpose is the monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate (formerly published monthly by the Board of Governors of the Federal Reserve System).

Our calculations indicated that the FNP is not projected to be depleted, so the Municipal Bond Index Rate is not used in the determination of the SEIR for the December 31, 2023 TPL. The SEIR for both the current Measurement Date and the Prior Measurement Date is 6.75%, the long-term assumed rate of return on investments. Please see Paragraph 31.b.(1) for more explanation of the development of the SEIR.

GASB 68 requires the inclusion of a Net Pension Liability (NPL) on the employer's Statement of Net Position and a determination of a Pension Expense (PE) in the Notes to the Financial Statements that may bear little relationship to the employer's funding requirements. In fact, it is possible in some years for the NPL to be an asset or the PE to be an income item. The NPL is set equal to the Total Pension Liability (TPL) minus the Fiduciary Net Position (FNP).

PE includes amounts for Service Cost (the Normal Cost under Entry Age Normal (EAN) for the year), interest on the TPL, employee contributions, administrative expenses, other cash flows during the year, recognition of increases/decreases in the TPL due to changes in the benefit structure, actual versus expected experience, actuarial assumption changes, and recognition of investment gains/losses. The actual experience and assumption change impacts are recognized over the average expected remaining service life of the Plan membership as of the beginning of the measurement period, while investment gains/losses are recognized equally over five years. The development of the PE is shown in Section III.

The unrecognized portions of each year's experience, assumption changes and investment gains/losses are used to develop Deferred Outflows of Resources and Deferred Inflows of Resources, which also must be included on the employer's Statement of Net Position.

The FNP projections are based upon the Plan's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 67/68. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

The sections that follow provide the results of all the required calculations, presented in the order laid out in GASB 67 and GASB 68 for note disclosure and Required Supplementary Information (RSI). Some of this information was provided by MUD for use in this report. These sections, not prepared by Cavanaugh Macdonald, LLC are: Paragraphs 30a (1)-(3), 30a (5)-(6), 30b-f and 32d for GASB 67 and paragraphs 37, 38, 40(a)-(b), 40(d)-(e), 43 and 45(e)-(f) for GASB 68.

SECTION I – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

The material presented herein will follow the order presented in GASB 67. Paragraph numbers are provided for ease of reference.

Paragraph 30.a. (1): The name of the pension plan is the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha (the Plan). The Plan is a single-employer defined benefit pension plan administered by the District.

Paragraph 30.a. (2): The Plan is not a multi-employer pension plan, and there are no non-employer contributing entities.

Paragraph 30.a. (3): The Board of Directors of the District (the Board) has fiduciary responsibility for the Plan along with Vanguard Institutional Advisory Services, who serves in the role of discretionary asset manager/co-fiduciary. The Board consists of seven directors, elected by the District's customer-owners. Administrative responsibility for the Plan has been delegated to the Board's Insurance and Pension Committee, which consists of three Board members who are appointed by the full Board. The Committee's decisions and direction are implemented by the Management Pension Committee, comprised of the following Metropolitan Utilities District employees: the President, the Chief Financial Officer, the General Counsel and the Vice President of Accounting.

Paragraph 30.a. (4): The data required regarding the membership of the Plan were furnished by the District. The following table summarizes the membership of the Plan as of January 1, 2023, the date of the valuation used to determine the December 31, 2023 TPL.

Membership

Number as of January 1, 2023	
Inactive Members Or Their Beneficiaries Currently Receiving Benefits	722
Disabled Members	20
Inactive Members Entitled To But Not Yet Receiving Benefits	59
Inactive Non-vested Members	5
Active Members	865
Total	1,671

Paragraph 30.a. (5): The Plan was established and may be amended only by the Board. The Plan provides retirement, disability (in the form of continued credited service), death, and termination benefits for all regular full-time employees of the District. An employee of the District is eligible for coverage at the time of employment. Vesting is achieved upon the completion of five years of service. Normal retirement age is 60 with 5 years of service. Retirement benefits are calculated using the average compensation for the highest paid 24 consecutive months out of the most recent

120 months, multiplied by the total years of service and the formula factor of 2.15% for the first 25 years of service, 1.00% for the next 10 years of service and 0.50% for each year of service above 35. The benefit amount is reduced under early retirement which is available at age 55 and 5 years of service.

Benefit provisions include cost-of-living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. Adjustments are made each January 1 and July 1, if warranted, based on the increase in the Consumer Price Index of Urban Wage Earners and Clerical Workers. The annual increase in the member's benefit cannot exceed 3.00% and adjustments cannot be negative.

Paragraph 30.a. (6): Benefit and contribution provisions are established by and may be amended only by the Board. The contribution rate for certain employees is established by a collective bargaining agreement. The Board sets the contribution rates for employees who are not covered by the collective bargaining agreement. An actuarial valuation is performed each year to determine the actuarial required contribution, based on the funding goals set by the Board, which is then contributed by the District. The District's policy is to contribute amounts approved in the annual budget, which are generally greater than or equal to the actuarially determined annual contribution. For calendar year 2023, each member contributed 9.00% of pensionable earnings, as provided by the collective bargaining agreement effective for April 1, 2023 through March 31, 2026. The contribution rate for employees not covered by the collective bargaining agreement is expected to align with the rates stated in the collective bargaining agreement. District contributions to the Plan totaled $11,055,924 for the fiscal year ending December 31, 2023.

Paragraph 30.b. (1):

(a) The Insurance and Pension Committee reviews the Investment Policy Statement for The Retirement Plan for Employees of The Metropolitan Utilities District of Omaha (the Policy) at least annually in order to ascertain whether there have been any changes in the needs of the Plan and/or major changes in the structure of the capital markets, which require the Policy to be amended. The Committee recommends changes to the Policy to the Board for approval, whenever it is deemed necessary. The Board approves the Committee's annual review of the Policy and any recommended changes.

(b) See Section 31.b.(1)(f) for the asset allocation guidelines for the Plan. The asset portfolio will be rebalanced to the target asset allocation as follows:

1. Utilizing incoming cash flow (contributions) or outgoing money movements (disbursements) to realign the current weightings closer to the target asset allocation of the Portfolio on an ongoing basis.
2. Reviewing the Portfolio quarterly (March 31, June 30, September 30, and December 31) to identify any deviation(s) from target weightings and acting within a reasonable period of time under the following circumstances:
    a. If any asset class (equity, fixed income, alternatives or cash) within the Portfolio is +/- 5 percentage points from its target weighting, the Portfolio will be rebalanced.
    b. If any fund within the Portfolio has increased or decreased by greater than 20% of its target weighting, the Portfolio may be rebalanced.

c. Rebalancing the Portfolio at any other time if the Investment Advisor in its discretion deems it appropriate to do so.

(c) There were no significant investment policy changes during the reporting period.

Paragraph 30.b. (2): The fair value of investments is based on quoted market prices.

Paragraph 30.b. (3): As of December 31, 2023, the Plan did not own an investment in any one organization that represented 5 percent or more of the Plan's fiduciary net position.

Paragraph 30.b. (4): Calculation of Money-Weighted Rate of Return

The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of the time they are available to earn a return during that period. External cash flows are determined on a monthly basis. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses. For the year ended December 31, 2023, the money-weighted rate of return was 16.2%, as calculated by Vanguard.

Paragraph 30.c.: There are not any long-term contracts for contributions to the Plan between (1) an employer or non-employer contributing entity and (2) the Plan.

Paragraph 30.d.: There are no allocated insurance contracts excluded from pension plan assets.

Paragraph 30.e.: There are no reserves setting aside a portion of the Plan's fiduciary net position that otherwise would be available for existing pensions or for pension plan administration.

Paragraph 30.f.: The Plan does not offer a deferred retirement option program (DROP).

Paragraph 31.a. (1)-(4): As stated earlier, the NPL is equal to the TPL minus the FNP. That result, as of December 31, 2023 is presented in the following table.

Fiscal Year Ending December 31, 2023		
Total Pension Liability	$	584,148,828
Fiduciary Net Position		537,384,371
Net Pension Liability	$	46,764,457
Ratio of Fiduciary Net Position to Total Pension Liability		91.99%

Paragraph 31.b.: This paragraph requires information to be disclosed regarding the actuarial assumptions and other inputs used to measure the TPL. The complete set of actuarial assumptions and other inputs utilized in developing the TPL are outlined in Appendix C. The TPL as of December 31, 2023 was determined based on an actuarial valuation prepared as of January 1, 2023, rolled forward one year to December 31, 2023, using the following key actuarial assumptions and other inputs:

Price Inflation	2.50 percent
Wage Growth Rate	3.40 percent
Salary increases, including price inflation	3.65 to 11.40 percent
Long-term Rate of Return, net of investment expense, including price inflation	6.75 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.65 percent
Measurement Date	3.38 percent
Year FNP is projected to be depleted	N/A
Single Equivalent Interest Rate, net of investment expense, including price inflation	
Prior Measurement Date	6.75 percent
Measurement Date	6.75 percent
Cost-of-Living Adjustment	2.50 percent

Mortality

a. Healthy lives – Active members	Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale.
b. Healthy lives - Retired members	Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale.
c. Healthy lives - Beneficiaries	Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale.
d. Long-term Disabled members	Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale.

The actuarial assumptions used in the calculation of the TPL are based on the results of the most recent actuarial experience study, which covered the four-year period ending December 31, 2020. The experience study report is dated October 25, 2021, and the MUD Board adopted the new set of assumptions at their November 2021 meeting.

Paragraph 31.b.(1)

(a) Discount rate (SEIR): The discount rate used to measure the TPL at December 31, 2023 was 6.75%. There was no change in the discount rate since the Prior Measurement Date.

(b) Projected cash flows: The projection of cash flows used to determine the discount rate assumed that plan contributions from members and the District will be made at the current contribution rates as set out in the labor agreements in effect on the Measurement Date:

a. Employee contribution rate: 9.00% of pensionable earnings for all employees, as provided by the collective bargaining agreement effective for April 1, 2023 through March 31, 2026. The contribution rate for employees not covered by the collective bargaining agreement is expected to align with the rates stated in the collective bargaining agreement.
b. District contribution: The actuarial contribution rate less the employee contribution rate times expected pensionable payroll for the plan year.
c. Administrative expenses in the prior year were projected forward with price inflation as an estimate for administrative expenses in current and future years. The portion of expenses in future years allocated to the current members was based on the proportionate share of covered payroll in each year for the remainder of the existing members to the total covered payroll for all members.

Based on those assumptions, the Plan's FNP was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments of 6.75% was applied to all periods of projected benefit payments to determine the TPL.

The FNP projections are based upon the Plan's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 67/68. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

(c) Long-term rate of return: The long-term expected rate of return on pension plan investments is reviewed as part of the regular experience study prepared for the Plan. The results of the most recent experience study were presented in a report dated October 25, 2021. Several factors are considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation), along with estimates of variability and correlations for each asset class, were developed by the Plan's investment consultant. These ranges were combined to develop the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumed long-term rate of return is intended to be a long-term assumption (50 years) and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

(d) Municipal bond rate: A municipal bond rate was not used in determining the discount rate. If it were required, the rate would be 3.38% on the Measurement Date.

(e) Periods of projected benefit payments: Projected future benefit payments for all current plan members were projected through 2122.

(f) Assumed asset allocation: The target asset allocation as of the most recent experience study, along with best estimates of geometric real rates of return for each major asset class, were provided by the Plan's investment consultant, Vanguard Institutional Advisory Services. These assumptions were used to develop the long-term assumed rate of return of 6.75%.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic (U.S.) Equities	36.0%	3.7%
International (Non-U.S.) Equities	24.0%	6.3%
U.S. Aggregate Bonds	15.0%	1.4%
International Bonds	3.0%	0.9%
Intermediate Term Credit	11.0%	1.8%
Short Term Credit	3.0%	1.7%
REITS	8.0%	3.4%
Total	100.0%	

* Geometric mean, net of investment expenses

(g) Sensitivity analysis: This paragraph requires disclosure of the sensitivity of the NPL to changes in the discount rate. The following presents the NPL of the Plan, calculated using the discount rate of 6.75 percent, as well as the Plan's NPL calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Pension Liability	\$658,890,535	\$584,148,828	\$521,710,424
Fiduciary Net Position	\$537,384,371	\$537,384,371	\$537,384,371
Net Pension Liability	\$121,506,164	\$46,764,457	(\$15,673,947)

Paragraph 31.c.: The TPL at December 31, 2023 is based upon an actuarial valuation prepared as of January 1, 2023. The valuation was used to determine the TPL on the Measurement Date, by rolling the liabilities forward one year to December 31, 2023 using standard actuarial techniques. The roll-forward begins with the actuarial accrued liability (TPL) at January 1, 2023, adds the annual normal cost (also called Service Cost), subtracts the actual benefit payments and refunds for the plan year and then applies interest to December 31, 2023 using the discount rate as of the Prior Measurement Date.

SECTION II – REQUIRED SUPPLEMENTARY INFORMATION FOR GASB 67

There are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements:

Paragraphs 32.a.-c.: The required tables of schedules are provided in Appendix A.

Paragraph 32.d.:

Fiscal Year Ended December 31	Annual Money-Weighted Rate of Return
2023	16.2%
2022	-17.1%
2021	13.7%
2020	14.7%
2019	21.0%
2018	-5.2%
2017	15.2%
2016	7.9%
2015	-0.2%

Note: This schedule is intended to show a 10-year trend. GASB 67 was adopted in 2015, as such, only nine years are presented. Additional years will be reported as they become available.

Paragraph 34: The following information should be noted regarding the RSI, particularly for the *Schedule of Employer Contributions*:

Changes to benefit and funding terms: The following changes to the plan provisions were reflected in the valuation performed as of January 1 listed below:

2023: The member contribution rate increased to 9.00% of total pay, as scheduled.

2022: The member contribution rate increased to 8.50% of total pay, as scheduled.

2021: The member contribution rate increased to 8.00% of total pay, as scheduled.

2020: The member contribution rate increased to 7.50% of total pay, as scheduled.

2019: The member contribution rate increased to 7.00% of total pay, as scheduled.

2018: The member contribution rate increased from 6.00% to 6.50% of total pay on September 1, 2018 for employees not covered by the collective bargaining agreement, as scheduled.

2016: The member contribution rate increased from 4.88% to 6.00% of total pay, as scheduled.

2015: The member contribution rate increased from 4.32% to 4.88% of total pay, as scheduled.

2014: The member contribution rate increased from 3.76% to 4.32% of total pay.

Changes in actuarial assumptions and methods:

1/1/2022 valuation (assumptions used for measuring the 12/31/2021 TPL):

- The investment return assumption was decreased from 6.90% to 6.75%.
- The price inflation assumption was lowered from 2.60% to 2.50%.
- The cost of living adjustment assumption was lowered from 2.60% to 2.50%.
- The general wage growth assumption was lowered from 3.50% to 3.40%.
- The covered payroll increase assumption was lowered from 3.50% to 3.00%.
- The salary merit scale was adjusted to better reflect actual experience.
- The mortality assumption was modified by moving to the Pub-2010 General Employees Median Mortality Table, projected generationally using Scale MP-2020.
- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.

1/1/2020 valuation (assumptions used for measuring the 12/31/2019 TPL):

- The investment return assumption was decreased from 7.00% to 6.90%.

1/1/2018 valuation (assumptions used for measuring the 12/31/2017 TPL):

- The investment return assumption was decreased from 7.25% to 7.00%.
- The price inflation assumption was lowered from 3.10% to 2.60%.
- The cost of living adjustment assumption was lowered from 3.00% to 2.60%.
- The general wage growth assumption was lowered from 4.00% to 3.50%.
- The covered payroll increase assumption was lowered from 4.00% to 3.50%.
- The mortality assumption was modified by moving to the RP-2014 Mortality Table, adjusted to 2006, with a one-year set forward for females and projected generationally using Scale MP-2016.
- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.

1/1/2015 valuation:

- The price inflation assumption was lowered from 3.25% to 3.10%.
- Retirement rates were adjusted to better reflect actual experience.
- The mortality assumption was changed to reflect full generational mortality improvements.
- An explicit assumption for administrative expenses was created and is based on the prior year's reported administrative expenses.
- The marriage assumption was changed to assume 90% of all active members are married. Prior to the change, the marriage assumption was based on the member's age and gender.
- The amortization of the unfunded actuarial liability moved from a single amortization base to a "layered" approach. The UAL as of January 1, 2014 is amortized over a closed 30-year period that began January 1, 2014. Changes to the UAL from actual versus expected experience, assumption changes, or method changes in each subsequent year create a new amortization base with a separate payment, determined as a level percentage of payroll, over a closed 20-year period beginning on that valuation date.

SECTION III – PENSION EXPENSE FOR GASB 68

As noted earlier, the Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first item as Service Cost, which is the Normal Cost using the Entry Age Normal (EAN) actuarial funding method. The second item is interest on the TPL at 6.75%, the discount rate in effect as of the Prior Measurement Date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes,
- actual versus expected experience, or
- changes in actuarial assumptions or other inputs.

Benefit changes, which are reflected immediately, will increase PE if there is a benefit improvement for existing Plan members, or decrease PE if there is a benefit reduction. For the year ended December 31, 2023, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership at the beginning of the measurement period. The average expected remaining service life of active members is the average number of years the active members are expected to remain in covered employment. At the beginning of the measurement period, this number is 13.63 years. The average expected remaining service life of the inactive members is zero. Therefore, the recognition period is the weighted average of these two amounts or 7.05 years.

The last item under changes in TPL is changes in actuarial assumptions or other inputs. There were no changes in the actuarial assumptions or other inputs since the Prior Measurement Date. If there were such a change, the change would be recognized over the average expected remaining service life of the entire Plan membership, using the same approach that applied to experience gains and losses as described earlier.

Employee contributions for the year and projected earnings on the FNP at the long-term rate of return are subtracted from the amount determined thus far. One-fifth of current-period differences between projected and actual earnings on the FNP is recognized in the PE.

The current year portions of previously determined experience, assumption changes and earnings amounts, recognized as Deferred Outflows of Resources and Deferred Inflows of Resources, are included next. Deferred Outflows of Resources are added to the PE while Deferred Inflows of Resources are subtracted from the PE. Finally, administrative expenses and other miscellaneous items are included.

The calculation of the PE for the year ended December 31, 2023 is shown in the following table.

Pension Expense
For the Year Ended

December 31, 2023	
Service Cost at end of year	$14,685,921
Interest on the Total Pension Liability	36,716,217
Benefit term changes	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	325,730
Expensed portion of current-period assumption changes	0
Employee contributions	(6,991,643)
Projected earnings on plan investments	(31,480,474)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(8,779,254)
Administrative expenses	92,954
Other	0
Recognition of beginning Deferred Outflows of Resources	30,525,836
Recognition of beginning Deferred Inflows of Resources	(27,685,526)
Total Pension Expense	**$7,409,761**

Note: Average expected remaining service life for all members is 7.05 years.

SECTION IV – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Some of this information is duplicative of information provided earlier in this report under GASB 67. In such cases, the GASB 67 section is referenced rather than including the information a second time.

Paragraph 37: The District only sponsors one pension plan. Total amounts are identifiable from information presented in the financial statements. No additional information is required.

Paragraph 38: The Metropolitan Utilities District of Omaha is the plan sponsor for the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha, a single-employer defined benefit pension plan as defined by GASB 68. Information for paragraphs 39 to 45 can be found on the following pages.

Paragraph 39: Not Applicable.

Paragraph 40(a): The name of the pension plan is the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha, and it is administered by the District. The Plan is a single-employer defined benefit pension plan as defined by GASB 68.

Paragraph 40(b):

(1) Classes of employees covered: The membership includes all regular full-time employees of the District.

(2) Types of benefits: The main benefits provided are retirement benefits. However, the Plan also provides ancillary benefits in the event of pre-retirement death, disability, or termination of employment prior to meeting the eligibility requirements to retire.

(3) Key elements of the pension formulas: Normal retirement age is age 60 with 5 years of service. The retirement benefit is calculated using the average compensation for the highest paid 24 consecutive months out of the most recent 120 months, multiplied by the total years of service and the formula factor of 2.15 percent for the first 25 years of service, 1.00 percent for the next 10 years of service and 0.50% for each year of service above 35. The benefit amount is reduced under early retirement which is available at age 55 and 5 years of service. Benefits vest when the member has five or more years of service.

(4) Terms with respect to automatic postemployment benefit changes, including automatic COLAs and ad hoc COLAs: Each January 1 and July 1, a cost of living adjustment is made, if warranted, to each retirement benefit being paid based on the increase in the Consumer Price Index of Urban Wage Earners and Clerical Workers. The annual increase in the member's benefit cannot exceed 3.0 percent and adjustments cannot be negative.

(5) Authority under which benefit terms are established or may be amended: Benefit and contribution provisions are established by and may be amended only by the Board.

The contribution rate for certain employees is established by a collective bargaining agreement. The Board sets the contribution rates for employees who are not covered by the collective bargaining agreement.

Paragraph 40(c): The data required regarding the membership of the Plan were furnished by the District. The following table summarizes the membership of the Plan as of January 1, 2023, the date of the valuation used to determine the December 31, 2023 TPL.

Membership

Number as of January 1, 2023	
Inactive Members Or Their Beneficiaries Currently Receiving Benefits	722
Disabled Members	20
Inactive Members Entitled To But Not Yet Receiving Benefits	59
Inactive Non-vested Members	5
Active Members	865
Total	1,671

Paragraph 40(d):

(1) Basis for determining the employer's contributions to the plan: An actuarial valuation is performed each year to determine the actuarial required contribution, based on the funding goals set by the Board of Directors, which is then contributed by the District.

(2) Identification of the authority under which contribution requirements of the employer and employees are established or may be amended: Benefit and contribution provisions are established by and may be amended only by the Board of Directors of the Metropolitan Utilities District of Omaha.

(3) The contribution rates (in dollars or as a percentage of covered payroll) of those entities for the reporting period:

Members: For calendar year 2023, each member contributed 9.00% of pensionable earnings, as provided by the collective bargaining agreement effective for April 1, 2023 through March 31, 2026. The contribution rate for employees not covered by the collective bargaining agreement is expected to align with the rates stated in the collective bargaining agreement.

Employer: The District's policy is to contribute amounts approved in the annual budget, which are generally greater than or equal to the actuarially determined annual required contribution.

Amount of contributions recognized by the pension plan from the employer during the reporting period (only the total amounts recognized as additions to the plan's fiduciary net position are reflected here): For the fiscal year ending December 31, 2023, the Plan received $11,055,924 in contributions from the District.

Paragraph 40(e): Whether the pension plan issues a stand-alone financial report (or the pension plan is included in the report of a public employee retirement system or another government) that is available to the public and, if so, how to obtain the report: This information will be supplied by the Plan.

Paragraph 41: This paragraph requires information to be disclosed regarding the significant actuarial assumptions and other inputs used to measure the TPL. The summary of the key actuarial assumptions can be found in **GASB 67, Paragraph 31.b**.

Paragraph 42: Please see GASB 67 Paragraph 31.b.(1)(a)-(g).

Paragraph 43: This information is provided in Appendix A of this report.

Paragraph 44 (a) – (c): This paragraph requires a schedule of changes in NPL. The necessary information is provided in the table below for fiscal year ended December 31:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at December 31, 2022	$557,004,039	$470,606,758	$86,397,281
Changes for the year:			
Service Cost at end of year	14,685,921		14,685,921
Interest on TPL	36,716,217		36,716,217
Benefit term changes	0		0
Differences between expected and actual experience	2,296,397		2,296,397
Assumption changes	0		0
Employer contributions		11,055,924	(11,055,924)
Employee contributions		6,991,643	(6,991,643)
Net investment income		75,376,746	(75,376,746)
Benefit payments, including member refunds	(26,553,746)	(26,553,746)	0
Administrative expenses		(92,954)	92,954
Other		0	0
Net changes	27,144,789	66,777,613	(39,632,824)
Balances at December 31, 2023	$584,148,828	$537,384,371	$46,764,457

Paragraph 44(d): There is no special funding situation.

Paragraph 45:

(a): The Measurement Date of the NPL is December 31, 2023. The TPL as of December 31, 2023 was determined based upon an actuarial valuation prepared as of the Valuation Date, January 1, 2023, rolled forward to December 31, 2023 using standard actuarial formulae.

(b): There is no special funding situation.

(c): There were no changes in the actuarial assumptions or other inputs since the Prior Measurement Date.

(d): There were no changes in the benefit terms since the Prior Measurement Date.

(e): There were no benefit payments in the measurement period attributable to the purchase of allocated insurance contracts.

(f): The measurement date of the NPL and the employer's reporting date, December 31, 2023, are the same, so there are no significant effects on the NPL due to differing dates.

(g): Please see Section III of this report for the development of the PE.

(h): Since certain expense items are recognized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce PE they are labeled Deferred Inflows of Resources. If they will increase PE they are labeled Deferred Outflows of Resources. The recognition of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are recognized over the average expected remaining service life of the active and inactive Plan members at the beginning of the measurement period. Investment gains and losses are recognized equally over a five-year period.

The following tables provide a summary of the amounts of the Deferred Outflows of Resources and Deferred Inflows of Resources as of the Measurement Date (December 31, 2023). Per GASB 68, reporting of the differences between projected and actual earnings should be on a net basis, with only one Deferred Outflow or Inflow. This information is provided in the following table.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
Differences between expected and actual experience	$4,489,983	$7,427,628	($2,937,645)
Changes of assumptions	4,138,456	0	4,138,456
Differences between projected and actual earnings	81,754,661	56,015,398	25,739,263
Total	$90,383,100	$63,443,026	$26,940,074

The following tables show the Deferred Outflows of Resources and Deferred Inflows of Resources separately to provide additional detail.

Deferred Outflows of Resources								
		December 31, 2022		Additions		Recognition		December 31, 2023
Differences between expected and actual experience								
FY 2017 Base	$	0	$	0	$	0	$	0
FY 2018 Base		0		0		0		0
FY 2019 Base		613,722		0		275,212		338,510
FY 2020 Base		0		0		0		0
FY 2021 Base		0		0		0		0
FY 2022 Base		2,644,807		0		464,001		2,180,806
FY 2023 Base		0		2,296,397		325,730		1,970,667
Total	$	3,258,529	$	2,296,397	$	1,064,943	$	4,489,983
Changes of assumptions								
FY 2017 Base	$	780,089	$	0	$	780,089	$	0
FY 2018 Base		0		0		0		0
FY 2019 Base		2,058,552		0		923,118		1,135,434
FY 2020 Base		0		0		0		0
FY 2021 Base		3,834,884		0		831,862		3,003,022
FY 2022 Base		0		0		0		0
FY 2023 Base		0		0		0		0
Total	$	6,673,525	$	0	$	2,535,069	$	4,138,456
Differences between projected and actual earnings								
FY 2019 Base	$	0	$	0	$	0	$	0
FY 2020 Base		0		0		0		0
FY 2021 Base		0		0		0		0
FY 2022 Base		109,006,215		0		27,251,554		81,754,661
FY 2023 Base		0		0		0		0
Total	$	109,006,215	$	0	$	27,251,554	$	81,754,661
Total	$	118,938,269	$	2,296,397	$	30,851,566	$	90,383,100

Deferred Inflows of Resources								
		December 31, 2022		Additions		Recognition		December 31, 2023
Differences between expected and actual experience								
FY 2017 Base	$	522,443	$	0	$	522,443	$	0
FY 2018 Base		341,610		0		251,182		90,428
FY 2019 Base		0		0		0		0
FY 2020 Base		5,067,169		0		1,481,628		3,585,541
FY 2021 Base		4,790,900		0		1,039,241		3,751,659
FY 2022 Base		0		0		0		0
FY 2023 Base		0		0		0		0
Total	$	10,722,122	$	0	$	3,294,494	$	7,427,628
Changes of assumptions								
FY 2017 Base	$	0	$	0	$	0	$	0
FY 2018 Base		0		0		0		0
FY 2019 Base		0		0		0		0
FY 2020 Base		0		0		0		0
FY 2021 Base		0		0		0		0
FY 2022 Base		0		0		0		0
FY 2023 Base		0		0		0		0
Total	$	0	$	0	$	0	$	0
Differences between projected and actual earnings								
FY 2019 Base	$	10,422,757	$	0	$	10,422,757	$	0
FY 2020 Base		14,076,338		0		7,038,169		7,038,169
FY 2021 Base		20,790,317		0		6,930,106		13,860,211
FY 2022 Base		0		0		0		0
FY 2023 Base		0		43,896,272		8,779,254		35,117,018
Total	$	45,289,412	$	43,896,272	$	33,170,286	$	56,015,398
Total	$	56,011,534	$	43,896,272	$	36,464,780	$	63,443,026

(i): Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in PE in future years as follows:

Fiscal Year Ending December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/(Inflows) of Resources
2024	$30,071,477	$25,358,826	$4,712,651
2025	29,148,761	18,230,228	10,918,533
2026	28,873,146	10,440,780	18,432,366
2027	1,297,167	9,413,192	(8,116,025)
2028	650,532	0	650,532
Thereafter	342,017	0	342,017

(j): Based on information supplied by the District, they receive no revenue from non-employer contributing entities.

SECTION V – REQUIRED SUPPLEMENTARY INFORMATION FOR GASB 68

Under GASB 68, there are several tables of Required Supplementary Information (RSI) that need to be included in the Plan's financial statements. This information can be found in Section II of this report, Required Supplementary Information for GASB 67, and is not repeated here.

APPENDIX A

REQUIRED SUPPLEMENTARY INFORMATION

Exhibit A

GASB 68 Paragraph 43

STATEMENT OF PLAN FIDUCIARY NET POSITION AND CHANGES IN THE FIDUCIARY NET POSITION
Fiscal Year Ended December 31, 2023

Statement of Plan Fiduciary Net Position at December 31, 2023

Assets		
Cash and cash equivalents	$	1,655,108
Investments at fair value		
Fixed income		168,236,192
Domestic stock		240,038,198
International stock		127,454,873
Total investments		535,729,263
Total assets		537,384,371
Liabilities		
Accrued expenses and benefits payable		0
Total liabilities		0
Net position restricted for pensions	$	537,384,371

Statement of Changes in the Fiduciary Net Position
for the Year Ended December 31, 2023

Additions:		
Employer contributions	$	11,055,924
Employee contributions		6,991,643
Total contributions		18,047,567
Net investment income		75,376,746
Total additions		93,424,313
Deductions:		
Service benefits		26,553,746
Administrative expenses		92,954
Total deductions		26,646,700
Net increase/(decrease)		66,777,613
Net position restricted for pensions:		
Beginning of year		470,606,758
End of year	$	537,384,371

Exhibit B

GASB 67 Paragraphs 32(a)-(b)
GASB 68 Paragraphs 46(a)-(b)
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

Fiscal Year Ended December 31

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	$14,685,921	$13,490,074	$13,007,768	$12,718,417	$11,710,809	$11,863,654	$11,137,854	$10,857,017	$10,160,376
Interest	36,716,217	34,985,031	34,269,868	33,306,797	31,734,106	30,304,199	29,552,506	28,076,211	26,596,785
Benefit term changes	0	0	0	0	0	0	0	0	0
Differences between expected and actual experience	2,296,397	3,108,808	(6,869,382)	(9,512,053)	1,714,570	(1,597,520)	(5,835,431)	(1,578,237)	0
Assumption changes	0	0	5,498,608	0	5,751,024	0	8,713,229	0	0
Benefit payments, including member refunds	(26,553,746)	(25,339,507)	(23,236,403)	(21,897,160)	(21,204,786)	(19,116,693)	(17,445,020)	(16,555,144)	(16,154,435)
Net change in Total Pension Liability	$27,144,789	$26,244,406	$22,670,459	$14,616,001	$29,705,723	$21,453,640	$26,123,138	$20,799,847	$20,602,726
Total Pension Liability - beginning	$557,004,039	$530,759,633	$508,089,174	$493,473,173	$463,767,450	$442,313,810	$416,190,672	$395,390,825	$374,788,099
Total Pension Liability - ending (a)	$584,148,828	$557,004,039	$530,759,633	$508,089,174	$493,473,173	$463,767,450	$442,313,810	$416,190,672	$395,390,825
Plan Fiduciary Net Position									
Employer contributions	$11,055,924	$10,500,000	$11,600,000	$12,300,000	$12,300,000	$11,606,179	$11,193,821	$10,300,000	$10,301,268
Employee contributions	6,991,643	5,994,641	5,374,956	5,021,423	4,413,137	3,805,373	3,757,444	3,895,899	2,820,596
Net investment income	75,376,746	(97,597,177)	69,875,660	66,226,054	78,431,581	(20,727,828)	52,812,850	25,696,348	(748,921)
Benefit payments, including member refunds	(26,553,746)	(25,339,507)	(23,236,403)	(21,897,160)	(21,204,786)	(19,116,693)	(17,445,020)	(16,555,144)	(16,154,435)
Administrative expenses	(92,954)	(100,218)	(103,969)	(92,241)	(70,123)	(94,940)	(94,161)	(85,186)	(92,250)
Other	0	0	0	0	0	0	0	0	0
Net change in Plan Fiduciary Net Position	$66,777,613	($106,542,261)	$63,510,244	$61,558,076	$73,869,809	($24,527,909)	$50,224,934	$23,251,917	($3,873,742)
Plan Fiduciary Net Position – beginning	$470,606,758	$577,149,019	$513,638,775	$452,080,699	$378,210,890	$402,738,799	$352,513,865	$329,261,948	$333,135,690
Plan Fiduciary Net Position - ending (b)	$537,384,371	$470,606,758	$577,149,019	$513,638,775	$452,080,699	$378,210,890	$402,738,799	$352,513,865	$329,261,948
Net Pension Liability - ending (a) - (b)	$46,764,457	$86,397,281	($46,389,386)	($5,549,601)	$41,392,474	$85,556,560	$39,575,011	$63,676,807	$66,128,877
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	91.99%	84.49%	108.74%	101.09%	91.61%	81.55%	91.05%	84.70%	83.28%
Covered payroll	$77,757,044	$70,609,770	$67,274,914	$66,588,665	$63,272,421	$62,865,829	$62,624,066	$61,064,398	$63,384,548
Employers' Net Pension Liability as a percentage of covered payroll	60.14%	122.36%	-68.95%	-8.33%	65.42%	136.09%	63.19%	104.28%	104.33%

Note: Schedule is intended to show 10-year trend. Additional years will be reported as they become available.

Exhibit C

GASB 67 Paragraph 32(c)
GASB 68 Paragraph 46(c)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
($ in Thousands)

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	$ 8,988	$ 10,300	$ (1,312)	$ 59,332	17.36%
2015	9,956	10,301	(345)	63,385	16.25%
2016	10,215	10,300	(85)	61,064	16.87%
2017	10,273	11,194	(921)	62,624	17.87%
2018	11,198	11,606	(408)	62,866	18.46%
2019	11,270	12,300	(1,030)	63,272	19.44%
2020	11,036	12,300	(1,264)	66,589	18.47%
2021	9,481	11,600	(2,119)	67,275	17.24%
2022	8,588	10,500	(1,912)	70,610	14.87%
2023	10,204	11,056	(852)	77,757	14.22%

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date:	January 1, 2023
Notes	Actuarially determined contribution is determined in the valuation performed as of January 1 of the year in which contribution are made.

Methods and Assumptions Used to Determine Actuarial Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	Range from 12 to 21 years (Single Equivalent Amortization Period is 24 years)
Asset Valuation Method	Expected Value + 25% of (Market – Expected Values)
Price Inflation	2.50 percent
Salary Increases, including price inflation	3.65 to 11.40 percent, depending on years of service
Long-Term Rate of Return	6.75 percent
Retirement	Service-based table of rates.
Mortality	Pre-retirement mortality rates were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale. Post-retirement mortality rates for retirees were based on the Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale. Post-retirement mortality rates for survivors were based on the Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale. Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale.
Cost-of-Living Adjustment	2.50 percent per year

APPENDIX B

SUMMARY OF KEY BENEFIT PROVISIONS

The Retirement Plan for Employees of the Metropolitan Utilities District was established on October 1, 1944, using a conventional group annuity contract with Metropolitan Life Insurance Company (MLI) as the vehicle for funding the retirement benefits under the plan. Effective December 31, 1967, the plan was amended which brought about changes in the benefit and contribution formulas and added a spouse's benefit.

As of December 31, 1967, the MLI Group Annuity Contract was amended to discontinue further purchases of annuities. However, under contractual rights, annuities purchased prior to December 31, 1967 continue to be guaranteed under the provisions of such contract. Further amendments modified the pre-existing contract from a conventional group annuity contract to an Immediate Participation Guaranteed (IPG) group annuity contract (effective December 31, 1967). Investments are being managed by Vanguard Institutional Advisory Services pursuant to the provisions of the Investment Policy Statement.

The following summary of plan provisions reflects the plan as in effect on the date of the valuation.

Effective Date:	December 31, 1967
Participation:	(a) Each Employee on the effective date, provided he was employed before his 60th birthday, became a participant on the effective date (b) Each person who becomes an employee after the effective date becomes a participant on his employment date.
Final Average Salary:	The average of the salaries for the highest paid 24 consecutive months out of the last 120 months before retirement (high 36 months prior to 3/1/06).
Age and Service Requirements for Benefits:	
Normal Retirement	First day of the month next following the 60th birthday.
Early Retirement	Age 55 with at least five years of service.
Deferred Vested Benefit	Separate service before age 55 with at least five years of service.
Spouse's Benefit	Upon death of employee in active service with at least five years of service and married at least one year prior to the date of death. Payable based on employee's age according to early or normal retirement provisions.

Retirement Benefits:

Normal & Late Retirement	A monthly amount which equals (a) percentage of Final Average Salary based on years of continuous service, beginning at 2.15% for each of the first 25 years of service (2.00% prior to 3/1/06) plus 1.00% for the next 10 years, plus 0.50% for each year of service after 35 years. (b) any monthly normal retirement annuity purchased under the MLI contract up to December 31, 1967.
Minimal Normal	A monthly amount which, together with the annuity under the MLI contract, if any, equals \$6 for each year of service, beginning with \$30 for five years of service and grading up to \$120 for 20 or more years of service.
Early Retirement	A monthly amount which equals (1) times (2) (1) An amount determined in the same manner as the normal retirement benefit, based on: (a) Years of continuous service and Final Average Salary on the early retirement date, and (b) Any monthly annuity, payable at age 65, to which the employee may be entitled under the MLI contract, (2) A percentage factor equal to 100% at age 60 and above, with reductions of 0.25% a month for each month of early retirement (from age 60 to age 55)

Form of Annuity:

Normal	Monthly payments for life with refund at death of excess, if any, of the employee’s contributions over payments received.
Optional	Contingent annuitant options are provided in the plan (a “pop-up” feature applies to any Contingent Annuitant Option if the employee’s spouse is the Contingent Annuitant and the spouse predeceases the employee). Prior to 3/1/06, the pop-up provision applied only to the Joint and 50% Contingent Annuitant option.

Termination Benefits:

Less than 5 years of service	A refund of the employee's contributions under the plan with interest to date of termination.
Before age 55 with 5 or more years of service	At the employee's election either: (1) refund of the employee's contributions under the plan with interest to date of termination, or (2) a deferred retirement income based on years of service and Final Average Salary at termination date.

Spouse's Benefit:

Effective 3/1/06:

(1) if death occurs before age 55, the spouse is eligible for a survivor benefit at the member's earliest retirement age. The amount received is the member's accrued benefit adjusted for early commencement, if applicable, and conversion to a joint 100% survivor form of payment.

(2) if death occurs after age 55, the spouse is eligible for a survivor benefit immediately. The amount is adjusted for early commencement, if applicable, and conversion to a joint and 100% survivor form of payment.

Single Sum Death Benefits:

Before Retirement (if no spouse eligible for spouse's benefit)	To designated beneficiary or estate of employee – the employee's contributions under the plan with interest to date of death.
Vested Terminated Employee (before retirement income payments commence)	Same as above.
After Retirement (if normal form benefit)	To designated beneficiary or estate of employee – the excess, if any, of the lump sum death benefit that would have been payable at date of retirement over the retirement income payments to date of death.

Surviving Spouse (receiving spouse's benefit)	To designated beneficiary or estate of the spouse, the excess, if any, of the employee's contributions under the plan with interest to the date of the employee's death over the payments made to the date of the spouse's death.
Contingent Annuitant (if retirement income payments have commenced)	To designated beneficiary or estate of the last survivor as between the retired employee and the contingent annuitant – the excess, if any, of the lump sum death benefit that would have been payable at date of retirement over the retirement income payments to the retired employee and the contingent annuitant to the date of death of the last survivor.
Employee Under MLI Contract	Contributions under MLI contract payable subject to provisions of MLI contract.

<u>Cost of Living Adjustments:</u>

To retired employees, spouses and contingent annuitants – the supplemental pension payments based on the change in the Consumer Price Index, not less than 0% and not more than 3% a year. Adjustments are made twice a year on January 1 and July 1.

<u>Disability Benefits:</u>

If a participant becomes totally and permanently disabled, he/she is deemed to remain active for plan purposes, at his/her salary at the time of disability, until recovery or retirement. No employee contributions are required during the period of disability.

The maximum disability period is typically age 65. However, members who become disabled after age 60 may receive disability benefits beyond age 65.

<u>Source of Funds:</u>

Employee Contributions	9.00%
	Interest is credited at 3.50% per annum, compounded annually.
District Contributions	The remaining amount required to fund the benefit on an actuarially sound basis.

APPENDIX C

STATEMENT OF ACTUARIAL ASSUMPTIONS

Long-term Expected Rate of Return: (revised 2021)	6.75% per annum, compounded annually
Payroll Growth (revised 2021):	3.00% per year
Inflation: (revised 2021)	2.50% per year
Mortality Rates: (revised 2021)	
Active	Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale
Retired	Pub-2010 General Members (Median) Retiree Mortality Table projected generationally using the MP-2020 Scale
Beneficiary	Pub-2010 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2020 Scale
On Long Term Disability	Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale

Withdrawal Rates: (revised 2021)

	Annual Rate	
Years of Service	Male	Female
1	7.00%	10.00%
5	1.80%	3.50%
10	1.50%	2.25%
15	1.50%	1.25%
20	1.00%	1.25%
25	0.00%	0.00%

Retirement Rates: (revised 2021)

Age	Annual Rate
55 to 57	2%
58	5%
59	8%
60	25%
61-63	30%
64	25%
65	50%
66-67	35%
68-69	30%
70	100%

Retirement benefits are assumed to commence at age 58 for vested terminated members and age 62 for disabled members.

Salary Scale: (revised 2021)

Salaries of the employees are assumed to increase according to the following schedule:

Years of Service	Annual Percentage Increase
1	10.40%
5	6.40%
10	4.40%
15	4.10%
20	4.10%
25	3.90%
30	3.65%
35	3.65%

Note: Includes salary inflation at 3.40%

Spouse's Benefit: (revised 2015)

It is assumed that 90% of employees are married, with wives three years younger than husbands.

Form of Payment:

Members who terminated vested are assumed to take a refund of contributions if it is more valuable than their deferred benefit.

Cost of Living Adjustment: (revised 2021)

Retirement benefits are assumed to increase at 2.50% per year.

Administrative Expense: (implemented 2015)

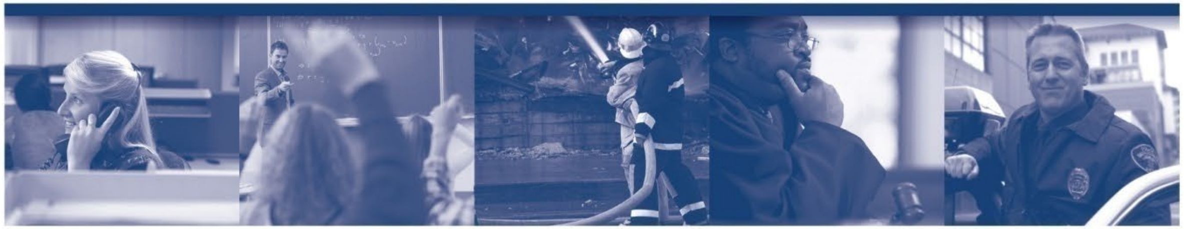
Component of contribution rate, based on the prior year's actual administrative expenses.

Decrement Timing	Middle of year
Other:	Active liabilities for withdrawal and retirement benefits are loaded 0.50% for those members expected to elect a Joint and Contingent Annuitant form of payment that has a pop-up feature.
	Missing contribution balances with interest are assumed to equal three times the annual benefit amount for inactive members.
	The salary amounts used as an input for valuation purposes represent pensionable compensation for the 12-month period immediately preceding the valuation date. These amounts are calculated by using the employees' contribution amounts for the 12-month period immediately preceding the valuation date, as provided to us by the client.

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

Retirement Plan for Employees of MUD
January 1, 2024 Actuarial Valuation Results

Presented by: Patrice Beckham, FSA, EA, FCA, MAAA
April 3, 2024



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Actuarial Valuation Process (Reserve Funding)

Builds funds during working careers.

Investment returns help pay for benefits.

Actuarial valuation is mathematical model of financial future of system.

Actuarial cost method's goal is level contributions as percent of payroll.

Contribution equity among generations of active members and rate payers.

What Impacted the 1/1/2024 Valuation Results

- Asset Experience
  - Investment return on market value was 16.2%
  - Due to use of an asset smoothing method, the return on the actuarial value of assets was 6.1%, less than the assumed return of 6.75%.
  - Actuarial loss on assets of $3.5 million
  - Deferred investment loss is reduced from $54 million last year to $11 million in the 2024 valuation
- Liability Experience
  - Higher salary increases than assumed produced an actuarial loss on liabilities (higher salaries = higher benefits)
    - Along with increase in number of active members, higher salaries resulted in an increase in covered payroll of nearly 8%
  - Actual COLA increase was higher than expected by the assumption
  - Net liability loss was $5.5 million
- Aggregate experience loss was $9 million which increased the unfunded actuarial liability and actuarial contribution.

Total Plan Membership

	1/1/24 Valuation	1/1/23 Valuation	Change
Active members	888	865	2.7%
LTD/Inactive vested	74	79	(6.3%)
Inactive non-vested	5	5	0.0%
Retirees and Beneficiaries	728	722	0.8%
Total	1,695	1,671	1.4%

January 1, 2024 Valuation Results

	1/1/2024 Valuation	1/1/2023 Valuation
Actuarial Liability	$590M	$559M
Actuarial Assets	548M	525M
Unfunded Actuarial Liability	$ 42M	$ 34M
Funded Ratio: Assets/Liability		
Actuarial Value of Assets	92.9%	93.9%
Market Value of Assets	91.1%	84.2%

Note: Actuarial value of assets is a smoothed, market-related value which is used to reduce the volatility inherent in pure market value measurements.

Numbers may not add or subtract due to rounding.

District Contribution

	1/1/2024 Valuation	1/1/2023 Valuation	Change
Total Contribution Rate	23.03%	22.51%	0.52%
Employee Rate	(9.00%)	(9.00%)	0.00%
Employer Rate	**14.03%**	**13.51%**	**0.52%**
Estimated Covered Payroll	$81,518,849	$75,528,659	$5,990,190
Employer Contribution (Actuarially Determined)	**$11,437,095**	**$10,203,922**	**$1,233,173**
District Contribution	**$12.9 million (Budgeted)**	**$11.1 million (Actual)**	**$1.9 million**

Given the likelihood of increasing contributions in the near term, we recommend the District contribute the budgeted amount of $12.9 million for 2024.

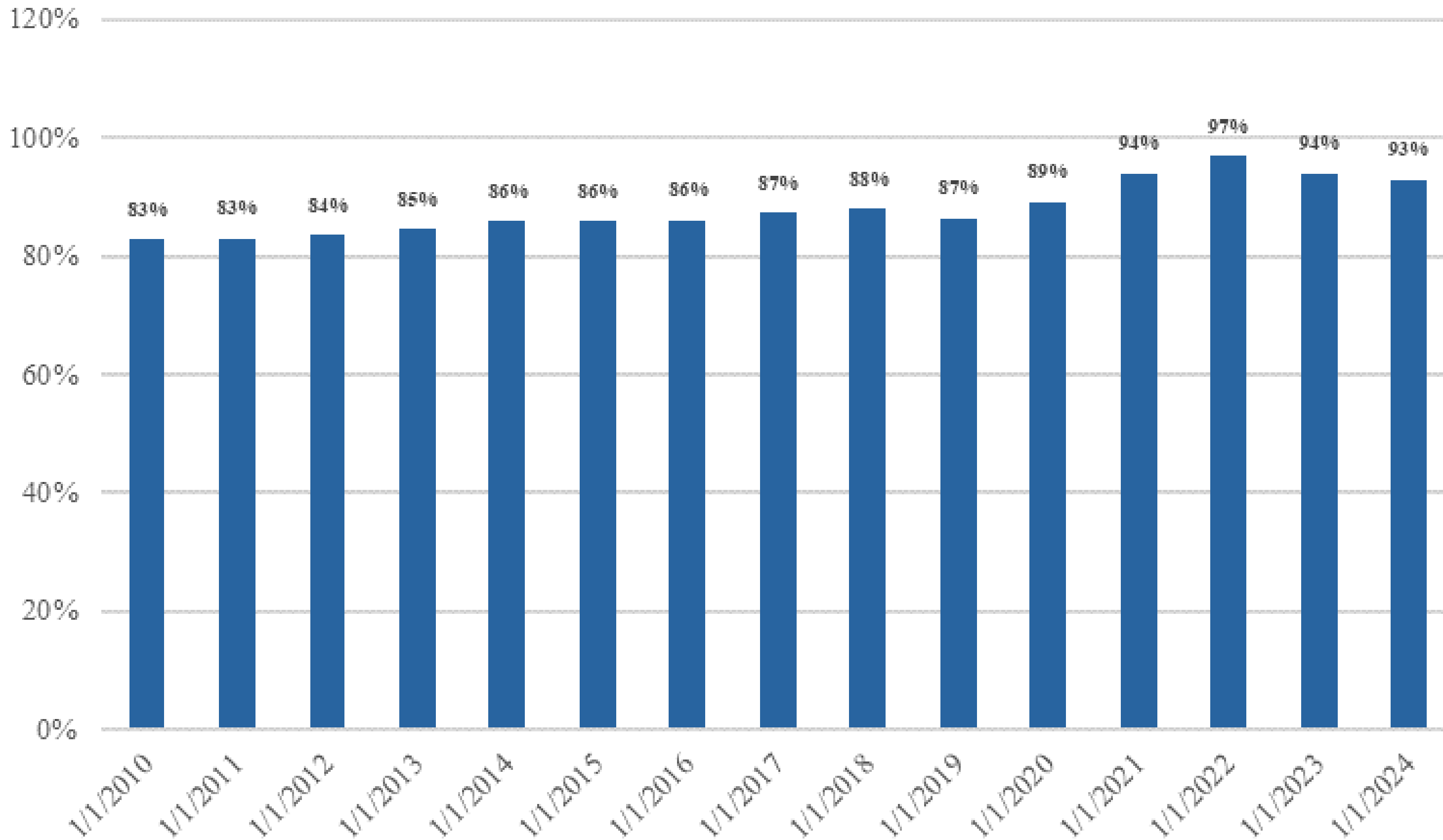
Numbers may not add or subtract due to rounding.

Sources of Change in Key Valuation Results

	District Contribution Rate	Funded Ratio
January 1, 2023 Valuation	**13.51%**	**93.89%**
Expected change	0.00%	0.37%
Contributions above actuarial rate	(0.08%)	0.15%
Investment experience	0.31%	(0.60%)
Demographic/other experience	0.46%	(0.87%)
Payroll higher than expected	(0.17%)	0.00%
Total Net Change	**0.52%**	**(0.95%)**
January 1, 2024 Valuation	**14.03%**	**92.94%**

The main factor that impacted the decrease in the funded ratio and increase in the District's contribution rate was unfavorable demographic experience which was due to larger salary increases and higher COLAs than expected, based on the assumptions.

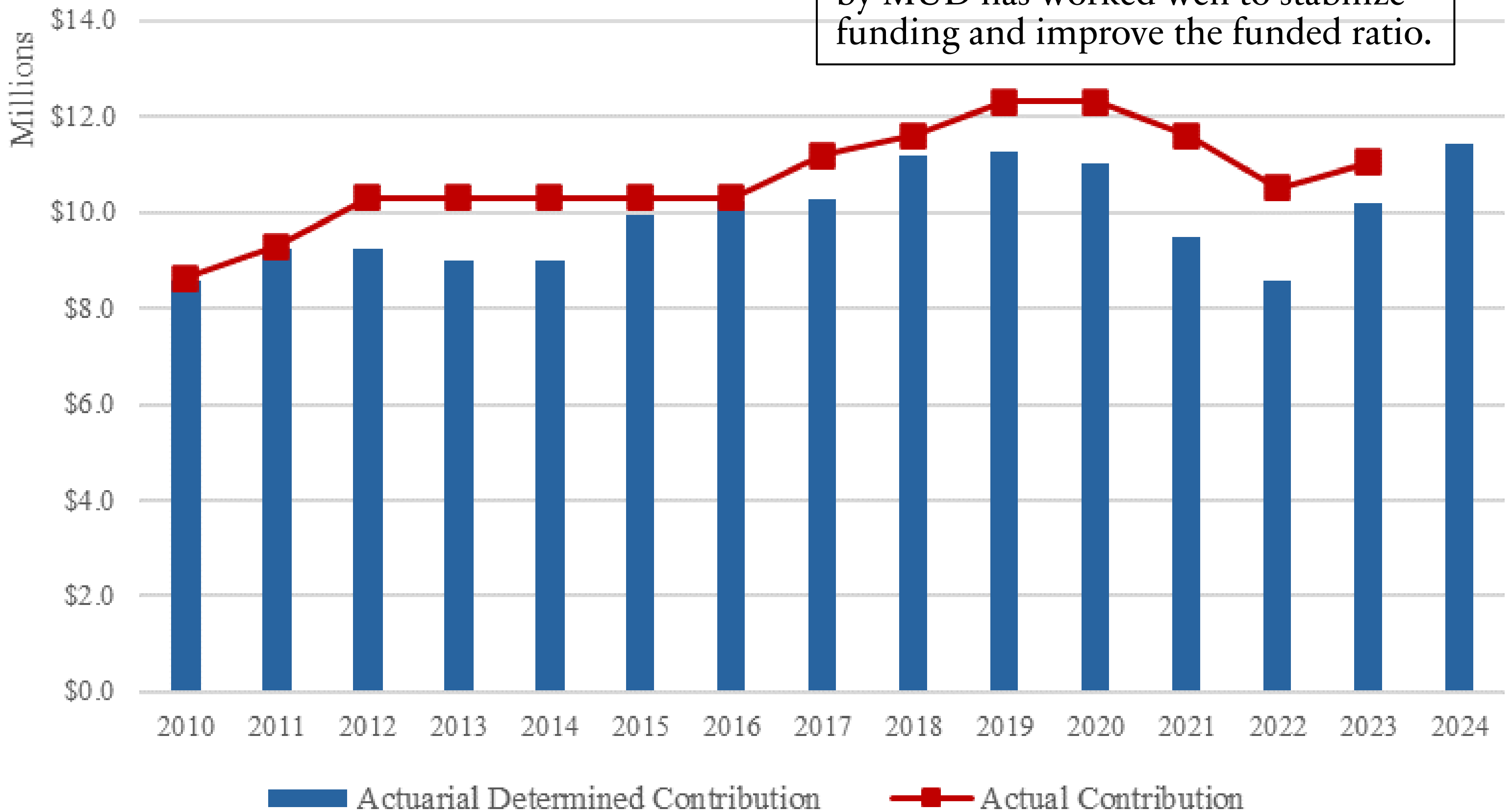
Historical Funded Ratio



Although the funded ratio is just one key measurement of the financial health of a Plan, the 80% threshold is relevant in Nebraska as a funded ratio below 80% requires reporting to the Nebraska Retirement Systems Committee. Funded ratio uses actuarial (smoothed) value of assets.

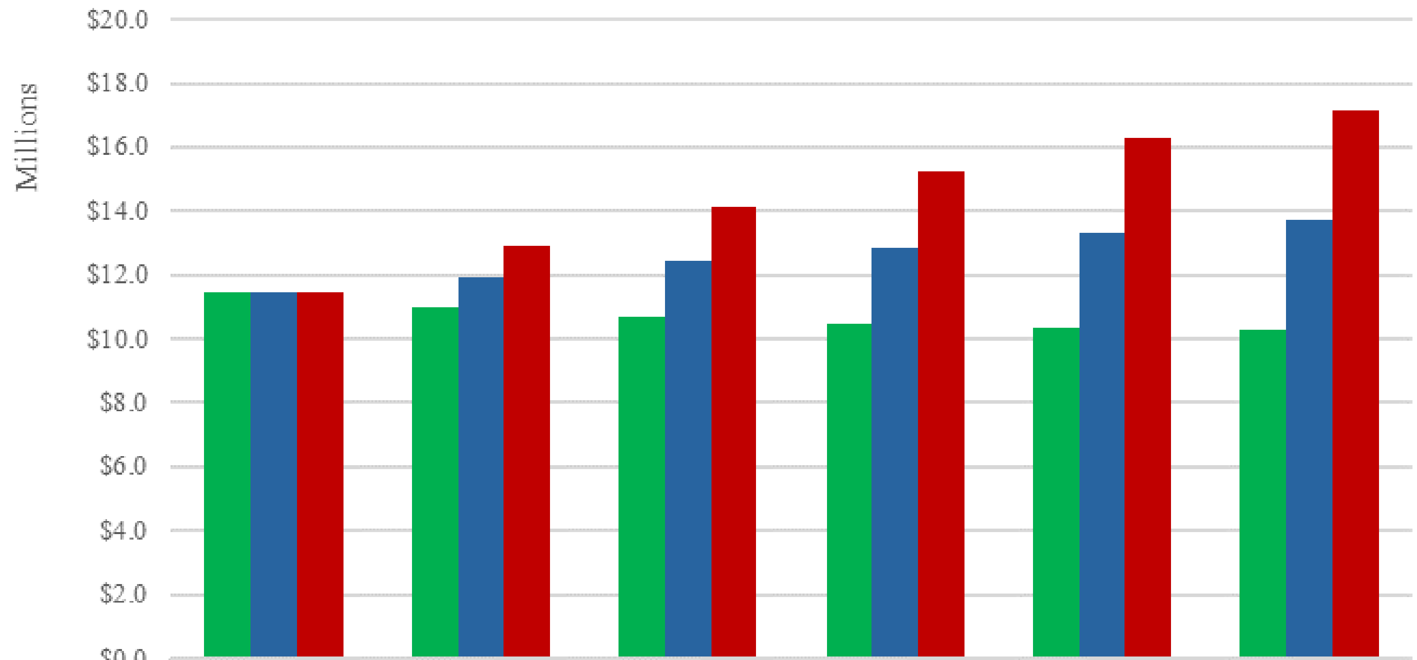
Historical Employer Contributions

The stable contribution policy adopted by MUD has worked well to stabilize funding and improve the funded ratio.



Actuarial Determined Contribution (ADC) includes a component to address the funding of the unfunded actuarial liability and move the Plan to a funded ratio of 100%. Actual contributions above the ADC reduce the unfunded actuarial liability more rapidly than scheduled and improve the funded ratio.

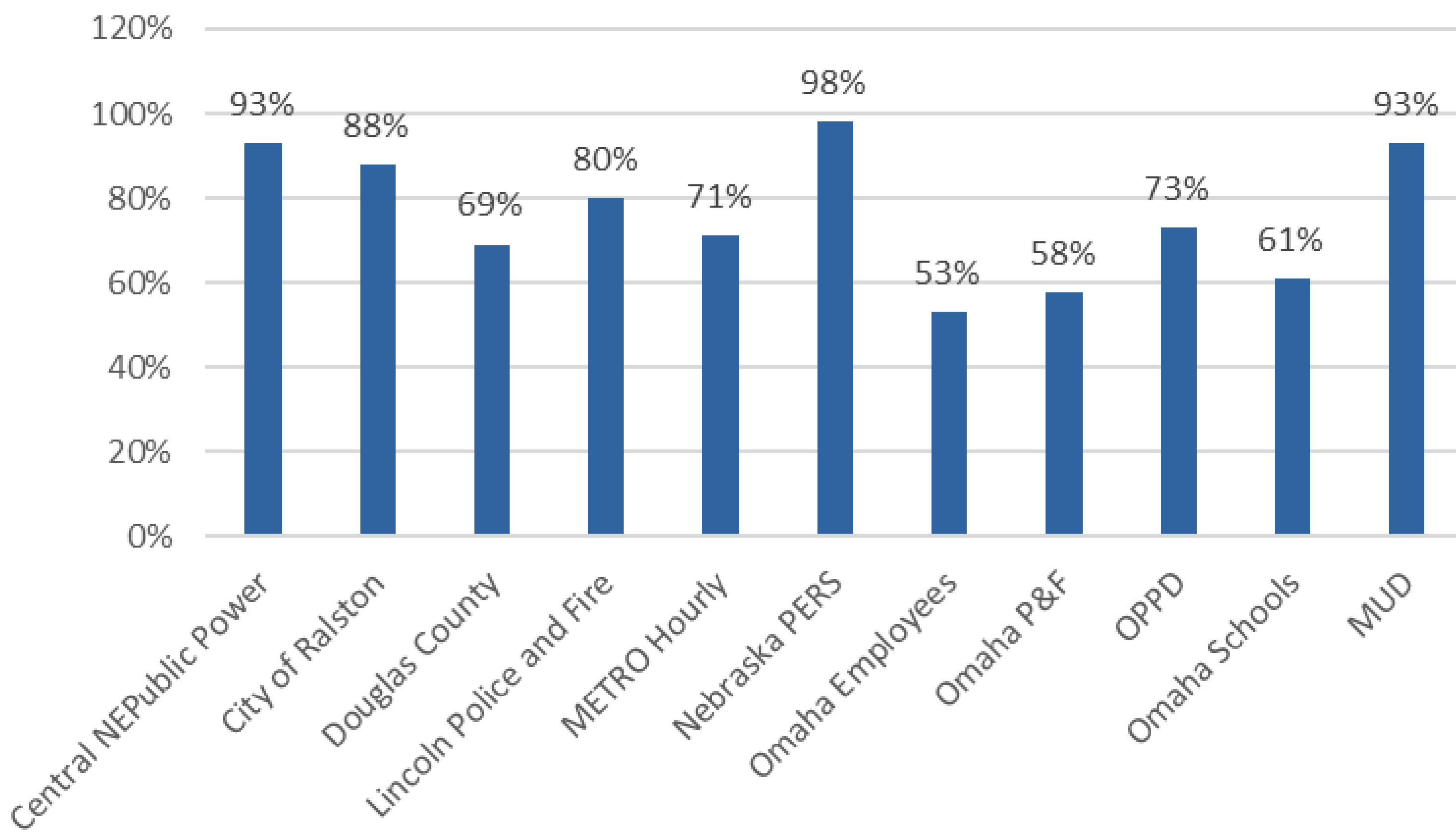
Sensitivity Analysis: Future District Contributions



	2023	2024	2025	2026	2027	2028
16.75% Return for 2024	$11.4	$11.0	$10.7	$10.5	$10.4	$10.3
6.75% Return for 2024	$11.4	$11.9	$12.4	$12.9	$13.3	$13.8
-3.25% Return for 2024	$11.4	$12.9	$14.1	$15.3	$16.3	$17.2

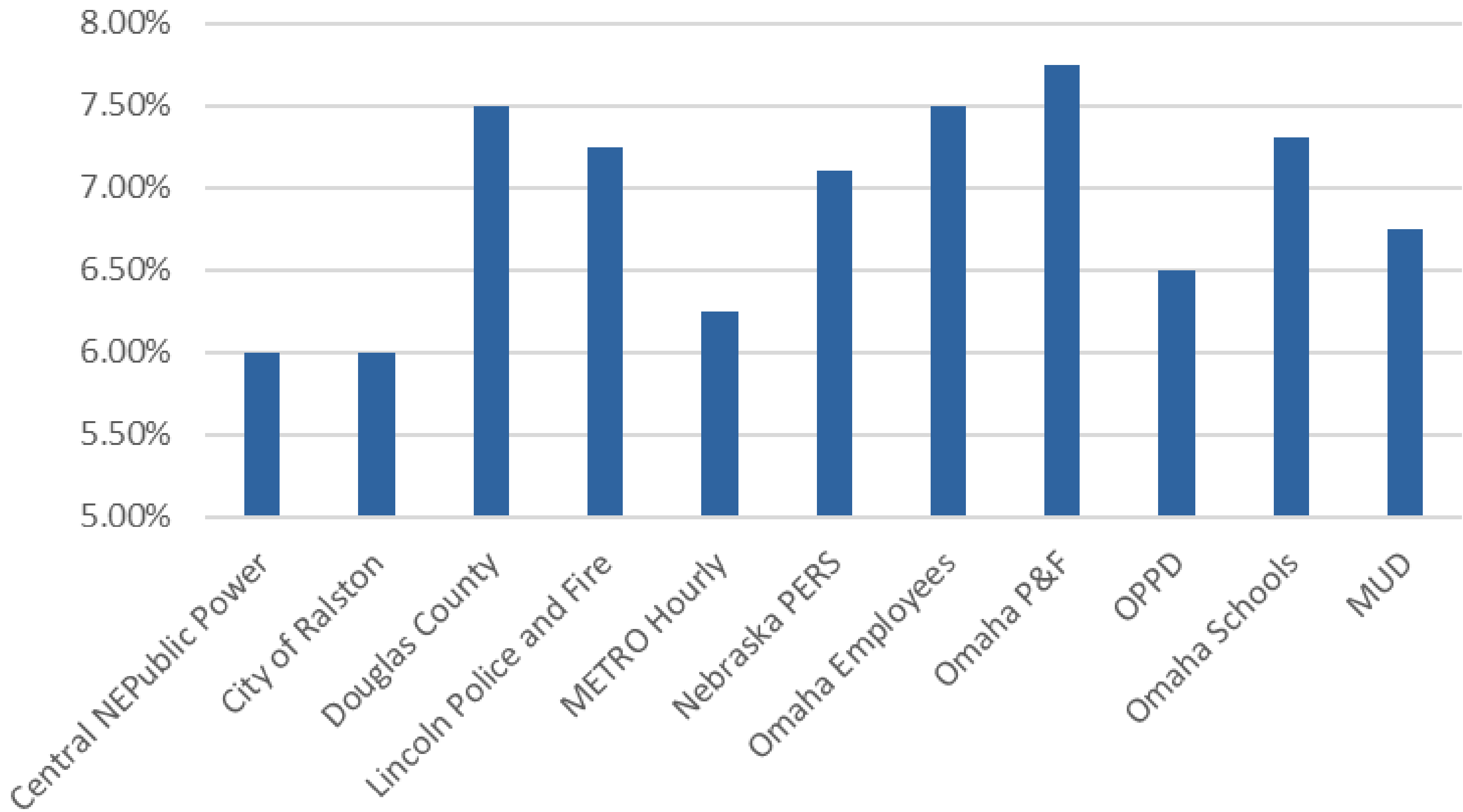
Assumes that all actuarial assumptions are met in each future year other than FY 2024 returns, as noted.

Funded Ratios of Other Nebraska Plans



Dates vary but most are 2023 valuation results. Note: the investment return assumptions vary by plan which impacts the funded ratio, so results are not directly comparable.

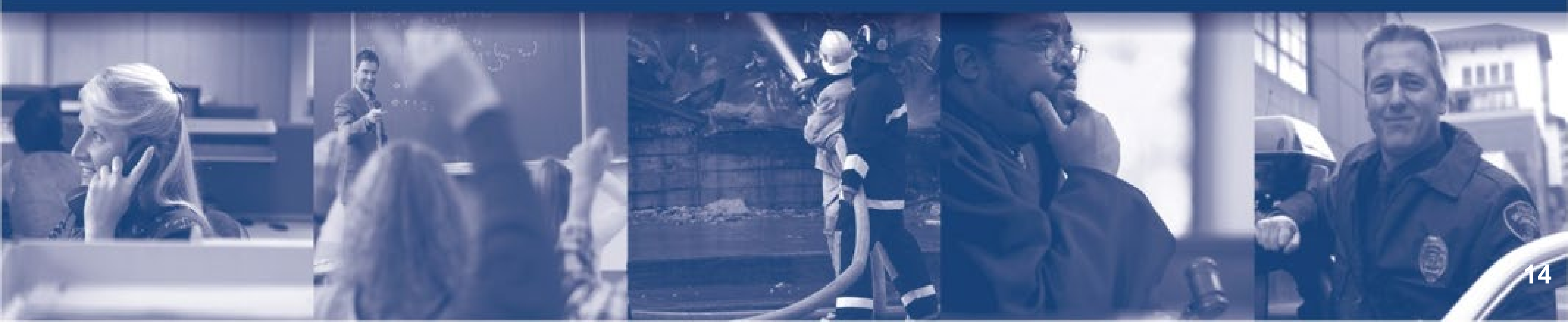
Investment Return Assumptions of Other Nebraska Plans



Closing Comments

- January 1, 2024 valuation reflects unfavorable experience on both assets and liabilities, resulting in a decrease in the funded ratio and an increase in the actuarial contribution.
  - Due to MUD’s funding policy, the impact of the contribution increase is less than the budgeted contribution.
  - Deferred investment losses exist which will increase future contribution amounts, absent higher-than-expected returns in the near term. Therefore, we recommend the District contribute the budgeted amount of $12.9 million for 2024.
- There is direct correlation between well-funded plans and consistent contributions at/above the full actuarial contribution.
  - MUD’s funding policy has been successful in stabilizing contributions and strengthening the funded ratio (currently 93%).
- Biggest challenge continues to be managing the volatility in actual investment returns that is inevitable when investing in the market and the corresponding impact on contributions.
  - MUD’s funding policy has mitigated some of the volatility in contributions.

Supplemental Information



Funding of Retirement Systems

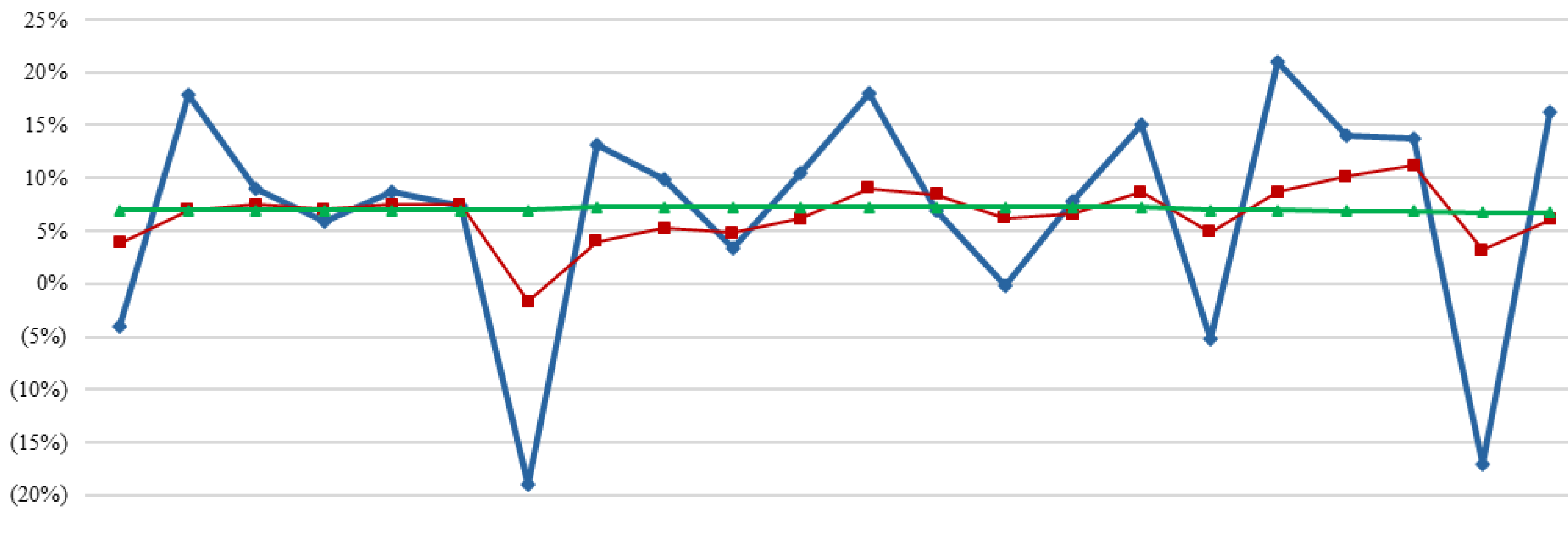
- Very long-term in nature, the obligations (liabilities) to current members stretch out more than 75 years

- Estimated benefit payments are the Plan's liabilities
  - Funding is based on many actuarial assumptions, but actual experience may vary from that expected
  - That variability creates "risk" (uncertainty) that translates into volatility in contributions
  - Funding Equation: $C + I = B + E$

- Prudent to regularly monitor funding progress so adjustments can be made as soon as trends become apparent

- Actuarial valuations are performed annually to evaluate current funded status and <u>*determine the actuarial contribution for current year based on the Plan's funding policy*</u>

Why Use an Asset Smoothing Method?



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
MVA	-3.99%	17.90%	9.02%	5.92%	8.76%	7.41%	-18.98	13.13%	9.91%	3.35%	10.50%	18.04%	6.92%	-0.23%	7.83%	15.04%	-5.17%	21.00%	13.99%	13.74%	-17.06	16.19%
AVA	3.88%	6.97%	7.48%	7.06%	7.49%	7.48%	-1.70%	3.97%	5.29%	4.82%	6.13%	9.01%	8.47%	6.23%	6.61%	8.68%	4.90%	8.63%	10.16%	11.15%	3.22%	6.07%
Assumed	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.25%	7.00%	7.00%	6.90%	6.90%	6.75%	6.75%

MVA = market value of assets
AVA = actuarial value of assets

Details of Actuarial Contribution

	1/1/24 Valuation	1/1/23 Valuation	Change
Normal cost rate	19.60%	19.59%	0.01%
UAL contribution*	3.43%	2.92%	0.51%
Total Contribution Rate	23.03%	22.51%	0.52%
Employee Rate	(9.00%)	(9.00%)	0.00%
Employer Rate	**14.03%**	**13.51%**	**0.52%**
Estimated Covered Payroll	$81,518,849	$75,528,659	$5,990,190
Total Required Contribution	$18,773,791	$17,001,501	1,772,290
Employee Contribution	$ 7,336,696	$ 6,797,579	539,117
Employer Contribution	**$11,437,095**	**$10,203,922**	**$ 1,233,173**

Note: Multiple amortization bases exist but the largest piece of unfunded actuarial liability (UAL) is amortized over a closed 20-year period (as of 1/1/2024).

Contribution Rate Volatility

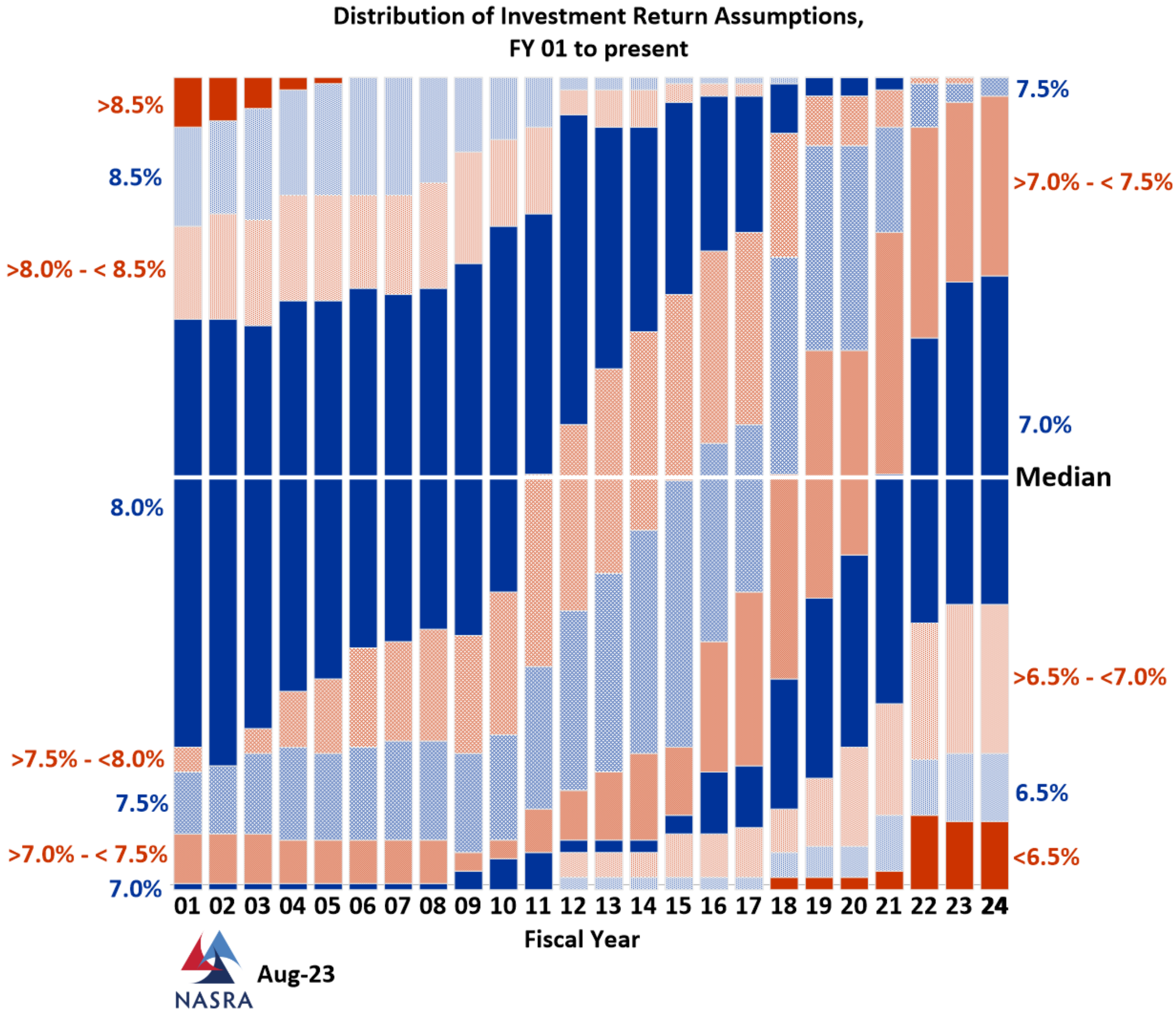
- MUD's Plan is very mature, similar to most public pension plans in the U.S.

- The more mature the plan, the more sensitive the contribution rate is to investment volatility

Year	Assets	Payroll	Ratio	Impact on Actuarial Contribution
2024	$537.4M	$77.8M	691%	$3.82M

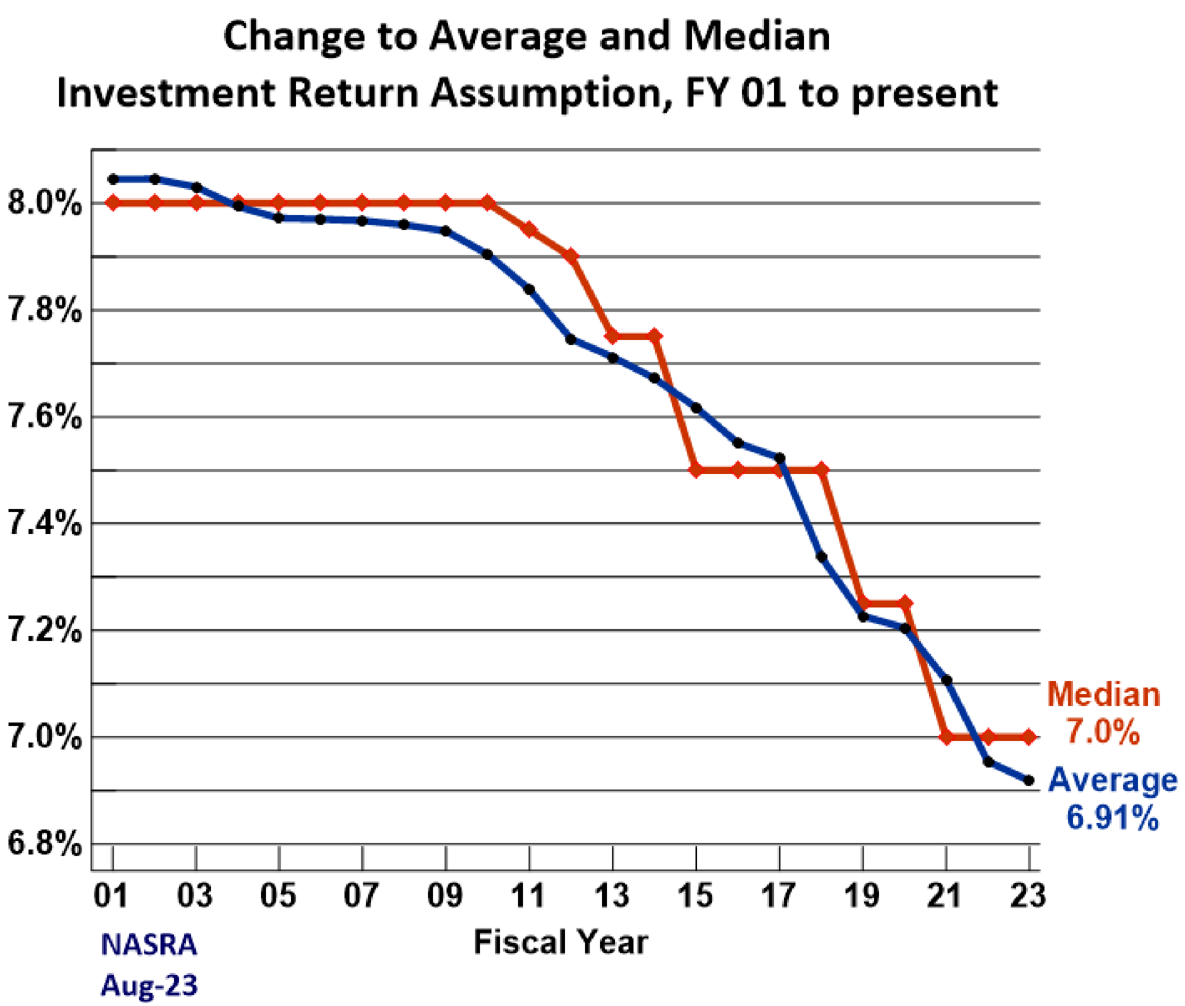
- Assets are more than six times payroll
  - Underperforming the investment return assumption by 10% (earn -3.25%) is equivalent to 69% of payroll
  - Even with asset smoothing and amortization of losses, the impact on the contribution is significant
  - This level of volatility is not unexpected given the asset allocation

Distribution of Investment Return Assumptions - Public Plan Survey



The key takeaway from this chart is the dramatic reduction in the median investment return assumption over the last 14 years. Currently, the median return is 7.00%, but we continue to see some systems reducing their assumptions, particularly those above 7.00%.

Assumptions Used by Other Public Plans



The key takeaway from this graph is the downward trend in the assumption, particularly in the last 10 years.

Results Under Alternate Return Assumptions

Investment Return Assumption	6.25%	6.50%	(current) 6.75%
Total Actuarial Contribution Rate	28.44%	25.68%	23.03%
Employee Contribution Rate	(9.00%)	(9.00%)	(9.00%)
District Contribution Rate	**19.44%**	**16.68%**	**14.03%**
District Contribution	**$15.8M**	**$13.6M**	**$11.4M**
Actuarial Liability	$625.9M	$607.3M	$589.6M
Actuarial Value of Assets	548.0M	548.0M	548.0M
Unfunded Actuarial Liability	$ 77.9M	$ 59.3M	$ 41.6M
Funded Ratio	**87.6%**	**90.2%**	**92.9%**

Note: All other assumptions are unchanged for purposes of this sensitivity analysis. Numbers may not add or subtract due to rounding.

Caveats and Limitations

This presentation is based on the data, methods, assumptions and plan provisions described in the actuarial valuation report dated March 18, 2024. The statements of reliance and limitations on the use of this material are reflected in the actuarial report and also apply to this presentation. These statements include reliance on the data provided, the actuarial certification and the purpose of the report.

Please see the January 1, 2024 actuarial valuation report for more detailed information on the data, assumptions, methods and plan provisions that were used to develop the valuation results presented herein. We are happy to provide additional information or respond to questions as needed.

Patrice Beckham

Patrice A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary

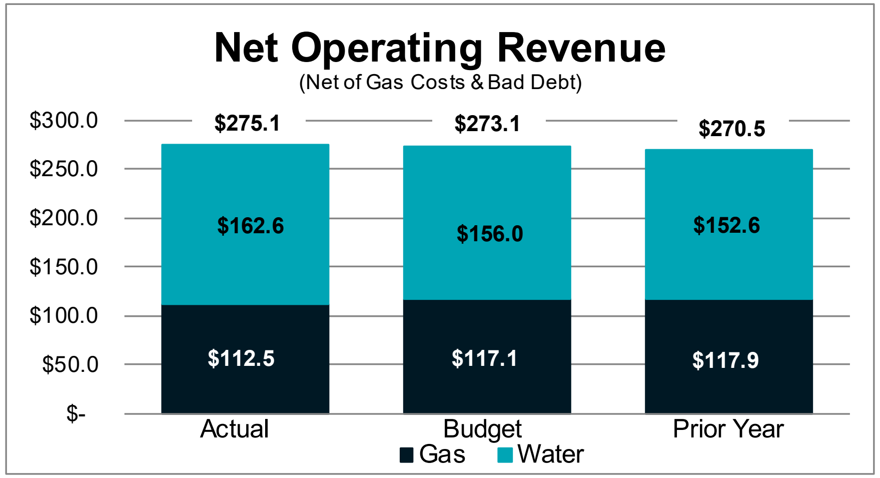
2023 FINANCIAL REVIEW

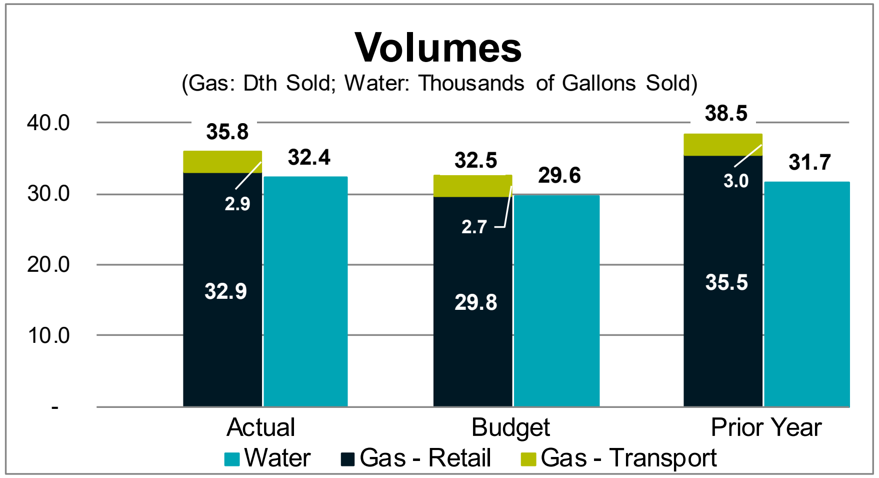
APRIL 3, 2024

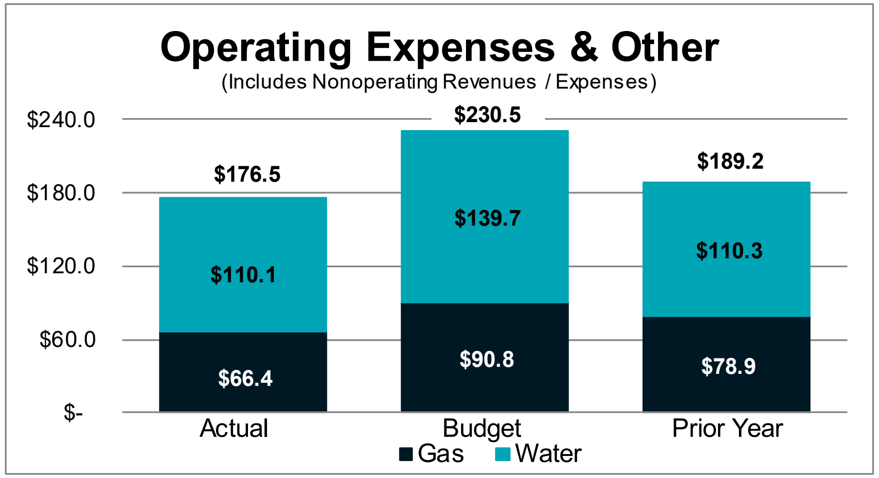
METROPOLITAN UTILITIES DISTRICT

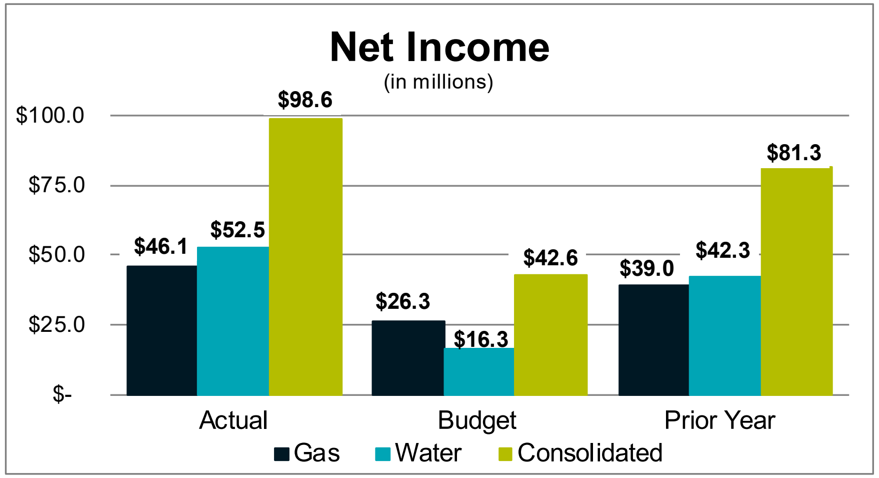
2023 FINANCIAL SUMMARY

GAS & WATER COMBINED (in millions)





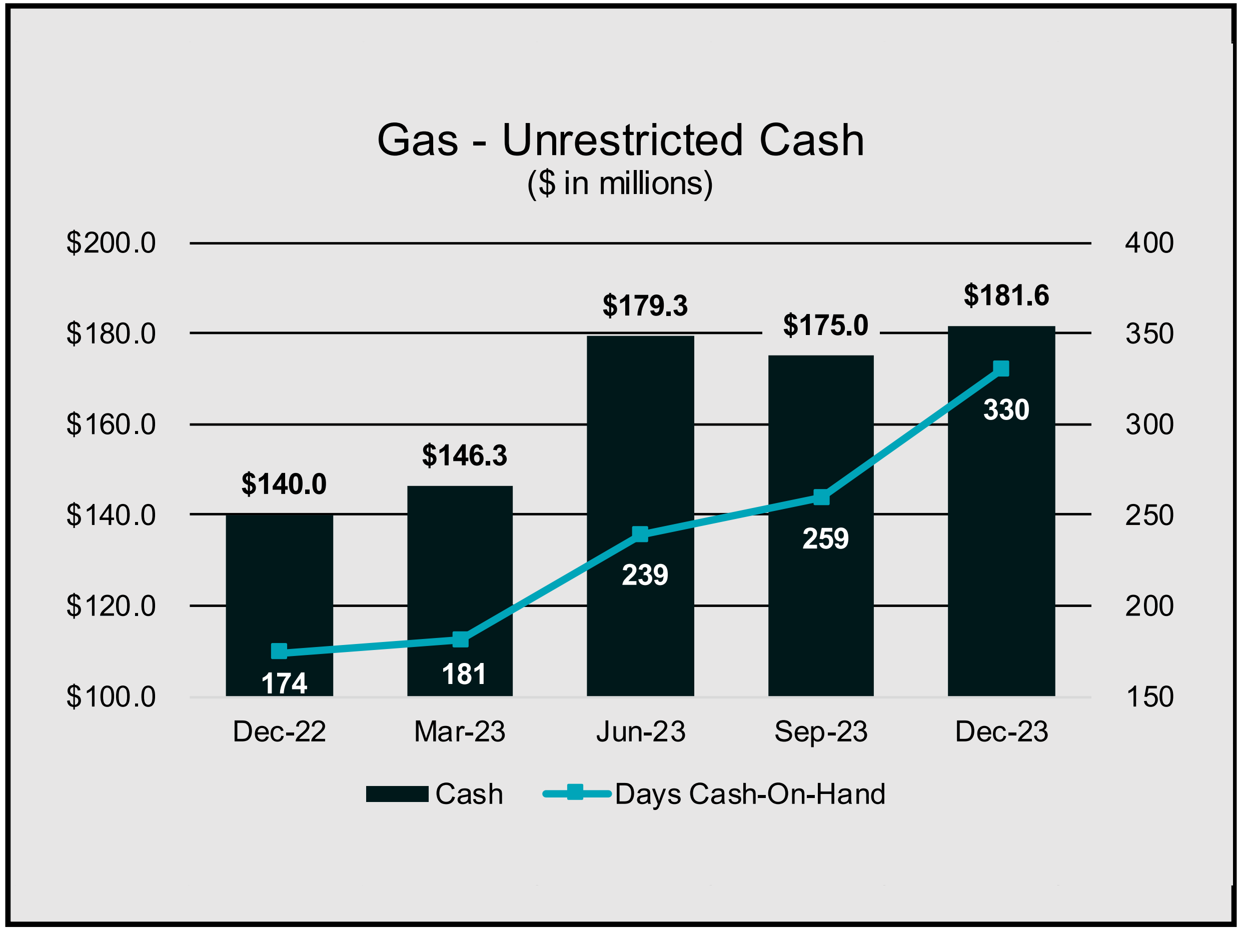


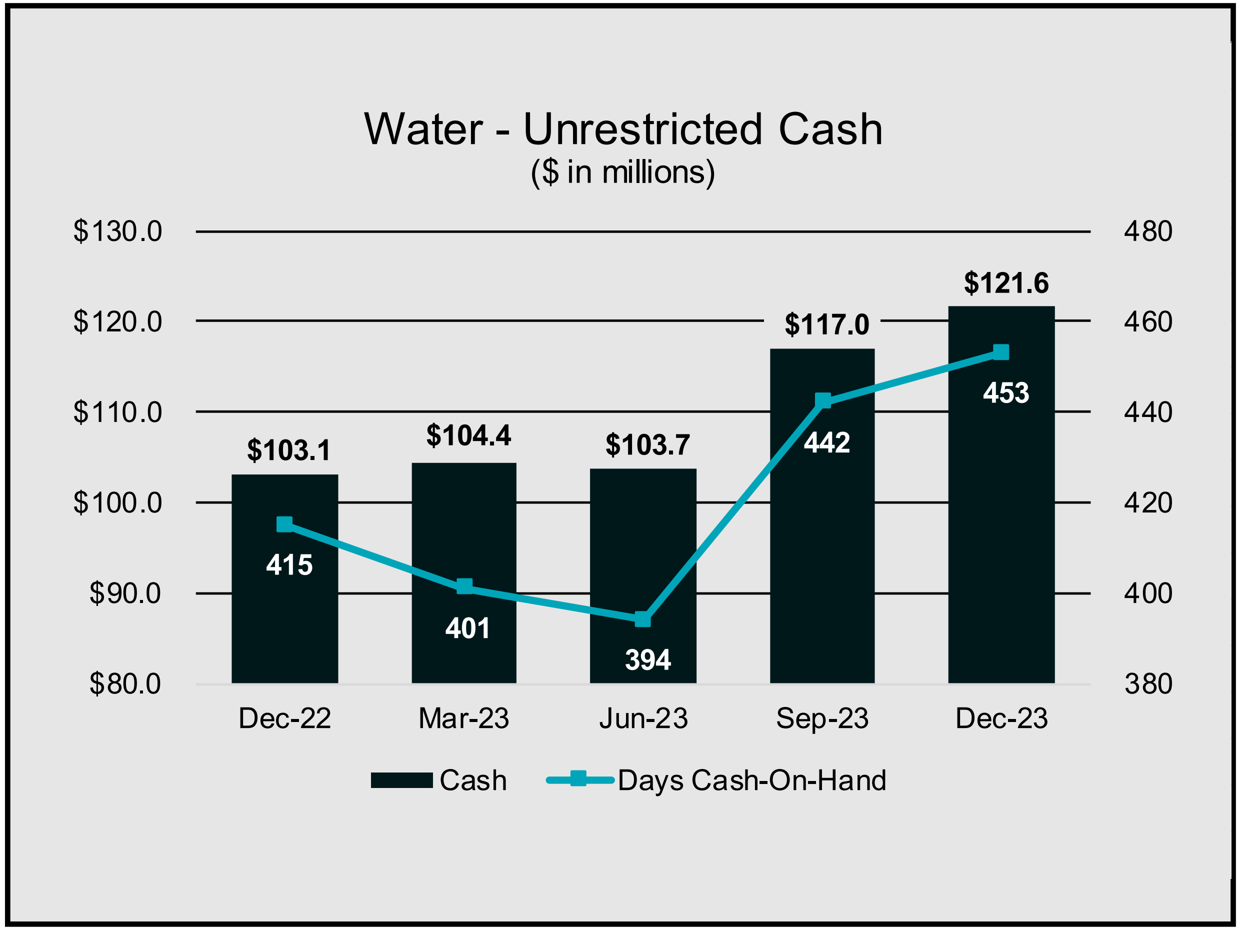


METROPOLITAN UTILITIES DISTRICT

CASH POSITION – GAS & WATER DEPARTMENTS

DECEMBER 31, 2023





FINANCIAL STABILITY – KEY MEASURES

	2023	2022
Debt Service Coverage:		
Water Debt service coverage ratios	4.27x	3.78x
Gas Debt service coverage ratios	4.20x	6.42x
Debt service coverage requirements	1.20x	1.20x
Pension Funding:		
Funded Ratio (Actuarial Value of Assets / Actuarial Liability)	93%	94%
OPEB Funding (\$ in millions):		
District contribution to OPEB trust fund	\$7.5	\$6.1
Retiree medical claims/fees paid	\$4.4	\$5.2
Total District contribution to OPEB Plan	\$11.9	\$11.3

Credit Ratings:

Gas Department		
Fitch Ratings - October 2023	AA+	2nd highest rating - No change
Moody's Investor Services - October 2023	Aa2	3rd highest rating - No change
S&P Global Ratings - November 2019	AA+	2nd highest rating - Upgrade
Water Department		
Fitch Ratings - N/A	-	Does not rate the Water Dept.
Moody's Investor Services - October 2023	Aa2	3rd highest rating - No change
S&P Global Ratings - July 2021	AA	3rd highest rating - Upgrade

METROPOLITAN

UTILITIES DISTRICT