

METROPOLITAN UTILITIES DISTRICT
DRAFT Committee Meetings Agenda
UPDATED 03/25/2026 4:00 PM

1:00 p.m.

April 1, 2026

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

Construction & Operations – Friend, Sidzyik, Cavanaugh

4. Capital Expenditures [Kendall Minor – SVP & Chief Operations Officer] – **Tab 5**
5. Acceptance of Contracts and Payment of Final Estimates
[Trevor Tonniges – Director, Plant Engineering] – **Tab 7**
6. Change Order 1 – WP2152 - Plattsmouth Service Connection – Valley
[Trevor Tonniges – Director, Plant Engineering] – **Tab 8**
7. Change Order 5 – WP1910 - PW WPF Lime Grit Removal System Upgrades
[Emily Hovda Walton – Director, Program Management] – **Tab 9**
8. Walnut Hill Update [Emily Hovda Walton – Director, Program Management] – **Tab A**
(INFORMATION ONLY)
9. Bids on Materials and Contracts
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 10**

Services & Extensions – Friend, Begley, Howard

10. Main Extensions [Masa Niiya – VP, Engineering] – **Tab 11**

Personnel – Begley, Sidzyik, Friend

11. Wage and/or Salary Increases and Ratification
[Bonnie Savine – VP, Human Resources] – **Tab 12**
12. Selection of Vice President, Safety & Security – **Tab 13**
13. Collective Bargaining Agreement [Bonnie Savine – VP, Human Resources] – **Tab 14**

Judicial & Legislative – Cavanaugh, Cook, Howard

14. Third Legislative Report for 2026 [Rick Kubat – Government Relations Attorney] – **Tab 15**
15. Surplus Property Declaration and Proposed Conveyance – 6161 South 132nd Street
[Mark Mendenhall – SVP & General Counsel] – **Tab 16**
16. Close on Purchase – Northwest Reservoir 192nd Street and State Street
[Mark Mendenhall – SVP & General Counsel] – **Tab 17**

Governance – Begley, Cook, Cavanaugh

17. Delegation of Authority [Mark Mendenhall – SVP & General Counsel] – **Tab 18**

Insurance & Pensions – Howard, McGowan, Cook

18. Actuarial Valuation Report on the Retirement Plan
[Steve Dickas – SVP & Chief Financial Officer] – **Tab 19**

Audit – McGowan, Howard, Begley

19. 2025 Audited Financial Statements [Robert Kreiser – VP, Accounting] – **Tab 20**

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

20. 2025 Financial Review [Robert Kreiser – VP, Accounting] – **Tab B (INFORMATION ONLY)**

(Turn over for regular Board Meeting agenda)

METROPOLITAN UTILITIES DISTRICT

Regular Monthly Board Meeting Agenda

1:45 p.m.

April 1, 2026

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings and Regular Board Meeting for March 4, 2026
- CONSTRUCTION & OPERATIONS**
 5. Capital Expenditures
 6. Capital Expenditures between \$25,000 and \$50,000
 7. Acceptance of Payments and Final Estimates
 8. Change Order 1 – WP2152 - Plattsmouth Service Connection – Valley
 9. Change Order 5 – WP1910 - PW WPF Lime Grit Removal System Upgrades
 10. Bids on Materials and Contracts
- SERVICES & EXTENSIONS**
 11. Main Extensions
- PERSONNEL**
 12. Wage and/or Salary Increases and Ratifications
 13. Selection of Vice President, Safety and Security
 14. Collective Bargaining Agreement
- JUDICIAL & LEGISLATIVE**
 15. Third Legislative Report of 2026
 16. Surplus Property Declaration and Proposed Conveyance – 6161 South 132nd Street
 17. Close on Purchase – Northwest Reservoir 192nd Street and State Street
- GOVERNANCE**
 18. Delegation of Authority
- INSURANCE & PENSION**
 19. Actuarial Valuation Report on the Retirement Plan
- AUDIT**
 20. 2025 Audited Financial Statements
- BOARD**
 21. President’s Performance and Salary Review
 22. Other Matters of District Business for Discussion
 23. Public Comment
 24. CLOSED SESSION

Adjourn Regular Monthly Board Meeting

(Turn over for Committee Meetings agenda)

METROPOLITAN UTILITIES DISTRICT

Minutes of the Committee Meeting

March 4, 2026

Chairperson Gwen Howard called to order the Committee meetings of the Metropolitan Utilities District Board of Directors at 1:00 p.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 22, 2026. 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 Friday, February 27, 2026.

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

Open Meetings Act Notice

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

Construction and Operations – Friend, Sidzyik, Cavanaugh

Senior Vice-President and Chief Operations Officer Kendall Minor presented the proposed capital expenditures as outlined in his letter to the Committee dated March 2, 2026.

Director of Plant Engineering Trevor Tonniges presented the acceptance of contracts and payment of final estimates as outlined in his letter to the Committee dated February 25, 2026.

Mr. Tonniges continued, presenting change order number 1 for the Rainwood & Skyline Pump Engine Overhauls - Interstate Power Systems as outlined in the letter from

Director of Program Management Emily Hovda Walton to the Committee dated January 30, 2026.

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 24, 2026. Discussion took place regarding acceptance of bids from local vs regional vendors.

Services and Extensions – Friend, Begley, Howard

Vice-President of Engineering Masa Niiya presented the proposed main extensions as outlined in his letter to the Committee dated February 23, 2026.

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 19, 2026.

Judicial and Legislative – Cavanaugh, Cook, Howard

Government Relations Attorney Rick Kubat reviewed the second legislative report of the 2026 session as outlined in his letter to the Committee dated February 24, 2026.

Attorney Justin Cooper presented the ratification of purchase of 2822 State Street as outlined in his letter to the Committee dated February 26, 2026.

Public Comment

Chairperson Howard asked if there was any member of the public who would like to address the Board.

Member of the public, Jon Traudt, requested the Board review information he provided regarding reduction of natural gas consumption and energy efficiency as it relates to consumer health.

Chairperson Howard asked if there were any further comments from the Board or Management. There was none.

At 1:37 p.m., Chairperson Howard 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 4, 2026

Chairperson Gwen Howard called to order the Regular Board meeting of the Metropolitan Utilities District Board of Directors at 1:47 p.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 22, 2026. 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 Friday, February 27, 2026.

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

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

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

AGENDA NO. 4

APPROVAL OF MINUTES FOR THE COMMITTEE MEETINGS AND REGULAR MONTHLY BOARD MEETING FOR FEBRUARY 4, 2026

Director Cavanaugh moved to approve the minutes for the Committee Meetings and Regular Monthly Board Meeting for February 4, 2026, which was seconded by Director Begley and carried on a roll call vote.

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

Voting No: None

AGENDA NO. 5
CAPITAL EXPENDITURES

Director Friend moved to approve the proposed Capital Expenditures as presented in the Committee Meetings by Senior Vice-President and Chief Operations Officer Kendall Minor as outlined in his letter to the Committee dated March 2, 2026. The motion was seconded by Director Sidzyik and carried on a roll call vote.

Voting Yes: Friend, Sidzyik, McGowan, Howard, Cavanaugh, Begley, Cook
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 Director of Plant Engineering Trevor Tonniges and as outlined in his letter to the Committee dated February 25, 2026. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

AGENDA NO. 7
CHANGE ORDER NO 1 – WP2217 – RAINWOOD AND SKYLINE PUMP ENGINE OVERHAULS – INTERSTATE POWER SYSTEMS

Director Friend moved to approve the Change Order 1 – WP2217– Rainwood & Skyline Pump Engine Overhauls - Interstate Power Systems as presented in the Committee Meetings by Director of Plant Engineering Trevor Tonniges and as outlined in the letter to the Committee dated January 30, 2026, from Director of Program Management Emily Hovda Walton. The motion was seconded by Director Sidzyik and carried on a roll call vote.

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

AGENDA NO. 8
BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve the Bids on Materials and Contracts as presented in the Committee Meetings by Vice-President of Procurement and Enterprise Services Jon Zellars and as outlined in the letter to the Committee dated February 24, 2026, from Director of Procurement Sherri Lightfoot. The motion was seconded by Director Begley and carried on a roll call vote.

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

AGENDA NO. 9
MAIN EXTENSIONS

Director Friend moved to approve the proposed Main Extensions as presented in the Committee Meetings by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated February 23, 2026, which was seconded by Director Cavanaugh and carried on a roll call vote.

Voting Yes: Friend, Sidzyik, McGowan, Howard, Cavanaugh, Begley, Cook
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 in the Committee Meetings by Vice-President of Human Resources Bonnie Savine and as outlined in her letter dated February 19, 2026. The motion was seconded by Director Sidzyik and carried on a roll call vote.

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

AGENDA NO. 11
SECOND LEGISLATIVE REPORT FOR 2026

Director Cavanaugh moved to approve the recommended positions on legislative bills outlined in the Second Legislative Report for 2026 as presented in the Committee Meetings by Government Relations Attorney Rick Kubat and as outlined in his letter dated February 24, 2026. The motion was seconded by Director Friend and carried on a roll call vote.

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

AGENDA NO. 12
RATIFICATION – PURCHASE OF 2822 STATE STREET

Director Cavanaugh moved to approve the Ratification of Purchase of 2822 State Street as presented in the Committee Meetings by Attorney Justin Cooper and as outlined in his letter dated February 26, 2026. The motion was seconded by Director Cook and carried on a roll call vote.

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

AGENDA NO. 13
OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Chairperson Howard asked whether any Board Members or Management had any comments they wished to share.

Senior Vice President and General Counsel Mark Mendenhall gave a brief reminder of the upcoming Heat the Streets fundraiser.

AGENDA NO. 14
PUBLIC COMMENT

Chairperson Howard asked if there were any members of the public who would like to address the Board. There was none.

AGENDA NO. 15
CLOSED SESSION

A closed session was not necessary.

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

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

Voting No: None

The regular Board Meeting was adjourned at 1:56 p.m.



Mark Doyle
President & Secretary to the Board

MD/sec

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 26, 2026

Subject: CAPITAL EXPENDITURES

To: Construction and Operations Committee
cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, and all Vice Presidents

From: Kendall Minor, SVP & Chief Operations Officer

The following capital expenditures will be on the April 1, 2026, Committee Agenda for consideration and the Board Agenda for approval:

BUILDINGS, PLANTS & EQUIPMENT

1. JOB #: GP2946 (100020000022 - \$290,000)

TOTAL COST: \$290,000

LOCATION: LNG

PURPOSE: Safety Improvements to staircase

DESCRIPTION: The District has identified safety improvements to the staircase on the LNG Tank as necessary to enhance user safety for District personnel when performing their duties on the tank. These improvements include adding toe-kicks to the side and back of each stair, increasing the height of the safety handrail, adding a cross-bar to the safety handrail, and structural reinforcements to the safety railing.

2. JOB #: WP2041 (100035000004 - \$202,000)

TOTAL COST: \$202,000

LOCATION: Platte West Water Production Facility

PURPOSE: Wellfield Generator Improvements Design

DESCRIPTION: The Platte West Water Production Facility currently relies on two mobile trailer-mounted generators for backup power, but this approach has significant limitations — the generators can only support about 35% of annual production demand, require shore power connection at the plant before deployment, and must be manually set up. A Feasibility Study evaluated three options for a more permanent solution, ultimately recommending Option #2: permanently sited, fully automated diesel generators sized to support full production capacity in both the Douglas and Saunders County wellfields. Following a competitive selection process, the engineering firm Schemmer is being recommended to lead the design phase, with construction to be competitively bid under a separate future approval.

3. JOB #: WP2148 (100085000677 - \$3,000,000)

TOTAL COST: \$3,000,000

LOCATION: Northwest Pump Station and Reservoir

PURPOSE: Final Design

DESCRIPTION: The District's 2022 Water System Master Plan identified the need for a new Zone 3 pump station and reservoir in northwest Omaha. Property northeast of 195th and State Street has been secured, with closing expected in April 2026. The District is now seeking authorization to hire a consultant for final design, construction documents, and

construction support — with construction tentatively set to begin in 2027 and be completed by summer 2029. Following a competitive RFP process in which five firms submitted proposals, a District selection team unanimously recommended Black and Veatch. They will partner with local firms HGM and Thiele Geotech, both of which have an extensive positive history with the District.

4. JOB #: (100033000142 - \$1,954,575) & (100033000081 - \$1,839,600)

TOTAL COST: \$3,794,175

LOCATION: Platte South Water Production Facility

PURPOSE: Replace North and South Upflow Basin roof and skylights

DESCRIPTION: The roof and skylights for the North and South Upflow Basins at the Platte South Water Treatment Facility are at the end of their service life and require replacement. Based on available 2026 budgeted funds, Facilities Management is seeking approval to replace the South Upflow Basin roof and skylights and to replace underground drain piping for roof drainage of both upflow basins to meet City of Bellevue code and defer the replacement of the North Upflow Basin roof and skylights until 2027. Additional funds will be budgeted in 2027 for the replacement of the North Upflow Basin roof and skylights. Capital expenditure authorization is requested now as the low bid for this work includes a no price escalation for the replacement of the North Upflow Basin roof and skylight in 2027.

SYSTEM IMPROVEMENTS

1. JOB #: WP2192 (100051001097 - \$80,000)

TOTAL COST: \$80,000

LOCATION: Pratt Street between North 24th Street and North 25th Avenue

PURPOSE: Install water mains

DESCRIPTION: This work is being done to improve water system reliability and meet modern fire protection requirements for the area. The new 6” water main along Pratt Street between North 24th Street and North 25th Avenue will provide a new feed for this area and better interconnect the distribution system. This project is anticipated to start in Spring 2026 and will be constructed along with infrastructure replacement work occurring in adjacent streets.

Approved:

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Mark Doyle
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Mark E. Doyle
President

DocuSigned by:
Kendall Minor
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Kendall Minor
SVP, Chief Operations Officer

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 25, 2026

Subject: CAPITAL EXPENDITURES FROM \$25,000 TO \$50,000

To: Committee on Construction and Operations
cc: all Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, and all Vice Presidents

From: Kendall Minor, SVP & Chief Operations Officer

These capital expenditures were released in February 2026

BUILDINGS, PLANTS & EQUIPMENT

1. JOB #: (100033000121- \$46,000)

TOTAL COST: \$ 46,000

LOCATION: Platte South Water Production Facility

PURPOSE: Catalysts for High Service Gas Engines

DESCRIPTION: This request is to purchase a spare set of catalyst elements for the high service pump #1 and #3 natural gas fired engines at the Platte South water production facility. These catalyst elements are part of the engines' emissions control system and require periodic cleaning to comply with state and federal regulations. Purchasing a spare set of catalysts will allow the engines to remain in service while the original catalyst set is sent out for professional cleaning and inspection.

2. JOB #: (100071000863- \$36,910)

TOTAL COST: \$ 36,910

LOCATION: Florence Water Treatment Plant

PURPOSE: Chlorine Building Valve Replacement

DESCRIPTION: The chlorine building at the Florence Water Treatment Plant was constructed in 2003. There are several one-inch valves that isolate the individual chlorine cylinders when changing cylinders or performing maintenance. These valves are original to the building and are showing signs of corrosion and are becoming difficult to operate. This C&A will cover the replacement of 32 valves.

SYSTEM IMPROVEMENTS

1. JOB #: R2391 (100054001315 - \$36,000) & (100068001301 - \$5,200)

TOTAL COST: \$41,200

LOCATION: North 204th Street and Fort Street

PURPOSE: Replace gas mains

DESCRIPTION: This work is required to eliminate conflicts with proposed grading and storm sewers being done for the Fort Street realignment and Highway N-31 widening on Douglas County's Project C-28(327). This project is anticipated to begin spring 2026 and will be constructed by a District crew.

DocuSigned by:

Kendall Minor

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Kendall Minor
SVP, Chief Operations Officer

Approved:

DocuSigned by:

Mark Doyle

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 24, 2026

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

To: Construction and Operations Committee
 cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor, and all Vice Presidents

From: Trevor Tonniges, Director, Plant Engineering

The following items will be on the April 1, 2026, 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. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2024/2025); PLUMBRITE, LLC; WP2081 (100097000018)	5/21/2024	\$250,385.00	\$412,951.86

Comments: 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. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2024/2025); BACKLUND PLUMBING; WP2112 (100097000020, 100097000027, 100097000028, 100097000029, 100097000030, 100097000031, 100097000032, 100097000033)	6/14/2024	\$698,020.00	\$562,134.10

Comments: 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. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2024/2025); BACKLUND PLUMBING; WP2130 (100097000035)	10/16/2024	\$530,561.12	\$971,768.20

Comments: 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. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2024/2025); HARRISON PLUMBING; WP2131 (100097000036)	10/16/2024	\$270,228.60	\$485,627.29

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

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
e. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2024/2025); PLUMBRITE, LLC.; WP2132 (100097000037)	10/18/2024	\$265,041.70	\$684,733.29

Comments: 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. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2025); EYMAN PLUMBING; WP2172 (100097000065, 100097000066)	2/10/2025	\$1,706,881.00	\$534,364.53

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

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
g. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2025); PLUMBRITE, LLC.; WP2173 (100097000067, 100097000068)	2/13/2025	\$1,706,881.00	\$997,100.66

Comments: 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
h. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2025); BURTON PLUMBING SERVICES, LLC.; WP2174 (100097000069, 100097000070)	3/11/2025	\$1,706,881.00	\$796,782.78

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

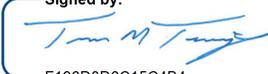
Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
i. LEAD SERVICE LINE REPLACEMENTS AT VARIOUS LOCATIONS (2025); OMAHA COUNCIL BLUFFS PLUMBING; WP2175 (100097000071, 100097000072)	3/12/2025	\$1,706,881.00	\$901,276.04

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

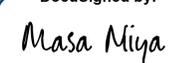
Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
j. PLATTE SOUTH DEHUMIDIFIER REPLACEMENT; PRAIRIE MECHANICAL CORPORATION; WP2198 (100033000027)	7/1/2025	\$1,110,764.00	\$1,117,895.00

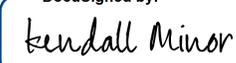
Comments: There was an increase of \$7,131.00 (+0.6%) for this project due to a previously approved change order required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

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

Signed by:

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Trevor Tonniges
 Director, Plant Engineering

Approved:

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Masa Niya
 Vice President
 Engineering

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Kendall Minor
 Senior Vice President
 Chief Operations Officer

Mark Doyle
 President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 16, 2026

Subject: CHANGE ORDER 1 – 24" SERVICE VALVE INSTALLATION, S. 36TH ST. & LA PLATTE RD.; VALLEY CORPORATION, WP2152 (100051001095)

To: Construction and Operations Committee
CC: All Board Members, President Doyle, Senior Vice Presidents Ausdemore, Mendenhall, Minor, Dickas, and all Vice Presidents

From: Trevor Tonniges, Director, Plant Engineering

On October 1, 2025, the District entered into a contract with Valley Corporation to install the 24" service tap and water main for the Plattsmouth water main connection. The original contract price was \$204,447.76. Change Order No. 1 results in an increase of \$36,509.03. This will change the total contract price to \$240,956.79.

Change Order No. 1 represents an additional cost of \$36,509.03 for additional materials, efforts and adjustments to finalize the connection of the Plattsmouth service to the District's water system.

This work has already been completed to prevent delays and your approval is requested. The developer has approved these costs.

Signed by:

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Trevor Tonniges
Director, Plant Engineering

Approved:

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Masa Niya
Vice President,
Engineering

DocuSigned by:

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Kendall Minor
Sr. Vice President,
Chief Operations Officer

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Mark Mendenhall
Sr. Vice President,
General Counsel

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Mark Doyle
President

QA/QC
JCT
03/16/2026

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 18, 2026

Subject: CHANGE ORDER #5 – LIME GRIT REMOVAL SYSTEM UPGRADES;
PLATTE WEST WPF, 21212 Q ST., ELKHORN, NE; BUILDING CRAFTS,
INC.; WP1910 (100035000010)

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

From: Emily Hovda Walton, Director, Program Management

On November 30, 2023 the District entered into a contract with Building Crafts, Inc. to perform Lime Grit Removal System Upgrades. The original contract price, with previously approved Change Orders 1, 2, 3, and 4, was \$1,333,663.69. Change Order No. 5 results in a net add of \$73,109.89. This will change the total contract price to \$1,406,773.58.

The first item is an addition to perform modifications to the Lime Feed Area in order to improve performance and usability of the space. These modifications include changes to the suction piping assemblies, the lime slurry return line, and the lime grit drop line.

The second item is an addition to add flushing taps to the classifier manifold system. This serves to increase usability and serviceability of the system.

This work is in progress and your approval is requested.

Signed by:



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Emily Hovda Walton
Director, Program Management

Approved:

DocuSigned by:



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Kendall Minor
Sr. Vice President,
Chief Operations Officer

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Mark Mendenhall
Sr. Vice President,
General Counsel

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Mark Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 24, 2026

Subject: Walnut Hill Reservoir and Pump Station Project

To: All Board Members

Cc: President Doyle, Senior Vice Presidents Ausdemore, Dickas, Mendenhall and Minor; and all Vice Presidents

From: Emily Hovda Walton, Director, Program Management

The purpose of this memorandum is to summarize the evaluation of the Walnut Hill Reservoir property, present the conceptual redevelopment options prepared by Erhart Griffin & Associates (EGA), and recommend a preferred alternative for Board awareness as the project advances into detailed design.

The Walnut Hill Reservoir was removed from service and disconnected from the District's distribution system in 2015, and the structure has since deteriorated, creating both a safety liability and an aesthetic concern for the surrounding neighborhood. On October 1, 2025, the Board approved a C&A for design services with EGA to assess site conditions, develop conceptual alternatives, and prepare detailed design for the District's selected option. EGA has now completed the site assessment and conceptual alternatives, and the District is prepared to move into detailed design.

EGA's Technical Memorandum (TM) outlined several options ranging from minimal intervention to full restoration of the Pump Station structures. On February 9, 2026, District Management, Engineering, and Water Operations staff met with EGA and their architectural subconsultant, Jackson and Jackson, to review the TM findings. Based on this joint evaluation, project team recommend removing both the reservoir, the west connecting structure and staircase, as shown in Figures 01 and 02, with staircase photograph provided in Figures 03.

Removing the western staircase, connecting structure and the reservoir, ensures a safe and stable demolition process. The west staircase sits significantly higher than the Pump Station ground floor, and the substantial elevation difference creates a risk of undermining the soil and footings supporting the staircase during reservoir demolition. Preserving the staircase and connecting structure would require highly controlled demolition methods, extensive shoring, and large quantities of imported fill to maintain stability. The staircase and western structure do not provide functional, structural, or historical value to the site or the Pump Station building. Removing it provides the best opportunity to preserve the Pump Station, which is the most historically significant structure on the site.

Following demolition, the western portion of the site will be regraded with a gentle slope extending westward from the Pump Station. This will create a uniform, well-drained, and relatively flat site that is safer, easier to maintain, and more attractive for future development and community use. The recommended approach, removing the reservoir and staircase, regrading the site, and preserving the Pump Station, offers the safest, most cost-effective, and most flexible long-term solution for the Walnut Hill property.

Detailed design for demolition of the reservoir and staircase is already included in EGA's current scope of services, and no additional appropriation is required at this time. District staff is providing this update to keep the Board informed as the project transitions into detailed design. The District will continue to work closely with the Board of Directors, community members, and City of Omaha Representatives to ensure clear communication and alignment on next steps for the property.

Signed by:

Emily Hovda Walton

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Emily Hovda Walton
Director, Program Management

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Melissa Polito

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Melissa Polito
Director, Water Production & Pumping

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Doug Whitfield

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Doug Whitfield
Vice President, Water Operations



Figure 01, Recommended Removals

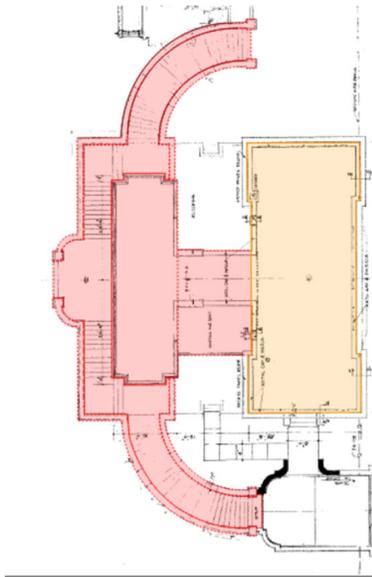


Figure 02, Recommended Removals, Detail

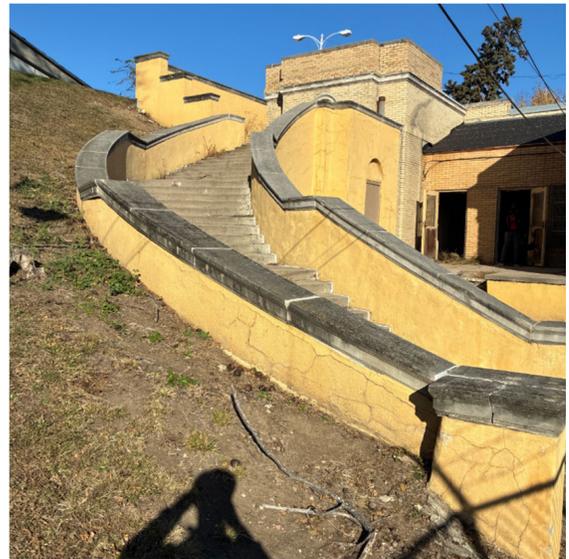


Figure 03, Staircase Photo South

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 24, 2026

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

To: Construction & Operations Committee
 cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor, and all Vice Presidents

From: Sherri A Lightfoot, Director, Procurement

The following items will be on the April 1, 2026 Committee Agenda for consideration and the April 1, 2026 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

WATER/GAS MAIN CONTRACTS

<u>Item</u>	<u>Bids Sent</u> <u>/ Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Install Water Mains in 168th & Giles Apartments Phase 1 Lot 1 - NW of S. 168th St. & Giles Rd. 100055001581 WP2259 Engineering Estimate: \$91,325.00 (A C&A in the amount of \$169,017.00 will be presented to the Board on April 1, 2026 for approval.)	41/4	Kersten Construction <i>Pat Thomas Construction</i> Cedar Construction MC Wells Contracting	\$77,462.25 88,820.00 105,250.00 117,625.00
Install Water Mains in Hillcrest Landing Lots 1-3, SE of S. 76th St. & Main St. 100055001601 100051001183 100041000395 WP2262 Engineering Estimate: \$332,600.00 (A C&A in the amount of \$414,208.00 will be presented to the Board on April 1, 2026 for approval.)	41/2	MC Wells Contracting Kersten Construction	\$328,500.00 421,598.00

RATIFICATION

<u>Item</u>	<u>Bids Sent</u> <u>/ Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
SuccessFactors & Work Force SAP Cloud Services Renewal Two (2) Year Contract (March 27, 2026 to March 26, 2028)	1/1	SuccessFactors	\$685,579.84
One (1) Electric 3,500lb. Reach Truck Forklift 100090001789	3/3	Lift Solutions MH Equipment Lift Solutions	\$61,546.00 * 61,389.70 82,966.00

*2nd Low Bid Recommended due to the equipment in stock for CC2.
(C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 7, 2026 in the amount of \$21,769,000.00.)

INFORMATION TECHNOLOGY

<u>Item</u>	<u>Bids Sent</u> <u>/ Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Benefits Administration System Five (5) Year Contract 100086000780	3/3	Empyrean <i>BenefitFocus</i> <i>AspireHR</i>	\$876,960.00 1,355,500.00 365,080.00 *
SSAM, Mirata Forms and FSM Implementation 100086000780	7/3	Delaware Consulting <i>Bridge Atlantic</i> <i>Havensight</i>	\$1,536,777.00 3,391,000.00 562,400.00 *

*Bid Rejected, Incomplete Bid did not include the Interactive Decision Support Tool.

*Bid Rejected, Incomplete Bid did not include the Field Service Management (FSM) Implementation.
(C&A for 100086000780 approved November 5, 2025 in the amount of \$3,500,000.00.)

OTHER

<u>Item</u>	<u>Bids Sent</u> <u>/ Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Replace Platte South Upflow Basin Roofs South Upflow Basin Roof in 2026 and North Upflow Basin Roof in 2027 Combined 30 - Year Warranty 100033000142(2026) 100033000081(2027) (A C&A in the amount of \$3,794,175.00 will be presented to the Board on April 1, 2026 for approval.)	10/4	Anderson Enterprises 10 Men Roofing <i>Stonebrook Exterior</i> <i>McKinnis Roofing</i>	\$3,231,122.00 3,246,000.00 3,559,700.00 3,875,759.21
Liquefied Natural Gas (LNG) Plant Staircase Safety Improvements 100020000022 GP2946 *Bid Rejected, Contractor Challenges on previous Florence Water Treatment Facility Project. (A C&A in the amount of \$290,000.00 will be presented to the Board on April 1, 2026 for approval.)	8/3	Omaha Mechanical <i>NV5 LNG Engineering</i> Cummings and Sons	\$242,069.50 268,330.46 147,389.42 *
Four (4) CNG Regular Cab Single Axle Chassis and Dump Bodies 100088000899 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 7, 2026 in the amount of \$21,769,000.00.)	9/3	Reading Truck Equipment MHC Kenworth Omaha Truck Center Companies	\$920,980.00 948,780.00 1,010,064.00

ANNUALS

<u>Item</u>	<u>Bids Sent</u> <u>/ Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Concrete and Asphalt Pavement Repairs at Various District Construction Sites - Year Two (2) of Three (3) Year Contract (June 1, 2026 to May 31, 2027)	1/1	Burrell Enterprises	\$814,785.00

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

Approved:

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Jon Zellars
Vice President, Procurement and Enterprise Services

Signed by:


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

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 18, 2026

Subject: MAIN EXTENSIONS

To: Services and Extensions Committee
cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor, and all Vice Presidents

From: Masa Niiya, Vice President, Engineering

The following main extensions will be on the April 1, 2026, Committee Agenda for consideration and the Board Agenda for approval:

1. JOB #: WP2286 (100059000296 - \$53,400)

PROJECT COST: \$53,400

DISTRICT COST: \$0

LOCATION: Southwest of South 204th Street and Harrison Street

DISTRICT SUBDIVISION: Cavanaugh

PURPOSE: Install water mains for Sunset Meadows Subdivision Phase 3

DESCRIPTION: Work to be done will provide water service and fire protection to 121 single-family residential lots and 9 outlots in Sunset Meadows Subdivision Phase 3.

2. JOB #: WP2262 (100055001601- \$352,038), (100051001183 - \$52,685) & (100041000395 - \$9,485)

PROJECT COST: \$414,208

DISTRICT COST: \$52,685

LOCATION: Southeast of South 76th Street and Main Street

DISTRICT SUBDIVISION: McGowan

PURPOSE: Install water mains for Hillcrest Landing Subdivision

DESCRIPTION: Work to be done will provide water service and fire protection to 3 multi-family residential lots in the Hillcrest Landing Subdivision.

3. JOB #: WP2259 (100055001581 - \$169,017)

PROJECT COST: \$169,017

DISTRICT COST: \$0

LOCATION: Northwest of South 168th Street and Giles Road

DISTRICT SUBDIVISION: Cavanaugh

PURPOSE: Install water mains for Divine Shepherd Subdivision

DESCRIPTION: Work to be done will provide domestic water service and fire protection to 2 multi-family residential lots for the 168th and Giles Apartments in the Divine Shepherd Subdivision.

Approved:

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

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Masa Niiya
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Masa Niiya
Vice President, Engineering

DocuSigned by:
Mark Doyle
Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 26, 2026

Subject: WAGE AND/OR SALARY INCREASES AND RATIFICATIONS, APRIL 2026 BOARD MEETING

To: Personnel Committee

cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor and all Vice Presidents

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: **Alex Case**
Current position (department): Customer Service Technician Trainee (Field Service Operations)
New position (department): Water Plant Maintenance Mechanic (Platte West Plant)
Current rate; step/grade: \$32.41; Step 4
Proposed rate; step/grade: \$34.99; Step 1
Percent of increase: 7.96%
District hire date: July 10, 2023

Employee: **Joseph Cummings**
Current position (department): Mechanic II (Transportation)
New position (department): Sr. Mechanic (Transportation)
Current rate; step/grade: \$44.95; Step 4
Proposed rate; step/grade: \$49.30; Step 4
Percent of increase: 9.68%
District hire date: May 7, 2018

Employee: **Tom Finn**
Current position (department): Mechanic II (Transportation)
New position (department): Sr. Mechanic (Transportation)
Current rate; step/grade: \$44.95; Step 4
Proposed rate; step/grade: \$49.30; Step 4
Percent of increase: 9.68%
District hire date: March 2, 2020

Wage and/or Salary Increases and Ratifications

April 2026

Page 2

Employee: **Logan McGill**
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Utility Locator (Safety and Security)
Current rate; step/grade: \$31.17; Step 3
Proposed rate; step/grade: \$35.25; EN
Percent of increase: 13.09%
District hire date: July 1, 2024

Employee: **Steve Novak**
Current position (department): Water Maintenance Worker (Water Distribution)
New position (department): Material Handler Trainee (Stores)
Current rate; step/grade: \$34.90; Step 2
Proposed rate; step/grade: \$37.48; Step 4
Percent of increase: 7.39%
District hire date: April 24, 2023

Employee: **Josiah Pesek**
Current position (department): Customer Service Technician (Field Service Operations)
New position (department): Customer Service Technician – Fitter (Field Service Operations)
Current rate; step/grade: \$42.27; Step 2
Proposed rate; step/grade: \$46.41; Step 3
Percent of increase: 9.79%
District hire date: May 10, 2021

Employee: **Martin Smith**
Current position (department): Water Maintenance Trainee (Water Distribution)
New position (department): Plant & Wellfield Maintenance Worker (Platte West Plant)
Current rate; step/grade: \$31.32; Step 3
Proposed rate; step/grade: \$34.71; Step 1
Percent of increase: 10.82%
District hire date: September 9, 2024

Employee: **Shane Zeimen**
Current position (department): Electrician (Central Maintenance)
New position (department): Sr. Electrician (Central Maintenance)
Current rate; step/grade: \$50.45; Step 4
Proposed rate; step/grade: \$52.97; Step 4
Percent of increase: 5.00%
District hire date: January 11, 2016

Wage and/or Salary Increases and Ratifications

April 2026

Page 3

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

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

There are no recommendations for approval this month

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

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

There are no recommendations for approval this month

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

The following employees are selected for promotion into SPA positions. It is recommended the President be authorized to increase the salary of these employees. These SPA jobs 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:	Angela Burgett
Current position (department):	Geographic Information System Technician II (Infrastructure Integrity)
New position (department):	Sr. Engineering Technician – Operations (Plant Engineering)
Current rate; step/grade:	\$35.48; Step 2
Proposed rate; step/grade:	\$88,023; SPA – 03
Percent of increase:	19.28%
District hire date:	July 3, 2023

Employee:	Colton Carey
Current position (department):	Mechanic II (Transportation Operations)
New position (department):	Foreman, Transportation – Shift (Transportation Administration)
Current rate; step/grade:	\$44.95; Step 4
Proposed rate; step/grade:	\$98,171; SPA – 04S
Percent of increase:	5.00%
District hire date:	July 19, 2021

Wage and/or Salary Increases and Ratifications

April 2026

Page 4

Employee: **Matthew Davison**
Current position (department): Sr. Mechanic (Transportation Operations)
New position (department): Foreman, Transportation – Shift (Transportation Administration)
Current rate; step/grade: \$49.30; Step 4
Proposed rate; step/grade: \$107,671; SPA – 04S
Percent of increase: 5.00%
District hire date: March 31, 1998

Employee: **Tricia Gosson**
Current position (department): Buyer (Purchasing)
New position (department): Sr. Buyer (Purchasing)
Current rate; step/grade: \$110,232; SPA – 03
Proposed rate; step/grade: \$115,744; SPA – 04
Percent of increase: 5.00%
District hire date: January 11, 2021

Employee: **Daniel Iliff**
Current position (department): Engineering Technician – Corrosion (Infrastructure Integrity)
New position (department): Sr. Engineering Technician – Operations (Plant Engineering)
Current rate; step/grade: \$46.67; Step 4
Proposed rate; step/grade: \$101,928; SPA – 03
Percent of increase: 5.00%
District hire date: September 19, 2005

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 ratifications for approval this month

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 Bonnie Savine
 Vice President, Human Resources

APPROVED:

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 Mark A. Mendenhall
 Senior Vice President, General Counsel

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 Mark E. Doyle
 President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 23, 2026

Subject: PROMOTION OF VICE PRESIDENT, SAFETY & SECURITY

To: Personnel Committee

cc: All Board Members; President Doyle; and Senior Vice Presidents Ausdemore, Dickas, Mendenhall, and Minor

From: Bonnie Savine, Vice President, Human Resources

The District recommends that the Board of Directors approve a promotional salary increase for Shane Docken, from Manager, Safety to Vice President, Safety & Security.

Mr. Docken was hired by the District on April 9, 2018 as a Safety Specialist. He was promoted to Manager, Safety in August 2019. Mr. Docken holds Bachelor of Science degrees in Criminology & Criminal Justice and Emergency Management as well as a Master of Science in Justice Administration & Crime Management. Additionally, he holds several professional certifications, notably Certified Safety Professional, Certified Protection Professional and Certified Business Continuity Professional.

Human Resources and the Senior Management team conducted a thorough recruitment and job placement process. The District's Senior Management team and I agree on this selection. Based on his extensive, proven work experience, Mr. Docken is recommended for promotion to the position of Vice President, Safety & Security. Mr. Docken's promotion will be from Grade SPA-6S to Grade SPA-11S on the Supervisory, Professional and Administrative Scale.

Given the expanded responsibilities associated with the Vice President, Safety & Security role, it is recommended that the President be authorized to increase Mr. Docken's salary to \$180,073 per year, effective April 16, 2026, in accordance with District policy.

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Bonnie Savine

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Bonnie Savine

Vice President, Human Resources

APPROVED:

DocuSigned by:

Mark Mendenhall

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Mark A. Mendenhall

Senior Vice President, General Counsel

DocuSigned by:

Mark Doyle

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Mark E. Doyle

President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 20, 2026

**Subject: COLLECTIVE BARGAINING AGREEMENT
(EFFECTIVE APRIL 1, 2026 - MARCH 31, 2030)**

To: Personnel Committee
cc: All Board Members; President Doyle, Senior Vice Presidents Ausdemore,
Dickas, Mendenhall, Minor

From: Bonnie Savine, Vice President, Human Resources

The District reached a tentative agreement with IBEW 1521 on February 25, 2026, for an updated Collective Bargaining Agreement (“Agreement”). IBEW 1521 members voted and approved the tentative Agreement on March 11, 2026.

The Agreement was reached after extensive and significant work by Management and the IBEW 1521’s representatives. Both groups recognize the importance of having an effective contract and the goal to improve the financial viability of the District.

Management recommends the President be authorized to enter into the updated Collective Bargaining Agreement with the IBEW 1521. I will be available to answer questions at the April 1, 2026 Board meeting.

DocuSigned by:

Bonnie Savine

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Bonnie Savine

Vice President, Human Resources

DocuSigned by:

Mark Mendenhall

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Mark Mendenhall

Senior Vice President, General Counsel

APPROVED:

DocuSigned by:

Mark Doyle

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Mark E. Doyle
President

Bargaining Agreement Components:

The agreement begins April 1, 2026, and ends March 31, 2030.

Wage increases:

Wage increases are as follows:

	2026	2027	2028	2029
General Increase	4.00%	4.00%	3.10%	3.50%

Group Medicare Supplement Plan for employees hired on or after 9/28/2013:

Employees hired on or after 9/28/2013 are removed from the District’s PPO health insurance plan once they reach Medicare eligible age. Effective 1/1/2027, employees hired on or after 9/28/2013 will have an option to transition to the District’s Group Medicare Supplement Plan upon reaching Medicare eligible age.

	Up to 12/31/2026
Employees hired on or after September 28, 2013	<p>Employees hired on or after September 28, 2013 will be eligible for the current Retiree PPO health insurance plan until they reach Medicare eligible age.</p> <p>Upon reaching Medicare eligible age, the Retiree will be removed from the District’s PPO health insurance plan.</p> <p>A qualified spouse may also participate in the District’s Retiree PPO health insurance plan until they reach Medicare eligible age.</p>
	Effective 1/1/2027
Employees hired on or after September 28, 2013	<p>Employees hired on or after September 28, 2013 will be eligible for the current Retiree PPO health insurance coverage until they reach Medicare eligible age.</p> <p>A qualified spouse may also participate in the District’s Retiree PPO health insurance until they reach Medicare eligible age.</p> <p>Upon reaching Medicare eligible age, a Retiree covered under the PPO health insurance plan will be eligible to transition to the District’s Group Medicare Supplement Plan. If an employee elects to participate in the District’s Group Medicare Supplement Plan, the District will contribute a \$200 monthly subsidy toward the retiree’s monthly premium, paid directly to the plan administrator.</p> <p>Upon reaching Medicare eligible age, a qualified spouse under the PPO health insurance plan, may also transition into the District’s Group Medicare Supplement Plan, and are also eligible for the \$200 monthly subsidy.</p>

Deferred Compensation Plan 457(b):

Employees hired after 9/28/2013 have a higher match for their 457(b), in order to assist with the cost of supplementing their Medicare coverage. With the change above, the Deferred Compensation Plan 457(b) for employees hired on or after 9/28/2013 will now align with employees hired prior to 9/28/2013 effective 1/1/2027:

Effective until 12/31/2026	
Employees hired on or after September 28, 2013	Employees hired on or after September 28, 2013 will be eligible for 100% match of their first \$2,500 contributed annually into the Deferred Compensation plan (457b).
Employees hired prior to September 28, 2013	Employees hired prior to September 28, 2013 will be eligible for 50% match of their first \$3,000 contributed annually into the Deferred Compensation plan (457b).

Effective 1/1/2027	
All Employees	All employees will be eligible for 50% match of their first \$3,000 contributed annually into the Deferred Compensation plan (457b).

Pension Plan:

No change to employee contribution for the pension plan:

	2027	2028	2029	2030
Employee Contributions	9.00%	9.00%	9.00%	9.00%

Health Insurance:

Effective 1/1/2027, increase to Employee Contributions.

Effective 1/1/2028, increase to Deductibles, Coinsurance limit, medical copays, and pharmacy co-pays.

Employee Contributions	Calendar Years				
	2026	2027	2028	2029	2030
EE Only	15%	15.50%	15.50%	16%	16%
EE + One	15%	15.50%	15.50%	16%	16%
Family	15%	15.50%	15.50%	16%	16%

In-Network - Deductible	Calendar Years				
	2026	2027	2028	2029	2030
EE Only	\$700	\$700	\$750	\$800	\$800
EE + One (Same as Family)	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600
Family	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600

Out-of-Network – Deductible	Calendar Years				
	2026	2027	2028	2029	2030
EE Only	\$1,400	\$1,400	\$1,500	\$1,600	\$1,600
EE + One (Same as Family)	\$2,800	\$2,800	\$3,000	\$3,200	\$3,200
Family	\$2,800	\$2,800	\$3,000	\$3,200	\$3,200

Coinsurance Limit	In-Network - Medical Coinsurance Limit				
	2026	2027	2028	2029	2030
EE Only	\$1,800	\$1,800	\$1,900	\$1,900	\$1,900
EE + One	\$3,600	\$3,600	\$3,800	\$3,800	\$3,800
Family	\$3,600	\$3,600	\$3,800	\$3,800	\$3,800

Coinsurance Limit	Out-of-Network - Medical Coinsurance Limit				
	2026	2027	2028	2029	2030
EE Only	\$3,600	\$3,600	\$3,800	\$3,800	\$3,800
EE + One	\$7,200	\$7,200	\$7,600	\$7,600	\$7,600
Family	\$7,200	\$7,200	\$7,600	\$7,600	\$7,600

Deductible & Coinsurance Limit	In-Network - Limit				
	2026	2027	2028	2029	2030
EE Only	\$2,500	\$2,500	\$2,650	\$2,700	\$2,700
EE + One	\$5,000	\$5,000	\$5,300	\$5,400	\$5,400
Family	\$5,000	\$5,000	\$5,300	\$5,400	\$5,400

Deductible & Coinsurance Limit	Out-of-Network - Limit				
	2026	2027	2028	2029	2030
EE Only	\$5,000	\$5,000	\$5,250	\$5,400	\$5,400
EE + One	\$10,000	\$10,000	\$10,500	\$10,800	\$10,800
Family	\$10,000	\$10,000	\$10,500	\$10,800	\$10,800

Medical Copays	In-Network Medical Copays				
	2026	2027	2028	2029	2030
Office Visits - Primary Care Physician (PCP)	\$20	\$20	\$25	\$25	\$25
Office Visits (Specialist)	\$20	\$20	\$30	\$30	\$30
Telehealth	\$5	\$5	\$5	\$5	\$5
Urgent Care visits	\$20	\$20	\$30	\$30	\$30
Emergency Room Visits*	\$100	\$100	\$120	\$120	\$120
<i>*ER Copay waived if admitted</i>					

Medical Copays	Out-of-Network - Medical Copays				
	2026	2027	2028	2029	2030
Office Visits (PCP)	\$22	\$22	\$30	\$30	\$30
Office Visits (Specialist)	\$22	\$22	\$40	\$40	\$40
Telehealth	N/A	N/A	N/A	N/A	N/A
Urgent Care visits	\$22	\$22	\$40	\$40	\$40
Emergency Room Visits*	\$100	\$100	\$120	\$120	\$120
<i>*ER Copay waived if admitted</i>					

Pharmacy Copays	In-Network				
	2026	2027	2028	2029	2030
Retail (30 day)					
Generic	\$7	\$7	\$10	\$10	\$10
Brand - Formulary	\$30	\$30	\$35	\$35	\$35
Brand – Non-Formulary	\$50	\$50	\$55	\$55	\$55
Specialty	\$100	\$100	\$120	\$120	\$120

Pharmacy Copays	Out-of-Network				
	2026	2027	2028	2029	2030
Retail (30 day)					
Generic	\$7 + 25%	\$7 + 25%	\$10 + 25%	\$10 + 25%	\$10 + 25%
Brand - Formulary	\$30+ 25%	\$30 + 25%	\$35 + 25%	\$35 + 25%	\$35 + 25%
Brand – Non-Formulary	\$50 + 25%	\$50 + 25%	\$55 + 25%	\$55 + 25%	\$55 + 25%

Pharmacy Copays		2026	2027	2028	2029	2030
Mail Order (90 day)		2X Retail				
Generic		\$14	\$14	\$20	\$20	\$20
Brand - Formulary		\$60	\$60	\$70	\$70	\$70
Brand – Non-Formulary		\$100	\$100	\$110	\$110	\$110
Specialty		\$200	\$200	\$240	\$240	\$240

Other provisions:

The District agrees to the following provisions:

- Representation and Recognition: The District will pay wages for up to three (3) Union members to attend the monthly Board meeting.
- Procedure for Handling Grievance: Grievance must be presented within ten (10) calendar days of occurrence. The Grievance form will be presented at step 1. Increase step 2 response to ten (10) calendar days.
- Overtime: Beginning 1/1/2027, overtime lists will reset in January. Add a definition for mandatory overtime in Field Service. Update to reflect MOU’s for overtime in Dispatch, Utility Locating, and Facilities Management. For emergency callouts, if the majority of the crew members qualify for rest period, all members of that crew that clocked in within fifteen (15) minutes of the last qualifying crew member, will be granted the same amount of rest period. Language will be added requiring the impacted employee(s) to notify their supervisor regarding this language.
- Job Posting: Update to reflect definition for voluntary transfer and demotion.
- Holidays: If the holiday falls on an employee’s scheduled day off, the employee will receive a scheduled workday off, with pay, either the day preceding or during the ninety (90) day period immediately following the observed holiday. (Increase time from sixty (60) days to ninety (90) days).
- Vacation: Effective 1/1/2027, during the year in which an employee completes twenty-five (25) years of continuous service and each year thereafter they will receive vacation with pay of two hundred and sixteen (216) hours.
- Unpaid Substitution and Illness: Update to reflect if their vacation balance is forty-eight (48) hours or less.
- Absence to attend funeral of relatives: Identified additional immediate family members as stepparents, stepchildren, stepbrother, and stepsister. Added statement requiring funeral leave form and documentation of funeral services or death must be submitted.

- Absence to attend funeral of active or retired employee: Update funeral leave to bereavement leave. Remove travel day under section 1. Increase bereavement leave by one additional day under Section 1, A and B. Update Pallbearer to include additional roles in Funeral Service for speaker, reader, singer, greeter, honorary pallbearer, or flower/gift bearer. Funeral pamphlet or obituary must demonstrate what role the employee held in the funeral service.
- Retirement: Employees will be required to provide a minimum of 60-day notice before their last workday in order to burn their remaining vacation and floating holiday balance after their last workday. Update to reflect if unable to provide the sixty (60) day notice because last workday is unknown (i.e. Supplemental Sick Leave), then employee will be paid their remaining vacation and floating holiday balance in a lump sum payment on their final paycheck.
- The District will increase the change of location allowance from \$14.00 to \$15.00. Language will be updated to reflect up to two moves per day, at supervisor approval.
- The District will increase the shoe reimbursement from up to \$150.00 to up to \$200.00 annually. December 10th is the deadline to submit receipt for reimbursement to be included in the current calendar year.
- The District will increase the membership subsidy from \$75.00 to \$100.00 annually for a membership in the Employee's name.
- The District will increase the meal payment from \$12.00 to \$15.00.
- Premium Pay for Shift Workers: The District will increase 2nd shift pay from \$1.75 to \$2.00 and 3rd shift pay from \$2.00 to \$3.00.
- All paycheck stubs are electronically available. The District will no longer print and deliver paycheck stubs to OAC employees.
- Additional language clean-up will be a part of the contract formatting process.

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

MARCH 24, 2026

Subject: THIRD LEGISLATIVE REPORT – 2026 SESSION

To: Judicial and Legislative Committee
cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor; all Vice Presidents

From: Rick Kubat, Government Relations Attorney

The Nebraska Legislature spent most of the previous week debating the budget and other legislative proposals to address the fiscal deficit. Senators have started late-evening floor debate with limited legislative days remaining before adjournment on April 17, 2026. Provided below is an update on pending legislation. 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.

2026 LEGISLATION

LB 761 (Brandt) – Makes several technical and harmonizing changes to environmental statutes and provides for new application fees and changes in several water related permit costs. Water well registration and permitting fees are increased from \$40 to \$200 as a recommended inflationary adjustment by the Nebraska Department of Water, Energy and Environment (DWEE). Additionally, beginning July 1, 2027, a new annual fee is provided for National Pollutant Discharge Elimination System (NPDES) permits. The new fee shall not be more than the amount necessary to reimburse DWEE for administering or providing the necessary services for NPDES permits. LB 761 was amended into LB 759 via AM 1939.

Board Pos: Neutral
Status: Amended into LB 759 and advanced to Final Reading

LB 827 (DeKay) - Adds new powers to Nebraska NRDs, allowing them to create or join programs that educate residents about, or research, practices to improve water quality, water management, and soil health. These programs can include demonstration projects and educational events, and NRDs may partner with a wide range of organizations and agencies. LB 827 was amended into LB 794 via AM 2019.

Board Pos: Support
Status: Signed into law by the Governor

LB 901 (Revenue Committee) - A place holder bill that provides for a yet to be determined adjustment to the 5.5% state sales and use tax beginning July 1, 2027. LB 901 has been significantly altered. The District's concern relative to an adjustment of state sales tax has been removed from the bill. LB 901 is now the Revenue Committee's priority omnibus bill containing numerous legislative proposals that will have no impact on the District.

Board Pos: Oppose
Status: Placed on Final Reading

LB 935 (Bosn) - Allows attorney's fees and court costs for frivolous or harassing claims or defenses brought against a political subdivision or its elected officials. LB 935 has received a judiciary committee priority designation. LB 935 has a pending amendment that includes several other legislative proposals.

Board Pos: Support
Status: Placed on General File

LB 964 (Bostar) – As amended, the bill requires publication requirements for purchases of real property at a value of \$20,000 or greater.

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

LB 1033 (Spivey) - Requires the Department of Health and Human Services to make crisis assistance payments under the Low-Income Home Energy Assistance Program (LIHEAP). It establishes a standard maximum payment of \$800 per program year, with the possibility of higher payments in extenuating circumstances, thereby expanding the scope of assistance available to low-income households facing energy-related emergencies.

Board Pos: Support
Status: Placed on General File

LB 1093 (Ballard) - Modifies the statutory definition of “excavation” by adding an exemption for certain hand digging activities performed by telecommunications, community antenna television, or broadband service providers. Specifically, hand digging to a depth not exceeding eighteen inches for the purpose of connecting a customer to the provider's network will not be considered an “excavation” and thus will not require prior notification under the One-Call Notification System Act.

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

LB 1096 (Bostar) - Criminalizes the unauthorized import of high-risk agricultural pathogens or pests, with heightened penalties for concealment, foreign government involvement, or major economic harm. The bill prohibits companies and governmental entities from entering into agreements that grant foreign adversaries access to critical infrastructure, subject to narrow exceptions approved by the Attorney General. It requires registration, employee vetting, and incident reporting for companies with access to critical infrastructure and mandates the removal of software or technologies produced or controlled by foreign adversaries. The Attorney General is empowered to enjoin sales or transfers of infrastructure to foreign entities and must maintain a public list of prohibited network-connected technologies. The bill expands public records exemptions to include critical water infrastructure. LB 1096 has been placed on general file with a pending amendment that addresses most of the concerns relayed by opponents of the bill. The bill has received a priority designation from Senator Bostar.

Board Pos: Neutral
Status: Placed on General File

LB 1136 (Dungan) - Requires Nebraska political subdivisions to maintain, on the homepage of their websites, clear notices that identify the official or law department by name, title, and address authorized to receive tort claims. Filing a claim with the designated official or department will constitute substantial compliance with filing requirements. If a political subdivision fails to keep this information accurate and up-to-date, deadlines for submitting claims and initiating suits are tolled.

Board Pos: Neutral
Status: Remains in the Judiciary Committee

LB 1215 (McKinney) - Establishes the Political Subdivision Contracting Transparency Act. Mandates prompt payment practices, makes numerous statutory requirements for procurement procedures, requires a centralized online calendar for solicitations, and mandates debriefs for unsuccessful bidders. LB 1215 will require significant and cumbersome changes to the District's procurement policies and will create timing issues for procurements that require board approval.

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

2025 CARRYOVER LEGISLATION

LB 117 (Holdcroft) – Creates a sales tax exemption for the sale and use of *residential* electricity, natural gas, propane, and sewer. Senator Holdcroft has indicated his intention is for LB 117 to specifically eliminate state sales taxes for residential utilities, but to allow cities to maintain their local option sales taxes.

Board Pos: Support
Status: Remains in the Revenue Committee

LB 147 (Hansen) – Public and private water entities which provide water for human consumption may add fluoride. Entities that choose to fluoridate must do so in an amount and manner as determined by the Nebraska Department of Health and Human Services.

Board Pos: Neutral
Status: Remains in the Health and Human Services Committee

LB 542 (Dover) – Under current law, the District is required to move facilities at District expense for any changes, alterations, or relocations of roads. LB 542 would require the state or local government to pay for relocation of utilities when federal funds or state funds for local governments are part of the financing for said road project. LB 542 received opposition testimony from the Nebraska Department of Transportation and representatives of cities with the primary concern being the additional costs associated with roads projects should the state or cities be required to pay for utility relocations.

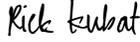
Board Pos: Support
Status: Remains in the Transportation and Telecommunications Committee

LB 546 (Rountree) – 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 546 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

LB 548 (Lippincott) – Introduced to address a specific situation, where a municipal natural gas utility desires to serve an industrial customer outside of the utilities’ territorial jurisdiction. LB 548 as currently drafted, would allow any publicly owned natural gas utility to serve an industrial customer that uses three million British thermal units of gas per day. The legislation would only apply to industrial customers who are both outside the jurisdiction of the municipal gas utility and not serviced within the territory of any other existing gas utility. LB 548 was amended via AM 2072. As amended, the bill’s applicability was significantly narrowed to only apply to cities of the first or second class or villages and is further limited to transactions on or before January 1, 2027. LB 548 has received a priority designation by Senator Lippincott for the 2026 session.

Board Pos: Neutral
Status: Signed into law by the Governor

Signed by:

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Richard A. Kubat
Government Relations Attorney

Approved:

DocuSigned by:

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Mark A. Mendenhall
Senior Vice President/General Counsel

DocuSigned by:

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Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 17, 2026

Subject: SURPLUS PROPERTY DECLARATION AND PROPOSED CONVEYANCE – 6161 SOUTH 132nd STREET.

TO: Judiciary & Legislative Committee

CC: All Board Members; President Doyle, Senior Vice Presidents, Ausdemore, Dickas and Minor

FROM: Mark Mendenhall, Senior VP & General Counsel

District management recommends that the pump house located at 6161 S. 132nd Street, Parcel # 0125630000, be declared surplus. Management further recommends the District's property interest, including the pump house structure, be deeded to the City of Omaha.

The property is located at the northeast corner of 132nd Street and Millard Airport Plaza as shown on attachment "A". The property is an approximate 8 x 10-foot brick building that previously supported an engine driven pump to provide water to the Millard Water System. The pump house has been abandoned since 2000 and is no longer needed as part of the District's water distribution system.

The pump house was acquired on February 8, 1972, when the City of Omaha signed a Memorandum Agreement with the City of Millard, that the former Millard Water System was being granted to the District. That Agreement provided that the "sole possession, management and control of the property which comprises of the water works plant and distribution system of the former City of Millard" be the District's.

Due to the building's proximity to the Millard Airport, Management believes there is no future use for the building other than by the City of Omaha as owner of the Millard Airport. Therefore, Management is recommending that the pump house be conveyed to the City of Omaha.

A resolution authorizing the quit claimed deeding of the pump house has been prepared for consideration and this matter will appear on the agenda at the Judiciary and Legislative Committee meeting for discussion on April 1st, 2026, and on the agenda of the April 1st, 2026 board meeting.

DocuSigned by:

Mark Mendenhall

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Mark Mendenhall

SVP, General Counsel

Approved:

DocuSigned by:

Mark Doyle

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Mark Doyle
President

RESOLUTION

WHEREAS, a portion of the water distribution system owned by the Metropolitan Utilities District of Omaha, Douglas County, will not be used for any distribution facilities; and

WHEREAS, the Board of Directors hereby determines that there will not be in the foreseeable future any deed for this pump house hereinafter described for any operations of the District and finds that it is in the best interest of the District that said pump house be declared surplus and disposed of; and

WHEREAS, the General Counsel of the District should be authorized and directed to negotiate or otherwise arrange for the disposition of the pump with the City of Omaha, in such a manner as he deems appropriate and in the best interests of the District. The property to be disposed of is described as follows, to wit:

Well House Pump Building (M-5), contained within NE 1/4, SW ¼ of Section 7-14-12, and designated by the Douglas County Register of Deeds as Parcel # 012563000, adjacent to the Millard Airport and with a common address of 6161 So. 132nd.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha, that the pump house described above is hereby declared surplus property of the District, and the General Counsel of the District is authorized and directed to negotiate and otherwise arrange for the sale of the property in the manner he deems appropriate and in the best interest of District, including a quit claimed deed to the City of Omaha.

Adopted:



METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

March 25, 2026

Subject: PROPERTY CLOSING, NORTHWEST RESERVOIR PROPERTY 192ND AND STATE STREET

To: Judiciary and Legislative Committee

Cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, and Minor, and all Vice Presidents

From: Mark Mendenhall, General Counsel

On January 8, 2025, the Board authorized the District to enter into a purchase agreement and take steps to acquire property to support the future construction of a reservoir and pump station in Northwest Omaha ("Northwest Reservoir"). On March 13, 2025, the District entered into a purchase agreement to acquire approximately 20 acres of land near 192nd and State Street from Robert and Gail Krejci.

Since the effective date of the purchase agreement, the District completed a variety of efforts to determine if the acquisition is appropriate. The District took steps to ensure the site is appropriate for the development of the Northwest Reservoir. Those steps included the creation of a plat approved by the City of Omaha, a subdivision agreement addressing a variety of public improvements, engineering analysis of the site and commitments for multiple easements.

I am happy to report that such due diligence efforts have been completed and Management is recommending the parties close on the acquisition. Closing will be effectuated through Missouri River Title Company on Thursday, April 2.

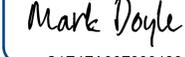
Accordingly, I am recommending the Board authorize Management to take necessary steps to finalize the purchase of the property.

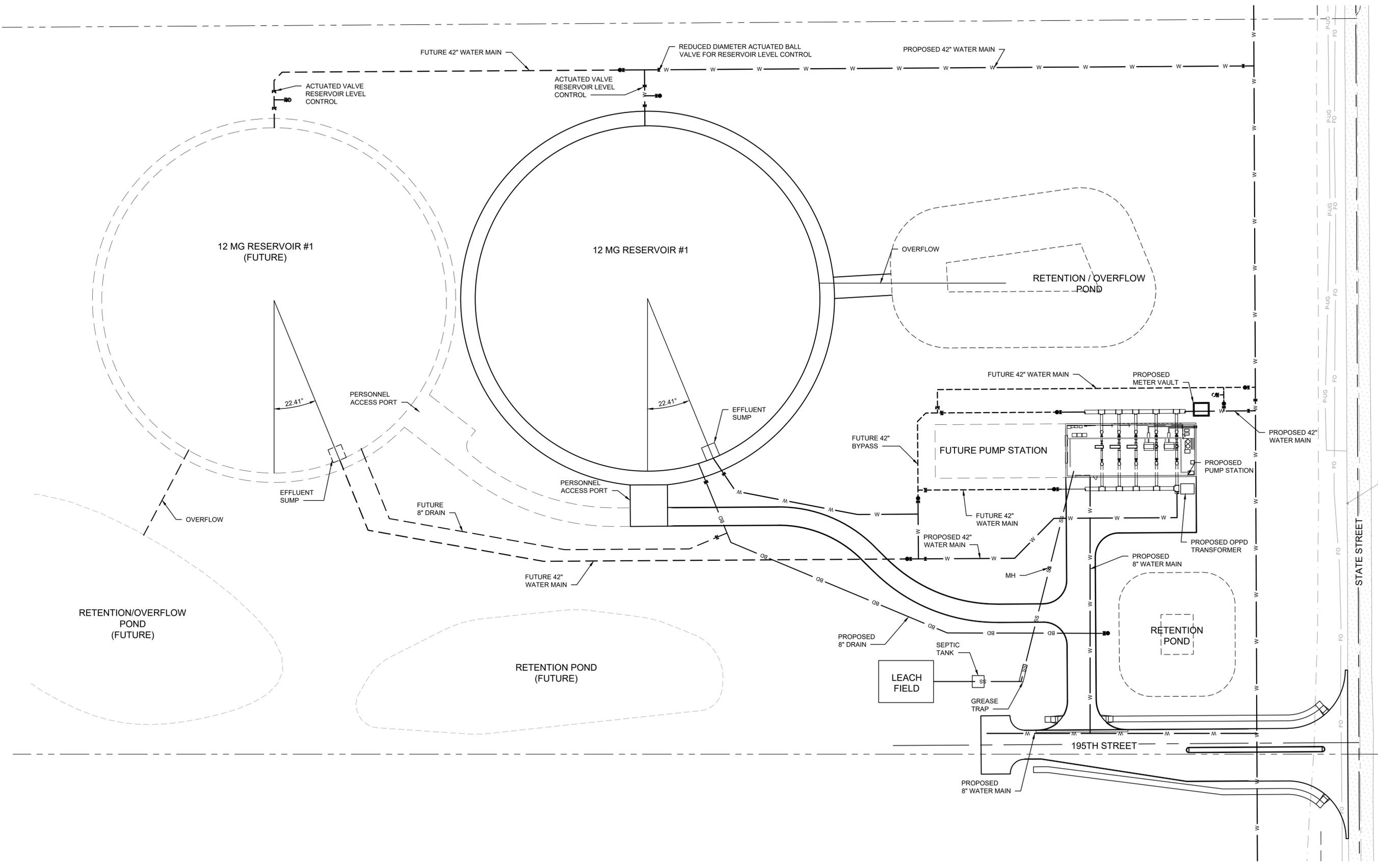
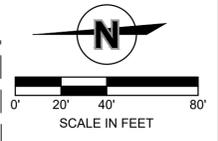
This matter is on the agenda for the Committee meeting on August 6 and the regular Board meeting to follow. I will be present to answer any questions you may have.

DocuSigned by:

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Mark Mendenhall
General Counsel

Approved:

DocuSigned by:

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Mark Doyle
President



PROJECT NO: 025-00428
DRAWN BY: SLP
DATE: 11/03/25

PUMP STATION SITE PLAN

olsson

2111 South 67th Street
Suite 200
Omaha, NE 68106
olsson.com
TEL 402.341.1116
Olsson - Engineering
Nebraska COA #CA-0638

FIGURE
3

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METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

March 19, 2026

Subject: ACTUARIAL AND ACCOUNTING REPORTS FOR THE RETIREMENT PLAN

To: Insurance and Pension Committee
 cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Mendenhall, Minor, and all Vice Presidents

From: Steve Dickas, Senior Vice President, Chief Financial Officer

Attached for your review, please find three documents related to the Retirement Plan for Employees of the Metropolitan Utilities District of Omaha (the Plan), as follows:

- 1) Actuarial Valuation Report as of January 1, 2026
- 2) GASB Statements No. 67 & 68 Report – Measurement Date: December 31, 2025
- 3) January 1, 2026 Actuarial Valuation Results (CavMac presentation)

The first document, the Actuarial Valuation Report, 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 can be found on pages 1-13 of this report, which provides an excellent synopsis of the information contained therein. Though the report contains considerable detail, the key statistical highlights are as follows:

	2026	2025
Funded Ratio at January 1 (Actuarial Value)	97.3%	93.7%
Actuarially Determined District Contribution	\$ 11,136,915	\$ 12,021,557

As a point of reference, the District’s actual pension contribution in 2025 was \$12.9 million, while the 2026 budget reflects a contribution of \$14.3 million. Given the uncertainty and volatility of investment performance, we err on the side of conservatism when estimating the required District contribution to include in the budget. Also, the calculation is based on budgeted payroll, which assumes full staffing levels, including approved staff additions. This is different from the actuarial calculation which uses expected payroll based on active members of the Plan on the valuation date of January 1, 2026. These factors contributed to an estimated District contribution for budgeting purposes that is significantly higher than the Actuarially Determined Contribution of \$11.1 million.

Therefore, management is recommending that the District contribute \$12.0 million towards the pension in 2026, which is \$0.9 million lower than the amount contributed in 2025. While this is less than the budgeted amount, it still exceeds the actuarially determined contribution level by approximately \$900,000, or 7.7%. The District has historically contributed more than the Actuarially Determined

Contribution, and we believe it is prudent to continue this practice. This serves to reduce the unfunded actuarial liability and offset any unfavorable experience that may occur in 2025, including a higher number of employees than assumed in the actuarial calculation.

The second document, the GASB Statements No. 67 & 68 Report, provides the District with information necessary to meet the requirements of the Governmental Accounting Standards Board related 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 Statements No. 67 & 68 Report:

	2025	2024
Plan Fiduciary Net Position as % of Total Pension Liability (At December 31)	106.0%	95.4%
Pension Expense	\$ 5,141,356	\$ 11,997,914

As you compare the difference in funded percentage as well as pension expense vs. actuarial required funding levels, it should be noted 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 valuation uses an actuarial (smoothed) value of assets, not the pure market value.

The final document, January 1, 2026 Actuarial Valuation Results, is a summary of information contained in the Actuarial Valuation Report as prepared by Pat Beckham, Principal and Consulting Actuary with CavMac Actuarial Consulting Services. 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 dedication to the financial health of the Plan is consistent with the District's core principle of fiscal responsibility, which includes a commitment to properly funding promises to our employees. The documents attached and referred to above will be on the April 1, 2026 Committee and Board Agendas to be placed on file.

Signed by:

 Steve Dickas
 SVP, Chief Financial Officer

Approved:

 Mark E. Doyle
 President

Attachments

**THE RETIREMENT PLAN FOR
EMPLOYEES OF THE
METROPOLITAN UTILITIES
DISTRICT OF OMAHA**



**ACTUARIAL VALUATION
REPORT AS OF
JANUARY 1, 2026**

SUBMITTED: MARCH 12, 2026



March 12, 2026

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, 2026 for the plan year ending December 31, 2026. The major findings of the valuation are contained in this report. There have been no changes to the plan provisions or actuarial methods since the prior valuation. However, there have been several changes to the actuarial assumptions used in this valuation as a result of the completion of an experience study in 2025. All of the recommended assumptions from the experience study were adopted by the Board of Directors at their September 3, 2025 meeting and are first used in this valuation. The net impact of the assumption changes was a decrease in both the unfunded actuarial liability and the total contribution rate.

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



Board of Directors
March 12, 2026
Page 2

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.

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

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

Megan E. Skiles, ASA, FCA, MAAA
Associate Actuary



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EXECUTIVE SUMMARY

This report presents the results of the January 1, 2026 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, 2026 valuation are compared to the 2025 valuation in the following table:

	January 1, 2026	January 1, 2025
Actuarial Liability	\$644,039,105	\$618,486,937
Actuarial Assets	<u>626,876,880</u>	<u>579,581,100</u>
Unfunded Actuarial Liability	\$17,162,225	\$38,905,837
Funded Ratio	97.34%	93.71%
District Contribution Rate	11.88%	13.72%
Projected Payroll For Upcoming FY	\$93,745,075	\$87,620,677
District Actuarial Contribution	\$11,136,915	\$12,021,557

The actuarial valuation results provide a "snapshot" view of the Plan's financial condition on January 1, 2026, which reflects net favorable experience for the past plan year. The rate of return on the actuarial value of assets was higher than the expected return (9.7% actual versus 6.75% expected), which resulted in an actuarial gain of \$17.0 million. There was unfavorable experience on the plan liabilities for the past plan year, mainly due to higher salary increases and cost-of-living adjustments than expected, based on the actuarial assumptions. The net liability experience from all demographic assumptions was an actuarial loss of \$4.5 million, so the net experience for the 2025 plan year, on both actuarial assets and actuarial liabilities, was a gain of \$12.5 million. This favorable experience decreased the unfunded actuarial liability and the actuarially determined contribution rate.

There were no changes to the actuarial methods since last year's valuation. However, there have been several changes to the actuarial assumptions used in this valuation as a result of the four-year experience study completed in 2025. All of the recommended assumptions were adopted by





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the Board of Directors at their September 3, 2025 meeting and are first reflected in this valuation, including:

- The general wage growth assumption was increased from 3.40% to 3.50%.
- The salary merit scale was adjusted to better reflect actual experience.
- The mortality assumption was modified by moving to the Pub-2016 General Employees Median Mortality Tables, projected generationally using Scale MP-2021.
- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.
- The marriage assumption was decreased from 90% to 80%.

The change in the actuarial assumptions decreased the actuarial liability (AL) by \$7.4 million and the total actuarial contribution rate by 0.58% of pay. The change to the assumed retirement rates had the most significant impact on the valuation results. The impact of all assumption changes on the January 1, 2026 valuation results is summarized in the following table:

	Prior Assumptions	Current Assumptions	Difference
Actuarial Liability (AL)	\$651,430,822	\$644,039,105	(\$7,391,717)
Actuarial Value of Assets (AVA)	<u>626,876,880</u>	<u>626,876,880</u>	<u>0</u>
Unfunded AL (UAL)	\$24,553,942	\$17,162,225	(\$7,391,717)
Funded Ratio	96.23%	97.34%	1.11%
Normal Cost Rate	19.52%	19.51%	(0.01%)
Administrative Expense	0.04%	0.04%	0.00%
UAL Contribution Rate	<u>1.90%</u>	<u>1.33%</u>	<u>(0.57%)</u>
Total Contribution Rate	21.46%	20.88%	(0.58%)
Annual District Contribution	\$11,613,890	\$11,136,915	(\$476,975)

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, 2026, the Plan had total funds of \$678.0 million, when measured on a market value basis. This was an increase of \$90.3 million from the prior year and represents a 17.0% rate of return for the 2025 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. The valuation uses an asset smoothing method to mitigate the impact of the volatility of investment experience on the funding results. The resulting value is called the actuarial value of assets. For the MUD valuation, the actuarial value of assets is equal to the expected asset value (based on last year's actuarial value of assets,





EXECUTIVE SUMMARY

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, 2026.

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, 2025	\$ 587.6	\$ 579.6
• District Contributions	+ 12.9	+ 12.9
• Member Contributions	+ 7.9	+ 7.9
• Benefit Payments, Refunds and Administrative Expenses	- 29.4	- 29.4
• Net Investment Return	+ <u>99.0</u>	+ <u>55.9</u>
Net Assets, January 1, 2026	\$ 678.0	\$ 626.9
Rate of Return	17.0%	9.7%

The money-weighted rate of return on the market value of assets during 2025, as reported by PNC Institutional Asset Management, was 17.0%, which was 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 9.7% which generated an actuarial gain of \$17.0 million. The strong return on the market value of assets in 2025 increased the deferred investment gain from \$8.0 million in the January 1, 2025 valuation to \$51.1 million in the current valuation. Actual returns over the next few years will determine if, and when, the deferred investment gain will be recognized. We estimate a return of around -1% on the market value of assets in 2026 could occur without creating an actuarial loss on assets. In that scenario, the actuarial value of assets would be equal to the market value of assets at January 1, 2027.

If the deferred investment gain was recognized immediately in the actuarial value assets, the unfunded actuarial liability would decrease by \$51.1 million resulting in the actuarial value of assets exceeding the actuarial liability by \$33.9 million, the funded ratio would increase from 97.34% to 105.27%, and the actuarially determined contribution for the District would decrease from \$11.1 million to \$8.0 million. This information is provided for discussion purposes and transparency only. To moderate the impact of investment return volatility on contribution requirements, the valuation employs an asset smoothing method. Funding metrics based on the market value of assets are more sensitive to short-term market fluctuations and may not represent the plan's long-term funding progress.

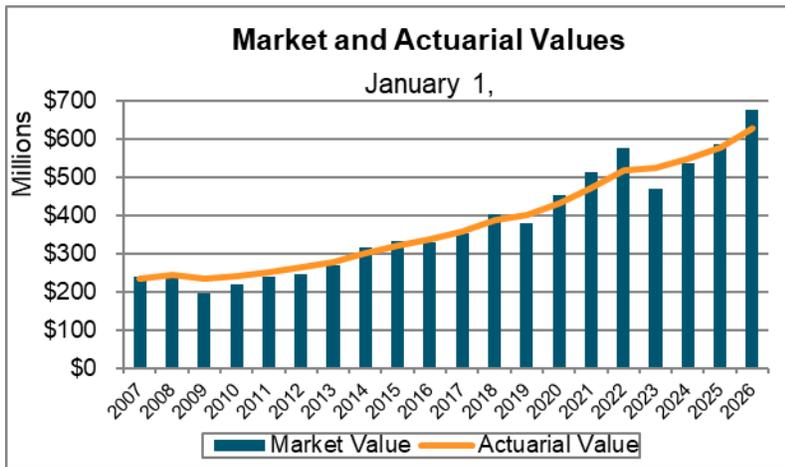




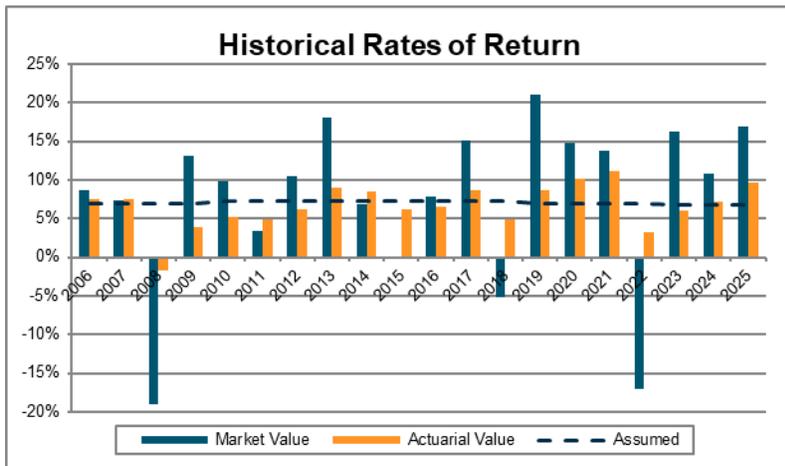
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A comparison of asset values on both a market and actuarial basis for the last six years is shown below.

	January 1 (\$M)					
	2021	2022	2023	2024	2025	2026
Actuarial Value of Assets	472	517	525	548	580	627
Market Value of Assets	514	577	471	537	588	678
Actuarial Value/Market Value	92%	90%	112%	102%	99%	92%



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





EXECUTIVE SUMMARY

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. The funded ratio is the asset value divided by the actuarial liability.

	As of January 1	
	2026	2025
Present Value of Future Benefits (PVFB)	\$842,058,319	\$793,700,389
Actuarial Liability (AL)	\$644,039,105	\$618,486,937
Assets at Actuarial Value	\$626,876,880	\$579,581,100
Funded Ratio (Actuarial Value)	97.34%	93.71%
Assets at Market Value	\$677,956,346	\$587,621,941
Funded Ratio (Market Value)	105.27%	95.01%

The calculation of the unfunded actuarial liability for the Plan as of January 1, 2026 is shown below:

Actuarial Liability	\$644,039,105
Actuarial Value of Assets	<u>626,876,880</u>
Unfunded Actuarial Liability	\$ 17,162,225

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 favorable (a lower unfunded actuarial liability than expected). There was an actuarial loss of \$4.5 million on liabilities and an actuarial gain of \$17.0 million on the actuarial value of assets, resulting in a net gain of \$12.5 million.





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The change in the unfunded actuarial liability between January 1, 2025 and 2026 is shown in the following table (in millions):

Unfunded Actuarial Liability, January 1, 2025	\$	38.9
· Expected change in UAL	-	0.2
· Contributions in excess of the actuarial amount	-	0.9
· Investment experience	-	17.0
· Demographic experience	+	4.5
· Impact of assumption change	-	7.4
· Other experience	-	0.7
Unfunded Actuarial Liability, January 1, 2026	\$	17.2

A number of factors impact the funded ratio from year to year. The major drivers of the increase in the funded ratio from the January 1, 2025 to the January 1, 2026 valuation are shown in the following table.

	Actuarial Value of Assets	Market Value of Assets
January 1, 2025 Funded Ratio	93.71%	95.01%
· Expected change	0.41%	0.44%
· Excess contributions	0.15%	0.14%
· Investment experience	2.63%	9.20%
· Demographic experience	(0.67%)	(0.72%)
· Impact of assumption change	<u>1.11%</u>	<u>1.20%</u>
· Total change	3.63%	10.26%
January 1, 2026 Funded Ratio	97.34%	105.27%

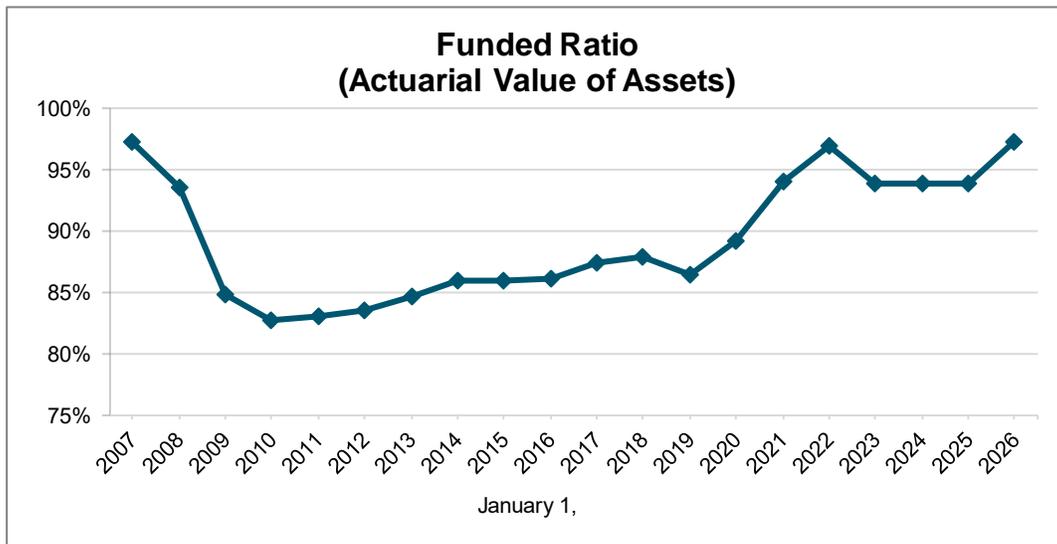
Note that the funded ratio, as a standalone measurement, does not indicate whether or not the Plan has sufficient funds to settle all current obligations, nor is it necessarily indicative of the need or amount of future funding.

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:





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The large reduction in the funded ratio from 2007 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 fifteen years. The deferred investment experience is expected to increase the funded ratio over the next few years, absent actual experience worse 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 the investment return, is better than anticipated by the assumptions, the Plan may reach a funded ratio of 100% before the projected date of 2028.

Contribution Levels

The Plan is funded by contributions from both the District and employees who contribute 9.0 percent of their pensionable pay. The District is responsible for contributing the remaining amount required to fund the Plan on an actuarial basis.

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 Plan benefits which is allocated to the current year of service. The total normal cost for the Plan is 19.51% of payroll. When offset by the employee contribution rate of 9.00%, the employer portion of the normal cost is 10.51% 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





EXECUTIVE SUMMARY

actual administrative expenses in the prior year. The administrative expense component for the 2026 plan year is 0.04% of expected payroll.

Currently, the actuarial value of assets is less than the actuarial liability, so there is an unfunded actuarial liability of \$17.2 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 (18 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 2026 is 1.33% of payroll.

Please note that the use of closed amortization periods and contributions of at least 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. The funding policy 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 UAL within 20 years, and the scheduled payments currently exceed the normal cost plus interest on the UAL.

The total actuarially determined contribution rate for 2026 is:

19.51%	(normal cost)
0.04%	(administrative expense)
<u>1.33%</u>	(UAL amortization payment).
20.88%	

Given the employee contribution rate of 9.00% for calendar year 2026, the District’s share of the total actuarially determined contribution rate is 11.88% of expected payroll, or \$11.1 million. Note that the expected payroll used in this calculation is based on the active members of the Plan on the valuation date. The District’s budgeted payroll may be higher than this amount since it is likely based on the assumption of the District being “fully staffed” (currently a number higher than the actual actives on January 1, 2026). If a higher number of employees is anticipated during the year, it would be prudent to contribute an amount in excess of the \$11.1 million shown above to fund the benefits earned by new hires.





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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, 2025	22.72%
· Change in normal cost rate and administrative expense	(0.08%)
· Contributions in excess of the actuarial amount	(0.07%)
· Investment experience	(1.30%)
· Demographic experience	0.34%
· Payroll increase greater than expected	(0.06%)
· Impact of assumption change	(0.58%)
· Other experience	<u>(0.09%)</u>
Total Actuarially Determined Contribution Rate, January 1, 2026	20.88%

The actuarially determined contribution rate decreased by 1.84% from the January 1, 2025 valuation to the January 1, 2026 valuation, largely due to favorable investment experience in 2025, as previously discussed. The decrease in the contribution rate due to the gain on the actuarial assets was partially offset by the actuarial loss on actuarial liabilities. However, the actuarially determined contribution rate also decreased due to other factors including changes in the actuarial assumptions.

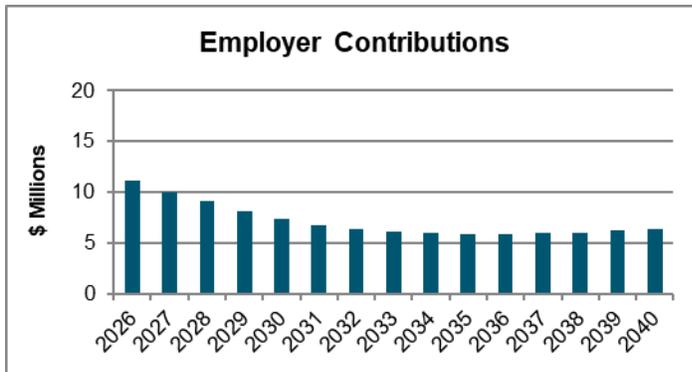
The number of active members increased by 3.6%, from 896 in the January 1, 2025 actuarial valuation to 928 in the January 1, 2026 actuarial valuation. As a result of the increase in the number of active members and higher salary increases than expected based on the actuarial assumptions, the covered payroll increased by nearly 7.0%. 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 actuarial contribution rate because the UAL contribution rate declines (see table above which shows the 0.06% 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 2026, 2027, and 2028. 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 2029 and later) and that the full actuarially determined contribution will be made each year in the future:





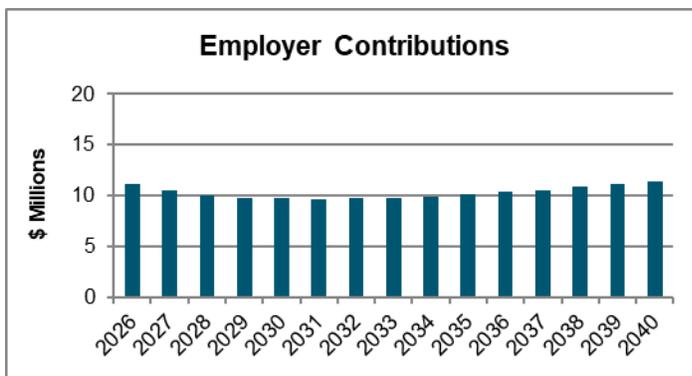
EXECUTIVE SUMMARY



Above Assumed Returns

(10% return on market value for 2026-2028)

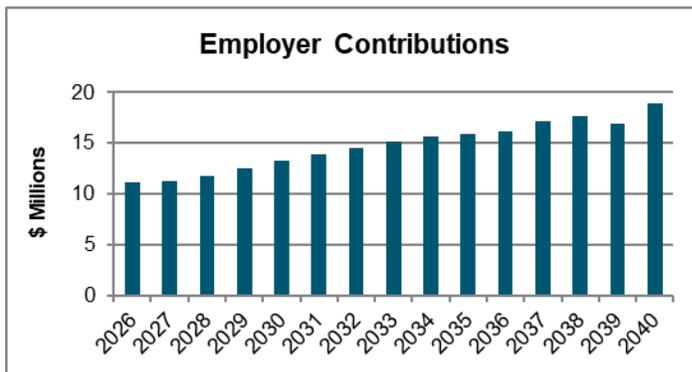
Under this scenario, the current deferred investment gain is recognized so actuarial gains occur in the future. The overall impact is an initial decline in the contribution rate which then stabilizes. The contribution amount increase is due to increases in covered payroll over the period.



At Assumed Returns

(6.75% return for 2026-2028)

If the assumed rate of return is earned on the market value of assets, the deferred investment gain will be recognized in the smoothing method. However, contribution amounts increase over time due to increases in covered payroll.



Below Assumed Returns

(0% return for 2026, 4% for 2027-2028)

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





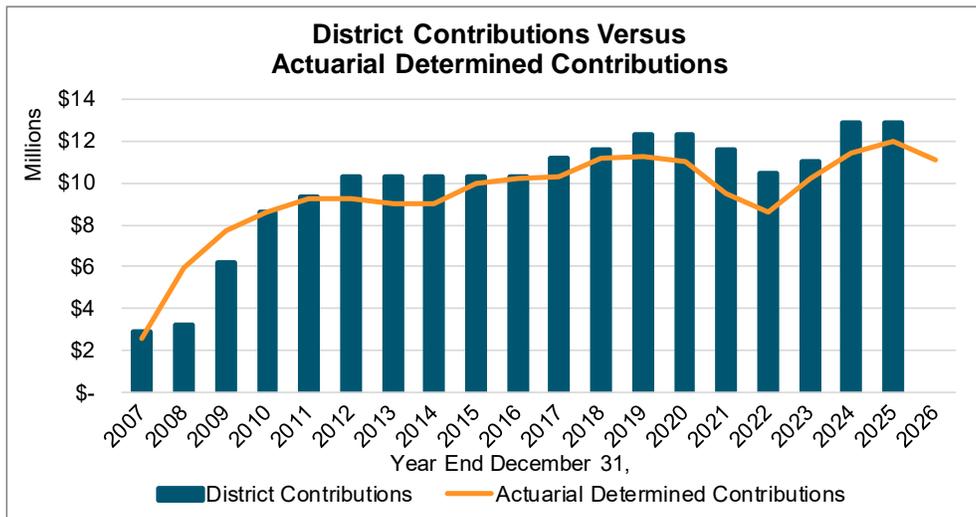
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Under the funding policy adopted by the Board, contributions by the District (exclusive of employee contributions) in the following amount will satisfy the actuarially determined contribution for the 2026 plan year:

Actuarially Determined Contribution:	
Normal Cost	\$18,295,723
Administrative Expenses	33,720
Amortization of UAL	1,244,529
Expected Employee Contributions	<u>(8,437,057)</u>
Total	\$11,136,915

The resulting contribution for the District (net of expected employee contributions) is \$11,136,915 which is 11.88% of expected covered payroll for 2026. Since 2012, the District’s contribution policy has been to contribute an amount 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.



Over the last fifteen years, the District has consistently made contributions above the actuarially determined contribution in order to move the Plan to full funding more rapidly than reflected in the amortization schedule. As a result, the funded ratio in the current valuation is 97%, based on the actuarial value of assets, and the funded ratio is 105% based on the market value of assets. As the Retirement Plan approaches the ultimate goal of being 100% funded, the challenge becomes how to remain fully funded and manage contribution volatility, given the variability in investment returns with the current asset allocation. During the last Asset/Liability Study, PNC discussed the creation of a glide path for lowering the investment return assumption incrementally as the funded ratio moves above 100%. With such a change, the asset allocation would also change resulting in fewer risk-seeking assets and lower return volatility. We suggest CavMac work with PNC and





EXECUTIVE SUMMARY

the District staff to develop specific criteria for when and how to lower the investment return assumption.

Based on the valuation results, we believe it is prudent for the District to continue contributing more than the actuarially determined contribution. We recommend a contribution of \$12.0 million for the 2026 plan year. Any contribution above the actuarially determined contribution in 2026 will reduce the unfunded actuarial liability or help offset unfavorable experience that may occur during the year.

Continuing to contribute above the actuarially determined contribution also helps stabilize future contribution requirements. By maintaining a contribution level that exceeds the current actuarially determined contribution, the District creates a cushion that can absorb future increases in the actuarially determined contribution caused by adverse experience. As a result, moderate increases in the actuarially determined contribution can occur without requiring an immediate increase in the District's budgeted contribution.

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 4). 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 3 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.





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METROPOLITAN UTILITIES DISTRICT OF OMAHA RETIREMENT PLAN FOR EMPLOYEES PRINCIPAL VALUATION RESULTS

	January 1, 2026	January 1, 2025	% Chg
MEMBERSHIP			
1. Active Membership			
- Number of Members	928	896	3.6
- Projected Payroll for Upcoming Fiscal Year	\$93,745,075	\$87,620,677	7.0
- Average Projected Salary	\$101,018	\$97,791	3.3
- Average Attained Age	45.3	46.1	(1.7)
- Average Entry Age	33.7	33.8	(0.3)
2. Inactive Membership			
- LTD and Inactive Vesteds*	73	73	0.0
- Inactive Non-vested	6	4	50.0
- Number of Retirees / Beneficiaries	756	734	3.0
- Average Retiree/Beneficiary Annual Benefit	\$40,334	\$38,826	3.9
ASSETS AND LIABILITIES			
1. Net Assets			
- Market Value	\$677,956,346	\$587,621,941	15.4
- Actuarial Value	\$626,876,880	\$579,581,100	8.2
2. Projected Liabilities			
- Retirees and Beneficiaries	\$361,155,286	\$337,943,904	6.9
- Inactive Members	17,068,351	17,293,597	(1.3)
- Active Members	<u>463,834,682</u>	<u>438,462,888</u>	5.8
- Total Liability	\$842,058,319	\$793,700,389	6.1
3. Actuarial Liability	\$644,039,105	\$618,486,937	4.1
4. Unfunded Actuarial Liability (UAL)	\$17,162,225	\$38,905,837	(55.9)
5. Funded Ratios			
Actuarial Value Assets / Actuarial Liability	97.34%	93.71%	3.9
Market Value Assets / Actuarial Liability	105.27%	95.01%	10.8
CONTRIBUTIONS			
1. Normal Cost Rate	19.51%	19.53%	(0.1)
2. Administrative Expense	0.04%	0.11%	(63.6)
3. UAL Contribution Rate	<u>1.33%</u>	<u>3.08%</u>	(56.8)
4. Total Actuarial Contribution Rate (1) + (2) + (3)	20.88%	22.72%	(8.1)
5. Less Employee Contribution Rate	<u>(9.00%)</u>	<u>(9.00%)</u>	0.0
6. Actuarially Determined Contribution Rate (4) + (5)	11.88%	13.72%	(13.4)
7. Actuarially Determined Contribution	\$11,136,915	\$12,021,557	(7.4)

*Includes 6 beneficiaries who are not yet receiving benefits.





SECTION 1 – VALUATION RESULTS

EXHIBIT 1

SUMMARY OF FUND ACTIVITY (Market Value Basis)

For Year Ended December 31, 2025

1. Market Value of Assets as of January 1, 2025	\$	587,621,941
2. a. Contributions - District	\$	12,900,000
b. Contributions - Employees		7,939,915
c. Total		<u>20,839,915</u>
3. Benefit payments and refunds	\$	(29,374,180)
4. Administrative expenses	\$	(33,720)
5. Investment income, net of investment expenses	\$	98,902,390
6. Market Value of Assets as of December 31, 2025	\$	677,956,346
7. Rate of Return on Market Value of Assets*		17.0%

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





SECTION 1 – VALUATION RESULTS

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, 2025	\$579,581,100
2. a. Contributions during 2025	20,839,915
b. Benefit payments and refunds during 2025	29,374,180
c. Administrative expenses during 2025	33,720
3. Expected Value of Assets as of December 31, 2025 (1) x 1.0675 + [(2a) - (2b) - (2c)] x 1.0675 ^½	609,850,391
4. Market Value of Assets as of December 31, 2025	677,956,346
5. Excess of Market Value over Expected Value as of December 31, 2025	68,105,955
6. Actuarial Value of Assets as of December 31, 2025 (3) + 0.25 x (5)	626,876,880
7. Corridor for Actuarial Value of Assets	
a. 80% of (4)	542,365,077
b. 120% of (4)	813,547,615
8. Final Actuarial Value of Assets as of December 31, 2025 (6) but not < (7a) nor > (7b)	\$626,876,880
9. Estimated Rate of Return on Actuarial Value of Assets*	9.7%

*Net of investment expenses.



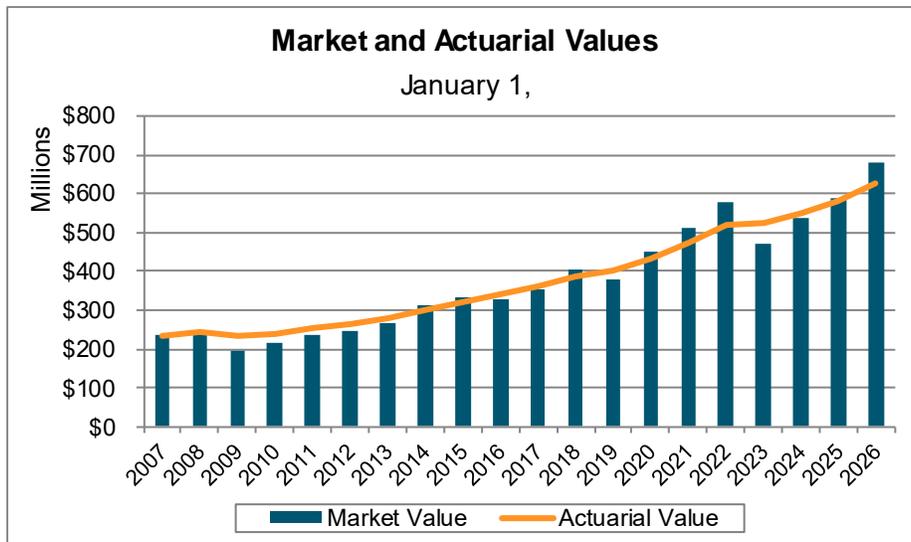


SECTION 1 – VALUATION RESULTS

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
1/1/2007	\$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%
1/1/2025	587,621,941	579,581,100	98.63%
1/1/2026	677,956,346	626,876,880	92.47%





SECTION 1 – VALUATION RESULTS

EXHIBIT 3

ACTUARIAL BALANCE SHEET

An actuarial statement of the status of the plan in balance sheet form as of January 1, 2026 is as follows:

Assets

Current assets (actuarial value)	\$ 626,876,880
Present value of future normal costs	198,019,214
Present value of future employer contributions to fund unfunded actuarial liability	<u>17,162,225</u>
Total Assets	<u>\$ 842,058,319</u>

Liabilities

Present value of future retirement benefits for:

Active employees	\$ 442,294,977
Retired employees, contingent annuitants and spouses receiving benefits	361,155,286
Inactive vested employees	13,320,203
Inactive employees – disabled	<u>3,732,044</u>
Total	\$ 820,502,510
Inactive non-vested employees – refund due	16,104
Present value of future death benefits payable upon death of active members	7,148,062
Present value of future benefits payable upon termination of active members	<u>14,391,643</u>
Total Liabilities	<u>\$ 842,058,319</u>





SECTION 1 – VALUATION RESULTS

EXHIBIT 4

UNFUNDED ACTUARIAL LIABILITY

As of January 1, 2026

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	\$	842,058,319
2. Present Value of Future Normal Costs		198,019,214
3. Actuarial Liability (1) – (2)		644,039,105
4. Actuarial Value of Assets		626,876,880
5. Unfunded Actuarial Liability (3) – (4)	\$	17,162,225
6. Funded Ratio (4) / (3)		97.34%





SECTION 1 – VALUATION RESULTS

EXHIBIT 5

CALCULATION OF ACTUARIAL (GAIN)/LOSS For Plan Year Ending December 31, 2025

Liabilities

1. Actuarial liability as of January 1, 2025	\$ 618,486,937
2. Normal cost as of January 1, 2025	15,987,059
3. Interest at 6.75% on (1) and (2) to December 31, 2025	42,826,995
4. Benefit payments during 2025	(29,374,180)
5. Interest on benefit payments	(975,191)
6. Impact of assumption changes	(7,391,717)
7. Expected actuarial liability as of December 31, 2025	\$ 639,559,903
8. Actuarial liability as of December 31, 2025	\$ 644,039,105

Assets

9. Actuarial value of assets as of January 1, 2025	\$ 579,581,100
10. Contributions during 2025	20,839,915
11. Benefit payments and administrative expenses during 2025	(29,407,900)
12. Interest on items (9), (10) and (11)	38,837,276
13. Expected actuarial value of assets as of December 31, 2025	\$ 609,850,391
14. Actual actuarial value of assets as of December 31, 2025	\$ 626,876,880

(Gain) / Loss

15. Expected unfunded actuarial liability (7) – (13)	\$ 29,709,512
16. Actual unfunded actuarial liability (8) – (14)	\$ 17,162,225
17. Actuarial (Gain) / Loss (16) – (15)	\$ (12,547,287)
18. Actuarial (Gain) / Loss on Actuarial Assets (13) – (14)	\$ (17,026,489)
19. Actuarial (Gain) / Loss on Actuarial Liability (8) – (7)	\$ 4,479,202





SECTION 1 – VALUATION RESULTS

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 \$4,479,000 during the plan year ended December 31, 2025, as well as an actuarial gain on assets of \$17,026,000. The overall actuarial gain was \$12,547,000. The major components of this net actuarial experience (gain)/loss are shown below:

Liability Sources	<u>(Gain)/Loss</u>
Salary Increases	\$ 3,214,000
Mortality	(1,191,000)
Terminations	171,000
Retirements	471,000
Disability	(79,000)
New Entrants/Rehires	629,000
COLA	1,615,000
Miscellaneous	(351,000)
Total Liability (Gain)/Loss	\$ 4,479,000
Asset (Gain)/Loss	\$ (17,026,000)
Net Actuarial (Gain)/Loss*	\$ (12,547,000)

*May not add due to rounding.





SECTION 1 – VALUATION RESULTS

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 18 years, complies with Actuarial Standard of Practice Number 4. This policy will fully amortize the individual, as well as the total, unfunded actuarial liability within a reasonable timeframe and/or reduce the amount of the UAL by a reasonable amount within a sufficiently short period.

Amortization Bases	Original Amount	January 1, 2026 Remaining Payments	Date of Last Payment	Outstanding Balance as of January 1, 2026	Annual Contribution*
2014 UAL Base	\$ 49,110,413	18	1/1/2044	\$ 52,926,602	\$ 4,047,130
2015 Assumption Change Base	\$ 9,846,943	9	1/1/2035	\$ 7,621,837	\$ 1,005,250
2015 Experience Base	\$ (7,281,065)	9	1/1/2035	\$ (5,635,768)	\$ (743,306)
2016 Experience Base	\$ 1,395,779	10	1/1/2036	\$ 1,137,304	\$ 137,297
2017 Experience Base	\$ (3,897,186)	11	1/1/2037	\$ (3,309,652)	\$ (369,363)
2018 Assumption Change Base	\$ 9,057,593	12	1/1/2038	\$ 7,951,435	\$ 827,109
2018 Experience Base	\$ (8,192,496)	12	1/1/2038	\$ (7,191,987)	\$ (748,111)
2019 Experience Base	\$ 8,980,430	13	1/1/2039	\$ 8,124,726	\$ 793,145
2020 Assumption Change Base	\$ 5,133,619	14	1/1/2040	\$ 4,758,569	\$ 438,509
2020 Experience Base	\$ (16,294,094)	14	1/1/2040	\$ (15,103,687)	\$ (1,391,826)
2021 Experience Base	\$ (22,229,911)	15	1/1/2041	\$ (21,013,968)	\$ (1,837,148)
2022 Assumption Change Base	\$ 6,066,864	16	1/1/2042	\$ 5,823,113	\$ 485,081
2022 Experience Base	\$ (20,151,936)	16	1/1/2042	\$ (19,342,284)	\$ (1,611,264)
2023 Experience Base	\$ 17,771,281	17	1/1/2043	\$ 17,313,917	\$ 1,379,531
2024 Experience Base	\$ 7,409,355	18	1/1/2044	\$ 7,302,688	\$ 558,414
2025 Experience Base	\$ (2,632,819)	19	1/1/2045	\$ (2,617,290)	\$ (192,646)
2026 Assumption Change Base	\$ (7,391,717)	20	1/1/2046	\$ (7,391,717)	\$ (525,105)
2026 Experience Base	\$ (14,191,613)	20	1/1/2046	\$ (14,191,613)	\$ (1,008,168)
Total				\$ 17,162,225	\$ 1,244,529

* Contribution amount reflects mid-year timing.

1. Total UAL Amortization Payments	\$ 1,244,529
2. Projected Payroll for FY 2026	\$ 93,745,075
3. UAL Amortization Payment Rate	1.33%





SECTION 1 – VALUATION RESULTS

EXHIBIT 8

DEVELOPMENT OF 2026 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	19.51%
2. Administrative Expense	0.04%
3. Unfunded Actuarial Liability Payment as Percent of Pay	1.33%
4. Total Actuarially Determined Contribution Rate (1) + (2) + (3)	20.88%
5. Employee Contribution Rate	9.00%
6. District Actuarial Contribution Rate (4) – (5)	11.88%
7. Expected Payroll for 2026	\$ 93,745,075
8. Actuarially Determined District Contribution (6) x (7)	\$ 11,136,915
9. Total Recommended District Contribution*	\$ 12,000,000
10. Monthly District Contribution	\$ 1,000,000

* We believe it is prudent to contribute an amount greater than the Actuarially Determined Contribution amount to protect against adverse experience and volatility in the District's contribution amount.





SECTION 2 – OTHER INFORMATION

SECTION 2

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.





SECTION 2 – OTHER INFORMATION

EXHIBIT 9

ESTIMATED BENEFIT PAYMENTS*

Year End	Current In-Pay	Current Not-In-Pay	Total
2026	\$30,301,000	\$1,245,000	\$31,546,000
2027	30,451,000	3,162,000	33,613,000
2028	30,625,000	4,995,000	35,620,000
2029	30,812,000	6,847,000	37,659,000
2030	30,975,000	8,766,000	39,741,000
2031	31,115,000	10,706,000	41,821,000
2032	31,016,000	12,668,000	43,684,000
2033	30,913,000	14,676,000	45,589,000
2034	30,742,000	16,717,000	47,459,000
2035	30,510,000	18,887,000	49,397,000
2036	30,279,000	21,224,000	51,503,000
2037	29,939,000	23,480,000	53,419,000
2038	29,523,000	25,765,000	55,288,000
2039	29,057,000	28,230,000	57,287,000
2040	28,510,000	30,768,000	59,278,000



*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.





SECTION 2 – OTHER INFORMATION

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)
1/1/2007	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	12,912,828	112.90%
1/1/2025	12/31/2025	12,021,557	12,900,000	107.31%
1/1/2026	12/31/2026	11,136,915		





SECTION 2 – OTHER INFORMATION

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]
1/1/2007	\$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%
1/1/2025	579,581,100	618,486,937	38,905,837	93.7%	83,387,029	46.7%
1/1/2026 *	626,876,880	644,039,105	17,162,225	97.3%	88,218,090	19.5%

* Revision to actuarial assumptions.





SECTION 3 – 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.

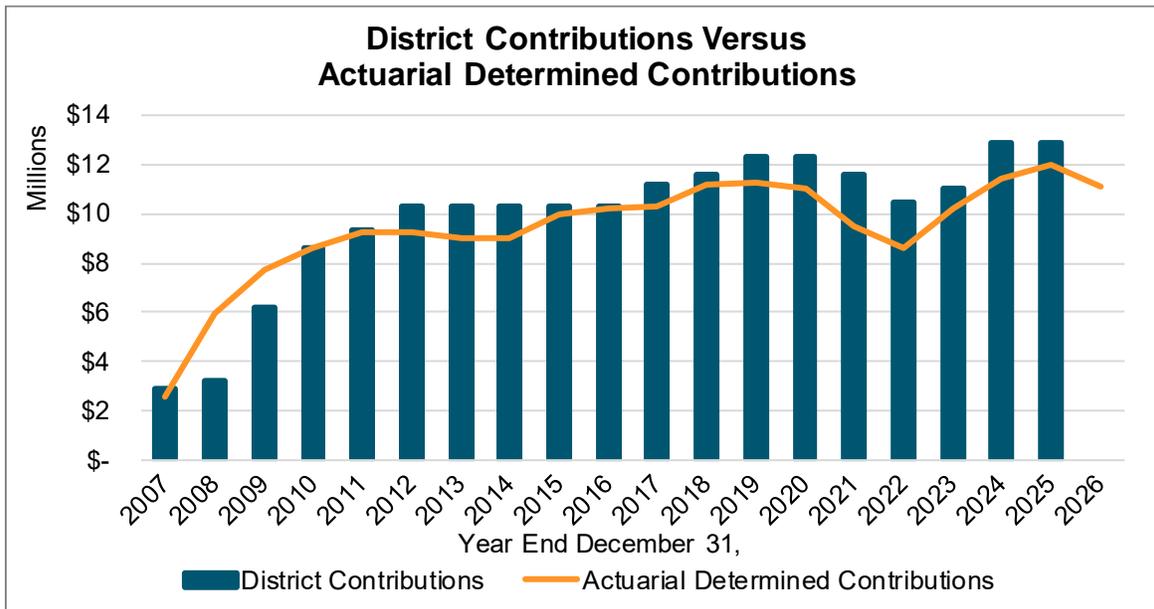
Note that the last two items are not risks that the actuary must address under ASOP 51.

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 16 years.





SECTION 3 – RISK CONSIDERATIONS



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 10 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, 2025 and with the 30-year spot rate used for all durations beyond 30. Using these assumptions, we calculate a liability of approximately \$669.9 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





SECTION 3 – RISK CONSIDERATIONS

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.

Another risk for MUD is volatility in the Cost-of-Living Adjustment (COLA) provided to retirees and their beneficiaries. The plan provides a biannual COLA based on the change in the Consumer Price Index, which can't be less than 0% or greater than 3% a year. The current actuarial assumption is that 2.50% COLAs will be provided each year in the future. An extended period of high inflation could result in higher COLAs than anticipated by the actuarial assumptions causing significant actuarial losses. However, this risk is somewhat mitigated by the 3% cap in the benefit provisions.

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.





SECTION 3 – RISK CONSIDERATIONS

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*
1/1/2007	\$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%
1/1/2025	587,621,941	83,387,029	7.05	5.01%
1/1/2026	677,956,346	88,218,090	7.69	5.46%

*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, 2026 are 769% of payroll, so underperforming the investment return assumption by 10% (i.e., earn -3.25% for one year) is equivalent to 76.9% 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.





SECTION 3 – RISK CONSIDERATIONS

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
12/31/2011	\$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%)
12/31/2024	587,621,941	20,411,104	28,131,942	(7,720,838)	(1.31%)
12/31/2025	677,956,346	20,839,915	29,374,180	(8,534,265)	(1.26%)





SECTION 3 – RISK CONSIDERATIONS

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)
1/1/2012	\$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%
1/1/2025	337,943,904	618,486,937	54.6%
1/1/2026	361,155,286	644,039,105	56.1%

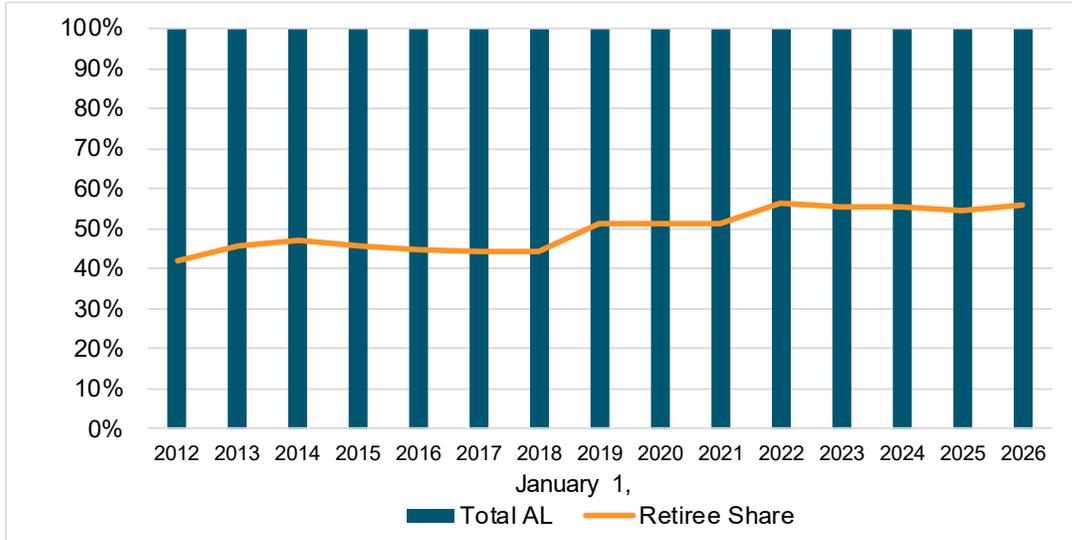




SECTION 3 – RISK CONSIDERATIONS

EXHIBIT 14 (continued)

LIABILITY MATURITY MEASUREMENTS





SECTION 3 – RISK CONSIDERATIONS

EXHIBIT 15

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

This exhibit compares the key January 1, 2026 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	22.03%	20.73%	19.51%	18.37%	17.30%
Administrative Expense	0.04%	0.04%	0.04%	0.04%	0.04%
UAL Contribution Rate	4.13%	2.73%	1.33%	(0.07%)	(1.17%)
Total Actuarially Determined Contribution Rate	26.20%	23.50%	20.88%	18.34%	16.17%
Employee Contribution Rate	(9.00%)	(9.00%)	(9.00%)	(9.00%)	(9.00%)
District Contribution Rate	17.20%	14.50%	11.88%	9.34%	7.17%
District Actuarial Contribution	\$16,124	\$13,593	\$11,137	\$8,756	\$6,722
Actuarial Liability	\$683,383	\$663,267	\$644,039	\$625,652	\$608,062
Actuarial Value of Assets	626,877	626,877	626,877	626,877	626,877
Unfunded Actuarial Liability*	\$56,506	\$36,390	\$17,162	(\$1,225)	(\$18,815)
Funded Ratio	91.73%	94.51%	97.34%	100.20%	103.09%

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.

<u>Effective Date:</u>	December 31, 1967
<u>Participation:</u>	<p>(a) Each Employee on the Effective Date, provided he was employed before his 60th birthday, became a participant on the Effective Date</p> <p>(b) Each person who becomes an employee after the Effective Date becomes a participant on his employment date.</p>
<u>Final Average Salary:</u>	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).
<u>Age and Service Requirements for Benefits:</u>	
Normal Retirement	First day of the month next following the 60 th 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

Retirement Benefits:

Normal & Late Retirement	<p>A monthly amount which equals</p> <p>(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.</p> <p>(b) any monthly normal retirement annuity purchased under the MLI contract up to December 31, 1967.</p>
Minimal Normal	<p>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.</p>
Early Retirement	<p>A monthly amount which equals (1) times (2)</p> <p>(1) An amount determined in the same manner as the normal retirement benefit, based on:</p> <p style="padding-left: 40px;">(a) Years of continuous service and Final Average Salary on the early retirement date, and</p> <p style="padding-left: 40px;">(b) Any monthly annuity, payable at age 65, to which the employee may be entitled under the MLI contract,</p> <p>(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)</p>

Form of Annuity:

Normal	<p>Monthly payments for life with refund at death of excess, if any, of the employee's contributions over payments received.</p>
Optional	<p>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</p>





APPENDIX A – SUMMARY OF PLAN PROVISIONS

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





APPENDIX A – SUMMARY OF PLAN PROVISIONS

	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 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 actuarial 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 actuarial 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

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 METHODS AND ASSUMPTIONS

Actuarial Assumptions

In addition to depending upon the actuarial methods used, actuarial liabilities and costs 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 2025)	
Active	Pub-2016 General Members (Median) Employee Mortality Table projected generationally using the MP-2021 Scale
Retired	Pub-2016 General Members (Median) Retiree Mortality Table projected generationally using the MP-2021 Scale
Beneficiary	Pub-2016 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2021 Scale
On Long Term Disability	Pub-2016 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2021 Scale

Withdrawal Rates: (revised 2025)

Years of Service	<u>Annual Rate</u>	
	<u>Male</u>	<u>Female</u>
1	5.50%	12.00%
5	3.00%	3.00%
10	1.75%	2.25%
15	1.25%	1.50%
20	1.25%	1.50%
25	0.00%	0.00%





APPENDIX B – ACTUARIAL METHODS AND ASSUMPTIONS

Retirement Rates: (revised 2025)

<u>Age</u>	<u>Annual Rate</u>
55-57	2%
58-59	5%
60	20%
61	30%
62	33%
63-65	25%
66-69	30%
70	100%

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

Salary Scale: (revised 2025)

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

<u>Years of Service</u>	<u>Annual Percentage Increase</u>
1	12.50%
5	7.50%
10	4.50%
15	4.20%
20	4.20%
25	4.00%
30	3.75%
35	3.75%

Note: Includes salary inflation at 3.50%

Spouse’s Benefit: (revised 2025)

It is assumed that 80% of employees are married, with wives three years younger than husbands.

Form of Payment:

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





APPENDIX B – ACTUARIAL METHODS AND ASSUMPTIONS

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 – MEMBERSHIP DATA

HISTORICAL SUMMARY OF MEMBERSHIP

The following table displays selected historical data as available.

Valuation		Active Members						Number			
		Number	Average					Disabled	Inactive Vested	Inactive Non-Vested	Retirees and Beneficiaries
Date January 1	Total Count		Age	Entry Age	Service	Annual Pay (\$)	Pay Increase				
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
2025	1,707	896	46.1	33.8	12.3	92,306	6.53%	15	58	4	734
2026	1,763	928	45.3	33.7	11.6	94,743	2.64%	12	61	6	756





APPENDIX C – MEMBERSHIP DATA

MEMBERSHIP DATA FOR VALUATION

The summary of employee characteristics presented below covers the employee group as of January 1, 2026. 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	928
(b) Inactive vested employees	
Terminated*	61
Disability	12
(c) Inactive non-vested employees	6
(d) Retirees and beneficiaries	756
(e) Total	1,763

Average age of employees in valuation:

(a) Active employees:	
Attained age	45.3
Entry age	33.7
(b) Inactive vested employees:	
Termination*	49.8
Disability	54.4
(c) Retired employees	71.7
(d) Beneficiaries	76.6

Active employees eligible for vested benefits as of January 1, 2026

(a) Employees under age 55 with 5 or more years of service - eligible for deferred vested benefits	360
(b) Employees age 55 and over with 5 or more years of service - eligible for early or normal retirement benefits	228
(c) Employees eligible for refund of contributions only	340
(d) Total	928

*Includes 6 beneficiaries who are not yet receiving benefits.





APPENDIX C – MEMBERSHIP DATA

MEMBERSHIP DATA RECONCILIATION

January 1, 2025 to January 1, 2026

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.

	<u>Active Participants</u>	<u>Long-Term Disability</u>	<u>Retirees</u>	<u>Inactive Vested*</u>	<u>Inactive Non-Vested</u>	<u>Beneficiaries</u>	<u>Total</u>
Participants as of 1/1/2025	896	15	594	58	4	140	1,707
New Participants	89	0	0	0	5	1	95
Moved to Full-Time	0	0	0	0	0	0	0
Moved to Part-Time	0	0	0	0	0	0	0
Terminations							
Refunded	(10)	0	0	(1)	(4)	0	(15)
Refund-Due	(1)	0	0	0	1	0	0
Inactive Vested	(4)	0	0	4	0	0	0
Disabilities	(1)	1	0	0	0	0	0
Retirements	(39)	(4)	44	(1)	0	0	0
Deaths							
With Beneficiary	(2)	0	(8)	1	0	9	0
Without Beneficiary	0	0	(14)	0	0	(10)	(24)
Data Corrections	0	0	0	0	0	0	0
Total Participants 1/1/2026	928	12	616	61	6	140	1,763

*Includes beneficiaries who are not yet receiving benefits.



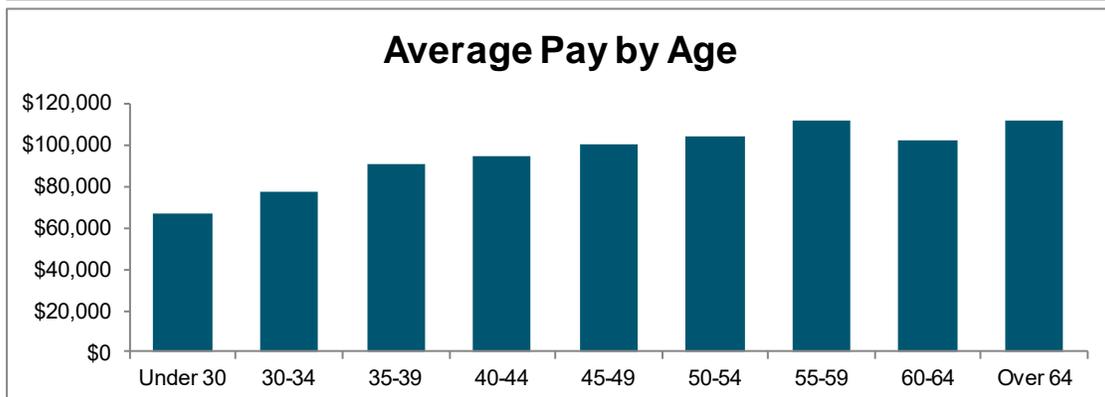
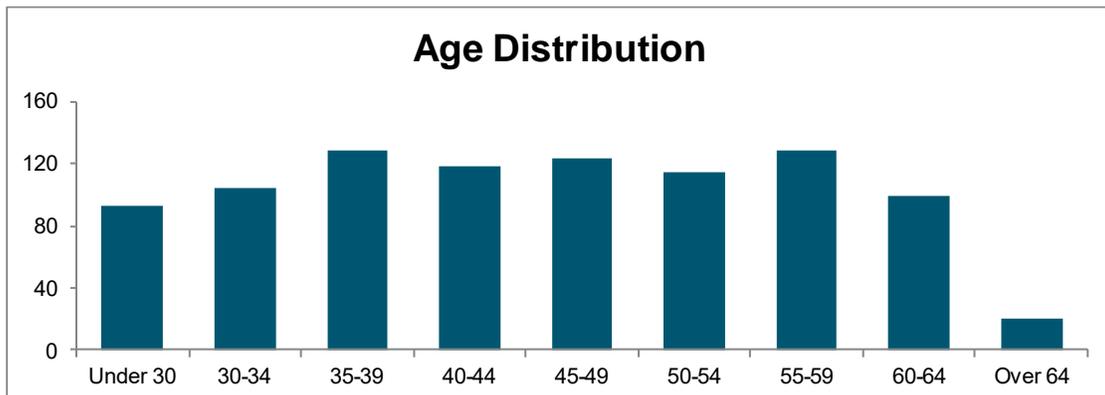


APPENDIX C – MEMBERSHIP DATA

SCHEDULE 1

ACTIVE EMPLOYEES AS OF JANUARY 1, 2026

Age	Count of Members			2025 Pensionable Pay of Members		
	Males	Females	Total	Males	Females	Total
Under 30	88	5	93	\$ 5,981,956	\$ 263,118	\$ 6,245,074
30-34	90	14	104	6,917,645	1,112,301	8,029,946
35-39	107	21	128	9,789,298	1,776,419	11,565,717
40-44	96	22	118	9,159,835	2,014,641	11,174,476
45-49	91	32	123	9,445,018	2,895,957	12,340,975
50-54	97	18	115	10,189,323	1,795,714	11,985,037
55-59	84	44	128	9,877,900	4,388,311	14,266,211
60-64	68	31	99	7,231,872	2,850,303	10,082,175
Over 64	11	9	20	1,416,624	814,817	2,231,441
Total	732	196	928	\$70,009,471	\$17,911,581	\$87,921,052



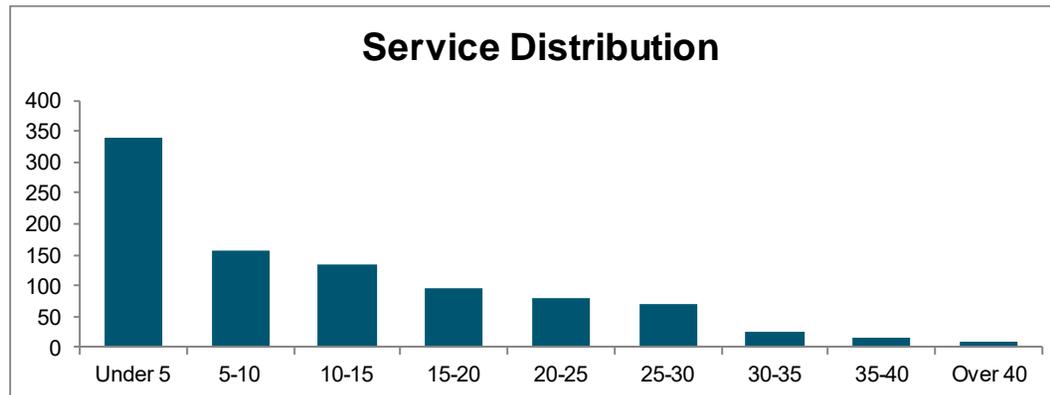


APPENDIX C – MEMBERSHIP DATA

SCHEDULE 1 (continued)

ACTIVE EMPLOYEES AS OF JANUARY 1, 2026

Age	Service									Total
	Under 5	5-10	10-15	15-20	20-25	25-30	30-35	35-40	Over 40	
Under 30	80	13	0	0	0	0	0	0	0	93
30-34	74	24	6	0	0	0	0	0	0	104
35-39	72	37	17	2	0	0	0	0	0	128
40-44	49	29	28	11	1	0	0	0	0	118
45-49	27	20	31	29	13	3	0	0	0	123
50-54	19	12	18	19	22	23	2	0	0	115
55-59	13	15	18	16	23	30	8	5	0	128
60-64	5	5	12	16	18	16	12	8	7	99
Over 64	1	1	5	4	2	0	2	2	3	20
Total	340	156	135	97	79	72	24	15	10	928



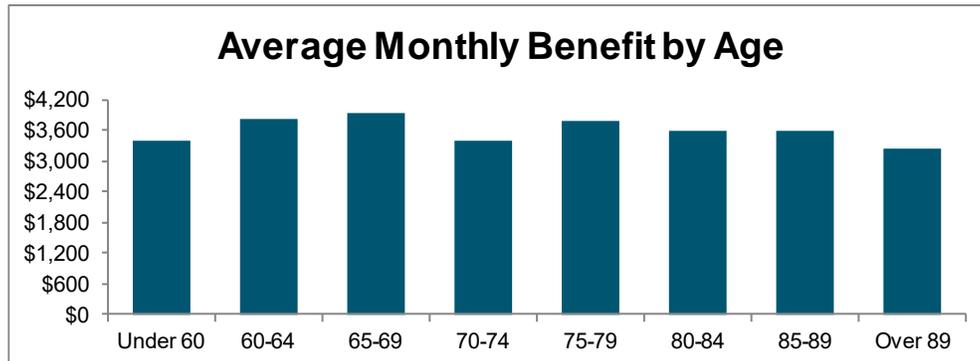
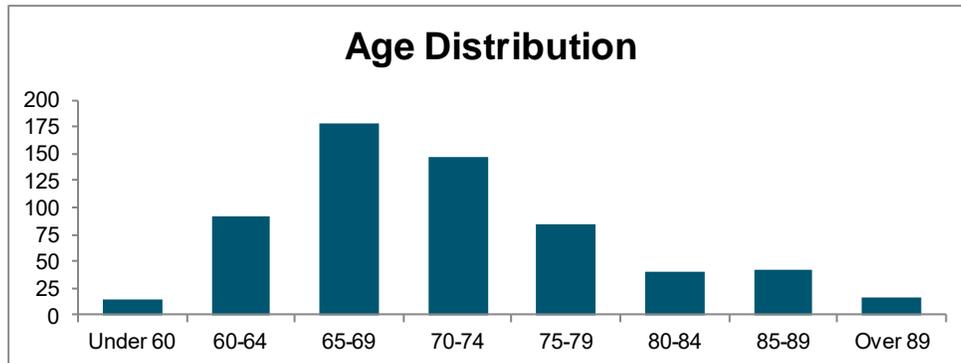


APPENDIX C – MEMBERSHIP DATA

SCHEDULE 2

RETIRED PARTICIPANTS AS OF JANUARY 1, 2026

Age	Count of Retirees			Current Monthly Benefits		
	Males	Females	Total	Males	Females	Total
Under 60	10	5	15	\$ 30,631	\$ 20,503	\$ 51,134
60-64	73	18	91	290,641	56,720	347,361
65-69	123	56	179	516,559	189,063	705,622
70-74	92	55	147	326,658	174,750	501,408
75-79	56	28	84	238,904	78,164	317,068
80-84	31	9	40	119,061	25,128	144,189
85-89	34	9	43	126,643	27,845	154,488
Over 89	13	4	17	44,513	10,329	54,842
Total	432	184	616	\$1,693,610	\$582,502	\$2,276,112



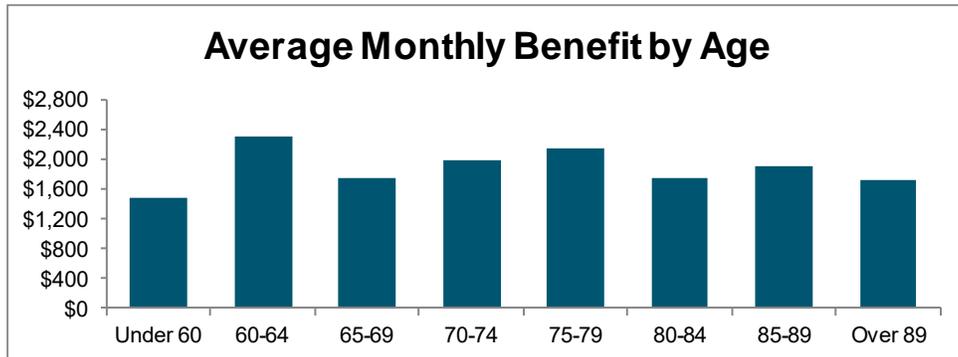
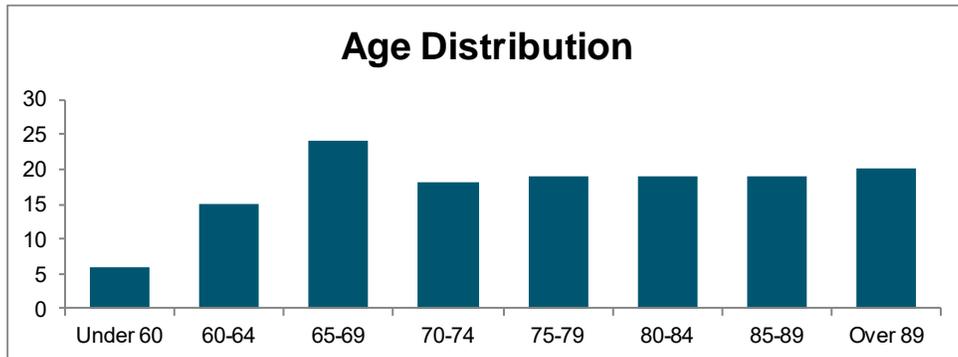


APPENDIX C – MEMBERSHIP DATA

SCHEDULE 3

BENEFICIARIES RECEIVING BENEFITS AS OF JANUARY 1, 2026

Age	Count of Beneficiaries			Current Monthly Benefits		
	Males	Females	Total	Males	Females	Total
Under 60	0	6	6	\$ 0	\$ 8,855	\$ 8,855
60-64	2	13	15	4,970	29,549	34,519
65-69	2	22	24	2,643	39,073	41,716
70-74	1	17	18	652	34,856	35,508
75-79	2	17	19	2,713	37,959	40,672
80-84	0	19	19	0	33,196	33,196
85-89	0	19	19	0	36,118	36,118
Over 89	1	19	20	1,517	32,813	34,330
Total	8	132	140	\$12,495	\$252,419	\$264,914





APPENDIX C – MEMBERSHIP DATA

SCHEDULE 4

INACTIVE VESTED FORMER EMPLOYEES AS OF JANUARY 1, 2026

Age	Count of Members			Expected Monthly Benefit		
	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	1,047	0	1,047
35-39	4	0	4	5,318	0	5,318
40-44	5	5	10	7,542	7,375	14,917
45-49	11	1	12	16,256	1,643	17,899
50-54	11	7	18	24,377	12,357	36,734
55-59	7	5	12	13,669	15,840	29,509
Over 59	4	0	4	3,971	0	3,971
Total	43	18	61	\$72,180	\$37,215	\$109,395

Note: Includes 6 beneficiaries who are not yet receiving benefits.





APPENDIX C – MEMBERSHIP DATA

SCHEDULE 5

DISABLED VESTED FORMER EMPLOYEES AS OF JANUARY 1, 2026

Age	Count of Members			Estimated Monthly Benefit		
	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	0	1	1	0	3,219	3,219
50-54	1	1	2	4,376	2,802	7,178
55-59	4	1	5	13,505	3,226	16,731
Over 59	1	1	2	2,665	1,357	4,022
Total	8	4	12	\$26,093	\$10,604	\$36,697



**THE RETIREMENT PLAN FOR
EMPLOYEES OF THE
METROPOLITAN UTILITIES
DISTRICT OF OMAHA**



**GASB STATEMENTS
NO. 67 & 68 REPORT**

**PREPARED FOR DECEMBER 31, 2025
FINANCIAL REPORTING**



February 12, 2026

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

Dear Mr. Dickas:

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, 2025 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, 2025. 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.

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



Mr. Steve Dickas
February 12, 2026
Page 2

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 Megan E. Skiles, ASA, 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,

A handwritten signature in blue ink that reads "Patrice Beckham".

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

A handwritten signature in blue ink that reads "Megan E. Skiles".

Megan E. Skiles, ASA, FCA, MAAA
Associate Actuary



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SECTION I – SUMMARY OF PRINCIPAL RESULTS

ANNUAL GASB STATEMENTS NO. 67 & 68 REPORT

RETIREMENT PLAN FOR EMPLOYEES OF THE METROPOLITAN UTILITIES DISTRICT OF OMAHA

Valuation Date (VD):	January 1, 2025
Prior Measurement Date:	December 31, 2024
Measurement Date (MD):	December 31, 2025
Membership Data:	
Retirees and Beneficiaries	734
Disabled Members	15
Inactive Vested Members	58
Inactive Nonvested Members	4
Active Employees	<u>896</u>
Total	1,707
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	6.75%
Municipal Bond Index Rate at Prior Measurement Date	4.04%
Municipal Bond Index Rate at Measurement Date	4.82%
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)	\$639,614,992
Fiduciary Net Position (FNP)	<u>677,956,346</u>
Net Pension Liability (NPL = TPL – FNP)	(\$38,341,354)
FNP as a percentage of TPL	105.99%
Collective Pension Expense:	\$5,141,356
Collective Deferred Outflows of Resources:	\$37,535,867
Collective Deferred Inflows of Resources:	\$87,028,046





SECTION II – 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, 2025 (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 results of the annual actuarial valuation of the Plan performed as of January 1, 2025 (the Valuation Date) but using the new set of assumptions adopted by the MUD board at their September 3, 2025 meeting. The results of the annual actuarial valuation were detailed in a report dated March 24, 2025.

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, 2025 TPL. The SEIR for both the current Measurement Date and the Prior Measurement Date is 6.75%, the long-





SECTION II – INTRODUCTION

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 V.

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 CavMac 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 III – 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 PNC Institutional Asset Management, 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, 2025, the date of the valuation used to determine the December 31, 2025 TPL.

Membership

Number as of January 1, 2025	
Inactive Members Or Their Beneficiaries	734
Currently Receiving Benefits	
Disabled Members	15
Inactive Members Entitled To But Not Yet Receiving Benefits	58
Inactive Non-vested Members	4
Active Members	896
Total	1,707

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





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

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 2025, 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 \$12,900,000 for the fiscal year ending December 31, 2025.

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.





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

- 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, 2025, 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, 2025, the money-weighted rate of return was 17.0%, as calculated by PNC.

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).





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

Paragraph 31.a. (1)-(4): As stated earlier, the NPL is equal to the TPL minus the FNP. That result, as of December 31, 2025 is presented in the following table.

Fiscal Year Ending December 31, 2025	
Total Pension Liability	\$ 639,614,992
Fiduciary Net Position	<u>677,956,346</u>
Net Pension Liability	\$ (38,341,354)
Ratio of Fiduciary Net Position to Total Pension Liability	105.99%

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, 2025 was determined based on an actuarial valuation prepared as of January 1, 2025, rolled forward one year to December 31, 2025, using the following key actuarial assumptions and other inputs:

Price Inflation	2.50 percent
Wage Growth Rate	3.50 percent
Salary increases, including price inflation	3.75 to 13.50 percent
Long-term Rate of Return, net of investment expense, including price inflation	6.75 percent
Municipal Bond Index Rate	
Prior Measurement Date	4.04 percent
Measurement Date	4.82 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





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

Mortality

- | | |
|------------------------------------|---|
| a. Healthy lives – Active members | Pub-2016 General Members (Median) Employee Mortality Table projected generationally using the MP-2021 Scale. |
| b. Healthy lives - Retired members | Pub-2016 General Members (Median) Retiree Mortality Table projected generationally using the MP-2021 Scale. |
| c. Healthy lives - Beneficiaries | Pub-2016 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2021 Scale. |
| d. Long-term Disabled members | Pub-2016 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2021 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, 2024. The experience study report is dated August 25, 2025, and the MUD Board adopted the new set of assumptions at their September 3, 2025 meeting.

Paragraph 31.b.(1)

(a) Discount rate (SEIR): The discount rate used to measure the TPL at December 31, 2025 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.





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

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 August 25, 2025. 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 4.82% on the Measurement Date.
- (e) Periods of projected benefit payments:** Projected future benefit payments for all current plan members were projected through 2124.





SECTION III – NOTES TO FINANCIAL STATEMENTS FOR GASB 67

- (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 at the time of the study, PNC. 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*
U.S. Equities		
US Large Cap	34.1%	3.5%
US Mid Cap	2.7%	4.3%
US Small Cap	1.2%	2.8%
Non-US Equities	19.2%	4.9%
Emerging Markets	6.8%	4.0%
U.S. Aggregate Bonds	15.0%	2.0%
International Bonds	3.0%	2.0%
Intermediate Term Credit	11.0%	2.0%
Short Term Credit	3.0%	0.9%
REITS	<u>4.0%</u>	3.3%
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	\$721,030,390	\$639,614,992	\$571,493,711
Fiduciary Net Position	<u>\$677,956,346</u>	<u>\$677,956,346</u>	<u>\$677,956,346</u>
Net Pension Liability	\$43,074,044	(\$38,341,354)	(\$106,462,635)

Paragraph 31.c.: The TPL at December 31, 2025 is based upon an actuarial valuation prepared as of January 1, 2025. The valuation was used to determine the TPL on the Measurement Date by rolling the liabilities forward one year to December 31, 2025 using standard actuarial techniques. The roll-forward begins with the actuarial accrued liability (TPL) at January 1, 2025, 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, 2025 using the discount rate as of the Prior Measurement Date.





SECTION IV – REQUIRED SUPPLEMENTARY INFORMATION 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
2025	17.0%
2024	10.8%
2023	16.2%
2022	-17.1%
2021	13.7%
2020	14.7%
2019	21.0%
2018	-5.2%
2017	15.2%
2016	7.9%

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.





SECTION IV – REQUIRED SUPPLEMENTARY INFORMATION GASB 67

Changes in actuarial assumptions and methods:

1/1/2026 valuation (assumptions used for measuring the 12/31/2025 TPL):

- The general wage growth assumption was increased from 3.40% to 3.50%.
- The salary merit scale was adjusted to better reflect actual experience.
- The mortality assumption was modified by moving to the Pub-2016 General Employees Median Mortality Table, projected generationally using Scale MP-2021.
- Assumed retirement rates were adjusted to better reflect actual experience.
- Assumed termination rates were adjusted to better reflect actual experience.
- The marriage assumption was decreased from 90% to 80%.

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.





SECTION V – 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, 2025, 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 13.92 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 7.31 years.

The last item under changes in TPL is changes in actuarial assumptions or other inputs. There were a number of changes in the actuarial assumptions or other inputs since the Prior Measurement Date. These changes will 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, 2025 is shown in the following table.





SECTION V – PENSION EXPENSE FOR GASB 68

Pension Expense For the Year Ended

December 31, 2025	
Service Cost at end of year	\$17,066,185
Interest on the Total Pension Liability	40,615,148
Benefit term changes	0
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	340,807
Expensed portion of current-period assumption changes	(1,003,643)
Employee contributions	(7,939,915)
Projected earnings on plan investments	(39,380,033)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(11,904,471)
Administrative expenses	33,720
Other	0
Recognition of beginning Deferred Outflows of Resources	29,951,520
Recognition of beginning Deferred Inflows of Resources	(22,637,962)
Total Pension Expense	\$5,141,356

Note: Average expected remaining service life for all members is 7.31 years.





SECTION VI – 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% 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. 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% and adjustments cannot be negative.





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

(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, 2025, the date of the valuation used to determine the December 31, 2025 TPL.

Membership

Number as of January 1, 2025	
Inactive Members Or Their Beneficiaries	734
Currently Receiving Benefits	
Disabled Members	15
Inactive Members Entitled To But Not Yet Receiving Benefits	58
Inactive Non-vested Members	4
Active Members	896
Total	1,707

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 2025, 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.





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

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, 2025, the Plan received \$12,900,000 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.





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

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, 2024	\$616,153,168	\$587,621,941	\$28,531,227
Changes for the year:			
Service Cost at end of year	17,066,185		17,066,185
Interest on TPL	40,615,148		40,615,148
Benefit term changes	0		0
Differences between expected and actual experience	2,491,299		2,491,299
Assumption changes	(7,336,628)		(7,336,628)
Employer contributions		12,900,000	(12,900,000)
Employee contributions		7,939,915	(7,939,915)
Net investment income		98,902,390	(98,902,390)
Benefit payments, including member refunds	(29,374,180)	(29,374,180)	0
Administrative expenses		(33,720)	33,720
Other		0	0
Net changes	<u>23,461,824</u>	<u>90,334,405</u>	<u>(66,872,581)</u>
Balances at December 31, 2025	\$639,614,992	\$677,956,346	(\$38,341,354)

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





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

Paragraph 45:

(a): The Measurement Date of the NPL is December 31, 2025. The TPL as of December 31, 2025 was determined based upon an actuarial valuation prepared as of the Valuation Date, January 1, 2025, rolled forward to December 31, 2025 using standard actuarial formulae.

(b): There is no special funding situation.

(c): There were a number of changes in the actuarial assumptions or other inputs since the Prior Measurement Date. These changes are detailed in Section IV of this report

(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, 2025, are the same, so there are no significant effects on the NPL due to differing dates.

(g): Please see Section V 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.





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

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, 2025). 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	\$8,945,016	\$2,295,462	\$6,649,554
Changes of assumptions	1,339,298	6,332,985	(4,993,687)
Differences between projected and actual earnings	<u>27,251,553</u>	<u>78,399,599</u>	<u>(51,148,046)</u>
Total	\$37,535,867	\$87,028,046	(\$49,492,179)





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

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, 2024	Additions	Recognition	December 31, 2025
Differences between expected and actual experience				
FY 2019 Base	\$ 63,298	\$ 0	\$ 63,298	\$ 0
FY 2020 Base	0	0	0	0
FY 2021 Base	0	0	0	0
FY 2022 Base	1,716,805	0	464,001	1,252,804
FY 2023 Base	1,644,937	0	325,730	1,319,207
FY 2024 Base	5,025,272	0	802,759	4,222,513
FY 2025 Base	0	2,491,299	340,807	2,150,492
Total	\$ 8,450,312	\$ 2,491,299	\$ 1,996,595	\$ 8,945,016
Changes of assumptions				
FY 2019 Base	\$ 212,316	\$ 0	\$ 212,316	\$ 0
FY 2020 Base	0	0	0	0
FY 2021 Base	2,171,160	0	831,862	1,339,298
FY 2022 Base	0	0	0	0
FY 2023 Base	0	0	0	0
FY 2024 Base	0	0	0	0
FY 2025 Base	0	0	0	0
Total	\$ 2,383,476	\$ 0	\$ 1,044,178	\$ 1,339,298
Differences between projected and actual earnings				
FY 2021 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2022 Base	54,503,107	0	27,251,554	27,251,553
FY 2023 Base	0	0	0	0
FY 2024 Base	0	0	0	0
FY 2025 Base	0	0	0	0
Total	\$ 54,503,107	\$ 0	\$ 27,251,554	\$ 27,251,553
Total	\$ 65,336,895	\$ 2,491,299	\$ 30,292,327	\$ 37,535,867





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

Deferred Inflows of Resources				
	December 31, 2024	Additions	Recognition	December 31, 2025
Differences between expected and actual experience				
FY 2019 Base	\$ 0	\$ 0	\$ 0	\$ 0
FY 2020 Base	2,103,913	0	1,481,628	622,285
FY 2021 Base	2,712,418	0	1,039,241	1,673,177
FY 2022 Base	0	0	0	0
FY 2023 Base	0	0	0	0
FY 2024 Base	0	0	0	0
FY 2025 Base	0	0	0	0
Total	\$ 4,816,331	\$ 0	\$ 2,520,869	\$ 2,295,462
Changes of assumptions				
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
FY 2024 Base	0	0	0	0
FY 2025 Base	0	7,336,628	1,003,643	6,332,985
Total	\$ 0	\$ 7,336,628	\$ 1,003,643	\$ 6,332,985
Differences between projected and actual earnings				
FY 2021 Base	\$ 6,930,105	\$ 0	\$ 6,930,105	\$ 0
FY 2022 Base	0	0	0	0
FY 2023 Base	26,337,764	0	8,779,254	17,558,510
FY 2024 Base	17,630,937	0	4,407,734	13,223,203
FY 2025 Base	0	59,522,357	11,904,471	47,617,886
Total	\$ 50,898,806	\$ 59,522,357	\$ 32,021,564	\$ 78,399,599
Total	\$ 55,715,137	\$ 66,858,985	\$ 35,546,076	\$ 87,028,046





SECTION VI – NOTES TO FINANCIAL STATEMENTS FOR GASB 68

(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
2026	\$30,016,712	\$27,756,628	\$2,260,084
2027	2,440,733	26,729,040	(24,288,307)
2028	1,794,098	17,315,849	(15,521,751)
2029	1,469,296	12,908,116	(11,438,820)
2030	1,159,853	1,003,643	156,210
Thereafter	655,175	1,314,770	(659,595)

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





SECTION VII – REQUIRED SUPPLEMENTARY INFORMATION 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 IV of this report, Required Supplementary Information for GASB 67, and is not repeated here.





APPENDIX A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

Exhibit A

GASB 68 Paragraph 43 STATEMENT OF PLAN FIDUCIARY NET POSITION AND CHANGES IN THE FIDUCIARY NET POSITION Fiscal Year Ended December 31, 2025

Statement of Plan Fiduciary Net Position at December 31, 2025

Assets	
Cash and cash equivalents	\$ 5,889,632
Investments at fair value	
Fixed income	205,949,042
Domestic stock	282,477,735
International stock	183,639,937
Total investments	<u>672,066,714</u>
Total assets	<u>677,956,346</u>
Liabilities	
Accrued expenses and benefits payable	<u>0</u>
Total liabilities	<u>0</u>
Net position restricted for pensions	<u>\$ 677,956,346</u>

Statement of Changes in the Fiduciary Net Position for the Year Ended December 31, 2025

Additions:	
Employer contributions	\$ 12,900,000
Employee contributions	7,939,915
Total contributions	<u>20,839,915</u>
Net investment income	98,902,390
Total additions	<u>119,742,305</u>
Deductions:	
Service benefits	29,374,180
Administrative expenses	33,720
Total deductions	<u>29,407,900</u>
Net increase/(decrease)	90,334,405
Net position restricted for pensions:	
Beginning of year	587,621,941
End of year	<u>\$ 677,956,346</u>





APPENDIX A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$17,066,185	\$15,812,155	\$14,685,921	\$13,490,074	\$13,007,768	\$12,718,417	\$11,710,809	\$11,863,654	\$11,137,854	\$10,857,017
Interest	40,615,148	38,496,096	36,716,217	34,985,031	34,269,868	33,306,797	31,734,106	30,304,199	29,552,506	28,076,211
Benefit term changes	0	0	0	0	0	0	0	0	0	0
Differences between expected and actual experience	2,491,299	5,828,031	2,296,397	3,108,808	(6,869,382)	(9,512,053)	1,714,570	(1,597,520)	(5,835,431)	(1,578,237)
Assumption changes	(7,336,628)	0	0	0	5,498,608	0	5,751,024	0	8,713,229	0
Benefit payments, including member refunds	<u>(29,374,180)</u>	<u>(28,131,942)</u>	<u>(26,553,746)</u>	<u>(25,339,507)</u>	<u>(23,236,403)</u>	<u>(21,897,160)</u>	<u>(21,204,786)</u>	<u>(19,116,693)</u>	<u>(17,445,020)</u>	<u>(16,555,144)</u>
Net change in Total Pension Liability	\$23,461,824	\$32,004,340	\$27,144,789	\$26,244,406	\$22,670,459	\$14,616,001	\$29,705,723	\$21,453,640	\$26,123,138	\$20,799,847
Total Pension Liability - beginning	\$616,153,168	\$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
Total Pension Liability - ending (a)	\$639,614,992	\$616,153,168	\$584,148,828	\$557,004,039	\$530,759,633	\$508,089,174	\$493,473,173	\$463,767,450	\$442,313,810	\$416,190,672
Plan Fiduciary Net Position										
Employer contributions	\$12,900,000	\$12,912,828	\$11,055,924	\$10,500,000	\$11,600,000	\$12,300,000	\$12,300,000	\$11,606,179	\$11,193,821	\$10,300,000
Employee contributions	7,939,915	7,498,276	6,991,643	5,994,641	5,374,956	5,021,423	4,413,137	3,805,373	3,757,444	3,895,899
Net investment income	98,902,390	58,052,663	75,376,746	(97,597,177)	69,875,660	66,226,054	78,431,581	(20,727,828)	52,812,850	25,696,348
Benefit payments, including member refunds	(29,374,180)	(28,131,942)	(26,553,746)	(25,339,507)	(23,236,403)	(21,897,160)	(21,204,786)	(19,116,693)	(17,445,020)	(16,555,144)
Administrative expenses	(33,720)	(94,255)	(92,954)	(100,218)	(103,969)	(92,241)	(70,123)	(94,940)	(94,161)	(85,186)
Other	0	0	0	0	0	0	0	0	0	0
Net change in Plan Fiduciary Net Position	\$90,334,405	\$50,237,570	\$66,777,613	(\$106,542,261)	\$63,510,244	\$61,558,076	\$73,869,809	(\$24,527,909)	\$50,224,934	\$23,251,917
Plan Fiduciary Net Position – beginning	\$587,621,941	\$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
Plan Fiduciary Net Position – ending (b)	\$677,956,346	\$587,621,941	\$537,384,371	\$470,606,758	\$577,149,019	\$513,638,775	\$452,080,699	\$378,210,890	\$402,738,799	\$352,513,865
Net Pension Liability - ending (a) - (b)	(\$38,341,354)	\$28,531,227	\$46,764,457	\$86,397,281	(\$46,389,386)	(\$5,549,601)	\$41,392,474	\$85,556,560	\$39,575,011	\$63,676,807
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	105.99%	95.37%	91.99%	84.49%	108.74%	101.09%	91.61%	81.55%	91.05%	84.70%
Covered payroll	\$88,218,090	\$83,387,029	\$77,757,044	\$70,609,770	\$67,274,914	\$66,588,665	\$63,272,421	\$62,865,829	\$62,624,066	\$61,064,398
Employers' Net Pension Liability as a percentage of covered payroll	(43.46%)	34.22%	60.14%	122.36%	(68.95%)	(8.33%)	65.42%	136.09%	63.19%	104.28%





APPENDIX A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

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
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%
2024	11,437	12,913	(1,476)	83,387	15.49%
2025	12,022	12,900	(878)	88,218	14.62%





APPENDIX A – REQUIRED SUPPLEMENTARY INFORMATION TABLES

NOTES TO SCHEDULE OF EMPLOYER CONTRIBUTIONS

Valuation Date:	January 1, 2025
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 10 to 20 years (Single Equivalent Amortization Period is 21 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	Age-based table of rates.
Mortality	<p>Pre-retirement mortality rates were based on the Pub-2010 General Members (Median) Employee Mortality Table projected generationally using the MP-2020 Scale.</p> <p>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.</p> <p>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.</p> <p>Disabled mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2020 Scale.</p>
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).

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

<u>Effective Date:</u>	December 31, 1967
<u>Participation:</u>	<ul style="list-style-type: none"> (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.
<u>Final Average Salary:</u>	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).
<u>Age and Service Requirements for Benefits:</u>	
Normal Retirement	First day of the month next following the 60 th 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 B – SUMMARY OF KEY BENEFIT PROVISIONS

Retirement Benefits:

Normal & Late Retirement	<p>A monthly amount which equals</p> <ul style="list-style-type: none"> (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	<p>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.</p>
Early Retirement	<p>A monthly amount which equals (1) times (2)</p> <ul style="list-style-type: none"> (1) An amount determined in the same manner as the normal retirement benefit, based on: <ul style="list-style-type: none"> (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	<p>Monthly payments for life with refund at death of excess, if any, of the employee’s contributions over payments received.</p>
Optional	<p>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</p>





APPENDIX B – SUMMARY OF KEY BENEFIT PROVISIONS

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.





APPENDIX B – SUMMARY OF KEY BENEFIT PROVISIONS

<p>Surviving Spouse (receiving spouse’s benefit)</p>	<p>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.</p>
<p>Contingent Annuitant (if retirement income payments have commenced)</p>	<p>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.</p>
<p>Employee Under MLI Contract</p>	<p>Contributions under MLI contract payable subject to provisions of MLI contract.</p>
<p><u>Cost of Living Adjustments:</u></p>	<p>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.</p>
<p><u>Disability Benefits:</u></p>	<p>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.</p> <p>The maximum disability period is typically age 65. However, members who become disabled after age 60 may receive disability benefits beyond age 65.</p>
<p><u>Source of Funds:</u></p>	
<p>Employee Contributions</p>	<p>9.00%</p> <p>Interest is credited at 3.50% per annum, compounded annually.</p>
<p>District Contributions</p>	<p>The remaining amount required to fund the benefit on an actuarially sound basis.</p>





APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Long-term Expected Rate of Return: 6.75% per annum, compounded annually
(revised 2021)

Payroll Growth: (revised 2021) 3.00% per year

Inflation: (revised 2021) 2.50% per year

Mortality Rates: (revised 2025)

Active Pub-2016 General Members (Median) Employee Mortality Table projected generationally using the MP-2021 Scale

Retired Pub-2016 General Members (Median) Retiree Mortality Table projected generationally using the MP-2021 Scale

Beneficiary Pub-2016 General Members (Median) Contingent Survivor Mortality Table projected generationally using the MP-2021 Scale

On Long Term Disability Pub-2016 Non-Safety Disabled Retiree Mortality Table projected generationally using the MP-2021 Scale

Withdrawal Rates: (revised 2025)

Years of Service	Annual Rate	
	Male	Female
1	5.50%	12.00%
5	3.00%	3.00%
10	1.75%	2.25%
15	1.25%	1.50%
20	1.25%	1.50%
25	0.00%	0.00%





APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

Retirement Rates: (revised 2025)

<u>Age</u>	<u>Annual Rate</u>
55 to 57	2%
58 to 59	5%
60	20%
61	30%
62	33%
63 to 65	25%
66 to 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 2025)

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

<u>Years of Service</u>	<u>Annual Percentage Increase</u>
1	12.50%
5	7.50%
10	4.50%
15	4.20%
20	4.20%
25	4.00%
30	3.75%
35	3.75%

Note: Includes salary inflation at 3.50%

Spouse’s Benefit: (revised 2025)

It is assumed that 80% 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.





APPENDIX C – STATEMENT OF ACTUARIAL ASSUMPTIONS

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.



RETIREMENT PLAN FOR EMPLOYEES OF MUD

JANUARY 1, 2026 ACTUARIAL VALUATION RESULTS

PRESENTED: April 1, 2026



Patrice A. Beckham, FSA, EA, FCA, MAAA
Megan E. Skiles, ASA, FCA, MAAA

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: $\text{Contributions} + \text{Investment Earnings} = \text{Benefits} + \text{Expenses}$
- 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 determine the actuarial contribution and recommended contribution for the current year based on the Plan's Funding Policy

Actuarial Valuation Process (Reserve Funding)

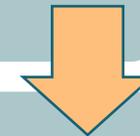
Builds funds during working careers.



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.

Experience Study Changes

- The experience study in 2025 resulted in changes to the set of actuarial assumptions that are first reflected in the January 1, 2026 valuation
 - Increase general wage growth assumption from 3.40% to 3.50%.
 - Adjust salary merit scale to better reflect actual experience.
 - Move to the Pub-2016 General Employees Median Mortality Tables, projected generationally using Scale MP-2021.
 - Adjust retirement rates to better reflect actual experience.
 - Adjust termination rates to better reflect actual experience.
 - Decrease the marriage assumption from 90% to 80%.

Impact of Experience Study Changes

January 1, 2026 Actuarial Valuation Results

	Prior Assumptions	Current Assumptions	Difference
Actuarial Liability (AL)	\$651,430,822	\$644,039,105	(\$7,391,717)
Actuarial Value of Assets (AVA)	<u>626,876,880</u>	<u>626,876,880</u>	<u>0</u>
Unfunded AL (UAL)	\$24,553,942	\$17,162,225	(\$7,391,717)
Funded Ratio	96.23%	97.34%	1.11%
Normal Cost Rate	19.52%	19.51%	(0.01%)
Administrative Expense	0.04%	0.04%	0.00%
UAL Contribution Rate	<u>1.90%</u>	<u>1.33%</u>	<u>(0.57%)</u>
Total Contribution Rate	21.46%	20.88%	(0.58%)
Annual District Contribution	\$11,613,890	\$11,136,915	(\$476,975)

The most significant cost impact was due to changes to the assumed retirement rates.

What Impacted the 1/1/2026 Valuation Results

- Asset Experience
 - Investment return on market value was 17.0%
 - Due to use of an asset smoothing method, the return on the actuarial value of assets was 9.7%, greater than the assumed return of 6.75%.
 - Actuarial gain on assets of \$17.0 million
 - Deferred investment gain of \$8.0 million last year increased to \$51.1 million in the 2026 valuation
- Liability Experience
 - Higher salary increases than assumed produced an actuarial loss on liabilities (higher salaries = higher benefits)
 - Actual COLA increase of 3.0% was higher than the assumed COLA (2.5%)
 - Net liability loss from all sources was \$4.5 million
- Net experience gain was \$12.5 million which decreased the unfunded actuarial liability and actuarial contribution.

Total Plan Membership

	1/1/26 Valuation	1/1/25 Valuation	Change
Active members	928	896	3.6%
LTD/Inactive vested	73	73	0.0%
Inactive non-vested	6	4	50.0%
Retirees and Beneficiaries	<u>756</u>	<u>734</u>	<u>3.0%</u>
Total	1,763	1,707	3.3%

Average age of active members is 45.3 and average service is 11.6.
Average age of retirees is 71.7. Oldest retiree is age 96.



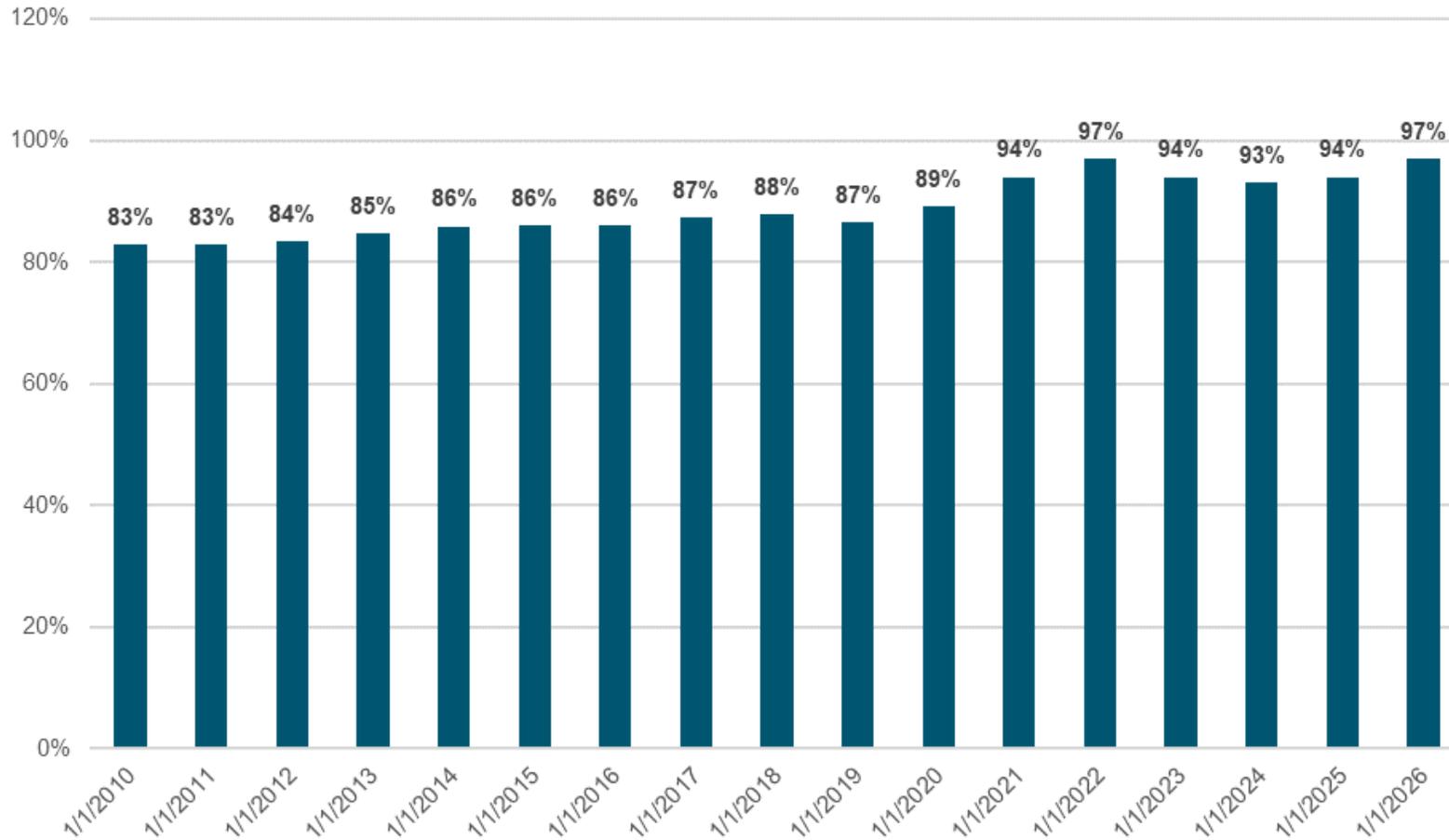
January 1, 2026 Valuation Results

	1/1/2026 Valuation	1/1/2025 Valuation
Actuarial Liability	\$644M	\$618M
Actuarial Assets	<u>627M</u>	<u>580M</u>
Unfunded Actuarial Liability	\$ 17M	\$ 39M
<u>Funded Ratio: Assets/Liability</u>		
Actuarial Value of Assets	97.3%	93.7%
Market Value of Assets	105.3%	95.0%

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.

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.

District Contribution

	1/1/2026 Valuation	1/1/2025 Valuation	Change
Total Contribution Rate	20.88%	22.72%	(1.84%)
Employee Rate	<u>(9.00%)</u>	<u>(9.00%)</u>	<u>0.00%</u>
Employer Rate	11.88%	13.72%	(1.84%)
Estimated Covered Payroll	\$93,745,075	\$87,620,677	\$6,124,398
Actuarially Determined Contribution	\$11,136,915	\$12,021,557	(\$884,642)
District Contribution	\$12.0 million (Recommended)	\$12.9 million (Actual)	(\$0.9 million)

In keeping with the stable contribution policy, we recommend the District contribute \$12.0 million in 2026.

Numbers may not add or subtract due to rounding.

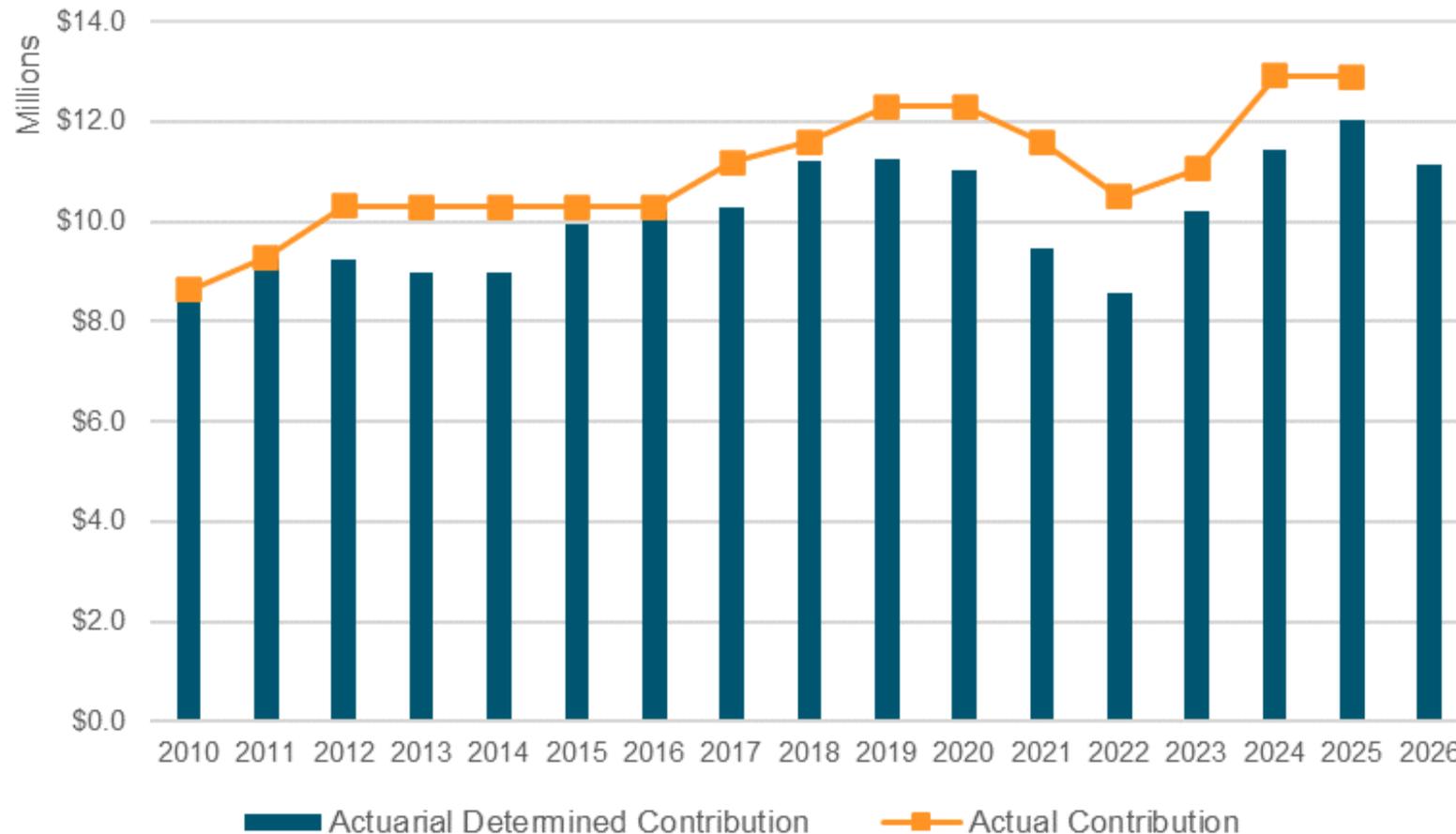
Sources of Change in Key Valuation Results



	District Contribution Rate	Funded Ratio
January 1, 2025 Valuation	13.72%	93.71%
Expected change	(0.08%)	0.41%
Contributions above actuarial rate	(0.07%)	0.15%
Investment experience	(1.30%)	2.63%
Demographic/other experience	0.25%	(0.67%)
Payroll higher than expected	(0.06%)	0.00%
Assumption Change	<u>(0.58%)</u>	<u>1.11%</u>
Total Net Change	(1.84%)	3.63%
January 1, 2026 Valuation	11.88%	97.34%

One of the main factors that impacted the increase in the funded ratio and decrease in the District's contribution rate was favorable investment experience in 2025.

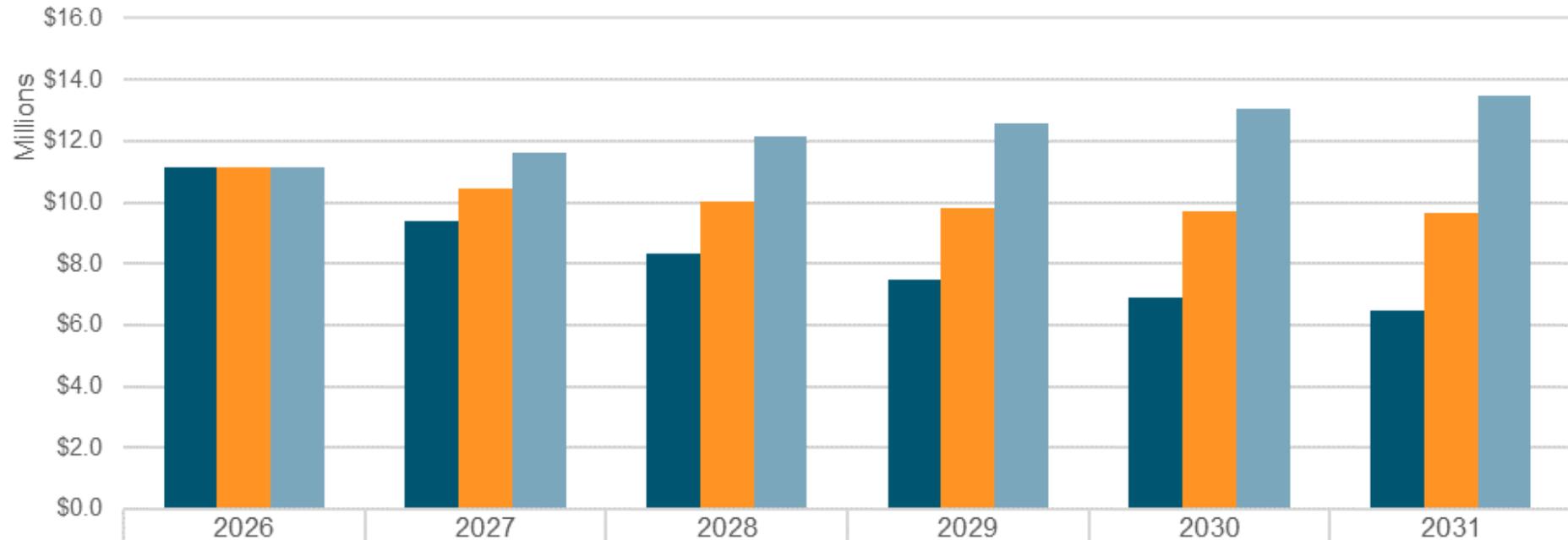
Historical Employer Contributions



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.

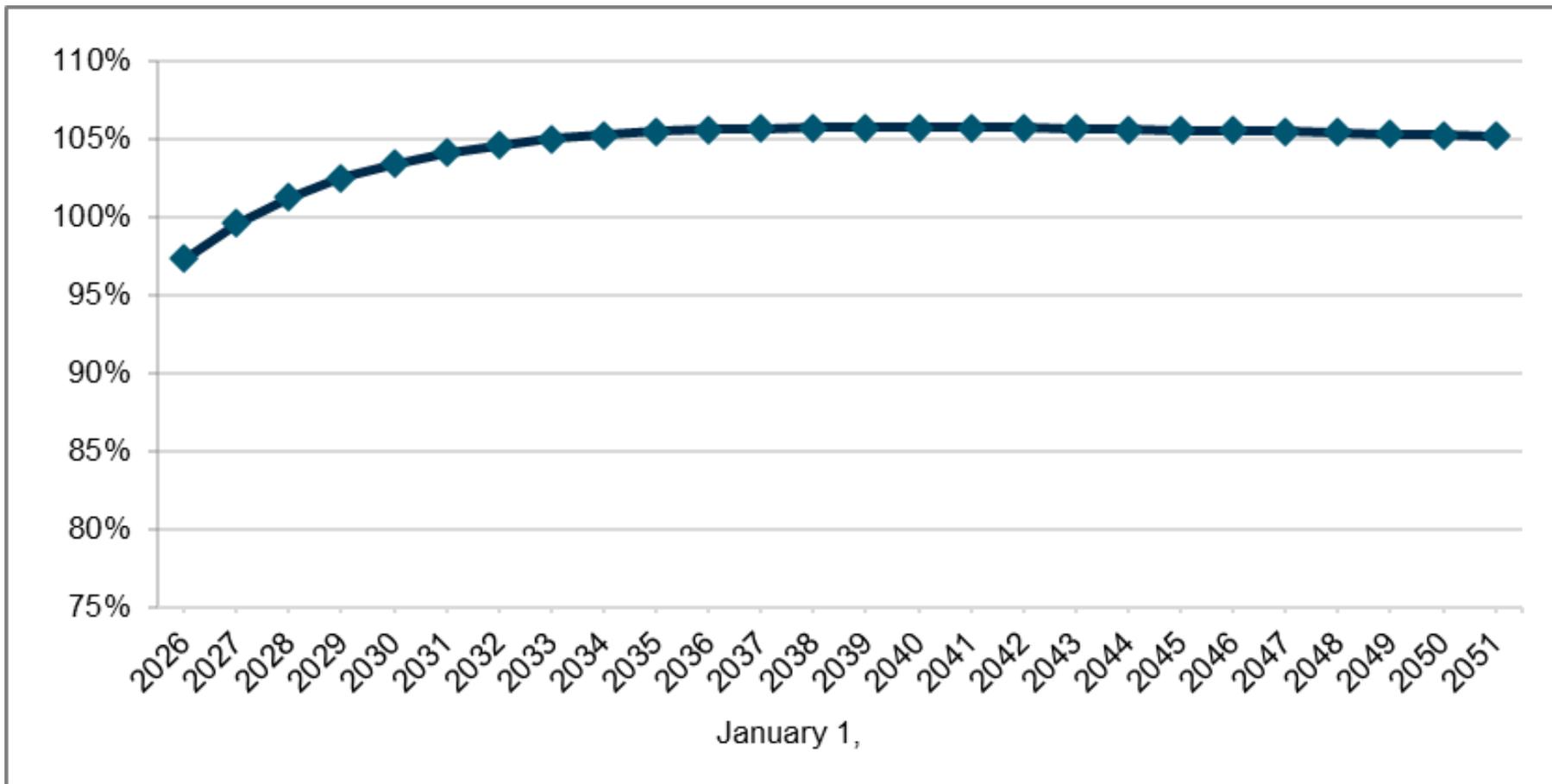
Actuarially Determined District Contributions



	2026	2027	2028	2029	2030	2031
■ 16.75% Return for 2026	\$11.1	\$9.4	\$8.3	\$7.5	\$6.9	\$6.5
■ 6.75% Return for 2026	\$11.1	\$10.5	\$10.0	\$9.8	\$9.7	\$9.7
■ -3.25% Return for 2026	\$11.1	\$11.6	\$12.1	\$12.6	\$13.0	\$13.5

For this sensitivity analysis, it is assumed all actuarial assumptions are met in each future year other than calendar year 2026 investment returns, as noted.

Projected Funded Ratio

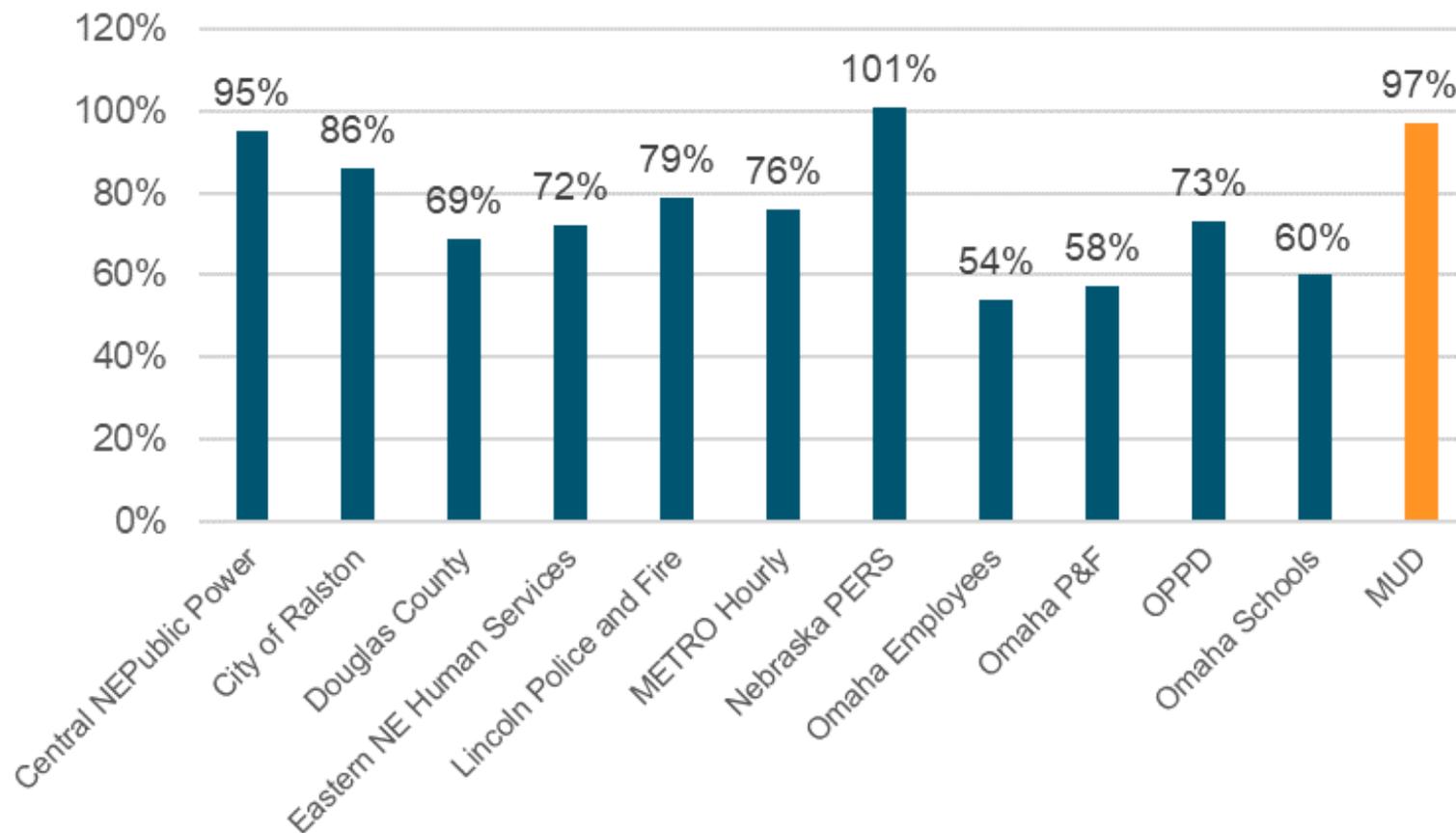


Projections assume all actuarial assumptions are met in each future year so the current deferred investment experience is recognized over time.

Lowering Investment Return Assumption

- With the full funding target approaching, the District may want to consider developing a policy to reduce the investment return assumption in small increments (.05% annual reductions) as the funded ratio increases over 100%. In conjunction with this change, the asset allocation would presumably change resulting in fewer risk-seeking assets and lower return volatility.
- This project will require a coordinated effort between CavMac, PNC and District staff to develop specific criteria for when and how to lower the investment return assumption and modify the portfolio in the future.

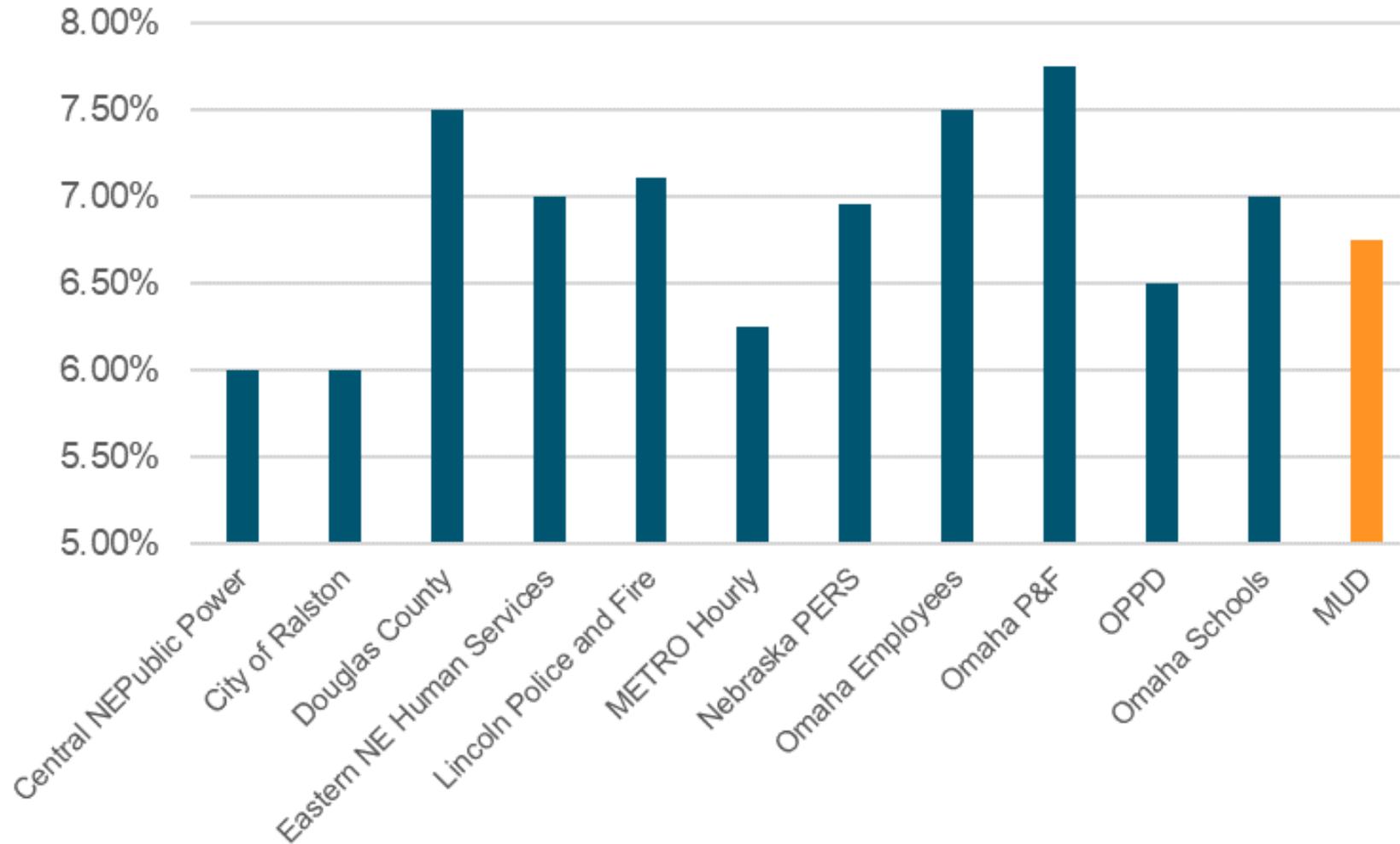
Funded Ratios of Other Nebraska Plans



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

The valuation date for most systems is in 2025.

Investment Return Assumptions of Other Plans



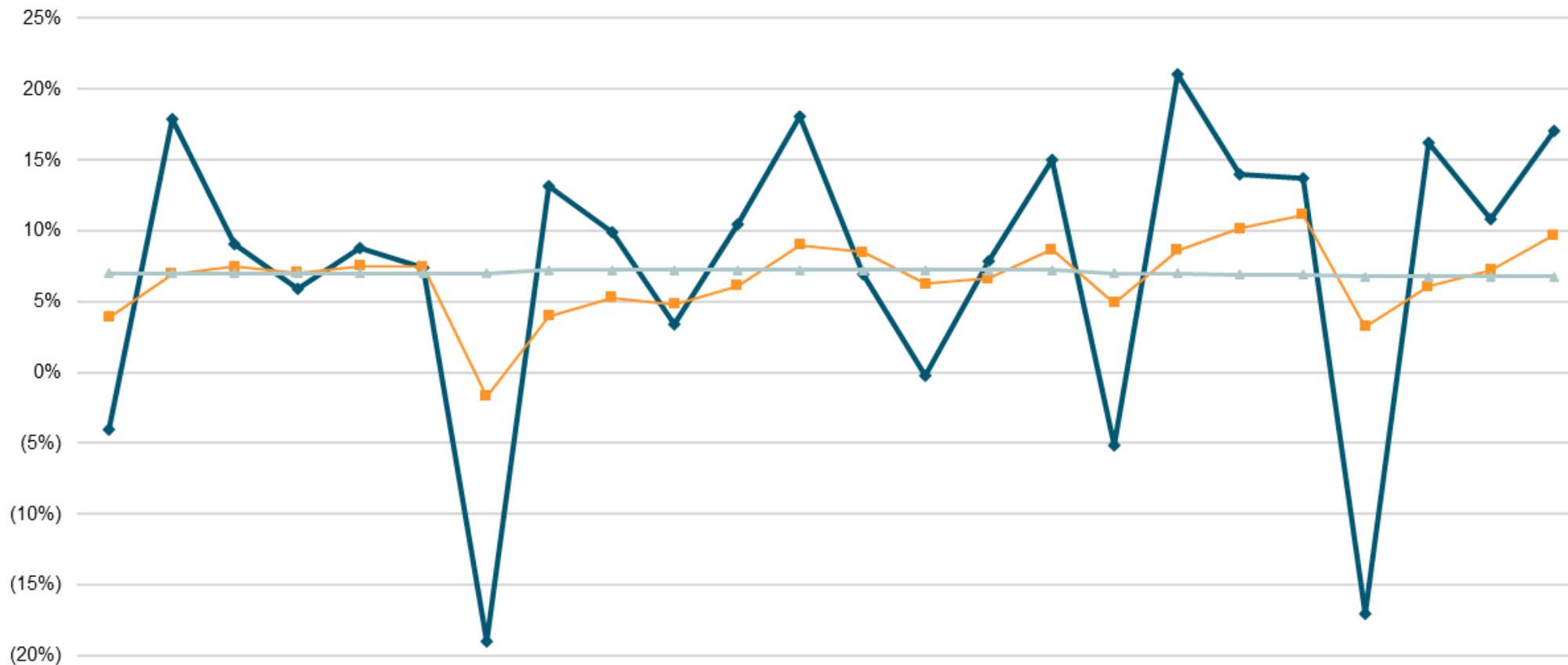
Closing Comments

- The January 1, 2026 valuation reflects net favorable experience, resulting in an increase in the funded ratio and a decrease in the actuarial contribution rate.
 - We recommend the District contribute \$12.0 million for 2026. Any amount above the actuarial contribution will reduce the unfunded actuarial liability or offset any unfavorable experience in 2026.
- There is a 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 97%).
- 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 stable contribution policy is intended to mitigate the volatility in contributions.

SUPPLEMENTAL INFORMATION



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	2024	2025
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%	10.84%	17.01%
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%	7.24%	9.71%
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%	6.75%	6.75%

Details of Actuarial Contribution

	1/1/26 Valuation	1/1/25 Valuation	Change
Normal cost rate	19.51%	19.53%	(0.02%)
Administrative Expense	0.04%	0.11%	(0.07%)
UAL contribution*	<u>1.33%</u>	<u>3.08%</u>	<u>(1.75%)</u>
Total Contribution Rate	20.88%	22.72%	(1.84%)
Employee Rate	<u>(9.00%)</u>	<u>(9.00%)</u>	<u>0.00%</u>
Employer Rate	11.88%	13.72%	(1.84%)
Estimated Covered Payroll	\$93,745,075	\$87,620,677	\$6,124,398
Total Required Contribution	19,573,972	19,907,418	(333,446)
Employee Contribution	8,437,057	7,885,861	551,196
Employer Contribution	\$11,136,915	\$12,021,557	(\$884,642)

Note: Multiple amortization bases exist but the largest piece of unfunded actuarial liability (UAL) is amortized over a closed 18-year period (as of 1/1/2026).

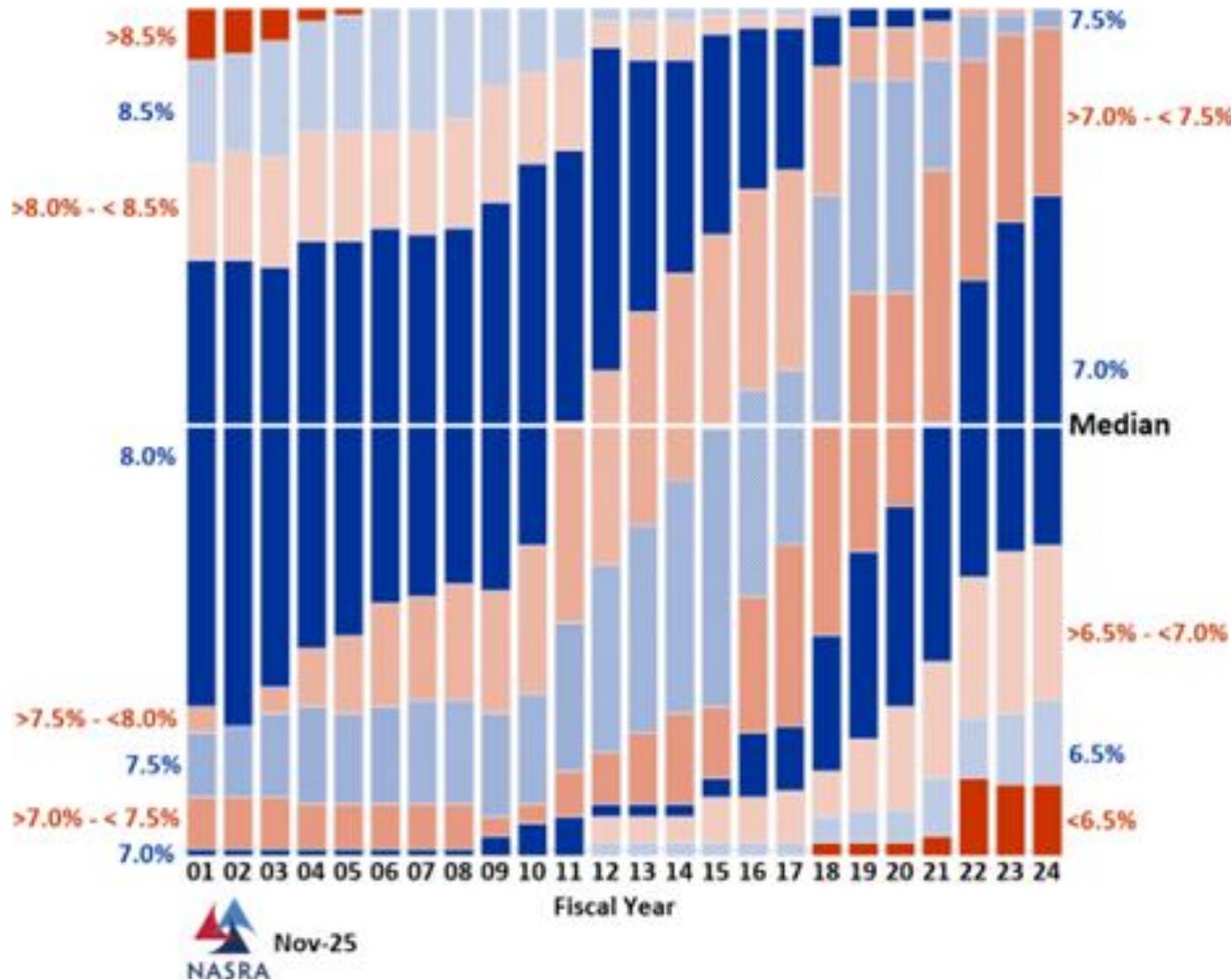
Contribution Rate Volatility

- 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 of Return 10% Lower than Assumed
2026	\$678M	\$88.2M	769%	\$5.12M

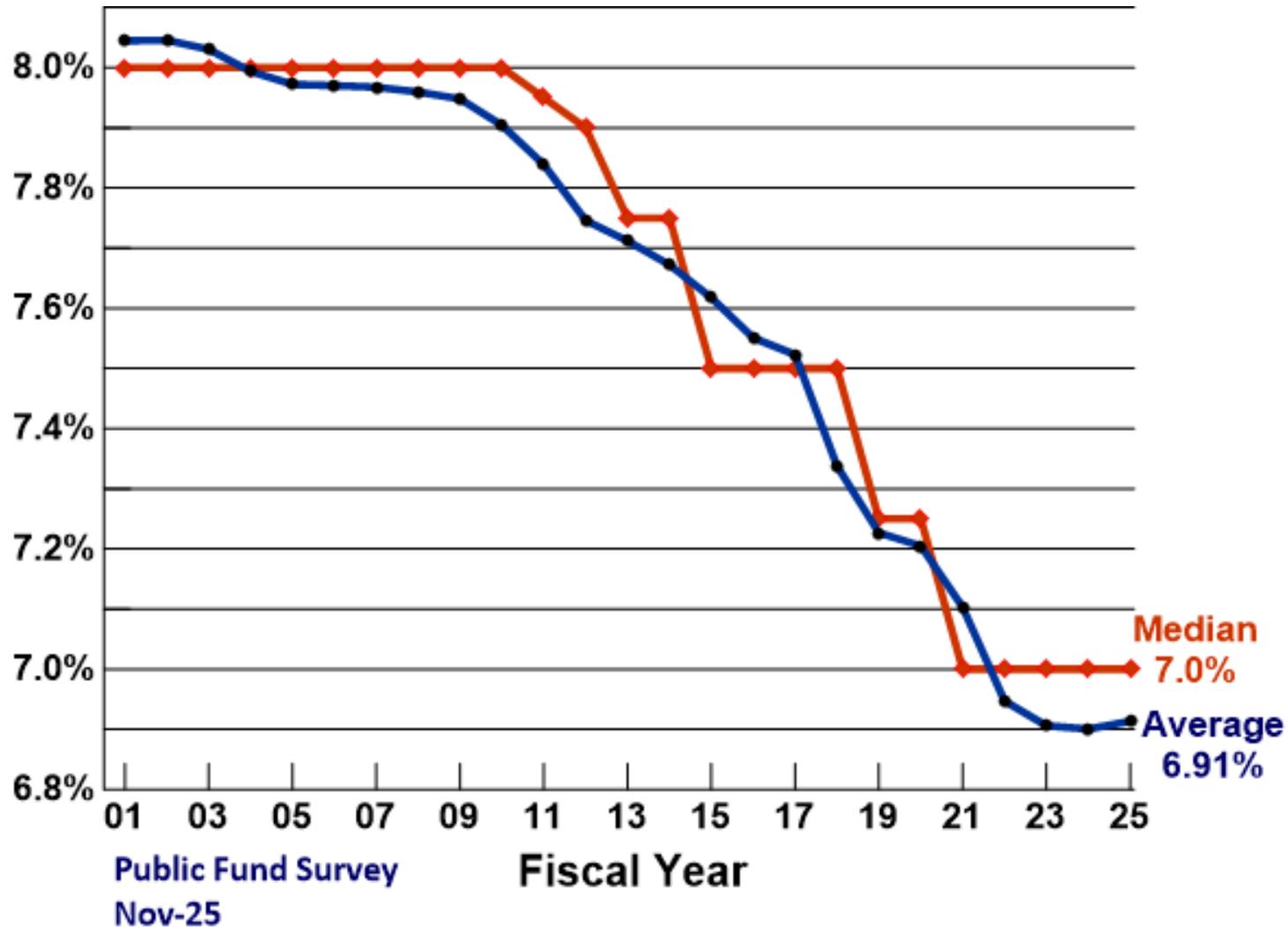
- Assets are more than seven times payroll
 - Underperforming the investment return assumption by 10% (earning -3.25%) is equivalent to 76.9% of payroll
 - Even with asset smoothing and amortization of losses, the impact on the contribution is significant
 - This level of volatility is not unexpected given the asset allocation

Distribution of Investment Return Assumptions



The key takeaway from this chart is the dramatic reduction in the median investment return assumption over the last 15 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.

Alternate Investment Return Assumptions



Investment Return Assumption	6.25%	6.50%	(current) 6.75%
Total Actuarial Contribution Rate	26.20%	23.50%	20.88%
Employee Contribution Rate	<u>(9.00%)</u>	<u>(9.00%)</u>	<u>(9.00%)</u>
District Contribution Rate	17.20%	14.50%	11.88%
District Contribution	\$16.1M	\$13.6M	\$11.1M
Actuarial Liability	\$683.4M	\$663.3M	\$644.0M
Actuarial Value of Assets	<u>626.9M</u>	<u>626.9M</u>	<u>626.9M</u>
Unfunded Actuarial Liability	\$ 56.5M	\$ 36.4M	\$ 17.2M
Funded Ratio	91.7%	94.5%	97.3%

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 12, 2026. 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, 2026 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 A. Beckham, FSA, EA, FCA, MAAA
Consulting Actuary



Megan E. Skiles, ASA, FCA, MAAA
Associate Actuary

THANK
YOU



METROPOLITAN UTILITIES DISTRICT

Inter-Departmental Communication

March 27, 2026

Subject: RSM AUDIT REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

To: Audit Committee

cc: All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Dickas, Mendenhall, Minor and all Vice Presidents

From: Robert Kreiser, Vice President, Accounting

Attached for your review, please find the “Financial Statements and Supplemental Schedules” for the year ended December 31, 2025, as audited by RSM, our external auditors. I am pleased to inform you that RSM expressed an unmodified, or “clean” audit opinion, which indicates that the financial statements present fairly, in all material respects, the financial position of both the Gas and Water divisions as of December 31, 2025.

Also attached for your review, please find the “Compliance Report” for the year ended December 31, 2025. This was the first year that the District was required to issue a compliance report. I am pleased to inform you that RSM expressed that the District was in compliance with all direct and material compliance requirements of each major federal program.

It is important to note that the District is responsible for the preparation and fair presentation of financial statements in accordance with generally accepted accounting principles, whereas it is RSM’s responsibility to issue an opinion on the financial statements based on their audit.

Kristen Hughes, Managing Director with RSM, will present a summary of the audit at the April Board meeting.

The aforementioned document will be on the April 1, 2026 Committee and Board Agendas to be placed on file.

Signed by:



Robert Kreiser

Vice President, Accounting

Approved:

Signed by:



Steve Dickas

Senior Vice President, Chief Financial Officer

DocuSigned by:



Mark E. Doyle

President

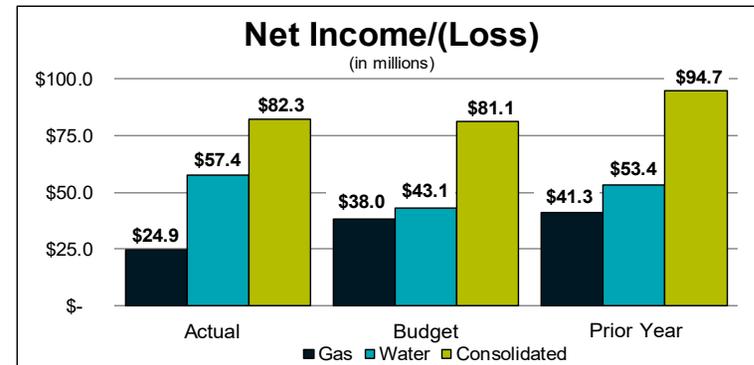
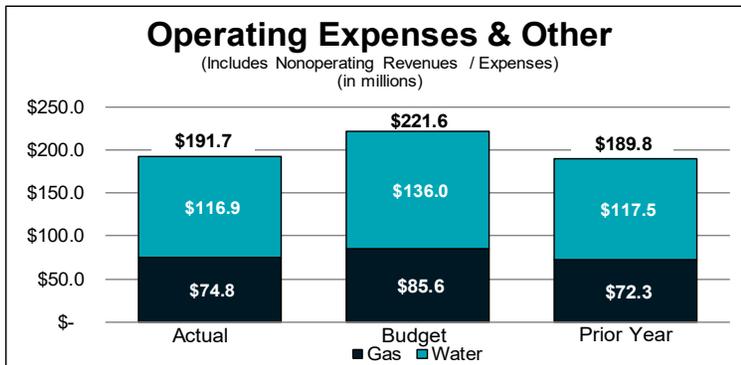
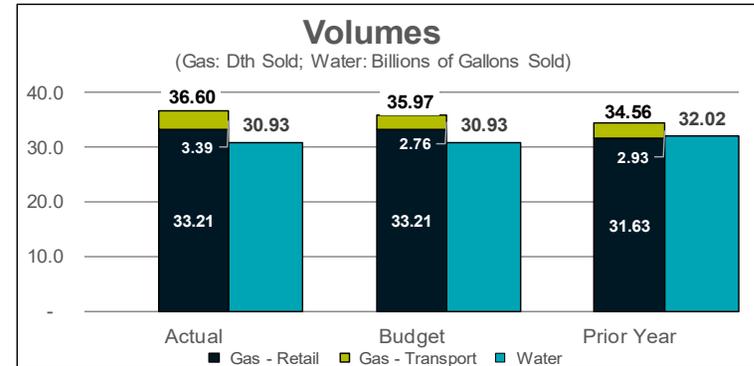
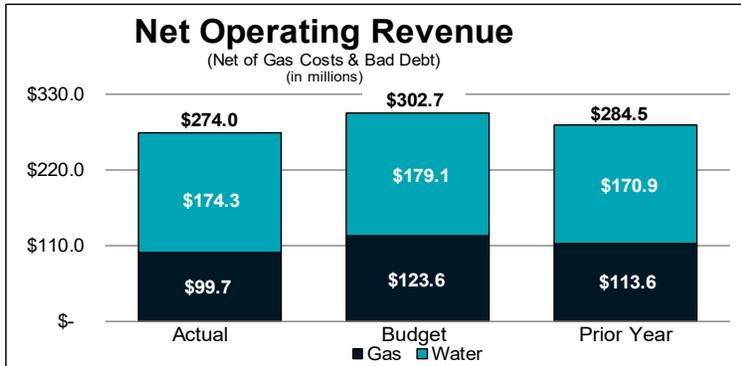
Attachments

2025 FINANCIAL REVIEW

APRIL 1, 2026

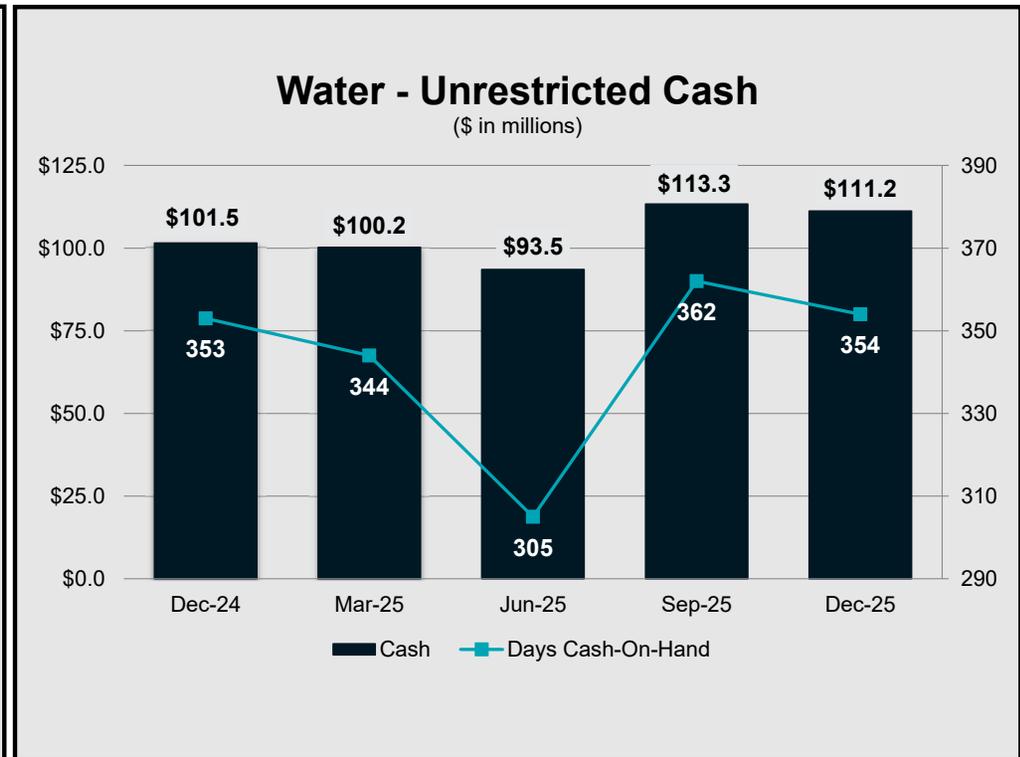
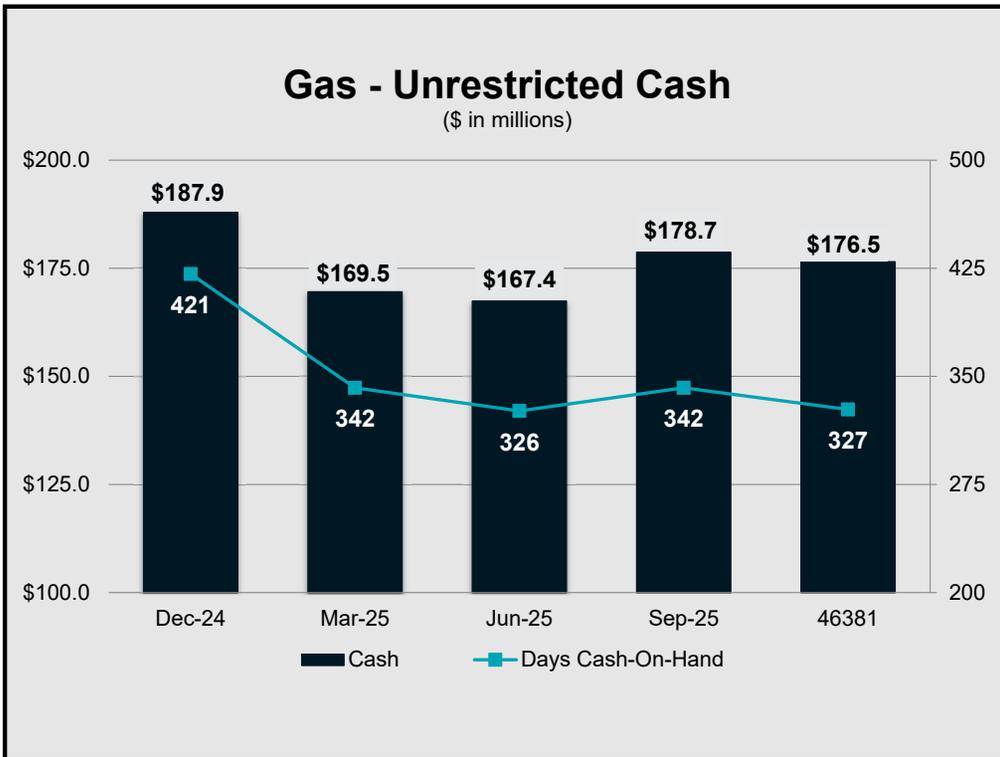
2025 FINANCIAL SUMMARY

GAS & WATER COMBINED (in millions)



CASH POSITION – GAS & WATER DEPARTMENTS

DECEMBER 31, 2025



FINANCIAL STABILITY – KEY MEASURES

	<u>2025</u>	<u>2024</u>
<u>Debt Service Coverage:</u>		
Water Debt service coverage ratios	4.47x	4.45x
Gas Debt service coverage ratios	4.16x	3.89x
Debt service coverage requirements	1.20x	1.20x
<u>Pension Funding:</u>		
Funded Ratio (Actuarial Value of Assets / Actuarial Liability)	97%	94%
<u>OPEB Funding (\$ in millions):</u>		
District contribution to OPEB trust fund	\$5.3	\$7.8
Retiree medical claims/fees paid	<u>\$4.7</u>	<u>\$4.2</u>
Total District contribution to OPEB Plan	\$10.0	\$12.0
<u>Credit Ratings:</u>		
Gas Department		
Fitch Ratings - September 2025	AA+	2 nd highest rating - No change
Moody's Investor Services - October 2023	Aa2	3 rd highest rating - No change
S&P Global Ratings - March 2025	AA+	2 nd highest rating - No change
Water Department		
Fitch Ratings - N/A	-	Does not rate the Water Dept.
Moody's Investor Services - February 2026	Aa2	3 rd highest rating - No change
S&P Global Ratings - February 2026	AA+	2 nd highest rating - Upgrade

METROPOLITAN

UTILITIES DISTRICT