

METROPOLITAN

UTILITIES DISTRICT

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Metropolitan Utilities District discusses streetcar utility relocations and potential impact on customers

December 7, 2022; Omaha, Neb.— During today’s Metropolitan Utilities District public board meeting, directors openly discussed utility relocation costs for the Omaha streetcar initiative and the impact on natural gas and water customers. The 2023 budget and associated rate increases that directors approved today do not include streetcar-related costs.

The District is a long-time proponent and active participant in economic development and supports growth in the urban core and across the greater metro Omaha area. While we are supportive of the streetcar initiative, we believe it’s important to protect our customers from bearing the main relocation costs associated with the project.

According to District policy, costs associated with water and natural gas infrastructure for new commercial and residential developments, or redevelopment-related utility relocations, are primarily paid upfront by the developer. This is due to the capital-intensive nature of this work. In contrast, the current streetcar financial plan assumes the majority of utility relocation costs will be paid by the District’s gas and water customers.

The streetcar initiative dictates replacement and reinforcement of gas and water mains through the corridor to support the streetcar system. Were it not for the proposed streetcar, and its impact on the consequence of the failure for selected mains in close proximity, there are no mains along the route that would be replaced in the foreseeable future.

The District’s main replacement work prioritization is based on a sophisticated risk model. While much of the streetcar’s corridor has older mains, data has shown that the age of the pipe alone does not directly correlate to its risk of failure. Age is only one component of the risk model; break history is another significant component, and the model contains 60 years of main break history. Over the past five years 13, or less than 0.5%, of water main breaks in the District’s service territory occurred in proximity to the route of the proposed streetcar.

The streetcar initiative without additional funding for main relocation will result in additional costs to our ratepayers and will require a reallocation of resources currently directed at repairing and replacing water mains throughout the community that are at a higher risk of breaking.

The District intends to work with the City of Omaha in a cooperative and transparent manner to minimize any additional financial burden to our customers.

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About Metropolitan Utilities District: The mission of the Metropolitan Utilities District, headquartered in Omaha, Nebraska, is to provide safe, reliable and cost-effective natural gas and water services to our community. Overall, the District serves more than 600,000 people in the metro area. The District is the fifth largest public natural gas utility in the United States, serving more than 237,000 customer-owners in Omaha, Bennington, Fort Calhoun, Springfield, Yutan and Bellevue. The District also provides safe, high quality drinking water to more than 222,000 customer-owners in Omaha, Bellevue, Bennington, Carter Lake, La Vista, Ralston, Waterloo and the Papio-Missouri Natural Resources District (which supplies water to Fort Calhoun). For more information, visit mudomaha.com.