

**METROPOLITAN UTILITIES DISTRICT**  
**Committee Meetings & Public Hearing**

8:15 a.m.

December 7, 2022

**Agenda**

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

**Construction and Operations – Friend, Frost, Cavanaugh**

1. Capital Expenditures [Gina Langel - SVP, Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates  
[Stephanie Henn – Director, Plant Engineering] – **Tab 6**
3. Change Order No. 3 for West Dodge Pump Station – WP 1596  
[Stephanie Henn – Director, Plant Engineering] – **Tab 7**
4. Water Infrastructure Replacement – Contracts  
[Stephanie Henn – Director, Plant Engineering] – **Tab 8**
5. Bids on Materials and Contracts  
[Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 9**

**Services & Extensions – Friend, Begley, Howard**

1. Main Extensions [Masa Niiya – Vice-President, Engineering] – **Tab 10**

**Personnel – Begley, Frost, Friend**

1. Wage and/or Salary Increases and Ratifications  
[Bonnie Savine – VP, Human Resources] - **Tab 11**

**Judicial & Legislative - Cook, Cavanaugh, Howard**

1. Settlement of Claim [Mark Mendenhall – SVP, General Counsel] – **Tab 12**

**Public Hearing**

1. Proposed 2023 Gas and Water Budget [Mark Myers – VP, Accounting and Geneva Patterson – Manager, Rates and Regulatory Affairs] - **Tab 13**
2. Proposed Water Rate [Geneva Patterson – Manager, Rates and Regulatory Affairs] – **Tab 14**
3. Proposed Gas Rate [Geneva Patterson – Manager, Rates and Regulatory Affairs] – **Tab 15**
4. Invitation for Public to Comment

***(Turn over for regular Board Meeting agenda)***

**METROPOLITAN UTILITIES DISTRICT**  
**Regular Monthly Board Meeting**

**9:00 a.m.**

**December 7, 2022**

**Agenda**

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Board Meeting for November 2, 2022
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Change Order No. 3 for West Dodge Pump Station – WP 1596
8. Water Infrastructure Replacement – Contracts
9. Bids on Materials and Contracts
- SERVICES & EXTENSIONS 10. Main Extensions
- PERSONNEL 11. Wage and/or Salary Increases and Ratifications
- JUDICIAL & LEGISLATIVE 12. Settlement of Claim
- ACCOUNTS, EXPENDITURES, FINANCE & RATES 13. 2023 Gas and Water Budget (RESOLUTION)
14. Proposed Water Rate (RESOLUTION)
15. Proposed Gas Rate (RESOLUTION)
- BOARD 16. Other Matters of District Business for Discussion
17. Public Comment
18. CLOSED SESSION – Termination Hearing, Litigation, Personnel and Real Estate

**Adjourn Regular Monthly Board Meeting**

***(Turn over for Committee Meetings agenda)***

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of Committee Meetings**  
**November 2, 2022**

Chairperson Jack Frost called to order the Committee meetings of the Metropolitan Utilities District Board of Directors at 8:15 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, October 23, 2022, and in the online version for seven days beginning October 23<sup>rd</sup> through October 29, 2022. Notice was also provided on the MUD website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and pertinent Board materials to be presented at the November 2, 2022, Board Meeting were emailed to Directors and were posted to the MUD website on October 28, 2022.

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

**Safety Briefing**

Vice-President of Safety, Security & Business Continuity Shane Hunter provided a safety briefing for all individuals attending the meeting in-person regarding protocol at the headquarters building in the event of an emergency.

**Roll Call**

On a roll call vote, the following Directors acknowledged their presence: Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Jack Frost. All attendees participated in-person.

**Open Meetings Act Notice**

Chairperson Frost 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, Frost, Cavanaugh***

Senior Vice-President and Chief Operations Officer Gina Langel presented the proposed capital expenditures as outlined in her letter to the Committee dated October 24, 2022.

Director of Plant Engineering Stephanie Henn reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in her letter to the Committee dated October 27, 2022.



Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in the letter to the Committee dated October 21, 2022 from Director of Procurement Sherri Meisinger.

**Services & Extensions – Friend, Begley, Howard**

Vice-President of Engineering Masa Niiya reviewed the proposed main extensions as outlined in his letter to the Committee dated October 25, 2022. Director Cavanaugh requested a correction to Item No. 6 listed in the letter regarding the 204<sup>th</sup> Street transmission main extension, changing the location from Subdivision 2 to Subdivision 4.

**Personnel - Begley, Frost, 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 October 24, 2022.

Ms. Savine reviewed the 2022 Wage Reopener Recommendation as outlined in her letter to the Committee dated October 24, 2022.

**Judicial & Legislative – Cook, Cavanaugh, Howard**

Senior Vice-President and General Counsel Mark Mendenhall reviewed the proposed settlement with Columbia Insurance Company as outlined in his letter to the Committee dated October 28, 2022. Mr. Mendenhall noted that details of the proposed settlement were provided to Directors earlier in the week via email under attorney-client privilege and any further questions would need to be addressed in the Closed Session.

Mr. Mendenhall presented the Board with an overview of the agenda items pertaining to the special assessments for the Earl Avenue Water Main District. He pointed out that the MUD Board of Directors would act as a Board of Equalization in receiving public comments and voting to approve special assessments for each individual property owner in order to pay for the District's installation of a water main at that location.

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

Vice-President of Accounting Mark Myers presented the Budget Workshop as a preliminary review of the 2023 budget with a focus on personnel and capital projects. He noted many budget decisions remain a 'work in progress' and final decisions will be rendered over the course of the next month and will be presented to the Board for approval at the December 7<sup>th</sup> Board Meeting. He noted that the analysis includes assumptions around bond financing strategies and proposed rate increases and will likely require a reduction or deferral of some of the expenditures presented.

Mr. Myers stated that the proposed budget includes 906 full-time employees, a net increase of three compared to the 2022 budget. He also highlighted several key initiatives included in the capital expenditures budget (and projection through 2027), such as capital



improvement projects at the three water treatment plants, LNG plant renovations and construction of a new Construction Center facility.

Some discussion took place regarding the proposed addition of a Diversity, Equity and Inclusion (DEI) employee position.

Mr. Myers pointed out some of the more significant but indefinite costs that may lie ahead during 2023 and beyond, including the City of Omaha's proposed streetcar project, lead service line replacements and the bargaining unit contract negotiations.

The City's streetcar project is estimated to cost \$20.5 million (5-year projection) for relocating gas and water mains. The District's financial commitment is undetermined, and numbers will continue to be evaluated as plans for the project continue to be developed. Another undetermined cost is lead service line replacements. Though customers own (and are therefore responsible for) the lead service lines, the District has in place a policy to bear the cost of lead service line replacements when impacted by the District's infrastructure replacements. That obligation could be broadened significantly as a result of the EPA's issuance of the federal Revised Lead and Copper Rule but has not yet been determined. The estimates for replacement of approximately 16,000 lead service lines in their entirety is likely to exceed \$100 million. The District has submitted a grant application for \$30 million in ARPA funds (for service replacements in North and South Omaha) and award decisions will be announced in April of 2023. If awarded, the District will develop an accelerated replacement plan to ensure funds are utilized within the grant's specified timeframe.

Another cost with significant impact is the water main break frequency which continues to carry an enormous cost both in terms of financial resources and disruption (averaging 547 per year over the last 5-year period). The District's' commitment to its Infrastructure Replacement (IR) program calls for annual replacement of 16 miles of aging, high consequence water mains in 2023. At the same time, the District will continue to expand efforts to deploy cost-reduction strategies including alternate installation methods such as pipe-bursting, using different material types such as PVC and HDPE, and using predictive technologies such as condition assessment and leak detection to proactively identify issues before they become major main break events. Rate increases will be needed for the foreseeable future in order to fully fund the IR program on a consistent basis.

In addition, spending for water main installations continues to increase due to the number of new residential subdivision projects coupled with rising construction costs. Though complicated by staffing challenges like many businesses, the District is taking steps to address and minimize the impact and move forward with its planned capital projects.

Director McGowan offered a suggestion to split the rate increase that is to be presented at the December Board Meeting so that a second rate increase would be timed later in the year after gas prices have fallen, union contract negotiations have concluded, etc. Some discussion took place.

**Public Comment**

Chairperson Frost asked if anyone would like to address the Board.

Scott Murray shared comments about issues that may be of interest to the Board that he encountered while campaigning for the Subdivision 7 MUD Board seat.

Mr. Mendenhall reported to the Board that the 9:30 a.m. to 10:30 a.m. time frame designated for members of the public to provide comments regarding the Earl Avenue Water Main District special assessments had come to a close and no members of the public were present.

At 10:32 a.m., Chairperson Frost announced that the Committee Meetings had concluded, and the Board would reconvene for the regular monthly Board Meeting in ten minutes.



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Mark E. Doyle  
Secretary and President

MED/mjm



**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Regular Monthly Board Meeting**  
**November 2, 2022**

Chairperson Jack Frost called to order the regular Board meeting of the Metropolitan Utilities District Board of Directors at 10:42 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, October 23, 2022, and in the online version for seven days beginning October 23<sup>rd</sup> through October 29, 2022. Notice was also provided on the MUD website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and pertinent Board materials to be presented at the November 2, 2022, Board Meeting were emailed to Directors and were posted to the MUD website on October 28, 2022.

Chairperson Frost 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 presence: Mike McGowan, Gwen Howard, Tim Cavanaugh, Jim Begley, Tanya Cook, Dave Friend, Jack Frost. All attendees participated in-person.

**AGENDA NO. 2**

**OPEN MEETINGS ACT NOTICE**

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

**AGENDA NO. 4**

**APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR MONTHLY BOARD MEETING FOR OCTOBER 5, 2022**

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for October 5, 2022, which was seconded by Director Cook and carried on a roll call vote.



Voting Yes: McGowan Howard, Cavanaugh, Begley, Cook, Friend, Frost  
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 Gina Langel and as outlined in her letter to the Committee dated October 24, 2022. The motion was seconded by Director McGowan and carried on a roll call vote.

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

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

Director Friend moved to approve the proposed acceptance of contracts & payment of final estimates as presented in the Committee Meetings by Director of Plant Engineering Stephanie Henn and as outlined in her letter to the Committee dated October 27, 2022. The motion was seconded by Director Begley and carried on a roll call vote.

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

**AGENDA NO. 7**  
**BIDS ON MATERIALS AND CONTRACTS**

Director Friend moved to approve the bids on materials and contracts as presented by Vice-President of Procurement and Enterprise Services Jon Zellars and as outlined in the letter to the Committee dated October 21, 2022, from Director of Purchasing Sherri Meisinger. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

**AGENDA NO. 8**  
**MAIN EXTENSIONS**

Director Friend moved to approve the proposed main extensions as presented by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated October 25, 2022. Director Friend's motion included a request to correct the designated location for Item No. 6 regarding the 204<sup>th</sup> Street Transmission Main Extension, changing it from Subdivision No. 2 to Subdivision No. 4. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

**AGENDA NO. 9**  
**WAGE AND/OR SALARY INCREASES AND RATIFICATIONS**

Director Begley moved to approve the wage and/or salary increases and ratifications as presented by Ms. Savine in the Committee Meeting and as outlined in her letter dated October 24, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

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

**AGENDA NO. 10**  
**2022 WAGE REOPENER RECOMMENDATION**

Director Begley moved to approve the 2022 Wage Reopener recommendation as presented by Ms. Savine in the Committee Meeting and as outlined in her letter dated October 24, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

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

**AGENDA NO. 11**  
**PROPOSED SETTLEMENT WITH COLUMBIA INSURANCE COMPANY**

Director Cook moved to approve the proposed settlement with Columbia Insurance Company related to ongoing litigation as presented in the Committee Meetings by Mr. Mendenhall and as outlined in his letter to the Committee dated October 28, 2022. The motion was seconded by Director Howard and carried on a roll call vote.

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

Agenda Items No. 15 and No. 6 were taken up out of order.

**AGENDA NO. 15**  
**PUBLIC COMMENT 9:30 A.M. – 10:30 A.M. – BOARD OF EQUALIZATION RECEIVES COMMENTS REGARDING SPECIAL ASSESSMENTS FOR EARL AVENUE WATER MAIN DISTRICT**

Mr. Mendenhall reported to the Board that there were no members of the public to appear and present comments and that the vote on the matter of approving the special assessments for the Earl Avenue Water Main District would follow.



**AGENDA NO. 16**  
**APPROVE FINDINGS OF THE BOARD OF EQUALIZATION REGARDING THE SPECIAL ASSESSMENTS FOR EARL AVENUE WATER MAIN DISTRICT (RESOLUTION)**

Director Cavanaugh moved to approve the findings of the MUD Board acting as a Board of Equalization to impose the special assessments for the Earl Avenue Water Main District as referenced by Mr. Mendenhall and as outlined in the Resolution presented to the Board. The motion was seconded by Director Howard and carried on a roll call vote.

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

**AGENDA NO. 12**  
**OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION**

Chairperson Frost was honored by President Doyle and the Board of Directors due to his anticipated retirement at the end of the calendar year, having served 36 years on the MUD Board of Directors. Mr. Doyle recounted several of the District's eventful accomplishments that Director Frost was involved in over the many years of his tenure. Each Director offered comments expressing their appreciation for his dedicated service, his humor and his graciousness. Mr. Frost was presented with a plaque and a round of applause to commemorate the occasion.

**AGENDA NO. 13**  
**PUBLIC COMMENT**

Chairperson Frost asked if any Board member had any comments to share. There were none.

Chairperson Frost asked whether there were any members of the public who would like to address the Board. There were none.

**AGENDA NO. 14**  
**CLOSED SESSION – LITIGATION, PERSONNEL & REAL ESTATE**

At 11:06 a.m., Chairperson Frost announced that the Board of Directors would go into Closed Session for the purpose of discussing litigation, personnel and real estate. Director Friend moved to go into Closed Session which was seconded by Director Cook and carried on a roll call vote.

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

At 11:48 a.m., Director Friend moved to return to Open Session which was seconded by Director McGowan and carried on a roll call vote.



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

Chairperson Frost asked if any Board Members or members of the public had any comments to share. Director Begley thanked Mr. Myers for his thorough presentation of the Budget Workshop. Mr. Doyle shared copies of the job description posted recently for the position of Senior Vice-President and Chief Financial Officer due to the anticipated retirement of Joseph Schaffart after the first quarter of 2023.

Director Friend moved to adjourn the meeting which was seconded by Director Begley and carried on a roll call vote.

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

The regular monthly Board meeting was adjourned at 11:50 a.m.



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Mark E. Doyle  
Secretary and President

MED/mjm

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 30, 2022

**Subject:** CAPITAL EXPENDITURES

**To:** Committee on Construction and Operations

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

**From:** Gina Langel, Senior Vice President, Chief Operations Officer

The following items will be on the December 7, 2022, Committee Agenda for consideration and the Board Agenda for approval:

**BUILDINGS, PLANTS AND EQUIPMENT**

**1. 100089000928 - \$300,000 – Purchase leak loggers for Water Distribution.** For many years, Water Distribution has been performing leak detection. At first, the type of leak detection performed was reactionary. Reactionary leak detection is investigating a leak after the water has surfaced. Many times this is an emergency repair. The District piloted a new type of cloud-based leak detection. Cloud-based leak detection is a proactive approach to leak detection. The results have been positive. The District found 27 leaks on water mains, 10 service leaks, and several leaks on valves and hydrants using the newer leak detection equipment. Instead of repairing these leaks in a state of emergency, the District was able to repair as a standard maintenance item. This request will expand our abilities for proactive leak detection. This item was originally budgeted for 2023. If approved, the item will be removed from the 2023 capital budget and the amount applied to the 2022 capital budget using deferred 2022 capital projects. Approval of this capital expenditure will authorize Purchasing to purchase these leak loggers from Subsurface Solutions.

**2. 100087000655 - \$875,000 – One pipe bursting machine and accessories.** The District is seeking approval to purchase one demonstration unit pipe bursting machine and accessories, TT Technologies Grundoburst 800G model from the manufacturer, that can pipe burst 6-, 8- and 10-inch pipe. This machine is the rental unit the District has been utilizing for infrastructure replacement pipe bursting pilot projects in 2022. The manufacturer has offered to apply 100% of the rental credits earned in 2022 towards the purchase of a machine. This demo unit is a 2020 model with approximately 132 hours. By purchasing the demo unit, the District will save over \$100,000 and take immediate delivery. The demo unit will have the same one-year/500-hour parts and labor warranty as a new unit. Statistics have shown static pipe bursting uses 11 times less excavation when compared to open cut, this is 92.2-percent less excavation which is important in dense urban settings and mature residential neighborhoods. The technology this machine utilizes is unique to this manufacturer as they utilize a patented locking style connection for the rods as opposed to threaded rods making the process more efficient, less laborious, and safer for the employee. In addition, our staff is already trained on this machine and has worked closely with the manufacturer on the five pilot projects. The 2023 capital expenditures budget includes \$750,000 for the purchase of a pipe bursting machine. The District is requesting approval to make this purchase in 2022 in order to utilize rental credits that expire on December 31, 2022. The difference between the requested amount and the \$750,000 budgeted in 2023 will be funded by the deferral of other capital expenditures included in the 2022 budget. If approved, this amount will be removed from the 2023 budget. Approval of this capital expenditure will authorize Purchasing to purchase the demo machine, currently being utilized by the District, from TT Technologies.

**3. 100083001133 and 100083001145 - \$511,200 - Replacement of Primary Cathodic Protection System, Florence.** The Florence Water Treatment Plant has four primary treatment basins that each contain a cathodic protection system. This project will replace the existing cathodic protection system for all four basins. The existing system was installed in the 1960s during the original construction of the primary basins. The existing system has reached the end of its life cycle, is costly to maintain and replacement parts are no longer available. The new Impressed Current Cathodic Protection (ICCP) system has been designed by Lake Superior Consultants. The new design uses improved technology and anode style to improve overall protection and key maintenance issues. The new design also improves access to one line of anodes due to safety concerns. The project is funded in the 2023 budget.

Approved:



Mark E. Doyle  
President



Gina Langel  
Senior Vice President, Chief Operations Officer



**METROPOLITAN UTILITIES DISTRICT***Inter-Department Communication*

November 28, 2022

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

cc: all Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger, and all Vice Presidents

**From:** Stephanie L. Henn, Director, Plant Engineering

The following items will be on the December 7, 2022, Committee Meeting for consideration and the Board Meeting Agenda for approval. Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
a. Kersten Construction, WP1824, 100055001368, 100057000501, Install Water Mains in Antler View East; SE of N. 182 <sup>nd</sup> Ave & Evans St.	7/7/2021	\$450,441.00	\$466,552.55

**Comments:** There was an overall net increase in this project of \$16,111.55. Along with some decreases in unit quantities, Change Order No. 1 for \$22,077.95, is also included in this overall net increase. Change Order No. 1 is due to supply chain issues and increased costs due to encountering concrete rubble during the boring process. This is a 3.6% increase on the overall contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
b. Cedar Construction, WP1851, 100055001379, Install Water Mains in the Heritage Replat 6; NW of N. 149 <sup>th</sup> St. & Rainwood Rd., Lots 1-37, Outlots "A" - "C"	8/16/2021	\$260,357.00	\$253,114.00

**Comments:** There was an overall net decrease in this project of \$7,243.00. Along with some changes in unit quantities, Change Order No. 1 for \$78,159.00 is also included in this net decrease. The change order was needed for a redesign requested by the developer, as they decided to layout their subdivision differently. This is a 2.8% decrease in the overall contract price. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. **Approval of this final also approves Change Order No. 1.**

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
c. Cedar Construction, WP1758, 100055001331, Install Water Mains in Belle Lago South Subdivision; S. 42 <sup>nd</sup> St. & Lookingglass Dr.	1/7/2021	\$469,421.00	\$592,993.00

**Comments:** There was an overall net increase in this project of \$123,572.00, due to Change Order No. 1, which was a redesign requested by the developer in order to have the water mains installed with PVC pipe rather than ductile iron pipe. Change Order No. 1 was approved at the September 7, 2022 Board meeting and introduced a new set of unit quantities and values schedule. The developer has already approved the 26% change order costs, as the redesign occurred at the developer's request. 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. Kersten Construction, WP1886, 100055001388, Install Water Mains in Deer Creek Highlands, N. 116 <sup>th</sup> St. & Potter St.	2/2/2022	\$223,016.00	\$210,296.80

**Comments:** There was an overall net decrease in this project of \$12,719.20, resulting from needing less bends and an air relief vault 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.*

DocuSigned by:

*Stephanie L. Henn*

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Stephanie L. Henn

Director, Plant Engineering

**Approved:**

DocuSigned by:

*Masa Miya*

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Masa Niiya  
Vice President  
Engineering

DocuSigned by:

*Gina Langel*

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Gina Langel  
Senior Vice President  
Chief Operations Officer

DocuSigned by:

*Mark Doyle*

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Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT***Inter-Department Communication*

NOVEMBER 16, 2022

**Subject:** CHANGE ORDER 03 – CONSTRUCTION OF THE NEW WEST DODGE PUMP STATION; 15340 WYCLIFFE DRIVE; HAWKINS CONSTRUCTION COMPANY; WP1596 (100083001069)

**To:** Committee on Construction & Operations  
Cc: All Board Members, Doyle, Langel, Schaffart, Mendenhall, Ausdemore, Lobsiger, and All Vice Presidents

**From:** Stephanie Henn, Director, Plant Engineering

On July 7, 2021 the District entered into a contract with Hawkins to construct the West Dodge Pump Station. The original contract price was \$3,911,744.00 and two previous change orders have increased the contract price to \$3,934,754.25. Change Order No. 3 results in a net add \$56,416.00. This will change the total contract price to \$3,991,170.25

This change order consists of seven items that are unrelated to each other, and considered necessary or improvements to the long term operation and maintenance of the station.

The first item was to add additional floor drains and simplify the instrument air piping for the cost of \$6,936. These items were added to improve maintenance access to drain equipment and isolate instrument air to a single pump while leaving others in operation.

The second item was to add a one additional wire that was required to install the MUD specified chlorine analyzer system for the cost of \$497. This wire was not included in the original contract documents.

The third item was to add a structural steel support to the mezzanine deck for the cost of \$4,529. This item was not included in the original contract documents.

The fourth item was an MUD add to increase the thickness of the site paving to 7" from 6" for the cost of \$11,308. MUD made this request to increase the durability of the paving such that it could be used for future MUD Construction staging areas.

The fifth item is to relocate one crane column and structural footing for the cost of \$7,567. The column was discovered to be interfering with emergency egress from the building.

The sixth item is to modify an existing sanitary sewer manhole for the new pump station sanitary sewer connection for the cost of \$3,986. City of Omaha sewer records were unclear at the time of design. The proposed manhole was not acceptable for connection. The sewer connection was moved to an alternate manhole.



The last item is to rework the chlorine tube restraint connection detail on the pump station suction and discharge header piping for the cost of \$21,593. There was an error in the design documents that resulted in rework to make the piping connection to the transmission main. The costs associated with this item will be reimbursed by the consulting engineer.

This work is in progress and your approval is requested.

DocuSigned by:

*Stephanie L. Henn*

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Stephanie Henn

Director, Plant Engineering

**Approved:**

DocuSigned by:

*Masa Niya*

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Masa Niya

Vice President,  
Engineering

DocuSigned by:

*Gina Langel*

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Gina Langel

Sr. Vice President,  
Operations

DocuSigned by:

*Mark Mendenhall*

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Mark Mendenhall

Sr. Vice President,  
General Counsel

DocuSigned by:

*Mark Doyle*

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Mark Doyle

President

**METROPOLITAN UTILITIES DISTRICT***Inter-Department Communication*

November 28, 2022

**Subject:** WATER INFRASTRUCTURE CONTRACT PARTNERSHIP  
RECOMMENDATIONS FOR 2023, 2024, & 2025

**To:** Committee on Construction & Operations  
cc: All Board Members, Doyle, Mendenhall, Langel, Lobsiger, Schaffart,  
Ausdemore, and all Vice Presidents

**From:** Stephanie L. Henn, Director of Plant Engineering

**Purpose & Proposal for Board Approval**

Many of the District's critical water mains require replacement, rehabilitation, or assessment, to provide more reliability to the water distribution system and reduce water main breaks. The District plans to continue its water infrastructure replacement program in 2023, 2024, and 2025 with replacement goals of 16 miles, 17 miles, and 17 miles respectively.

In addition to the significant water infrastructure replacement that internal District forces will take on in the aforementioned years, management is requesting that the District continue or begin contract partnerships with:

- Roloff Construction – 3-year contract - thru 2025
- M.E. Collins Contracting Company – 3-year contract - thru 2025
- Heimes Corporation - 3-year contract - thru 2025
- Murphy Pipeline – 1-year contract – thru 2023

This recommendation does not include pipeline condition assessment, as these projects will be brought to the Board of Directors at a later date.

Management is recommending Roloff Construction ("Roloff"), M.E. Collins Contracting Company ("M.E. Collins"), and Heimes Corporation ("Heimes") continue with 3-year partnerships as they are established partners with the District, replacing the District's critical water infrastructure since 2018, 2016, and 2019 respectively.

Management is recommending the District enter into a partnership with Murphy Pipeline ("Murphy") for one year, as they have only performed one pilot project for the District in 2022.

During the proposed partnership duration, the District will have the flexibility of designing projects with various methods and materials, based on cost, product availability, and contractor experience.

Prices are currently being negotiated with each of these contractors, as water main designs progress. If at any time the District and contractor cannot agree on negotiated prices, the partnership may be terminated.

## **Background**

Approximately 5 years ago, the District began exploring, and then establishing partnerships and pilot programs with various contractors to replace critical water infrastructure.

We appreciate the strong support the Board of Directors has provided in this endeavor, as it has allowed us to make progress on replacing our critical water infrastructure, forming solid partnerships with contractors, and hiring additional District crews.

During this time, pipe materials of ductile iron, PVC (polyvinyl chloride), and HDPE (high density polyethylene) have been installed in various methods, including direct replacement, directional drilling, structural lining, and pipe bursting. The District has been evaluating these different materials, methods, and looking at potential new technologies with respect to cost, ease of installation, customer impact, availability of the products, and what material is suited to specific projects.

## **Value of Partnerships**

With a partnership, trust and relationships must be built on both sides for success. As we have worked with our partners in recent years, we have received feedback how our contractors value these partnerships.

It makes planning much easier, as the District knows that we have contractors to perform the work and our partners know that they have work to keep their local businesses thriving. This makes it more efficient for the contractors to plan for the number of employees, equipment, and materials they will need for the following year. They are also willing to invest more capital and energy into the partnerships knowing that future work is forthcoming.

In future years, the District plans to resume bidding some of the water infrastructure work in addition to the partnerships.

## **Partnership – Roloff Construction – 3-year Continuation**

Roloff has been a strong, reliable partner to the District since 2018, prior to this, they were bidding and installing many projects.

During this time, Roloff has been primarily installing ductile iron water pipe by direct bury and directional drilling. However, the availability of ductile iron has been challenging with longer lead times and the cost of this method is currently more expensive than other means.



Therefore, in discussions with both District staff and Roloff Construction, we are proposing in 2023, Roloff will perform projects with direct bury, directional drilling, and pipe bursting with HDPE pipe.

Based on information that is learned in 2023, the District, along with Roloff's input, will decide what types of projects, materials, and installation methods will be utilized during the following year with Roloff as a continued dependable partner.

### **Partnership – M.E. Collins Contracting Company – 3-year Continuation**

M.E. Collins has also been a strong, reliable partner to the District since 2016, first bidding infrastructure projects, and then as a partner.

During this time, M.E. Collins has primarily installed PVC water pipe by a combination of direct bury and directional drilling methods. This has proven to be economical, and therefore, the District plans to continue with this material and method in 2023. This will be reevaluated prior to 2024.

### **Partnership – Heimes Corporation – 3-year Continuation**

Heimes has been a strong, reliable partner to the District since 2019.

During that time, Heimes has been both a subcontractor and general contractor on structural lining projects, and more recently as a general contractor installing HDPE pipe, mostly by the directional drilling method.

Installing HDPE by directional drilling continues to be an economical choice of water main infrastructure replacement. The District plans to hire Heimes to continue this practice in 2023, and reevaluate the method and material prior to the 2024 construction season.

### **Partnership – Murphy Pipeline – 1-year Initial**

Murphy performed well pipe bursting pre-chlorinated HDPE pipe as a pilot project for the District in 2022. Murphy, an out-of-state contractor, learned how to accomplish water main replacement successfully in the Omaha area, and the District learned more about the pipe bursting process.

This first contracted pipe bursting project proved to be economical, and therefore, management is recommending that we continue this method in 2023. We will reevaluate near the end of 2023 to determine continued viability of this method, material, and partnership.

## Final Costs Pending

We are continually evaluating costs and processes as projects are designed and completed. We are adjusting contracts, coordinating with contractors, and evaluating technologies and materials. As we continue to gain experience with water infrastructure replacement, we are developing our preferred approach for optimizing the replacement of our water infrastructure.

In the first quarter of 2023, we expect to have final costs for the 2022 water infrastructure replacement projects. Pending final completion of the 2022 projects, the estimated costs average approximately \$1.5 million per mile for replacement of water main infrastructure pipe for contractor costs only, not including all District overheads. This cost includes the material, installation of the new pipe, abandonment of the existing pipe, and service work.

Most of the projects that our partners are slated to construct in the coming one to three years have not yet been selected or designed. It would be very difficult for any contractor to provide prices for three years of projects that the District has not yet identified. The contractor would also not know what material or labor costs would be three years in the future. Therefore, the contractor would most likely propose higher prices in order to cover unknown costs. This is not advantageous for the District or the contractor. Because of this, prices are negotiated on a per project basis. Prices are currently being negotiated for the 2023 construction season.

## Water Infrastructure Goals – Next 5 Years

The District has increased its water infrastructure replacement goals, however, we must increase the rate of replacement and rehabilitation, based on the depreciable life of water main assets and the size of the distribution system. A replacement schedule has been developed based on available personnel and funding resources. To meet this schedule the District is planning to use a combination of District crews, contractors, partners, and various methods, technologies, and materials.

The table below, shows the District's proposed water infrastructure replacement goals (not including condition assessment) for the next 5 years:

<b>Water Replacement Goals (miles)</b>			
<b>Year</b>	<b>District Crews</b>	<b>Contracted Crews</b>	<b>Total</b>
2023	7.0	9.0	16
2024	7.0	10.0	17
2025	7.0	10.0	17
2026	7.5	9.5	17
2027	8.0	10.0	18

Management monitors these goals and reevaluates each year. Additional refinement in this table is anticipated to align the replacement goals with installation methods and available funding. In addition, we anticipate continuing to use condition assessment technologies to further mitigate risk of our water mains.

Also included in these goals are approximately one to two miles of water infrastructure replacement performed by contracted crews on joint contracts with the City of Omaha.

## District Crews

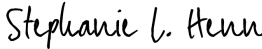
The District currently has two dedicated water infrastructure crews. These 5- to 6-person crews originated in 2019 and 2021 and are dedicated solely to water infrastructure work. Other District crews perform some water infrastructure work as a part of other projects.

## Conclusion


Management is proposing, to continue the established partnerships for an additional three years, lasting through 2025, with Roloff Construction, M.E. Collins Contracting Company, and Heimes Corporation, and for a one-year partnership with Murphy Pipeline, lasting through 2023. This is a part of the District's program of replacing critical water infrastructure to make the water distribution system more robust and reduce water main breaks.

With the approval of this request, management is asking that the president be authorized to enter into contracts with these contractors over the next one to three years. Each of these contracts would be contingent upon negotiating acceptable pricing.

The corresponding C&As for this work will be submitted as part of the annual C&A requests for all gas and water infrastructure work for each calendar year at the January Board of Directors meeting. Your approval is requested.

DocuSigned by:  
  
Stephanie L. Henn  
1992646FDE594851  
Director, Plant Engineering

## APPROVED:

DocuSigned by:  
  
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Masa Niya  
Vice President,  
Engineering

DocuSigned by:  
  
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Gina Langel  
Senior Vice President,  
Chief Operations Officer

DocuSigned by:  
  
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Mark E. Doyle  
President



METROPOLITAN UTILITIES DISTRICT  
*Inter-Department Communication*

November 21, 2022

**Subject:** BIDS ON MATERIALS AND CONTRACTS DURING THE MONTH OF NOVEMBER

**To:** Construction & Operations Committee  
 cc: All Board Members, Doyle, Ausdemore, Langel, Lobsiger, Mendenhall, Schaffart  
 and all Vice Presidents

**From:** Sherri A Meisinger, Director, Procurement

The following items will be on the December 7, 2022 Committee Agenda for consideration and the December 7, 2022 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

**WATER/GAS MAIN CONTRACTS**

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Install Water Mains in Cedar Hollow South NW. of 168 <sup>th</sup> Street and Giles Road 100055001424 WP1964 *Bid Rejected, Non-Responsive Engineering Estimate: \$329,527.00 (A C&A in the amount of \$330,129.00 will be presented to the Board on December 7, 2022 for approval.)	18/2	<b>Cedar Construction</b> <i>Kersten Construction</i>	<b>\$306,651.00</b> \$263,298.00*
Install Water Mains in Steel Ridge South Lots 4-8, NW. of 156 <sup>th</sup> Street and Schram Road 100055001426 WP1966 Engineering Estimate: \$617,287.00 (A C&A in the amount of \$700,884.00 will be presented to the Board on December 7, 2022 for approval.)	18/3	<b>Kersten Construction</b> <i>Cedar Construction</i> <i>Pat Thomas Constr.</i>	<b>\$577,863.00</b> 623,151.00 725,968.10

**RATIFICATION**

<b><u>Item</u></b>	<b><u>Bids Sent / Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Six (6) Heavy Duty Extended Cab 4x4 Chassis Cab 100088000811 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 5, 2022 in the amount of \$16,953,750.00.)	4/2	<b><i>Sid Dillon Ford</i></b> <i>Anderson Ford</i>	<b>\$370,952.00</b> 380,858.00
One (1) Medium Duty, Regular Cab, 4x4 Dual Rear Wheel Chassis Cab 100088000812 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 5, 2022 in the amount of \$16,953,750.00.)	4/1	<b><i>Anderson Ford</i></b>	<b>\$52,499.00</b>

**OTHER**

<b><u>Item</u></b>	<b><u>Bids Sent / Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Florence Primary Basin Cathodic Protection Replacement 100083001145 WP1825 Engineering Estimate: \$ 575,000.00 (A C&A in the amount of \$419,200.00 will be presented to the Board on December 7, 2022 for approval.)	8/3	<b><i>Commonwealth</i></b> <i>Lake Superior</i> <i>Corpro</i>	<b>\$289,710.00</b> 675,000.00 865,100.00
Five (5) Regular Cab, Cab & Chassis with Dump Body, Tandem Dump Truck 100088000807 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 5, 2022 in the amount of \$16,953,750.00.)	5/1	<b><i>Truck Center Co.</i></b>	<b>\$824,370.00</b>
One (1) Tandem Axle Day Cab and Chassis Tractor 100088000810 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 5, 2022 in the amount of \$16,953,750.00.)	5/1	<b><i>Truck Center Co.</i></b>	<b>\$149,681.00</b>

2600' of 24" Coated Steel Gas Pipe LNG Plant Project 100052001830 GP 2706	3/1	<b>Edgen Murray</b>	<b>\$288,470.00</b>
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**ANNUALS**

<b><u>Item</u></b>	<b><u>Bids Sent / Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Traffic Model Fire Hydrants (January 1, 2023 through December 31, 2023)	4/2	<b>Clow Valve Co</b> Core & Main LP	<b>\$467,742.24</b> 521,715.60

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

Approved:

Jon Zellars  
Vice President, Procurement and Enterprise Services

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

Mark E. Doyle  
President



**METROPOLITAN UTILITIES DISTRICT**  
Inter-Department Communication

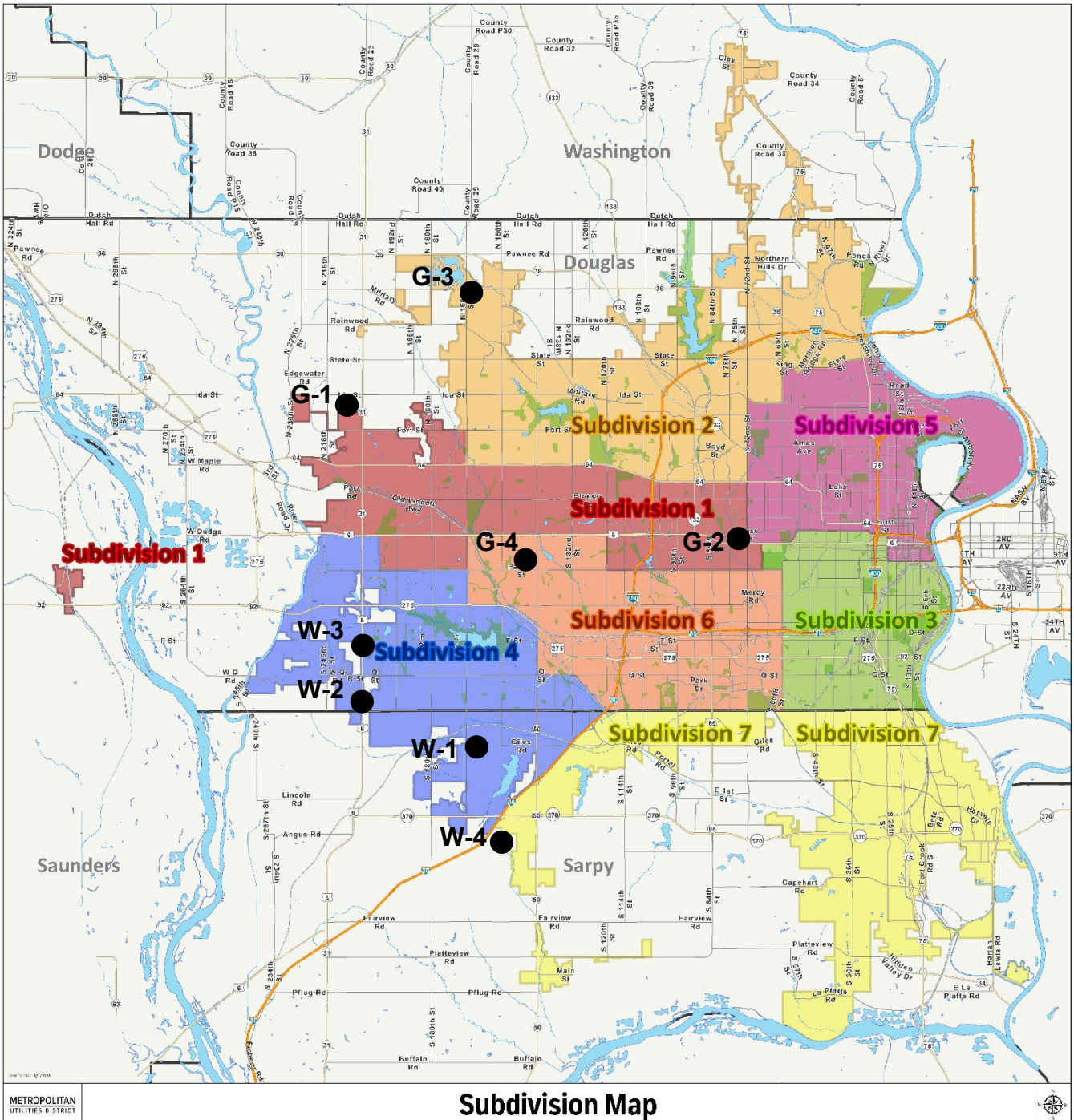
November 23, 2022

**Subject:** MAIN EXTENSIONS

**To:** Services and Extensions Committee  
cc: All Board Members, Doyle, Mendenhall, Schaffart, Ausdemore, Langel, Lobsiger,  
and all Vice Presidents

**From:** Masa Niiya, Vice President, Engineering

The following main extensions will be on the December 7, 2022, Committee Agenda for consideration and the Board Agenda for approval:



## **WATER MAINS:**

- 1. CEDAR HOLLOW SOUTH SUBDIVISION, Subdivision 4, Cavanaugh:** This work is being done to provide water service and fire protection to one school lot and one residential lot in Cedar Hollow South Subdivision, 168<sup>th</sup> and Giles Road. Work is requested to be completed by August 2023. Pioneer main fees are due to the existing 30-inch water mains in Giles Road in the amount of \$51,137. (City of Gretna zoning jurisdiction, Gretna Public Schools)

**Subdivision:** Cedar Hollow South Subdivision

**Project Number:** WP 1964

**Project Cost:** \$330,129

**Applicant Contribution:** \$381,266

**Construction by Applicant:** \$0.00

**M.U.D. Cost:** \$0.00

- 2. COVENTRY SUBDIVISION, Subdivision 4, Cavanaugh:** This work is being done to finish fronting one newly platted commercial lot in Coventry Subdivision, 204<sup>th</sup> and Harrison Streets, with water mains. Pioneer main fees are due to the existing 24-inch water main in 216<sup>th</sup> Street in the amount of \$16,747. (City of Omaha zoning jurisdiction, Children's Hospital and Medical Center)

**Subdivision:** Coventry Subdivision

**Project Number:** WP 1994

**Project Cost:** \$54,352

**Applicant Contribution:** \$71,099

**Construction by Applicant:** \$0.00

**M.U.D. Cost:** \$0.00

- 3. GRANDVIEW RIDGE ESTATES - REVISION, Subdivision 4, Cavanaugh:** This revision seeks Board approval for \$73,778 in additional estimated spending all paid by adjacent development. Grandview Ridge Estates Subdivision previously approved on April 5th, 2017 for \$502,272 to provide domestic water service and fire protection to 135 single residence lots, 207<sup>th</sup> and "F" Streets, with water mains. The revision includes a re-design of the mains and a connection in "F" Street. (City of Omaha zoning jurisdiction, 204 F Street, LLC – Willie Douglas)

**Subdivision:** Grandview Ridge Estates

**Project Number:** WP 1465

**Project Cost:** \$576,050

**Applicant Contribution:** \$576,050

**Construction by Applicant:** \$0.00

**M.U.D. Cost:** \$0.00

- 4. STEEL RIDGE SOUTH SUBDIVISION, Subdivision 7, Frost:** This work is being done to provide water service and fire protection to five industrial lots in Steel Ridge South Subdivision, 156<sup>th</sup> Street and Schram Road. Work is requested to be completed by May 2023. Pioneer main fees are due to the existing 16- and 24-inch water mains in 156<sup>th</sup> Street and Schram Road in the amount of \$421,549. (City of Papillion zoning jurisdiction, Duane Dowd)

**Subdivision:** Steel Ridge South Subdivision

**Project Number:** WP 1966

**Project Cost:** \$700,884

**Applicant Contribution:** \$1,122,433

**Construction by Applicant:** \$0.00

**M.U.D. Cost:** \$0.00

#### **GAS MAINS:**

- 1. ARCADIA RIDGE SUBDIVISION, Subdivision 1, Begley:** This work is being done to provide gas service to 114 single residence lots in Arcadia Ridge Subdivision, 204<sup>th</sup> Street and Kansas Avenue. Work is requested to be completed by April 2023. (City of Omaha zoning jurisdiction, The Land Co. – Dave Vogtman).

**Subdivision:** Arcadia Ridge Subdivision

**Project Number:** GP 2723

**Project Cost:** \$83,764

**Developer Equivalent Cost:** \$83,764

**Developer Adjusted Estimated Cost:** \$74,773

**Allowable Revenue Credits:** \$123,006

**Deficiency:** \$0

- 2. THE CROSSROADS, Subdivision 1, Begley:** This work is being done to provide gas service to 18 commercial lots in The Crossroads, 72<sup>nd</sup> and Dodge Streets. Work is requested to be completed by March 2023. To properly expand our system to serve future developments, it is necessary to oversize 1,950 feet of 2-inch mains to 4-inch mains at a District cost of \$25,800. (City of Omaha's zoning jurisdiction, Lockwood Development and Century Development).

**Subdivision:** The Crossroads

**Project Number:** GP 2647

**Project Cost:** \$240,500

**Developer Equivalent Cost:** \$214,700

**Developer Adjusted Estimated Cost:** \$191,653

**Allowable Revenue Credits:** \$43,594

**Deficiency:** \$148,059

3. **WATERS EDGE AT 168 SUBDIVISION, Subdivision 2, Friend:** This work is being done to provide gas service to 87 single residence lots and one multiple residence lot in Waters Edge at 168 Subdivision, 168<sup>th</sup> Street and Bennington Road. Work is requested to be completed by July 2023. (City of Bennington zoning jurisdiction, SID #626).

**Subdivision:** Waters Edge at 168 Subdivision  
**Project Number:** GP 2754  
**Project Cost:** \$100,595  
**Developer Equivalent Cost:** \$100,595  
**Developer Adjusted Estimated Cost:** \$89,797  
**Allowable Revenue Credits:** \$103,346  
**Deficiency:** \$0

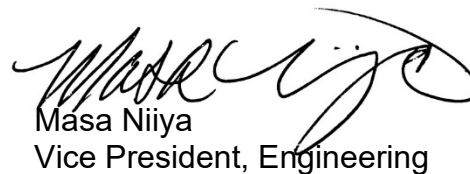
4. **HEARTWOOD RESIDENCES SUBDIVISION, Subdivision 6, McGowan:** This work is being done to provide gas service to 222 single residence lots in Heartwood Residences Subdivision, Applied Parkway and Jones Street. Work is requested to be completed by March 2023. (City of Omaha's zoning jurisdiction, Applied Underwriters).

**Subdivision:** Heartwood Residences Subdivision  
**Project Number:** GP 2730  
**Project Cost:** \$85,057  
**Developer Equivalent Cost:** \$85,057  
**Developer Adjusted Estimated Cost:** \$75,926  
**Allowable Revenue Credits:** \$239,538  
**Deficiency:** \$0

Approved:



Gina Langel  
Sr. Vice President, Chief Operations Officer



Masa Niiya  
Vice President, Engineering



Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 17, 2022

**Subject: Wage and/or Salary Increases and Ratifications, December 2022 Board Meeting**

**To:** Personnel Committee members Begley, Friend, and Frost

**cc:** Board Members Cavanaugh, Cook, Howard, and McGowan

President Doyle, and Senior Vice Presidents Ausdemore, Langel, Lobsiger, Mendenhall, and Schaffart

**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:** Marissa Decker  
**Current position (department):** Customer Service Clerk I (Customer Service)  
**New position (department):** Builder Services Clerk (Business Development)  
**Current rate; step/grade:** \$29.71; Step 4  
**Proposed rate; step/grade:** \$32.68; Step 4  
**Percent of increase:** 10.00%  
**District hire date:** May 4, 2015

**Employee:** Greg Ketelsen  
**Current position (department):** Maintenance Mechanic I (Central Maintenance)  
**New position (department):** Maintenance Mechanic II (Central Maintenance)  
**Current rate; step/grade:** \$39.25; Step 4  
**Proposed rate; step/grade:** \$41.21; Step 3  
**Percent of increase:** 5.00%  
**District hire date:** December 23, 2010

**Employee:** Lisa Mills  
**Current position (department):** Customer Service Clerk II (Customer Service)  
**New position (department):** Builder Services Clerk (Business Development)  
**Current rate; step/grade:** \$31.20; Step 4  
**Proposed rate; step/grade:** \$32.68; Step 4  
**Percent of increase:** 4.74%  
**District hire date:** August 30, 2010



**Employee:** **Mark Shepherd**  
**Current position (department):** Water Maintenance Trainee (Water Distribution)  
**New position (department):** Water Plant Operator (Florence)  
**Current rate; step/grade:** \$24.91; Step 1  
**Proposed rate; step/grade:** \$31.29; EN  
**Percent of increase:** 25.61%  
**District hire date:** April 4, 2022

**Employee:** **Dawnielle Turner**  
**Current position (department):** Customer Service Clerk I (Customer Service)  
**New position (department):** Customer Service Clerk II (Credit Services)  
**Current rate; step/grade:** \$29.71; Step 4  
**Proposed rate; step/grade:** \$32.68; Step 4  
**Percent of increase:** 10.00%  
**District hire date:** March 21, 2005

**Employee:** **Cody Weddon**  
**Current position (department):** Water Plant Operator (Florence)  
**New position (department):** Water Plant Engineer (Florence)  
**Current rate; step/grade:** \$33.24; Step 1  
**Proposed rate; step/grade:** \$36.57; Step 1  
**Percent of increase:** 10.02%  
**District hire date:** October 18, 2021

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

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

**There are no recommendations for approval this month**

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

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

**Employee:** Tom Finn  
**Current position (department):** Mechanic I (Transportation)  
**New position (department):** Mechanic II (Transportation)  
**Current rate; step/grade:** \$30.95; Step 4  
**Proposed rate; step/grade:** \$32.89; Step 1  
**Percent of increase:** 6.27%  
**District hire date:** March 2, 2020

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

The following SPA employees are selected for promotion. It is recommended the President be authorized to increase the salary of these employees. These SPA positions have been evaluated, graded, appropriate job descriptions completed, and posting guidelines fulfilled. The effective date for these salaries will be the beginning of the next SPA pay period following board approval.

**Employee:** Heather Casey  
**Current position (department):** Supervisor, Payroll (Accounting)  
**New position (department):** Manager, Payroll (Accounting) Job Re-evaluation  
**Current rate; step/grade:** \$102,278; SPA – 04  
**Proposed rate; step/grade:** \$107,392; SPA – 05  
**Percent of increase:** 5.00%  
**District hire date:** November 2, 2015

**Employee:** Mike Conrad  
**Current position (department):** Sr. Claims Investigator (Law Department)  
**New position (department):** Sr. Claims Investigator (Law Department) Job Re-evaluation  
**Current rate; step/grade:** \$110,860; SPA – 05  
**Proposed rate; step/grade:** \$116,403; SPA – 06  
**Percent of increase:** 5.00%  
**District hire date:** July 15, 1985

**Employee:** Thomas Hicks  
**Current position (department):** Crew Leader (Water Distribution)  
**New position (department):** Training Foreman (Water Distribution)  
**Current rate; step/grade:** \$43.10; Step 4  
**Proposed rate; step/grade:** \$94,130; SPA – 04  
**Percent of increase:** 5.00%  
**District hire date:** November 8, 1999

**Employee:** **Chad Koehler**  
**Current position (department):** Group Leader (Construction)  
**New position (department):** Construction Foreman (Construction)  
**Current rate; step/grade:** \$45.72; Step 4  
**Proposed rate; step/grade:** \$99,853; SPA – 04  
**Percent of increase:** 5.00%  
**District hire date:** January 2, 2002

**Employee:** **Castro Okuom**  
**Current position (department):** Interim Manager, Enterprise Applications (Information Technology)  
**New position (department):** Manager, Enterprise Applications ISU/FICO (Information Technology)  
**Current rate; step/grade:** \$116,403; SPA – 05TX  
**Proposed rate; step/grade:** \$122,223; SPA – 07  
**Percent of increase:** 5.00%  
**District hire date:** October 6, 1997

**Employee:** **Manoj Seth**  
**Current position (department):** ERP Technical/Functional Analyst II (Information Technology)  
**New position (department):** Manager, Application Development (Information Technology)  
**Current rate; step/grade:** \$116,403; SPA – 05TX  
**Proposed rate; step/grade:** \$122,223; SPA – 07  
**Percent of increase:** 5.00%  
**District hire date:** April 20, 2020

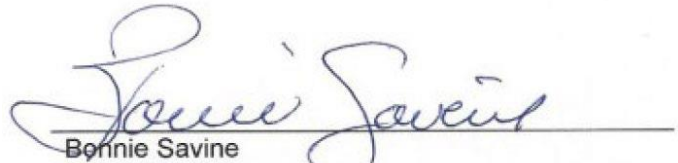
**Employee:** **Charan Teja Enugula**  
**Current position (department):** Senior ERP Technical/Functional Analyst (Information Technology)  
**New position (department):** Manager, Enterprise Applications EAM (Information Technology)  
**Current rate; step/grade:** \$126,295; SPA – 06TX  
**Proposed rate; step/grade:** \$130,253; SPA – 07  
**Percent of increase:** 3.13%  
**District hire date:** May 1, 2015

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

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

**Employee:** **Sandra Padilla**  
**Current position (department):** ERP Technical/Functional Analyst I (Information Technology)  
**Current rate; step/grade:** \$102,000; SPA – 04  
**District hire date:** November 14, 2022

**Employee:** Li Yuan  
**Current position (department):** ERP Technical/Functional Analyst II (Information Technology)  
**Current rate; step/grade:** \$110,860; SPA – 05  
**District hire date:** November 7, 2022



Bonnie Savine  
Vice President, Human Resources



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Mark A. Mendenhall  
Senior Vice President, General Counsel



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Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT**

November 30, 2022

**Subject:** SETTLEMENT OF CIVIL LITIGATION  
**To:** Judiciary and Legislative Committee  
**Cc:** All Board Members; President Doyle; Senior Vice Presidents Ausdemore, Langel, Lobsiger and Schaffart; and all Vice Presidents  
**From:** Mark Mendenhall, Senior Vice President/ General Counsel

An action was filed against the Metropolitan Utilities District of Omaha ("District") in the Douglas County District Court in 2016. The action has been in litigation since the date the Complaint was filed and remains in litigation as to other parties.

The District's Law Department, including its outside counsel, have reached a settlement agreement with the law firm of Lamson Dugan and Murray. This settlement is pending this Board's approval. The settlement amount is being withheld pursuant to Neb. Rev. Stat. § 84-713(2).

Pursuant to Neb. Rev. Stat. § 84-713(3), this matter must be placed upon the agenda, and we have done so with a memo that does not go into the details of the District's legal position, which is a matter that is allowed to be kept confidential under Neb. Rev. Stat. § 84-713(2).

If the Board desires, further discussion of this matter can be held in a Closed Session.

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

Approved:



Mark E. Doyle  
President



Mark Mendenhall  
SVP/ General Counsel



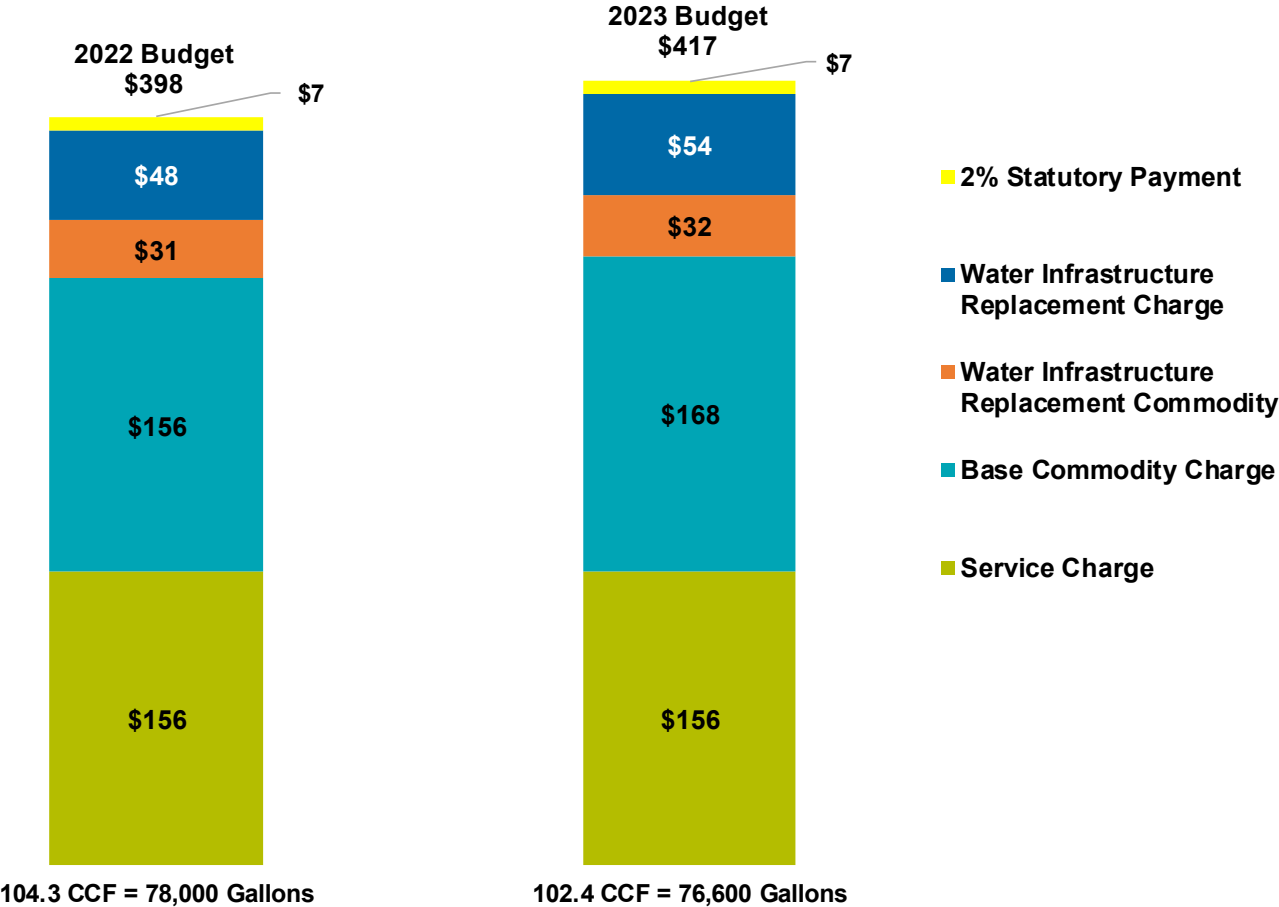
# 2023 BUDGET

December 2022

# Water Rates Discussion

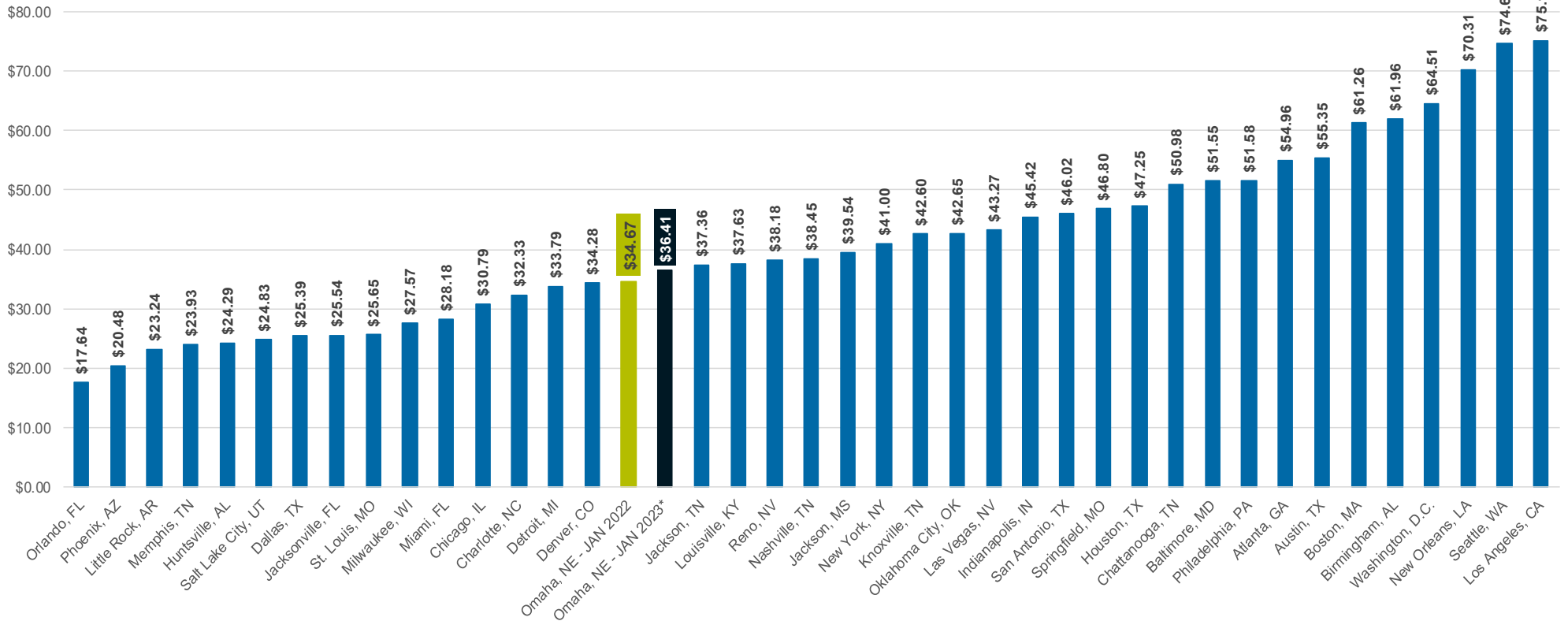
- Budget contains a 4.7% increase to the average residential customer's bill (\$417.05 vs. \$398.48 in 2022 Budget: increase of \$18.57 per year, or \$1.55/month)
  - Revenue increase due to:
    - 7.1% increase to the Commodity component of rates (adds \$12.30 to the average residential bill)
      - The same 7.1% Commodity increase will be applied to all customer classes except Wholesale, which is 8.1%
    - Increased Water Infrastructure Replacement fixed charge - \$0.50/month increase to Residential customers – from \$4.00/month to \$4.50/month, with a like percentage increase to all customer classes
- Rate increases will generate ~\$7.6 million in incremental funds (\$5.2 million in Commodity/operating revenue and \$2.4 million in Infrastructure revenue)
- Rate increases to be effective January 2, 2023
- The increase is necessary to fund:
  - Increased cost of operations due to current inflationary environment
  - Increased rate of water main replacement, condition assessment and leak detection
  - Debt service costs associated with October 2022 bond issuance – full year carrying costs in 2023

# Average Annual Residential Water Bill



# National Comparison – Residential Water Bills

Rates in effect January 2022  
10 CCF  
All Meters 5/8"



# Gas Rates Discussion

- Budget contains a 3.3% increase to the average residential customer's bill (\$814.24 vs. \$788.11 from 2022 Budget: increase of \$26.13 per year, or \$2.18/month)
- Revenue increase due to:
  - Increased cost of natural gas which is mitigated by a modest reduction in annual usage
    - 77.2 Dth in 2022 vs. 76.1 Dth in 2023
  - 2.5% increase to the Margin component of rates (adds \$1.01 to the average residential bill)
  - Gas Infrastructure Replacement fixed charge - \$0.50/month increase to Residential customers – from \$3.00/month to \$3.50/month, with a like percentage increase to all customer classes
- Increase will generate ~\$3.2 million in incremental funds
- Rate increases to be effective January 2, 2023
- Rate increase necessary due to:
  - Increased cost of operations due to current inflationary environment
  - Ongoing gas infrastructure replacement costs
  - Debt service cost associated with planned 4Q bond issuance to fund new Construction Center and remodel existing Construction Center



# Gas Bill for Average Residential Customer

- The total bill for the average residential customer is projected to increase by \$26 per year, or 3.3% as compared with the 2022 budget, as follows:

- Increased "Pass Through Costs" - collected and remitted to others

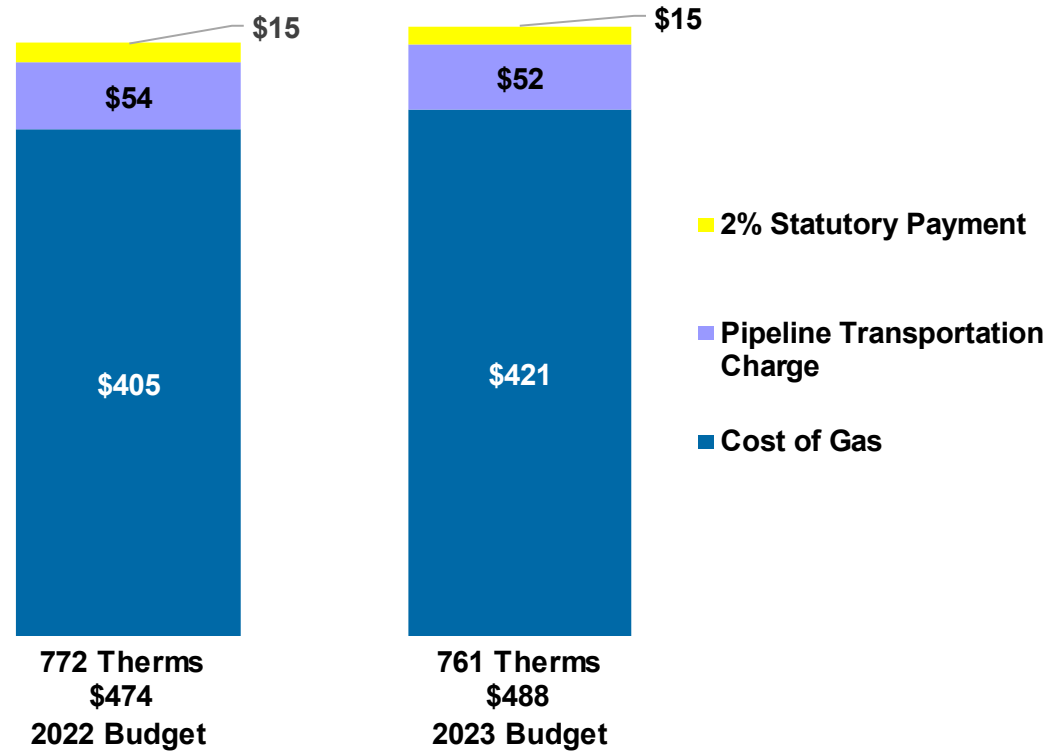
Cost of natural gas	+ \$ 15.80	
2% Statutory Payment Charge (remitted to Cities)	+ \$ 0.41	
Transportation Demand Charges	- \$ (2.16)	* Fixed costs spread over increased volumes
<b>Subtotal - Remitted to Others</b>	<b>\$ 14.05</b>	

- Increased cost to fund MUD operations

Peak Shave Costs - LNG Capital Spending	+ \$ 5.07
Base Commodity Charge	\$ 1.01
Service Charge - no change	\$ -
Gas Infrastructure Replacement "Rider"	\$ 6.00
<b>Subtotal - MUD Operations</b>	<b>\$ 12.08</b>

<b>Total</b>	<b>\$ 26.13</b>
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# Average Annual Residential Gas Bill Passthrough Components: Collected & Remitted to Others

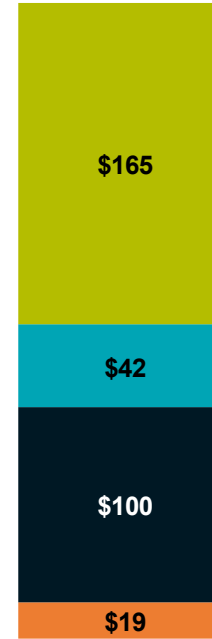


# Average Annual Residential Gas Bill

## Funding District Operations



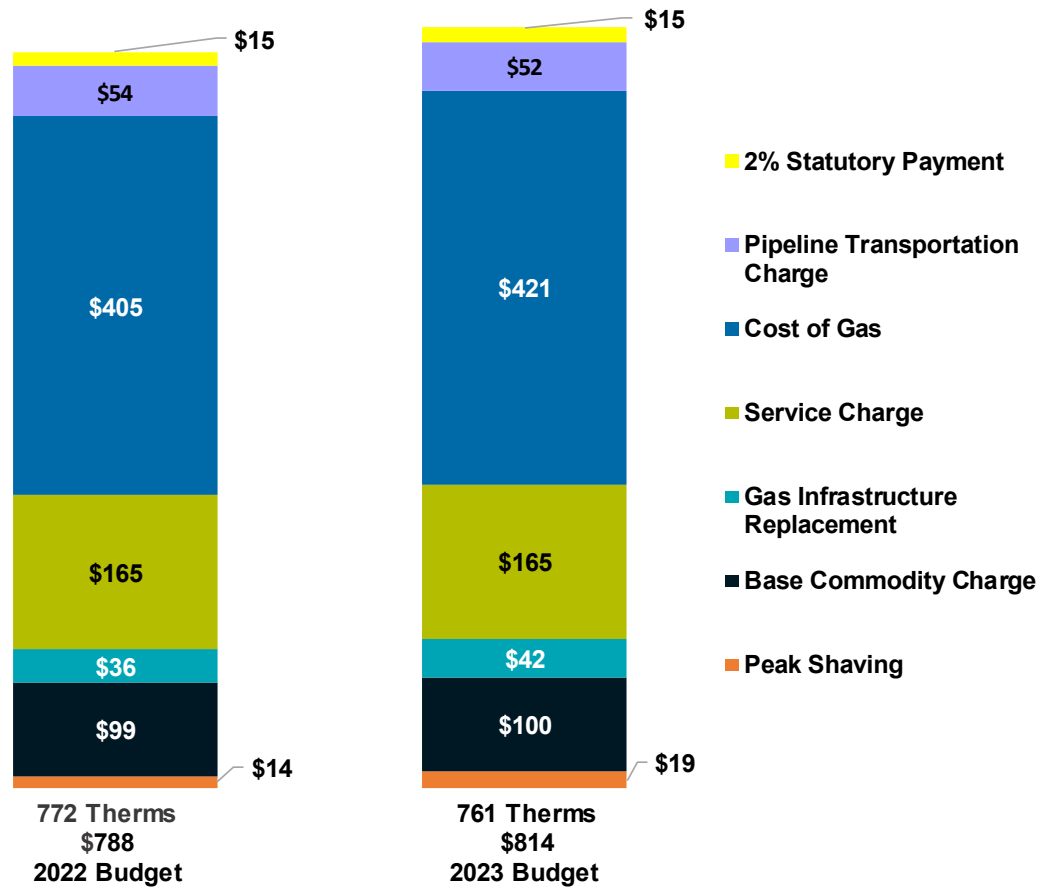
772 Therms  
\$314  
2022 Budget



761 Therms  
\$326  
2023 Budget

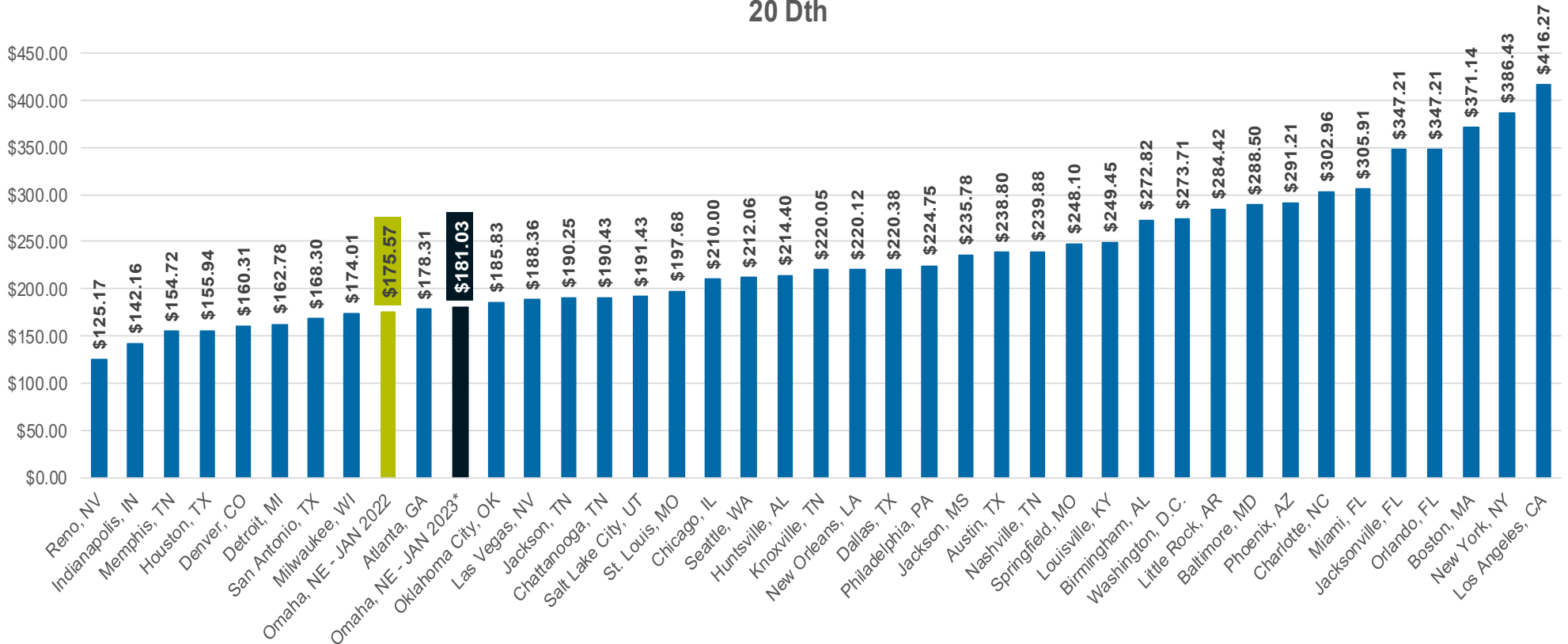
- Service Charge
- Gas Infrastructure Replacement
- Base Commodity Charge
- Peak Shaving

# Average Annual Residential Gas Bill



# National Comparison – Residential Gas Bills

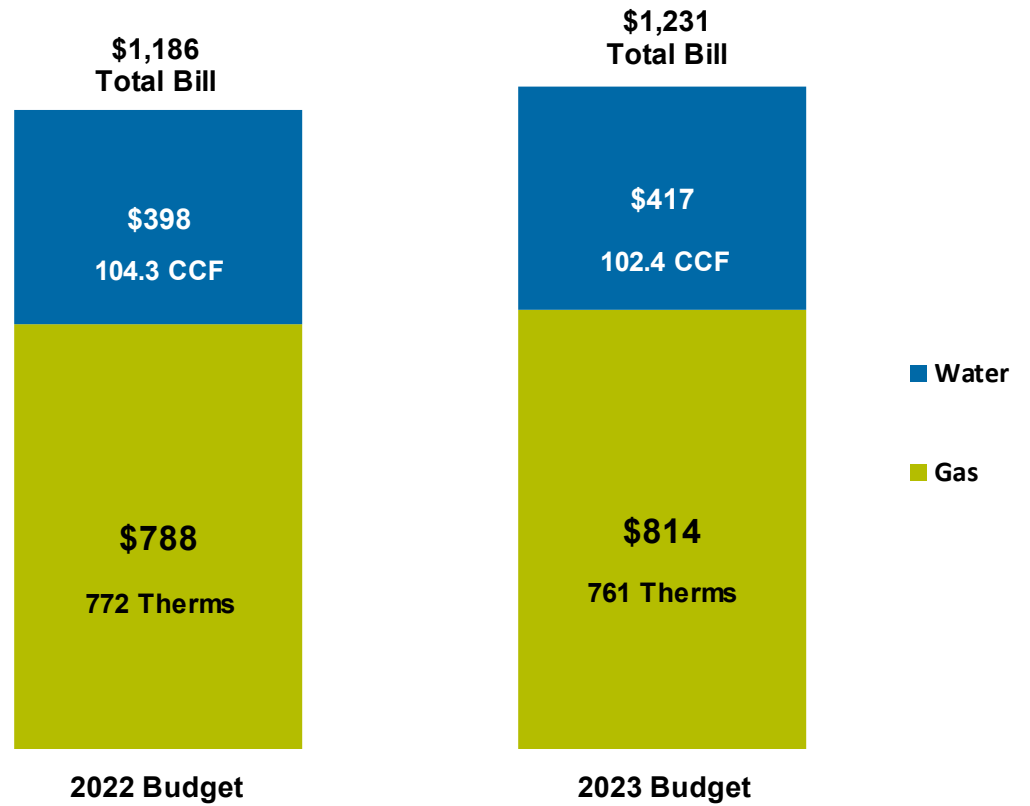
Rates in effect January 2022  
20 Dth



Source: 2022 Memphis Light Gas & Water Annual Survey  
\*Includes 2023 projection only for Omaha, NE\*  
(2023 reflects 2022 cost of gas and 2023 proposed rate changes)



# Gas & Water Annual Bill Comparison (Average Residential Customer)

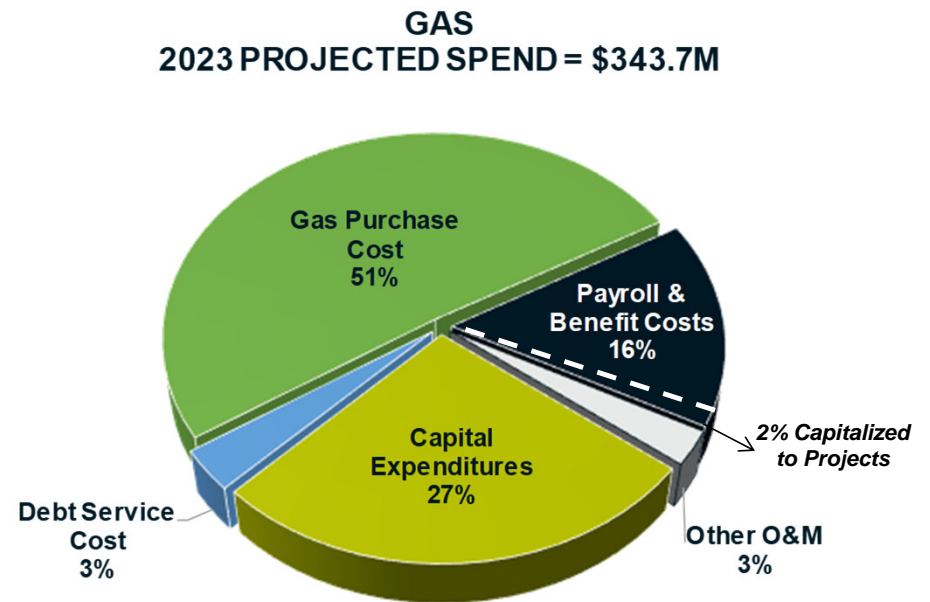
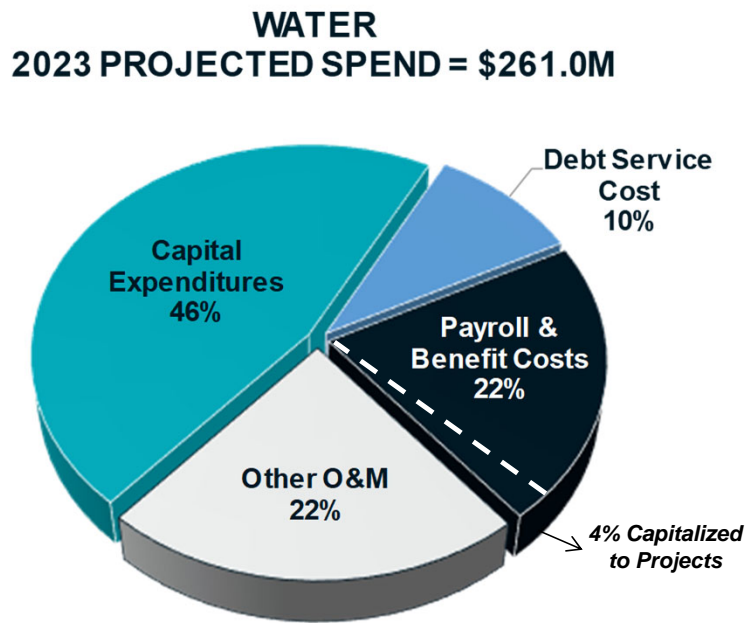


# Water & Gas Operations

Shared Expenditures

# Components of District Spending (Water & Gas Combined)

2023 PROJECTED SPEND = \$604.7M



# Water & Gas Operations – Shared Expenditures

## 2023 Budget Assumptions

- **Pay Increases**

- Budget includes increased wage expense due to:
  - Labor negotiations – current contract expires March 31, 2023
  - Evaluation of various pay scales
  - Evaluation of current market labor rates
  - Historical cost of living increases

- **Full funding of “promises to employees”**

- Pension Funding - \$11.1 million
- OPEB Funding - \$11.7 million (*retiree medical including “pay as you go” claims funding + contributions to trust*)
  - Contributions expected to exceed actuarially required levels despite sub-par investment returns in 2022
  - Intentional overfunding to accelerate pay down of Unfunded Liability (*i.e., increase Funding %*)
  - Contributions reflect long-term investment return assumption of 6.75%
  - Employer pension contributions impacted by increased employee contributions
    - Increase from 8.5% to 9.0% of "pensionable" wages

# Water Operations

# Water Operations – Capital Expenditures

## 2023 Budget Assumptions

- **2023 capital expenditures of \$131.5 million are \$44.4 million higher than 2022 budget**
- **Water Mains** spending of \$85.0 million increased by \$32.0 million due to:
  - Growth in commercial and residential development
  - Rising construction costs
  - Developer contributions of \$34.7 million will partially offset the cost of mains (*up \$14.5 million*)
- **Buildings, Land & Equipment** spending of \$44.4 million increased by \$11.7 million primarily due to capital improvement projects at the three water treatment plants (*Florence, Platte South, Platte West*)
  - Bond proceeds of \$31.8 million from the October 2022 issuance will fund capital improvements at the water treatment plants as well as completion of the West Dodge pump station and other system improvements



# Water Operations – Infrastructure Program

## 2023 Budget Assumptions

### Water Infrastructure Replacement:

- Targeting replacement of 16 miles of water mains in 2023 at an average cost of \$1.9 million per mile
  - Expect to abandon approximately 17.4 miles in 2022 exceeding target of 16 miles
- Continuing to focus on efforts to reduce the cost of water main replacement via alternate installation methods (*pipe bursting*) and material types (*HDPE and PVC*)
- 3,110 total miles of water mains in our system at end of 2021
- Approximately 1,152 miles of cast iron water mains remaining in our system at the end of 2021
  - Infrastructure improvement efforts are not limited to cast iron mains

# Water Operations – Infrastructure Program

## 2023 Budget Assumptions

### Water Infrastructure - Risk Mitigation:

- While main replacement continues to be a significant focus in terms of improving system reliability, we are broadening our efforts to include:
  - Condition assessment
  - Leak detection
  - Data analysis of main breaks
- Objective is to ensure the most cost-effective approaches to system reliability are employed
- Focus is "outcome-based" - reduced main breaks
- Expanding conditional assessment program in 2023 to 4 miles of large water distribution mains
  - Assessed 2.1 miles in 2022
  - Can result in significant cost avoidance vs. replacing mains

# Water Operations – Infrastructure Program

## 2023 Budget Assumptions

### Water Infrastructure Replacement/Risk Mitigation:

- Our water main infrastructure risk mitigation strategy employs a combination of replacement and condition assessment and reaches 25 miles “mitigated” by 2025

	Miles Replaced	Miles Condition Assessed	Total Miles Mitigated	Cost of Replacement (\$ Millions)	Cost per Mile Replacement (\$ Millions)
<b>2023</b>	16.0	4.0	20.0	\$ 30.9	\$ 1.9
<b>2024</b>	17.0	6.0	23.0	\$ 32.3	\$ 1.9
<b>2025</b>	17.0	8.0	25.0	\$ 32.3	\$ 1.9
<b>2026</b>	17.0	8.0	25.0	\$ 32.3	\$ 1.9
<b>2027</b>	18.0	7.0	25.0	\$ 34.0	\$ 1.9
<b>Total</b>	85.0	33.0	118.0	\$ 161.8	\$ 1.9

# Water Operations Revenue & Expense Statement

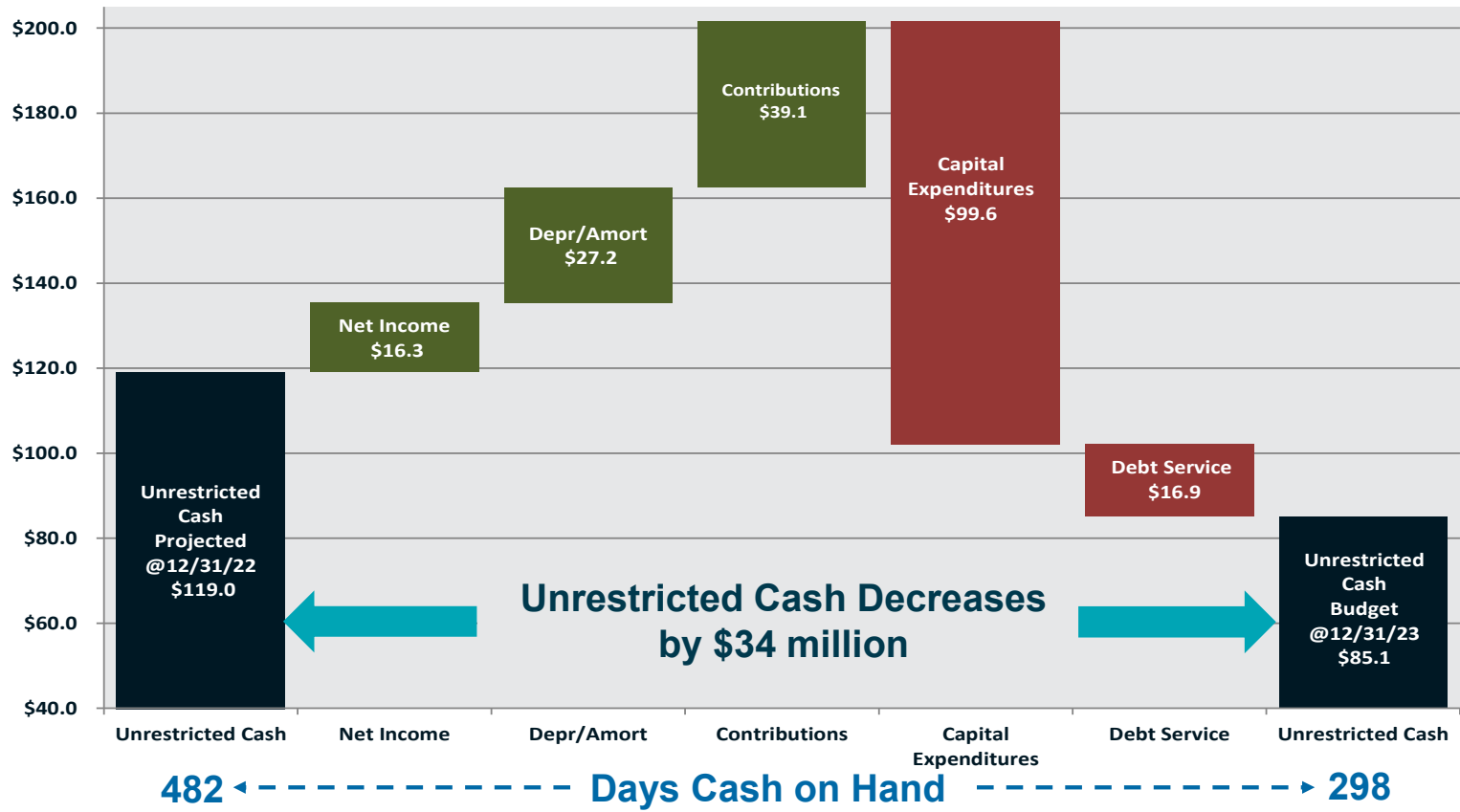
(\$ in Millions)

	2022	2023	Increase / (Decrease)	
	Projection	Budget	\$	%
<b>Revenue:</b>				
Water Sales	\$ 134.6	\$ 134.2	\$ (0.4)	(0.3%)
Infrastructure Charge	15.2	17.3	2.1	13.5%
Other Operating	4.3	4.5	0.2	4.6%
<b>Total Revenue</b>	<b>\$ 154.1</b>	<b>\$ 156.0</b>	<b>\$ 1.9</b>	<b>1.2%</b>
<b>Expense:</b>				
Operating & Maintenance	90.2	104.6	14.4	16.0%
Depreciation	18.1	24.6	6.5	35.9%
Bond Issuance Costs	0.3	-	(0.3)	NM
Interest Expense, Net	7.0	8.8	1.8	25.5%
Other	2.1	2.2	0.1	4.8%
<b>Total Expense</b>	<b>117.7</b>	<b>140.2</b>	<b>22.5</b>	<b>19.2%</b>
Interest/Investment Earnings	0.4	0.5	0.1	23.2%
<b>Net Income</b>	<b>\$ 36.8</b>	<b>\$ 16.3</b>	<b>\$ (20.5)</b>	<b>(55.8%)</b>

NM = not meaningful

# Water Operations - Cash Flow

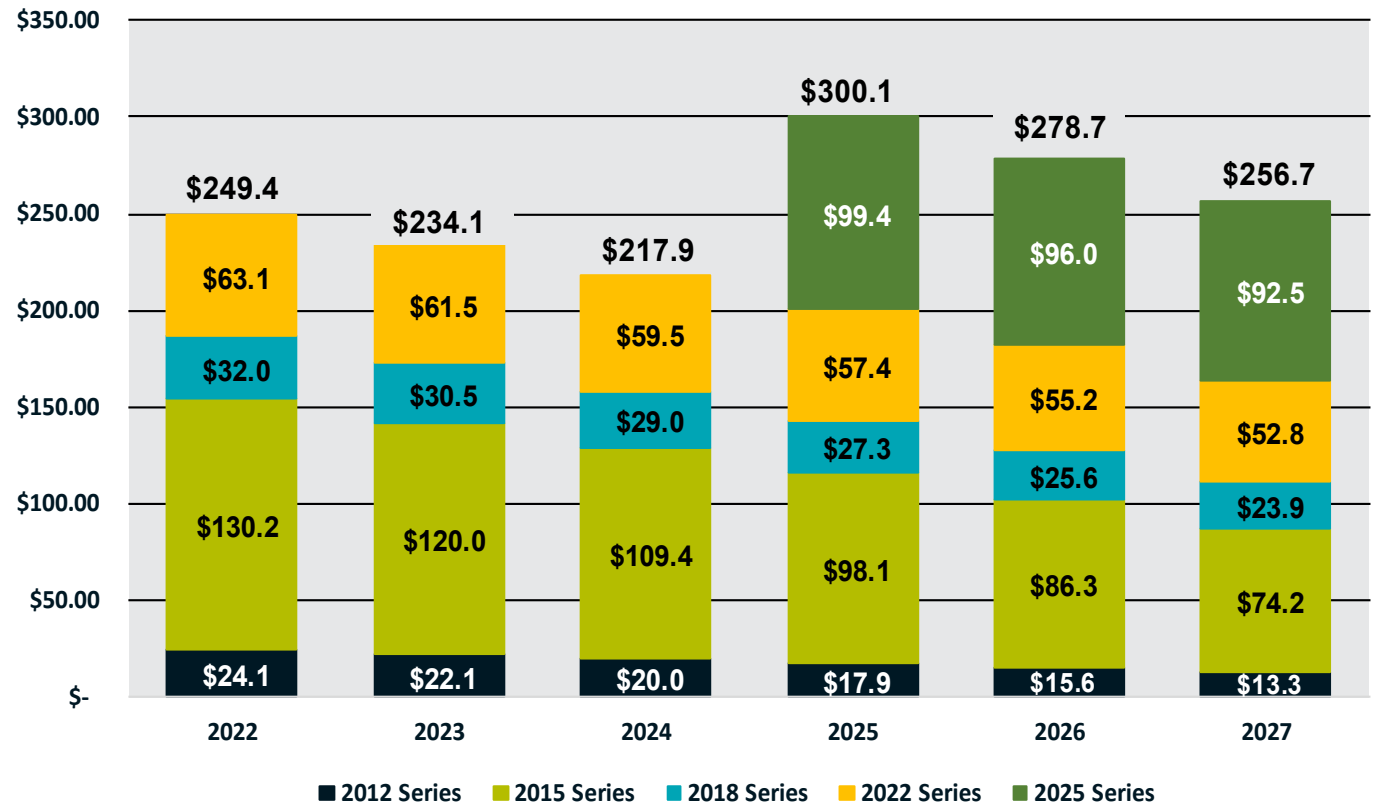
(\$ in Millions)



# Water Operations

## Bonded Debt Outstanding as of December 31

(\$ in Millions)

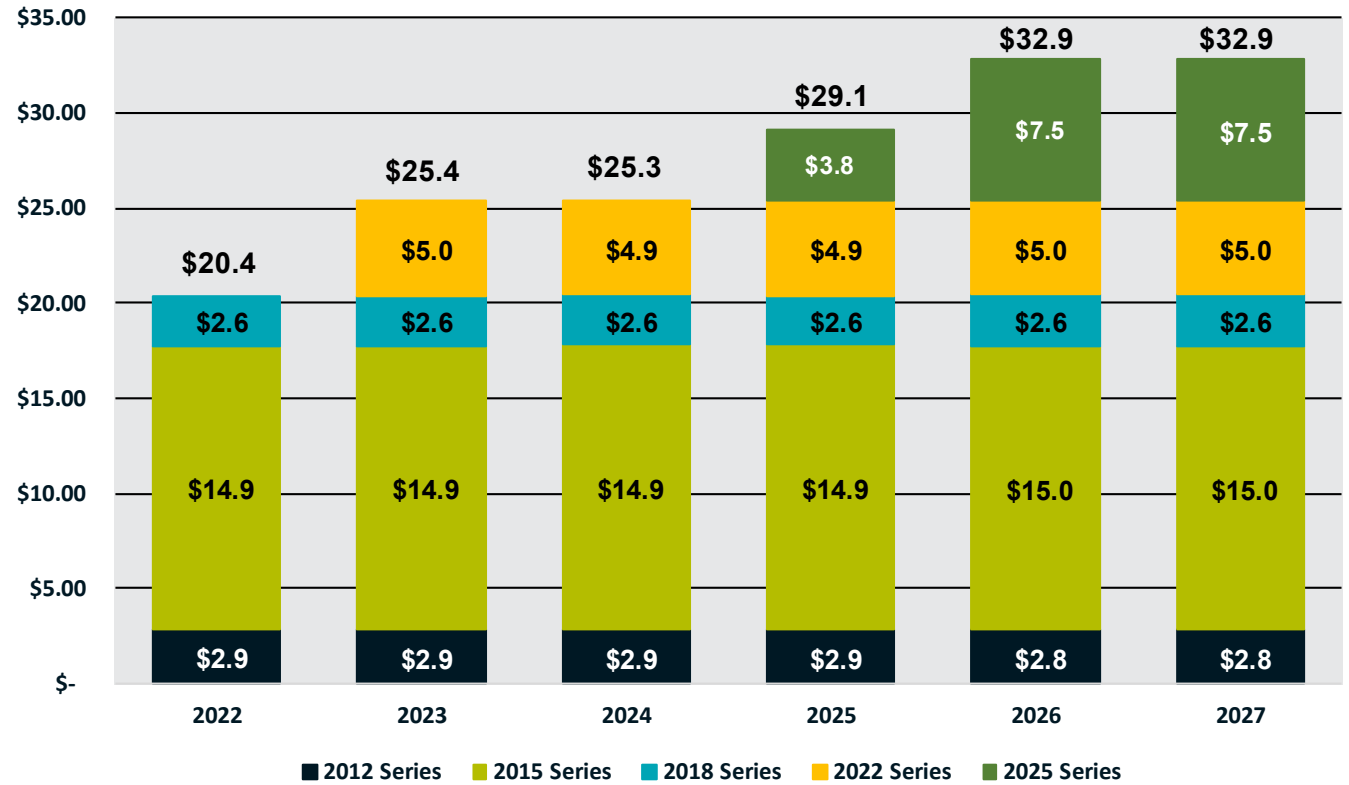




# Water Operations

## Bond Debt Service Requirements

(\$ in Millions)



# Gas Operations

# Gas Operations – Capital Expenditures

## 2023 Budget Assumptions

**2023 capital expenditures of \$101.4 million are \$8.6 million higher than 2022 budget**

- **Construction Center Projects** reflect spending of \$10.0 million, an increase of \$4.7 million, related to the design and construction of Construction Center #2 and renovation of Construction Center #1
  - Bond issuance of approximately \$66.6 million planned in late 2023 to fund construction and renovation costs at these facilities through 2026
- **Information Technology** spending of \$7.9 million increased by \$3.5 million due to Digital Platform Modernization
- **Motor Vehicles** spending of \$11.4 million increased by \$1.4 million primarily due to increased cost per vehicle
- **Buildings, Land & Equipment – “LNG/Propane Plants”** spending of \$30.4 million decreased by \$4.3 million primarily due to costs associated with LNG plant renovations (*vaporization expansion and liquefaction replacement*)
  - Budget includes \$27.7 million for ongoing upgrades to the LNG plant
  - Funded with proceeds from March 2022 bond issuance
    - Gas revenue bonds with par value of \$115.0 million issued in March 2022 to fund LNG plant renovations and gas infrastructure replacement - full year carrying costs (*principal and interest payments*) of \$4.9 million (*20-year bond*)

# Gas Operations – Infrastructure Program

## 2023 Budget Assumptions

### Gas Infrastructure Replacement:

- Budget reflects ongoing Gas Infrastructure Replacement work which is partially funded via the March 2022 bond offering as well as via the Gas Infrastructure Replacement component of rates
  - 40 miles per year replacement
  - Cast iron main replacement to be completed by 2027
  - Approximately 153 miles of cast iron gas mains remaining in our system at the end of 2021
  - 2,931 total miles of gas mains in our system at end of 2021
- Infrastructure replacement will continue beyond cast iron gas mains
  - The next phase of this program may include moving meters from inside to outside

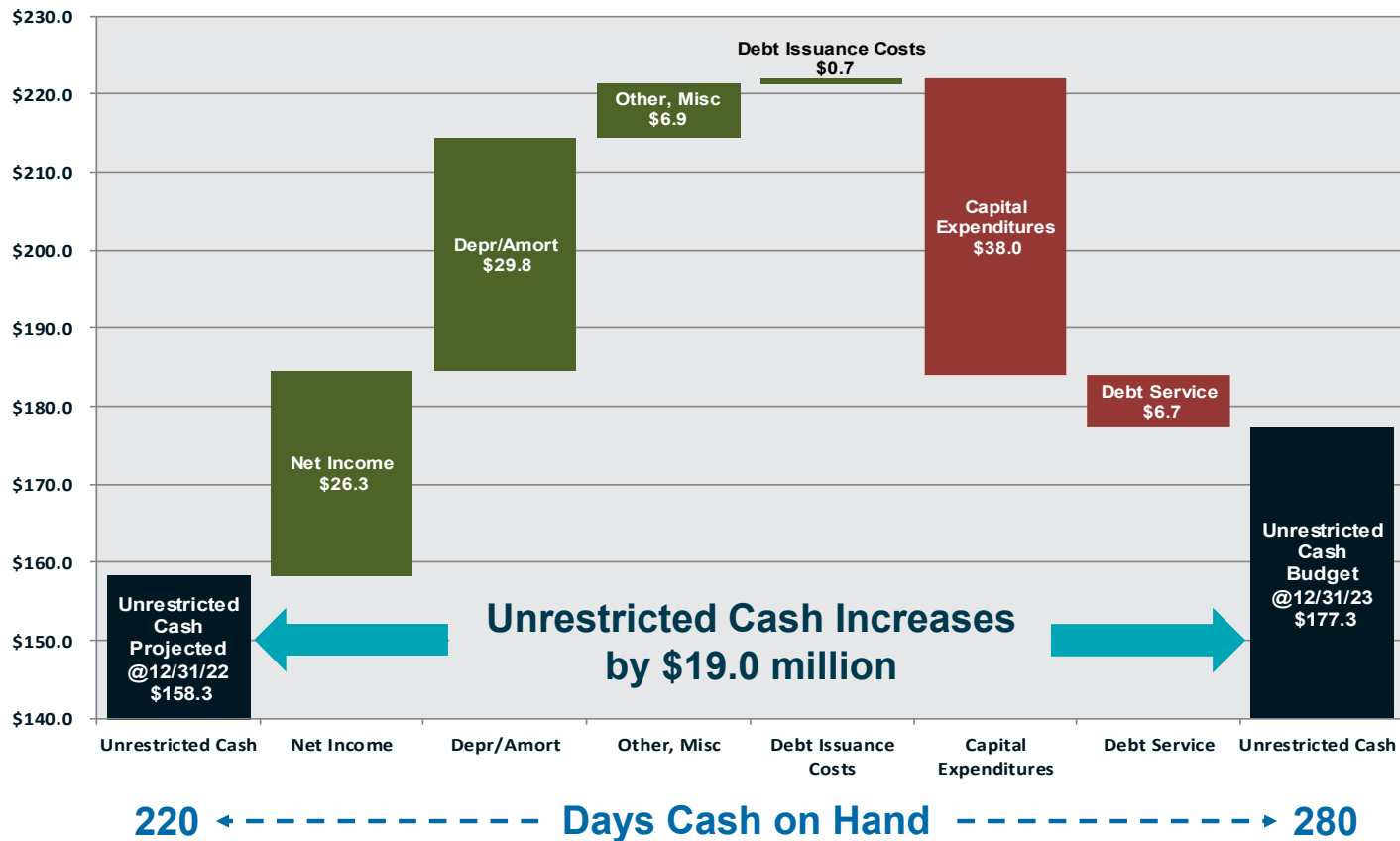
# Gas Operations Revenue & Expense Statement

(\$ in Millions)

	2022	2023	Increase / (Decrease)	
	Projection	Budget	\$	%
<b>Revenue:</b>				
Gas Sales	\$ 307.7	\$ 271.7	\$ (36.0)	(11.7%)
Infrastructure Charge	13.4	15.8	2.3	17.1%
Other Operating	5.6	4.5	(1.0)	(18.3%)
<b>Total Revenue</b>	<b>\$ 326.7</b>	<b>\$ 292.0</b>	<b>\$ (34.7)</b>	<b>(10.6%)</b>
Less Cost of Gas Sold	205.2	174.9	(30.3)	(14.8%)
<b>Net Revenue</b>	<b>\$ 121.5</b>	<b>\$ 117.1</b>	<b>\$ (4.4)</b>	<b>(3.6%)</b>
<b>Expenses:</b>				
Operating & Maintenance	58.5	60.2	1.7	2.9%
Depreciation	19.0	20.8	1.8	9.5%
Bond Issuance Costs	0.7	0.7	0.0	4.0%
Interest Expense	3.5	4.6	1.1	31.4%
Other, Net	5.3	5.3	0.0	0.9%
<b>Total Expenses</b>	<b>87.0</b>	<b>\$ 91.6</b>	<b>4.6</b>	<b>5.3%</b>
Interest/Investment Earnings	0.0	0.8	0.8	NM
<b>Net Income</b>	<b>\$ 34.5</b>	<b>\$ 26.3</b>	<b>\$ (8.2)</b>	<b>(23.9%)</b>

# Gas Operations - Cash Flow

(\$ in Millions)

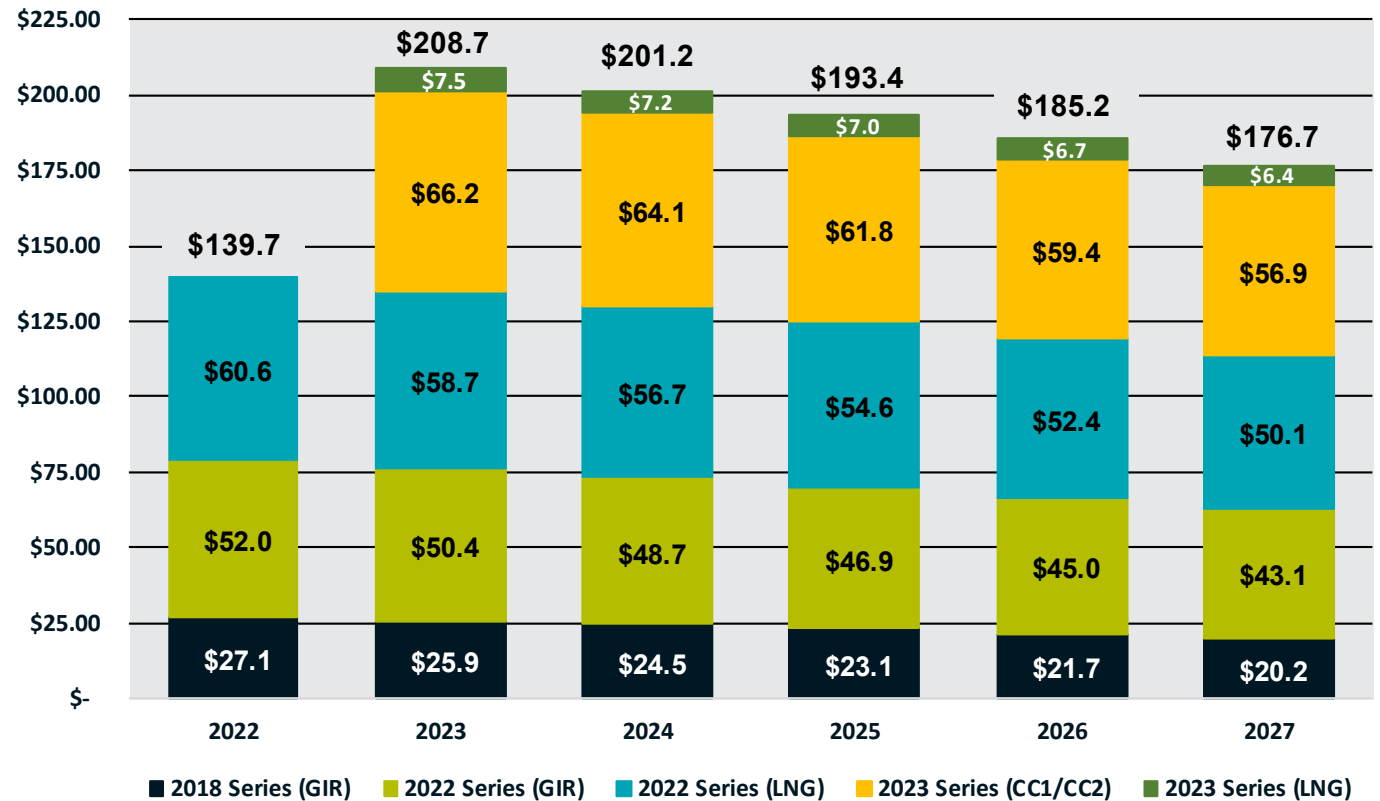




# Gas Operations

## Bonded Debt Outstanding as of December 31

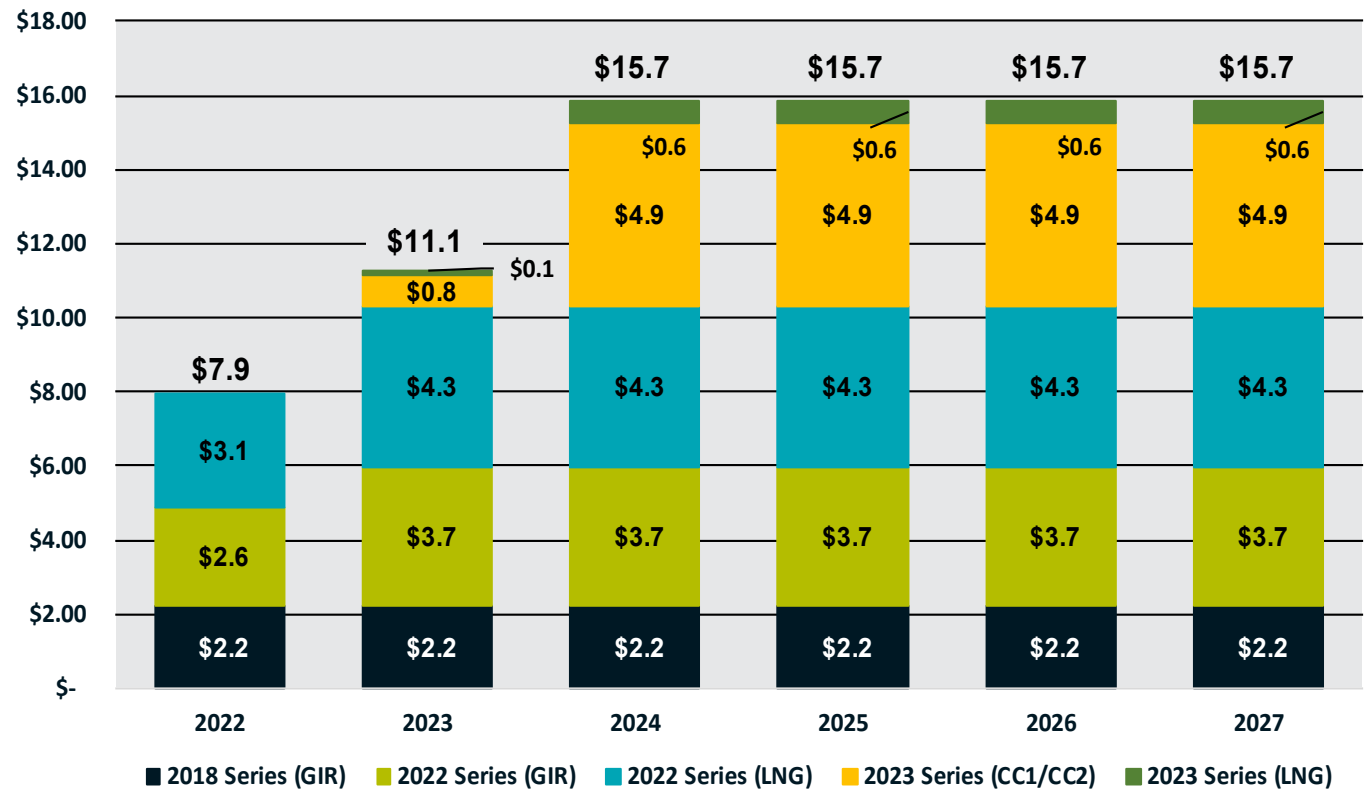
(\$ in Millions)



# Gas Operations

## Bond Debt Service Requirements

(\$ in Millions)



# Questions?

# METROPOLITAN --- UTILITIES DISTRICT

**METROPOLITAN UTILITIES DISTRICT**  
*Inter-Department Communication*

November 29, 2022

**Subject:** PROPOSED WATER RATE INCREASE - 2023

**To:** Committee on Accounts, Expenditures, Finance and Rates  
cc: All Board Members; Mark Doyle, Steve Ausdemore, Gina Langel,  
Sue Lobsiger, Mark Mendenhall, and all Vice Presidents

**From:** Joseph J. Schaffart, Senior Vice President, Chief Financial Officer

**RECOMMENDATION – WATER RATES**

Management is recommending a two-tiered increase to the overall Commodity component of water rates for 2023, as follows:

- 1) 7.1% increase for Rate schedules W-1 Residential and W-2 Commercial and Industrial, W-3 Large Volume Industrial and W-4 Commercial & Industrial-Sprinkling
- 2) 8.1% increase for Rate schedule WWS Wholesale.

The recommendation for a higher Commodity percentage increase for the Wholesale rate class results from a recent Cost-of-Service Study that indicates the need for a higher percentage increase to more closely align with the cost of providing water service to Wholesale customers.

Additionally, management is recommending a \$.50 monthly increase to the Water Infrastructure Replacement (WIR) charge for Rate schedule W-1 Residential, from \$4.00 per month to \$4.50 per month, with a like percentage increase for all remaining rate classes.

The recommended rate increases will generate approximately \$7.6 million in incremental revenue as compared with 2022 budgeted revenues. The additional revenue in 2023 will address: 1) higher operating costs due to the current inflationary environment, 2) ongoing water infrastructure replacement costs and other risk mitigation efforts including main condition assessment and leak detection efforts and 3) increased debt service costs associated with the October 2022 bond issuance to fund water treatment plant improvements as well as construction of the West Dodge Pump station and related mains.

**WATER RATE COMPARISON  
AVERAGE RESIDENTIAL CUSTOMER**

For the average use residential customer using a 5/8" water meter, the annualized increase will be \$18.57 or 4.7% higher than what was assumed for the 2022 budget. This is based on inside city rates and 2023 budgeted annual use of 102 CCF (76,600 gallons). The typical residential annual water bills will change as follows:

**BUDGET To BUDGET COMPARISON**

Projected 2023 Annual Residential Water Bill	\$ 417.05 (102.4 CCF)
2022 Annual Water Bill	\$ 398.48 (104.3 CCF)
Annual Change to Average Water Bill	\$ 18.57 +4.7%

Our water rates continue to trend mid-range when compared with others nationally and regionally. We are also one of the few utilities who operate three water treatment plants, which greatly enhances our reliability during all weather conditions.

**IMPACT FEES**


Management is recommending a 7.1% increase to Impact Fees. As new water demands are connected to the system, additional capacity such as oversizing mains and/or adding pump stations is necessary to assure adequate flow and pressure. The Impact Fee is intended to address the impact to the system when new customers are added, to avoid placing additional burden on existing customers.


The effective date of the recommended increase to Impact Fees will be June 1, 2023, to correspond to the effective date of a revised Billing Price Book.

**SUMMARY**

As discussed above, the recommended water rate increases will generate approximately \$7.6 million of incremental revenue in 2023.

The impact of this increase will be reflected in the budget presentation at the December 7, 2022, Board meeting, at which time a public hearing is also scheduled.

  
Joseph J. Schaffart  
Senior Vice President, Chief Financial Officer  
(402) 504-7111

APPROVED:   
Mark E. Doyle  
President

Attachments



## RESOLUTION

WHEREAS, the Board of Directors of the Metropolitan Utilities District of Omaha finds that the District's water rates are no longer adequate to provide the revenues necessary to support the operation of the District's water distribution system; and

WHEREAS, the Board has reviewed the District's water rates and the effect of an increase to water rate schedules, and proposed revisions to impact fees as described in the attached memorandum dated November 29, 2022, signed by Joseph J. Schaffart, Senior Vice President, Chief Financial Officer and

WHEREAS, the Board submitted this matter to a public hearing on December 7, 2022, for public comment; and

WHEREAS, the Board finds that the recommendations of the District's staff, as presented to the Board in that memorandum, should be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that a water rate increase and proposed revisions to the water rate schedules as described in the attached memorandum dated November 29, 2022, and signed by Joseph J. Schaffart, Senior Vice President, Chief Financial Officer be and is hereby adopted and made effective as to billings for water service for usage occurring on or after January 2, 2023.

BE IT FURTHER RESOLVED that the rate schedules for water service rendered by the District to customers under franchise be adjusted in accordance with the schedules hereby adopted as permitted by such franchises.

BE IT FURTHER RESOLVED that the current water rate schedules for all water service be and are hereby rescinded concurrent with the effective date of the rate schedules adopted herein.

Adopted:

**METROPOLITAN**  
**UTILITIES DISTRICT**

**Schedule W-1**  
**RESIDENTIAL WATER SERVICE**  
**Effective January 2, ~~2022~~2023**

(Supersedes Schedule W-1 Effective ~~May 2, 2021~~ January 2, 2022)

**AVAILABILITY**

This rate schedule is available to and applies to customers purchasing water for residential purposes, including lawn irrigation, provided that:

1. Customer resides within District boundaries or customer resides outside of District boundaries but also outside of cities and villages served under franchise.
2. Not more than three apartment units or not more than eight sleeping rooms are connected to one meter, unless all units are occupied by one family.
3. This Rate Schedule is not available for water used in connection with common areas associated with home owner associations or sanitary improvement districts.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

<b>Service Charge:</b>	<b><u>Meter Size</u></b>	<b><u>Monthly Charge</u></b>
	5/8"	\$13.02
	3/4"	\$19.54
	1"	\$32.55
	1 1/2"	\$65.11
	2"	\$104.18
	3"	\$208.34

<b>Commodity Charge (Per 100 Cubic Feet)</b>	<b><u>November-May</u></b>	<b><u>June-October*</u></b>
First 900 cubic feet	<del>\$1.7028</del> <u>\$1.8242</u>	<del>\$1.7028</del> <u>\$1.8242</u>
Next 2,100 cubic feet	<del>\$1.7028</del> <u>\$1.8242</u>	<del>\$2.3839</del> <u>\$2.5539</u>
Over 3,000 cubic feet	<del>\$1.7028</del> <u>\$1.8242</u>	<del>\$3.0651</del> <u>\$3.2835</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

**Minimum Monthly Bill:**

The minimum monthly charge shall be the monthly service charge as indicated above.

**STATUTORY PAYMENT TO CITIES AND VILLAGES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**Schedule W-2**  
**COMMERCIAL & INDUSTRIAL WATER SERVICE**

Effective January 2, ~~2022~~2023

(Supersedes Schedule W-2 Effective ~~May 2, 2021~~January 2, 2022)

**AVAILABILITY**

This rate schedule is available to customers purchasing water for commercial and industrial purposes provided customer resides within the District boundaries or outside District boundaries, but also outside cities and villages served under franchise.

When residential water use is combined with commercial or industrial water use on a single meter, all water used will be classified as commercial or industrial.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

<u>Service Charge:</u>	<u>Meter Size</u>	<u>Monthly Charge</u>
	5/8"	\$13.02
	3/4"	\$19.54
	1"	\$32.55
	1 1/2"	\$65.11
	2"	\$104.18
	3"	\$208.34
	4"	\$240.00
	6"	\$475.00
	8"	\$700.00
	10"	\$940.00
	12"	\$1,405.00

<u>Commodity Charge (Per 100 Cubic Feet)</u>	<u>November-May</u>	<u>June-October*</u>
All Water Used	<del>\$1.4979</del> <u>\$1.6047</u>	<del>\$2.0053</del> <u>\$2.1483</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

**Minimum Monthly Bill:**

The minimum monthly charge shall be the monthly service charge as indicated above.



**STATUTORY PAYMENT TO CITIES AND VILLAGES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rates. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**WATER QUALITY REPORTS**

One water quality report per month shall be available to customers under Water Rate Schedule W-2 at no charge IF the report is delivered by E-mail.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN  
UTILITIES DISTRICT**

Schedule W-3  
**LARGE VOLUME INDUSTRIAL WATER SERVICE**  
Effective January 2, ~~2022~~2023

(Supersedes Schedule W-3 Effective ~~May 2, 2021~~January 2, 2022)

**AVAILABILITY**

This rate is available to industrial customers whose primary water requirement is for use in the process in which the customer is primarily engaged; whose normal water consumption is 5,000 hundred cubic feet or more per month; and who agree to remain on this rate for a period of not less than one year.

An industrial customer is generally defined as a customer who is engaged primarily in a process which creates or changes any raw or unfinished materials into another form or product, but may include other processes where District determines that load characteristics are similar. Irrigation is specifically excluded.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

**Service Charge:**

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge**

First 5,000 CCF (100 cubic feet) or less

~~\$8,444.00~~\$9,048.00

Over 5,000 CCF (per 100 cubic feet)

~~\$1.4489~~\$1.5526

**Minimum Monthly Bill:**

The minimum monthly charge shall be ~~\$8,444.00~~\$9,048.00 plus the monthly service charge as indicated above.

**STATUTORY PAYMENT TO CITIES AND VILLAGES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN  
UTILITIES DISTRICT**

**Schedule W-4  
COMMERCIAL & INDUSTRIAL WATER SERVICE  
SPRINKLING - LAKE RECHARGE - COOLING**

Effective January 2, ~~2022~~2023

(Supersedes Schedule W-4 Effective ~~May 2, 2021~~January 2, 2022)

**AVAILABILITY**

This rate schedule is available to and required of commercial and industrial customers purchasing water for the primary purposes of sprinkling/irrigation, lake/lagoon recharge, and/or cooling. This rate schedule may also apply to other water uses having high summertime peak demands that can be expected to coincide with system peak water demands.

This rate schedule shall apply to customers residing within District boundaries, and to customers residing outside District boundaries who also reside outside cities and villages served under franchise.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**RATE - MONTHLY BILLING**

**Service Charge:**

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge (Per 100 Cubic Feet):**

	<u>November-May</u>	<u>June-October*</u>
First 100 CCF	<del>\$1.4818</del> <u>\$1.5879</u>	<del>\$1.9837</del> <u>\$2.1258</u>
Next 1,000 CCF	<del>\$1.4818</del> <u>\$1.5879</u>	<del>\$3.9674</del> <u>\$4.2516</u>
Over 1,100 CCF	<del>\$1.4818</del> <u>\$1.5879</u>	<del>\$2.9756</del> <u>\$3.1888</u>

\*For billing purposes, summer rates will apply to accounts with a charge date of June through October.

**Minimum Monthly Bill:**

The minimum monthly charge shall be the monthly service charge as indicated above.



**STATUTORY PAYMENT TO CITIES**

Neb. Rev. Stat. § 14-2138 (2019) requires Metropolitan Utilities District to pay the city of a metropolitan class two (2) percent of the retail sales of water sold by the District within such city. Neb. Rev. Stat. § 14-2139 (2019) requires Metropolitan Utilities District to pay every city or village of any class, other than metropolitan, in which the district sells water, two (2) percent of retail sales of water within such city or village. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside the corporate limits of a city of a metropolitan class or other city or village in which the district sells water is two (2) percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for water service.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.

**METROPOLITAN**  
**UTILITIES DISTRICT**

Schedule WWS  
**WHOLESALE WATER SERVICE**  
Effective January 2, ~~2022~~2023

(Supersedes Schedule WWS Effective ~~May 2, 2021~~January 2, 2022)

**AVAILABILITY**

Subject to approval by the Board of Directors of each contract for deliveries here under, this rate is available for and required of municipal and other governmental entities purchasing water for distribution and/or resale to ultimate consumers for residential, commercial, industrial, irrigation and other purposes.

**METERING**

The unit of measure for water billing is CCF. 1 CCF = 100 cubic feet = 748 gallons.

**SERVICE CHARGE - MONTHLY BILLING**

<u>Meter Size</u>	<u>Monthly Charge</u>
5/8"	\$13.02
3/4"	\$19.54
1"	\$32.55
1 1/2"	\$65.11
2"	\$104.18
3"	\$208.34
4"	\$240.00
6"	\$475.00
8"	\$700.00
10"	\$940.00
12"	\$1,405.00

**Commodity Charge**

First 5,000 CCF (100 cubic feet) or less

~~\$6,479.00~~\$7,007

Over 5,000 CCF (per 100 cubic feet)

~~\$1.1145~~\$1.2053

**MINIMUM MONTHLY BILL**

The minimum monthly charge shall be ~~\$6,479.00~~\$7,007.00 plus the monthly service charge as indicated above.

**PAYMENT**

Bills rendered at the above schedules are due and payable within 15 days of date of bill unless otherwise provided for by contract.

**CONTRACT**

Customer must execute written agreement with District for a term of not less than five (5) years which is made a part of this rate schedule.

**INTERRUPTION OF SERVICE**

Water service under this schedule is subject to restriction or prohibition in the event of an emergency, planned or unplanned work on the water system, or in response to water shortages. The District shall determine and execute the appropriate level of response in accordance with its Water Rules and Regulations.



**IMPACT FEES**  
**EFFECTIVE June 1, ~~2022~~2023**

(Supersedes Impact Fees Effective June 1, 2022)

METER		FLOW RATING	IMPACT FEES	
SIZE	TYPE	Capacity (per GPM)	Current	Proposed
			<del>\$93.91</del> -\$92.07	<del>\$93.91</del> \$100.58
5/8"	Disc	10	<del>\$939</del> \$924	<del>\$939</del> \$1,006
3/4"	Disc	15	<del>\$1,409</del> \$1,384	<del>\$1,409</del> \$1,509
1"	Disc	25	<del>\$2,348</del> \$2,302	<del>\$2,348</del> \$2,515
1 1/2"	Disc	50	<del>\$4,696</del> \$4,604	<del>\$4,696</del> \$5,029
2"	Disc	80	<del>\$7,513</del> \$7,366	<del>\$7,513</del> \$8,046
2"	Turbo	160	<del>\$15,026</del> \$14,734	<del>\$15,026</del> \$16,093
3"	Compound	160	<del>\$15,026</del> \$14,734	<del>\$15,026</del> \$16,093
3"	Turbo	350	<del>\$32,869</del> \$32,225	<del>\$32,869</del> \$35,203
4"	Compound	250	<del>\$23,478</del> \$23,018	<del>\$23,478</del> \$25,145
4"	Turbo	1,000	<del>\$93,910</del> \$92,070	<del>\$93,910</del> \$100,580
6"	Compound	500	<del>\$46,955</del> \$46,035	<del>\$46,955</del> \$50,290
6"	Turbo	2,000	<del>\$187,820</del> \$184,140	<del>\$187,820</del> \$201,160
8"	Turbo	2,800	<del>\$262,948</del> \$257,796	<del>\$262,948</del> \$281,624
10"	Turbo	3,200	<del>\$300,512</del> \$294,624	<del>\$300,512</del> \$321,856

**METROPOLITAN UTILITIES DISTRICT**

*Inter-Department Communication*

November 29, 2022

**Subject: PROPOSED GAS RATE INCREASE - 2023**

**To:** Committee on Accounts, Expenditures, Finance and Rates  
cc: All Board Members; Mark Doyle, Steve Ausdemore, Gina Langel,  
Sue Lobsiger, Mark Mendenhall, and all Vice Presidents

**From:** Joseph J. Schaffart, Senior Vice President, CFO

**RECOMMENDATION**

Management is recommending a 2.5% increase to the Base Commodity charge for all rate classes. Additionally, management is recommending a \$.50 monthly increase to the Gas Infrastructure Replacement (GIR) charge for Rate Schedule A Residential, from \$3.00 per month to \$3.50 per month, with a like percentage increase for all remaining rate classes.

The recommended rate increases will generate approximately \$3.2 million in incremental revenue as compared with 2022 budgeted revenues. The additional revenue in 2023 will address: 1) higher operating costs due to the current inflationary environment, 2) ongoing gas infrastructure replacement costs and 3) debt service costs associated with a planned 2023 bond issuance to fund design and construction costs for a second Construction Center as well as the remodel of our existing Construction Center.

**GAS RATE COMPARISON  
AVERAGE RESIDENTIAL CUSTOMER**

For the average use residential customer, the annualized increase will be \$26.13 or 3.3% higher than what was assumed for the 2022 budget. This is based on inside city rates and 2023 budgeted annual use of 76.1 Dth. The typical residential annual natural gas bills will change as follows:



**BUDGET TO BUDGET COMPARISON**

	<u>2023</u>	<u>2022</u>	<u>Change</u>	
Projected Annual Residential Gas Bill			\$	%
Budgeted Usage	76.1 Dth	77.2 Dth		
Pass-Through Items				
Natural Gas & Other	\$488.28	\$474.23	\$14.05	+3.0%
To Fund MUD Operations	<u>\$325.96</u>	<u>\$313.88</u>	<u>\$12.08</u>	+3.8%
Total	\$814.24	\$788.11	\$26.13	+3.3%

Our natural gas rates continue to rank among the “top ten” lowest cost providers when compared with others nationally and regionally. We are also one of the few utilities that operates a liquefied natural gas plant to minimize those occasions when we must purchase natural gas on the “spot market” during the coldest periods of the year, thereby protecting our customers from dramatic increases in natural gas cost costs.

**SUMMARY**

As discussed above, the recommended gas rate increases will generate approximately \$3.2 million of incremental revenue in 2023.

The impact of this increase will be reflected in the budget presentation at the December 7, 2022, Board meeting, at which time a public hearing is also scheduled.



Joseph J. Schaffart  
Senior Vice President, Chief Financial Officer  
(402) 504-7111

APPROVED:



Mark Doyle  
President

Attachments

## RESOLUTION

WHEREAS, the Board of Directors of the Metropolitan Utilities District of Omaha finds that the District's natural gas rates are no longer adequate to provide the revenues necessary to support the operation of the District's gas distribution system; and

WHEREAS, the Board has considered a proposal to increase natural gas rates and the effect of an increase to gas rate schedules as described in the attached memorandum dated November 29, 2022, signed by Joseph J. Schaffart, Senior Vice President, Chief Financial Officer; and

WHEREAS, the Board submitted this matter to a public hearing on December 7, 2022, for public comment; and

WHEREAS, the Board finds that the recommendations of the District's staff, as presented to the Board in that memorandum, should be adopted.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha that a natural gas rate increase and proposed revisions to the natural gas rate schedules as described in the attached memorandum dated November 29, 2022, and signed by Joseph J. Schaffart, Senior Vice President, Chief Financial Officer be and is hereby adopted and made effective as to billings for natural gas service for usage occurring on or after January 2, 2023.

BE IT FURTHER RESOLVED that the rate schedules for gas service provided by the District to customers under franchise be adjusted in accordance with the schedules hereby adopted as permitted by such franchises.

BE IT FURTHER RESOLVED that the current natural gas rate schedules for all natural gas service be and are hereby rescinded concurrent with the effective date of the rate schedules adopted herein.

Adopted:

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE A**  
**RESIDENTIAL GAS SERVICE**  
**EFFECTIVE JANUARY 2, ~~2021~~2023**

(Supersedes Schedule A effective ~~December 2, 2019~~ January 2, 2021)

**AVAILABILITY**

This rate schedule is available to customers purchasing firm gas for residential purposes including space heating, provided:

- That not more than three dwelling units equipped with individual appliances be connected to a single meter unless the area served is utilized by one occupant.
- That the combined input ratings of all heating equipment in multiple family dwellings shall not exceed 500 cubic feet (500,000 BTUs) per hour.

**METERING AND BILLING UNITS**

Gas meters register in units of cubic feet, either CCF (100 cubic feet) or MCF (1,000 cubic feet). In most cases, the index readings from the meter can be directly applied in the billing process. In some instances, direct readings from the meter index require correction for pressure.

Residential gas meters are read in units of 100 cubic feet (CCF) and billed in Therms. The volume of gas measured in cubic feet is adjusted for heat value and pressure factor to derive the amount of energy used, measured in Therms.

Example: 15 CCF X 1.030 (heat value) X 1.0998 pressure factor = 16.992 therms.

Note: Gas contains varying amounts of energy. The heat value converts the volume of gas (CCF) to an energy volume which is adjusted for gas pressure. The result is the volume of gas billed in therms.

**RATE - MONTHLY BILLING**

The monthly bill shall consist of the following charges:

- Service Charge (monthly) \$13.72
- Gas Infrastructure Replacement Charge (monthly) ~~\$-3.00~~ \$3.50
- Base Commodity Charge (all gas used per therm) ~~\$.1283~~ \$.1315
- Gas Cost (all gas used)
  - a. Weighted Avg Cost of Gas (WACOG) (see Rate Schedule GCA)
  - b. Gas Cost Adjustment (GCA) (see Rate Schedule GCA)

The minimum monthly bill shall be the sum of the monthly Service Charge and monthly Gas Infrastructure Replacement Charge.



**GAS COST**

The Base Commodity Charge will be combined with the Weighted Average Cost of Gas (WACOG) and Gas Cost Adjustment (GCA) for a combined Commodity Billing Rate in accordance with Schedule GCA, Gas Cost Adjustment Provisions.

Rates included herein are subject to adjustment for monthly changes in the cost of natural gas to the District and peak shaving costs as provided for in gas rate Schedule GCA, Gas Cost Adjustment Provisions. For current billing rate and/or billing rate history contact the District's Marketing or Rate Divisions.

**STATUTORY PAYMENT TO CITIES**

Under Sections 14-2138 and 2139, R.R.S.1997, the District is required to pay to each city or village two (2) percent of retail sales of gas. Two (2) percent has not been included in the above rates. Therefore, the rates for all customers residing inside corporate limits is 2 percent greater than the rate indicated above. This 2% statutory requirement does not apply to gas infrastructure replacement charges.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within fifteen (15) days of date of bill, unpaid gas charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for gas service.

**EMERGENCY PRIORITY**

Gas service under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE B**  
**COMMERCIAL OR INDUSTRIAL FIRM GAS SERVICE**  
**EFFECTIVE JANUARY 2, ~~2021~~2023**

(Supersedes Schedule B effective ~~December 2, 2019~~ January 2, 2021)

**AVAILABILITY**

This rate schedule is available to customers purchasing firm gas for commercial or industrial purposes, including space heating, under the following conditions:

1. When residential gas use is combined with commercial or industrial gas use on a single meter, all gas used will be classified as commercial or industrial.
2. Multiple housing customers having more than three dwelling units connected to a single meter shall be considered commercial.
3. The total daily requirement for all gas uses shall not exceed 199,000 cubic feet per day.
4. District may require a customer to furnish daily meter readings for the purpose of monitoring the customer's gas load.

**LARGE VOLUME USE**

Loads in excess of 199,000 cubic feet per day must have received special authorization from District President.

**METERING AND BILLING UNITS**

District gas meters register in units of cubic feet. For billing purposes, gas meters are read in units of cubic feet, either CCF (100 cubic feet) or Mcf (1,000 cubic feet). In most cases, the index readings from the meter can be directly applied in the billing process. In some instances, direct readings from the meter index require correction for pressure and/or temperature. Some of the District's larger commercial/industrial meters are equipped with correction devices including an additional index showing the corrected usage.

Supercompressibility Adjustment – Due to the behavior of gas molecules under high pressures, additional correction to index readings in certain situations will be applied. For example, meter readings for customers receiving gas metered at pressures equal to or greater than 40 psig or for customers receiving gas metered at pressures equal to or greater than 10 psig with annual usage of 50,000 Mcf or more shall be adjusted for supercompressibility. The supercompressibility adjustment factor shall be specifically identified on the customer's monthly bill.

\*Billing Units – The billing unit under this rate schedule is a therm [one hundred thousand British thermal units (Btu)]. The number of therms billed hereunder in any month shall be determined by multiplying the volume of gas in cubic feet by the average heating value of the gas, expressed in Btu per cubic foot as applicable for such month and dividing this product by 100,000.

Example 1: 50 CCF X 1.030 (heat value) X 1.0998 pressure factor = 56.640 therms.

Example 2: 120 MCF X 1.030 (heat value) X 1.0998 pressure factor = 135.935 therms.



**RATE - MONTHLY BILLING**

- Service Charge (per month) \$18.62
- Commercial Gas Infrastructure Replacement Charge (per month) ~~\$23.00~~ \$27.00
- Industrial Gas Infrastructure Replacement Charge (per month) ~~\$300.00~~ \$350.00
  
- Base Commodity Charge (per therm)
  - First 2,500 Therms Nov thru Mar Apr thru Oct  
~~\$.1549~~ \$.1588 ~~\$.0756~~ \$.0775
  - Over 2,500 Therms ~~\$.1396~~ \$.1431 ~~\$.0605~~ \$.0620
  
- Gas Cost (All gas used)
  - a. Weighted Avg Cost of Gas (WACOG) (see Rate Schedule GCA)
  - b. Gas Cost Adjustment (GCA) (see Rate Schedule GCA)
  
- The minimum monthly bill shall be the sum of the monthly Service Charge and monthly Gas Infrastructure Replacement Charge.

**GAS COST**

The Base Commodity Charge will be combined with the Weighted Average Cost of Gas (WACOG) and Gas Cost Adjustment (GCA) for a combined Commodity Billing Rate in accordance with Schedule GCA, Gas Cost Adjustment Provisions.

Rates included herein are subject to monthly adjustment for changes in cost of natural gas to District and peak shaving costs as provided for in gas rate Schedule GCA, Gas Cost Adjustment Provisions. For current billing rate and/or billing rate history contact the District’s Marketing or Rate Divisions.

**STATUTORY PAYMENT TO CITIES**

Under Sections 14-2138 and 2139, R.R.S.1997, the District is required to pay to each city or village two (2) percent of retail sales of gas. Two (2) percent has not been included in the above rates. Therefore, the rates for all customers residing inside corporate limits is 2 percent greater than the rate indicated above. This 2% statutory requirement does not apply to gas infrastructure replacement charges.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within fifteen (15) days of date of bill, unpaid gas charges are subject to a late payment charge of four (4) percent.

**TURN-ON CHARGE**

A turn-on charge will be required upon application for gas service.

**EMERGENCY PRIORITY**

Gas service under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

**STRANDED COSTS**

Customers who have received firm service for a period of three years or more and who convert to interruptible service or transportation service shall be subject to the “Stranded pipeline/supply costs” monthly charge as provided for under the District’s rate “Schedule FT, Firm Gas Transportation Service”.

This provision shall also apply where there has been continuous service for three years or more at the same service address under one or more ownership changes.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE C - LARGE VOLUME FIRM GAS SERVICE**  
**EFFECTIVE JANUARY 2, ~~2021~~2023**

**(Supersedes Schedule C effective January 2, ~~2020~~2021)**

**AVAILABILITY**

1. This rate schedule shall apply to customers contracting for natural gas requirements in excess of 199 decatherms (DTH) per day. Term of contract shall be for a period of not less than one year.
2. Gas service under this schedule is available only for the purposes and to the extent that gas is available therefore pursuant to the Rules and Regulations of the District at the time application is made therefor.
3. Availability of service under this schedule is limited to customers whose gas-burning equipment is at a location abutting upon District gas mains of adequate capacity to render such service, or is sufficiently near a main where an adequate supply exists so that at the discretion of the District an extension of gas main is justified.
4. Gas supplied under this schedule will be separately metered and not used interchangeably with gas supplied under any other schedule.

**METERING AND BILLING UNITS**

District gas meters register in units of cubic feet. For billing purposes, gas meters are read in units of either CCF (100 cubic feet) or Mcf (1,000 cubic feet). In most cases, the index readings from the meter can be directly applied in the billing process. In some instances, direct readings from the meter index require correction for pressure and/or temperature. Some of the District's larger commercial/industrial meters are equipped with correction devices including an additional index showing the corrected usage.

Supercompressibility Adjustment – Due to the behavior of gas molecules under high pressures, additional correction to index readings in certain situations will be applied. For example, meter readings for customers receiving gas metered at pressures equal to or greater than 40 psig or for customers receiving gas metered at pressures equal to or greater than 10 psig with annual usage of 50,000 Mcf or more shall be adjusted for *supercompressibility*. The supercompressibility adjustment factor shall be specifically identified on the customer's monthly bill.

Billing Units – The billing unit under this rate schedule is a decatherm [one million British thermal units (Btu)]. The volume of gas measured in cubic feet is adjusted for heat value and pressure factor to derive the amount of energy used, measured in decatherms.

**RATE - MONTHLY BILLING**

- Gas Infrastructure Replacement Charge (per month)  
~~\$300.00~~\$350.00
- Base Commodity Charge – All gas used (per decatherm)  
~~\$0.5452~~\$0.5592
- Gas Cost – All gas used:
  - a. Weighted Avg Cost of Gas (WACOG) (see Rate Schedule GCA)
  - b. Gas Cost Adjustment (GCA) (see Rate Schedule GCA)

The Minimum Monthly Bill shall be the Demand Charge (Rate Schedule GCA)



Arrangements for daily meter readings and/or determination of daily (24-hour) gas use must be made to the satisfaction of District. If at any time a customer's daily usage exceeds the current maximum daily contract requirement a new contract requirement shall be set at the newly established maximum day usage. A maximum daily contract requirement can be reduced, if it has been in effect for a period of not less than 12 months and customer can demonstrate to District satisfaction that customer requirements have been permanently reduced by changes in production levels or by the use of more efficient equipment.

#### **GAS COST**

The Base Commodity Charge will be combined with the Weighted Average Cost of Gas (WACOG) for a combined Commodity Billing Rate. WACOG shall be derived in accordance with Schedule GCA, Gas Cost Adjustment Provisions. Peak shaving capital costs shall also apply to the demand charge in accordance with the provisions of Rate Schedule GCA.

Rates included herein are subject to adjustment for monthly changes in the cost of natural gas to the District as provided for in gas rate Schedule GCA, Gas Cost Adjustment Provisions. For current billing rate and/or billing rate history contact the District's Marketing or Rate Divisions

#### **STATUTORY PAYMENT TO CITIES**

Under Sections 14-2138 and 2139, R.R.S.1997, the District is required to pay to each city or village two (2) percent of retail sales of gas. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside corporate limits is 2 percent greater than the rate indicated above. This 2% statutory requirement does not apply to gas infrastructure replacement charges.

**PAYMENT** The monthly bill will be rendered at the above net rate.

**TURN-ON CHARGE** A turn-on charge will be required upon application for gas service.

#### **EMERGENCY PRIORITY**

Gas service under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

#### **PENALTIES**

Customers whose gas use exceeds the maximum daily contracted requirements shall be subject to a charge at least equal to any payment the District is required to make to its gas supplier as a result of such unauthorized use, but in no event will the charge be less than \$7 per DTH of unauthorized gas use in addition to monthly billing rates stated in this schedule. Penalties may be waived at District option, but in all cases customers will be required to contract for a higher maximum daily requirement.

#### **STRANDED COSTS**

Customers who have received firm service for a period of three years or more and who convert to interruptible service or transportation service shall be subject to the "Stranded pipeline/supply costs" monthly charge as provided for under the District's rate "Schedule FT, Firm Gas Transportation Service". This provision shall also apply where there has been continuous service for three years or more at the same service address under one or more ownership changes.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE D**  
**COMPRESSED-NATURAL-GAS (CNG) VEHICLE SERVICE**  
**EFFECTIVE JANUARY 2, ~~2021~~2023**

(Supersedes Schedule D effective ~~December 2, 2019~~ January 2, 2021)

**AVAILABILITY**

1. This rate schedule shall apply to customers utilizing compressed natural gas (CNG) in natural gas powered vehicles (NGV) obtained at an M.U.D. CNG filling station.
2. This schedule shall also apply to natural gas separately metered and compressed on customer premises at customer expense. Natural gas compressed on customer premises that is not separately metered shall be billed at the prevailing rate of the primary meter.
3. Gas service under this schedule is available only for the above purpose and to the extent that gas is available therefore pursuant to the Rules and Regulations of the District at the time service is requested.

**RATE**

**1. M.U.D. Filling Station - Compression by the District**

**Base Commodity Charge** – All gas delivered:

Per Therm\* ~~\$0.7908~~ \$0.8106  
Per GGE\*\* ~~\$0.9885~~ \$1.0133

**Commodity Charge** – All gas delivered      Weighted Avg Cost of Gas (WACOG)

**2. Customer Fill Station - Compression by the Customer**

**Service Charge** - The service charge applies only to natural gas separately metered and compressed on customer premises. The service charge will be the applicable Schedule A, Schedule B, or submeter charge per month.

**Base Commodity Charge** – All gas delivered:

Per Therm\* ~~\$0.1623~~ \$0.1664  
Per GGE\*\* ~~\$0.2029~~ \$0.2080

**Commodity Charge** – All gas delivered      Weighted Avg Cost of Gas (WACOG)

\*The quantity of gas delivered hereunder shall be expressed in therms. The term, "therm", as used in this rate schedule means the quantity of gas which contains one hundred thousand British thermal units (100,000 Btu). The number of therms delivered hereunder in any month shall be determined by multiplying the volume of gas in cubic feet by the average heating value of the gas, expressed in Btu per cubic foot, as applicable for such month, and dividing this product by 100,000.

\*\*For billing purposes, when necessary, the conversion factor for converting therms to gasoline gallon equivalent (GGE) shall be 0.8 gallon per one therm.



**GAS COST**

The Base Commodity Charge will be combined with the Weighted Average Cost of Gas (WACOG) for a combined Commodity Billing Rate. WACOG shall be derived in accordance with Schedule GCA, Gas Cost Adjustment Provisions. Billing rates per therm shall be calculated and rounded to four places, following generally accepted rounding rules. Billing rates per GGE shall be calculated and rounded up to two places where pumps carry rates to two places.

Rates included herein are subject to adjustment for monthly changes in the cost of natural gas to the District as provided for in gas rate Schedule GCA, Gas Cost Adjustment Provisions. For current billing rate and/or billing rate history contact the District's Marketing or Rate Divisions.

**FLEXIBLE MARKET PRICING**

Flexible Market Pricing may apply to vehicular natural gas volumes delivered via District owned publicfill stations. On a monthly basis, District management can alter the retail price at the pump. The retail price at the pump may be decreased or increased, considering excise credits, competing fuel prices, and local market pricing for CNG. No retail price for CNG sales shall be lower than the District's commodity cost of purchased gas plus margin of \$0.75/GGE (or \$0.60 per therm), prior to the addition of all applicable taxes and statutory payments.

**TAXES**

The District is required to collect Federal Excise CNG Fuel Tax and State of Nebraska Compressed Fuel Tax. The applicable rates will be incorporated into the combined Commodity Billing Rate. In addition, all applicable Federal, State and local taxes will be charged.

**PAYMENT**

The monthly bill will be rendered at the above net rate.

**EMERGENCY PRIORITY**

Gas service under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by the District or as directed by other governmental authority having jurisdiction.

**METROPOLITAN**  
**UTILITIES DISTRICT**  
**SCHEDULE NO. 3**  
**INTERRUPTIBLE GAS SERVICE**  
**EFFECTIVE JANUARY 2,**  
**~~2017~~2023**

**(Supersedes Schedule No. 3 effective January 2,**  
**~~2014~~2017)**

**AVAILABILITY**

This rate schedule is available to customers purchasing gas from the District who agree to use for a period of not less than one year, and who have satisfied the District of their ability and willingness to discontinue the use of said gas, during periods of curtailment or interruption, by substituting the use of standby facilities, or plant shutdown.

1. Gas service under this schedule is available only for the purposes and to the extent that gas is available therefor pursuant to the Rules and Regulations of the District at the time application is made.
2. Availability of service under this schedule is limited to customers whose gas-burning equipment is at a location abutting upon District gas mains of adequate capacity to render such service, or is sufficiently near a main where an adequate supply exists so that at the discretion of the District an extension of gas main is justified.
3. The gas supplied under this schedule will be separately metered and not used inter-changeably with gas supplied under any other schedule, and is subject to all terms and conditions of the District's Standard Form written contract to be executed by the customer prior to commencement of any main extension for delivery of gas hereunder.

**METERING AND BILLING UNITS**

District gas meters register in units of cubic feet. For billing purposes, gas meters are read in units of either 100 cubic feet (CCF) or 1,000 cubic feet (Mcf). In most cases, the index readings from the meter can be directly applied in the billing process. In some instances, direct readings from the meter index require correction for pressure and/or temperature. Some of the district's larger commercial/industrial meters are equipped with correction devices including an additional index showing the corrected usage.

Supercompressibility Adjustment – Due to the behavior of gas molecules under high pressure, additional correction to index readings in certain situations will be applied. For example, meter readings for customers receiving gas metered at pressures equal to or greater than 40 psig or for customers receiving gas metered at pressures equal to or greater than 10 psig with annual usage of 50,000 Mcf or more shall be adjusted for supercompressibility. The supercompressibility adjustment factor shall be specifically identified on the customer's monthly bill.



Billing Units – The billing unit under this rate schedule is a decatherm [one million British thermal units (Btu)]. The number of decatherms billed hereunder in any month shall be determined by multiplying the volume of gas in cubic feet by the average heating value of the gas, expressed in Btu per cubic foot as applicable for such month and dividing this product by one million.

Daily Meter Readings – Arrangements for the installation of telemetering equipment and phone line for providing daily meter readings using the Metretek System must be made to the satisfaction of the District.

**RATE - MONTHLY BILLING**

- Service Charge \$1,078.00
- First 5,000 decatherms ~~\$.6642~~ \$.6812 per Decatherm
- Over 5,000 decatherms ~~\$.5452~~ \$.5592 per Decatherm

**GAS COST**

The Base Commodity Charge will be combined with the Weighted Average Cost of Gas (WACOG) for a combined Commodity Billing Rate. WACOG shall be derived in accordance with Schedule GCA, Gas Cost Adjustment Provisions.

Rates included herein are subject to adjustment for monthly changes in the cost of natural gas to the District as provided for in gas rate Schedule GCA, Gas Cost Adjustment Provisions. For current billing rate and/or billing rate history contact the District’s Marketing or Rate Divisions.

**MINIMUM MONTHLY BILL**

\$1,078.00 Net - Except that minimum bills will be waived for billing months of November through March providing the meter registers zero consumption for the billing period.

**STATUTORY PAYMENT TO CITIES**

Under Sections 14-2138 and 2139, R.R.S.1997, the District is required to pay to each city or village two (2) percent of retail sales of gas. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside corporate limits is 2 percent greater than the rate indicated above.

**PAYMENT**

The monthly bill will be rendered at the above net rate.

**MONTHLY NOMINATION**

1. Each large volume (requirements of 200,000 cubic feet or more per day) customer must notify the District 3 work days prior to the first of the month of its intent to burn an alternate fuel in lieu of natural gas for the month. If no such notification is made, customer is committed to using natural gas when available for customer's monthly energy requirements.

## **MONTHLY NOMINATION (continued)**

2. To the extent that a large volume customer uses an alternate fuel to displace natural gas without the proper notification to District as outlined in paragraph 1, a nomination penalty shall apply.
3. The nomination penalty shall be the highest nomination charge that District must pay to its natural gas suppliers for the month plus \$.05 per decatherm and shall be applied to the difference between customer's average monthly gas use for the previous twelve months and the actual gas used during the month in which penalty applies.

## **TURN-ON CHARGE**

A turn-on charge will be required upon application for gas service.

## **PRIORITY**

Gas supplied under this schedule will have priority assigned in accordance with effective gas tariffs under which District purchases and/or transports gas, but normally gas shall be curtailed under this schedule before curtailment occurs on any other District rate schedule.

## **EMERGENCY PRIORITY**

Gas service under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

## **PENALTIES**

Customers who fail to curtail the use of gas hereunder when requested shall be subject to a charge at least equal to any payment the District is required to make to its gas supplier as a result of such unauthorized use, but in no event will the charge be less than \$7 per DTH of unauthorized use in addition to monthly billing rates stated in this schedule.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE F**  
**FIXED RATE GAS SERVICE**  
**EFFECTIVE JANUARY 2,**  
**~~2020~~2023**

**(Supersedes Schedule F effective ~~December 2,~~**  
**~~2019~~January 2, 2020)**

**AVAILABILITY**

This rate schedule is available to customers contracting for the purchase of fixed quantities of natural gas at a fixed price for up to a 48-month period.

1. Customer must be purchasing gas under one of the following commercial or industrial gas rate schedules.
  - Schedule B, Commercial or Industrial Firm Gas Service
  - Schedule C, Large Volume Firm Gas Service
  - Schedule No. 3, Interruptible Gas Service
  - Schedule CS – 1, Contract Gas Service
2. Customer must have total gas requirements of not less than 100 decatherms per day. (Multiple meters/sites may be combined to meet this requirement.)
3. Remote automatic meter reading facilities must be installed to District specifications for each meter combined under the contract. Installation will be at customer expense.
4. Customer must have authorized personnel available during normal working hours that can accept or reject the fixed price offered upon notice from the District. (The Gas Operations Department will solicit offers from gas marketers and other suppliers for packages of gas to meet the customers' requests. Gas Operations will advise customers of the best offer available and of the window available for acceptance.)

**RATE – MONTHLY BILLING**

The contract "unit cost of gas" (UCOG) purchased by the District for this service will displace the variable "weighted-average cost of gas" (WACOG) included in the commodity charge of District rate schedules as adjusted by the monthly GCA (gas cost adjustment). All other charges in the applicable rate schedules will apply to this service. A monthly administrative charge will also apply.

The District reserves the right to pass on any additional tax or surcharge that may be imposed on the sale or transportation of gas under this rate schedule by any governmental or regulatory body during the course of the contract year.



Administrative charges will be applied per month per contract. Monthly charges for billing purposes by rate schedule:

**Schedule B:**

- Basic administrative charge (one delivery point) \$98.00
- Additional administrative charge per each additional delivery point \$49.00
- Schedule B service charge – per meter \$18.62
- Schedule B commodity charges (excluding commodity WACOG) to be added to the contract UCOG:

Per Dth	Nov - Mar	Apr - Oct
First 250 Dth	\$ <del>1.5490</del> <u>1.5880</u>	\$ <del>.7560</del> <u>.775</u>
Over 250 Dth	\$ <del>1.3960</del> <u>1.4310</u>	\$ <del>.6050</del> <u>.620</u>
		<u>0</u>

**Schedule C:**

- Basic administrative charge (one delivery point) \$98.00
- Additional administrative charge per each additional delivery point \$49.00
- Schedule C Commodity Charge to be added to the contract UCOG ~~\$0.5452/Dth~~\$0.5592/Dth

(Note: Firm rates are subject to adjustment for changes in pipeline/marketer reservation/surcharges.)

**Schedule 3:**

- Basic administrative charge (one delivery point) \$98.00
- Additional administrative charge per each additional delivery point \$49.00
- Schedule 3 Service Charge – per meter \$1,078.00
- Non gas component of Schedule 3 commodity charge to be added to the contract UCOG:
  - First 5,000 Dth per month \$ ~~0.6642~~0.6812
  - Over 5,000 Dth per month \$ ~~0.5452~~0.5592

**Schedule CS – 1:**

- Basic administrative charge (one delivery point) \$98.00
- Additional administrative charge per each additional delivery point \$49.00
- Other charges as contracted plus UCOG contract price \$18.62

**ADDITIONAL CHARGES**

Actual volumes purchased will be balanced to contract quantities. Additional charges may apply:



- If actual volumes used are less than contract volumes for the billing month and
- the contract UCOG is greater than the system WACOG for the month, an additional charge equal to the contract UCOG minus the system WACOG per decatherm will apply to the variance of actual volumes from contract volumes.
- the contract UCOG is less than the system WACOG for the month no additional charges or credits will be assigned to the customer
- If a variance is caused by District curtailment, no additional charges will apply.
- If actual volumes used are greater than contract volumes for the billing month, actual volumes in excess of contract volumes will be billed at the customer's applicable underlying rate schedule, i.e., rate schedule B, C, No. 3, or CS-1.

#### **STATUTORY PAYMENT TO CITIES**

Under Sections 14-2138 and 2139, R.R.S.1997, the District is required to pay to each city or village two (2) percent of retail sales of gas. Two (2) percent has not been included in the above rate. Therefore, the rate for all customers residing inside corporate limits is 2 percent greater than the rate indicated above. The UCOG contract price will also be adjusted to include two (2) percent for city or village when applicable.

#### **OTHER TERMS AND CONDITIONS**

All terms and conditions of the customers' applicable underlying rate schedules that are not modified by the above shall apply to gas service rendered under this rate schedule.

**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE FT**  
**FIRM GAS TRANSPORTATION SERVICE**  
**EFFECTIVE JANUARY 2, ~~2020~~2023**

(Supersedes Schedule FT effective January 2, ~~2018~~2020)

**AVAILABILITY**

Transportation service under this rate schedule is available to customers purchasing gas from third-party suppliers and delivering said gas to District's system at town border stations (TBS) for transportation and delivery to customer premises, providing:

1. Customer's premises are at a location abutting upon District gas mains of adequate capacity to render such service.
2. Customer can make all necessary arrangements, at customer's expense, to cause delivery of customer's gas to District town border stations as needed.
3. The Receipt Point must be at a town border station to be designated by District. The Delivery Point must be a District designated meter on customer premises.
4. Customer shall enter into written contract for firm transportation services which shall include but not be limited to all terms and conditions, of this rate schedule. Term of contract shall be for not less than one year.

**RATE - MONTHLY BILLING**

The monthly charge for transportation of natural gas under this rate schedule shall include the following:

1. Customer Charge
  - First Meter \$100.00
  - Additional Meters \$50.00
2. Demand Charges:
  - System Costs \$5.50 per DTH of maximum daily
  - Stranded Pipeline/Supply costs\* ~~\$3.81~~3.71 per DTH of maximum daily contract requirements

*\*This charge shall apply for a period of five years from date that a firm service sales customer converts to firm transportation. The District may release capacity to the customer at a rate equal to this charge for up to 60% of the Customers Peak Day usage.*

3. Commodity Charge \$ ~~0.5452~~0.5592 per DTH delivered
4. Minimum Monthly Bill - Customer charge plus total applicable demand charges.

**APPLICATION FEE AND OTHER CHARGES**

In addition to the monthly charges set forth above, Customer shall pay:

1. Application Fee - \$250.00 with each Request for Transportation Service, as provided in the Other Terms and Conditions of this rate schedule
2. Telemeter and Phone Line -- all costs related to telemetering and any other facilities constructed or installed to provide Transportation Service may be charged to the Customer
3. Directly Assignable Costs - any pipeline demand charges previously related to the Customer's requirements that the District must continue to pay even after the Customer begins receiving Transportation Service and any fees paid to others by the District related to such service providing such charges are not included in the above monthly demand charges.

#### **PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within fifteen (15) days of date of bill, unpaid gas charges are subject to a late payment charge of four (4) percent. An additional late payment charge of .5 percent per month will be charged on the portion of any account in arrears two or more months.

#### **EMERGENCY PRIORITY**

Gas transportation under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

#### **PENALTIES**

Customers are required to enter into an End User Agreement with Northern Natural Gas (NNG.) Customer shall make daily nominations to NNG and will settle all imbalances with NNG.

MUD will provide Customer two measurement emails daily to assist in tracking daily usage. The first email will occur approximately at 5:30 AM and the second email will occur at approximately 10:40 and will have the daily total in Mcf or Ccf depending on meter size. If the automatic emails system does not send the email then the Customer will be required to base usage off historical numbers or projected use. The District will not be responsible for any NNG charges due to this automatic system failing to send these emails. The District will pass any charges incurred from Northern directly to the Customer and provide support of such charges.

#### **EMERGENCY SALES**

Emergency Sales Service will be available only if, in the sole discretion of the District, it can be provided without jeopardizing service to other sales and transportation customers of the District. In emergency situations, on a reasonable-efforts basis, the District will purchase and resell to the customer as much gas as the customer nominates, and the District can obtain from its suppliers.

The rate for emergency-sales-service gas shall be agreed upon at time of nomination and shall include all incremental costs associated with obtaining the replacement gas supplies including the cost of operating District peakshaving facilities if necessary, plus the District's normal firm service sales rate margin over commodity cost of gas. In no case will the rate be less than the District's current highest firm-service gas-sales rate plus one dollar (\$1.00) per MMBtu.



## DEFINITIONS

The following terms may be used in this rate schedule and/or in contracts, applications for service and in other documents and communications (oral or written) necessary to the providing of service under this rate schedule:

- **Balance.** The term "balance" or "balancing" shall mean Customer's obligation to make deliveries equal Receipts.
- **Billing Day.** The term "billing day" shall mean the period of time commencing at 9:00 a.m. pipeline time and ending at 9:00 a.m. pipeline time the following day.
- **Billing Month.** The term "billing month" shall mean the period from 9:00 a.m. pipeline time of the first day of the calendar months to 9:00 a.m. pipeline time of the first day of the succeeding calendar month, unless a different period of time is specified in the Contract.
- **British Thermal Unit (Btu).** The term "British thermal unit" ("Btu") shall mean the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit to sixty degrees Fahrenheit at a constant pressure of 14.73 psia.
- **CST.** The term "CST" shall mean central standard time or central daylight time, whichever is applicable.
- **Capacity.** The term "capacity" shall mean the maximum gas load which any part of the District's distribution system is capable of carrying on a sustained basis under operating conditions relevant to the determination.
- **Commodity Charge.** The term "commodity charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service which is based upon the total quantity of transportation gas delivered to Customer at Delivery Point.
- **Contract.** The term "contract" shall mean a written agreement, substantially in the form attached to this rate schedule as Exhibit A, providing for Transportation Service, which is executed by District and Customer, and any exhibits, attachments, and/or amendments thereto.
- **Critical Day.** The term "critical day" shall mean any day on which, in the sole judgment of District, curtailment of transportation gas or interruption of Transportation Service may be required due to capacity constraint, supply shortage, or as a result of any consideration reasonably determined by District. District shall make every effort to give Customer notice of Critical Day by 8:00 a.m. prior to the beginning of the Gas Day, but it may give such notice at any time.
- **Cubic Foot.** The term "cubic foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of sixty degrees Fahrenheit (60°F), and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and corrected for deviation from ideal gas behavior.

- **Curtailment.** The term "curtailment" shall mean a reduction of the quantities of gas which District would otherwise deliver to Customer, whether due to capacity constraint, supply shortage, force majeure, or any other cause reasonably determined by District.
- **Curtailment Quantity.** The term "curtailment quantity" shall mean the lesser of the Daily Nominated Quantity, the daily Receipts, or the daily quantity of transportation gas allowed by District to be consumed by Customer during the curtailment period.
- **Customer.** The term "customer" shall mean any person, association, firm, public or private corporation, or any agency of the federal, state, or local government or legal entity responsible by law for payment for Transportation Service.
- **Customer Charge.** The term "customer charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service which is a fixed amount without regard to the Daily Contract Requirement or quantity of gas delivered.
- **Daily Contract Requirement.** The term "daily contract requirement" shall mean the maximum daily quantity of transportation gas District agrees to transport to Customer at Delivery Point under this rate schedule, as specified in the Contract. Minimum Daily Contract Requirement for Schedule FT shall be 200 Dth/day.
- **Daily Nominated Quantity.** The term "daily nominated quantity" shall mean the daily volume of transportation gas nominated by Customer to District for transportation from Receipt Point to Delivery Point.
- **Day.** The term "day" shall mean a period of time beginning at 12:00 Midnight pipeline time on the starting day and ending at 12:00 Midnight pipeline time on the following day.
- **Decatherm.** The term "decatherm" or "DTH" shall mean ten therms (1,000,000 Btu).
- **Deliveries.** The term "deliveries" shall mean the quantity of transportation gas delivered by District to Customer on a daily basis at Delivery Point.
- **Delivery Point.** The term "delivery point" or "point of delivery" shall mean the location where District's gas distribution facilities interconnect with Customer's facilities and where Customer and District have agreed that transportation gas received at Receipt Point will be delivered by District to Customer.
- **Demand Charge.** The term "demand charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service which is based upon Customer's FT Daily Contract Requirement as set forth in the Contract.
- **District.** The term "District" shall mean Metropolitan Utilities District.
- **Gas.** The term "gas" shall mean natural gas that is received by District from a transporting pipeline at Receipt Point and delivered by District to Customer at Delivery Point. In addition, the term shall



include liquefied natural gas and/or propane introduced by District into its gas distribution system and delivered to Customer as the equivalent of sales or transportation gas that Customer is otherwise entitled to have delivered by District.

- **Gas Day.** The Term "gas day" shall mean the period of time commencing at 9:00 a.m. pipeline time on the starting day and ending at 9:00 a.m. on the following day.
- **FT.** The term "FT" shall mean Firm Gas Transportation.
- **IT.** The term "IT" shall mean Interruptible Gas Transportation.
- **Imbalance.** The term "imbalance" shall mean the difference between the quantity of transportation gas received by District from the transporting pipeline at Receipt Point for Customer's account and the quantity of transportation gas delivered by District to Customer at Delivery Point. Imbalances will be handled by Northern Natural Gas.
- **Interruption.** The term "interruption" shall mean the total cessation of Transportation Service provided under this rate schedule, whether due to capacity constraint, supply shortage, force majeure, or any other cause reasonably determined by District.
- **Mcf.** The term "Mcf" shall mean one thousand (1,000) cubic feet of natural gas.
- **MMBtu.** The term "MMBtu" shall mean one million (1,000,000) Btu.
- **Natural Gas.** The term "natural gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting principally of methane.
- **Negative Daily Imbalance.** The term "negative daily imbalance" shall mean the difference between daily Receipts and the greater quantity of daily Deliveries.
- **Negative Monthly Imbalance.** The term "negative monthly imbalance" shall mean the difference, at any time during a Billing Month, between cumulative daily Receipts and the greater quantity of cumulative daily Deliveries.
- **Northern Natural Gas Company.** Northern Natural Gas Company or "Northern" is the owner and operator of the interstate natural gas pipeline which transports gas from various producing basins and pipeline interconnects to District's gas distribution system.
- **Nomination.** The term "nomination" shall mean the quantity of gas that District is requested to transport on a daily basis from Receipt Point to Delivery Point.
- **Pipeline Time.** The term "pipeline time" will coincide with either Central Standard Time or Central Daylight Time, whichever is in effect at that particular time of the year.
- **Positive Daily Imbalance.** The term "positive daily imbalance" shall mean the difference between daily Receipts and the lesser quantity of daily Deliveries.

- **Positive Monthly Imbalance.** The term "positive monthly imbalance" shall mean the difference, at any time during a Billing Month, between cumulative daily Receipts and the lesser quantity of cumulative daily Deliveries.
- **Receipts.** The term "receipts" shall mean the quantity of transportation gas the District receives on a daily basis from Customer at Receipt Point.
- **Receipt Point.** The term "receipt point" shall mean the point at which Customer delivers gas to District.
- **Service.** The term "service" or "transportation service" shall mean the availability of the transportation of gas by District to Customer whether or not gas is actually transported.
- **Therm.** The term "therm" shall mean 100,000 Btu.
- **Town Border Station (TBS).** The term "town border station" shall mean the physical location where District's distribution system interconnects with Northern's interstate pipeline. The TBS generally consists of facilities to regulate gas pressure and measure volumes of gas.
- **Transportation.** The term "transportation" shall mean transportation of gas.
- **Year.** The term "year" shall mean a period of 365 consecutive days; provided, however, that any such year which contains a date of February 29 shall consist of 366 consecutive days.

#### OTHER TERMS AND CONDITIONS

- Filing Transportation will not commence until the Customer files with the District completed End User Agreement on Northern Natural Gas and Application for Firm Service Gas Transportation.
- Gas Quality Gas purchased by Customer from a third party for Transportation by the District shall be commercially clean and merchantable. Such gas shall be comparable in quality to and interchangeable with gas purchased from the District's pipeline supplier. The District reserves the right to refuse to accept gas that does not meet the District's quality specifications.

The District reserves the right to commingle Customer's gas with other gas suppliers including propane and liquefied natural gas.

- Thermal Balancing The quantity of transportation gas received by the District from the transporting pipeline and the quantity of transportation gas delivered to the Customer under the applicable Schedule shall be thermally balanced. The transportation pipeline's statement as to volumes, heating value, and thermal balancing shall be taken as conclusive.
- Liability
  - General. Gas shall be and shall remain the property of the customer while being transported and delivered by the District. The District shall not be liable to the Customer for any loss arising from



or out of gas Transportation Service while in the District's system or for any other cause, except for gross or willful negligence of the District's own employees.

- Insurance. The Customer shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the District.
- Measurement
  - The quantity of gas transported on a daily basis shall be determined by District gas meter located at Delivery Point. The quantity of gas measured shall be expressed in MMBtu's. The number of MMBtu's transported by District from Receipt Point to Delivery Point in any day shall be determined by multiplying the volume of gas in cubic feet by the average heating value of the gas, expressed in Btu's per cubic foot, as applicable for such day and dividing this product by one million. If, for any reason, metering equipment is out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during such period shall be estimated by the parties on the basis of the best data available using the first of the following methods which is feasible:
    - By using the registration of any check measuring equipment installed and accurately registering;  
or
    - By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations; or
    - By estimating the quantity of delivery by deliveries during a preceding period under similar conditions when the meter was registering accurately.
  - Automatic meter reading equipment (AMR) shall be required at Delivery Point prior to the commencement of any transportation services provided for in this Rate Schedule. Customer shall be invoiced the estimated cost associated with the procurement and installation of said automatic meter reading equipment. Upon remittance, District shall purchase and install automatic meter reading equipment at the Delivery Point. Customer shall furnish an acceptable location for installation of automatic meter reading equipment, as well as provide for the necessary electrical and telephone connections. Customer shall be responsible for any and all one-time and recurring charges associated with electrical or telephone service required for the installation, and any electrical or telephone service required shall list Customer as the customer. Upon completion of the automatic meter reading installation, District shall determine total installation cost and invoice or credit customer, whichever is applicable, the difference between the total and estimated cost.
  - If directed by the District, the Customer shall read the District's gas meter each day at the time specified by the District and report such reading to the District.
- Request for Service

- Requests for service under this rate Schedule must be made by filing with the District the information required on the form entitled "Request for Firm Gas Transportation Service" as attached to this rate schedule as Application for Firm Service Gas Transportation.
  - A Request for Service will not be approved until all the information required by the Request for Transportation Service has been delivered to the District and the Application Fee of \$250.00 has been paid. The District reserves the right to request additional information from any applicant, but requesting such information will not normally delay service if the applicant has otherwise provided all of the information and paid the fee as required.
  - After a Request for Transportation Service is approved, the applicant shall have one year from notification of approval to execute and send to the District a Contract for Transportation Service. If such Contract is not executed by the Customer and received by the District within such period, the Request for Transportation Service shall be deemed null and void. Transport of gas shall begin no sooner than two (2) months after execution of a Contract for Transportation Service.
- **Nominations** Customer, or its agent, shall make daily nominations to Northern Natural Gas as required by the pipeline. MUD will be point operator for delivery to our system and will confirm all nominations.
  - **Capacity Constraints** Service under this Schedule is subject to the physical, operational, and contractual constraints of the District's gas system, pertinent to the Delivery Points and Receipt Points.
  - **Customer's Balancing Obligation** Customer shall use an end User Agreement with Northern Natural Gas then all Balancing shall be between Customer and Northern. The District will pass any charges incurred from Northern directly to the Customer and provide support of such charges.
  - **Failure to Comply** If the Customer fails to comply with or perform any of the obligations on its part to be complied with or performed under this Rate Schedule, the District shall have the right to give Customer written notice of the District's intention to terminate the Transportation on account of such failure, then the District shall have the right to terminate such Transportation at the expiration of five days after the giving of said notice, unless within five days the Customer shall make good such failure. Termination of such Transportation for any such cause shall be a cumulative remedy as to the District, and shall not release the Customer from its obligation to make payment of any amount or amounts due or to become due from the Customer to the District under this rate Schedule. In order to resume Transportation after termination of service hereunder, it shall be necessary for Customer to file a new request.



**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE IT**  
**INTERRUPTIBLE GAS TRANSPORTATION SERVICE**  
**EFFECTIVE JANUARY 2, ~~2019~~2023**

(Supersedes Schedule IT effective January 2, ~~2018~~2019)

**AVAILABILITY**

Transportation service under this rate schedule is available to customers purchasing gas under interruptible gas rate schedule No. 3 and other customers who have satisfied the District of their ability and willingness to discontinue the use of natural gas during periods of curtailment or interruption by substituting standby facilities or suffering Plant shutdown providing:

1. Customer's premises are at a location abutting upon District gas mains of adequate capacity to render such service.
2. Customer can make all necessary arrangements, at customer's expense, to cause delivery of customer's gas to District town border stations when needed.
3. The Receipt Point must be at a town border station to be designated by District. The Delivery Point must be a District designated meter on customer premises.
4. Customer shall enter into written contract for transportation services which shall include, but not be limited to provisions on delivery, measurement, notification, billing procedures, balancing procedures, balancing penalties, and liability. Term of contract is to be at District option but not more than one year.

**RATE - MONTHLY BILLING**

1. Customer Charge
  - First Meter \$100.00
  - Additional Meters \$50.00
2. Service Charge \$1,078.00 per Month
3. Commodity Charge ~~\$0.5452~~\$0.5592 per Dth Delivered
4. Minimum Monthly Bill – Customer charge plus total applicable service charges.



## **APPLICATION FEE AND OTHER CHARGES**

In addition to the monthly charges set forth above, Customer shall pay:

1. Application Fee - \$250.00 with each Request for Transportation Service, as provided in the Other Terms and Conditions of this rate schedule
2. Telemeter and Phone Line -- all costs related to telemetering and any other facilities constructed or installed to provide Transportation Service may be charged to the Customer
3. Directly Assignable Costs - any pipeline service charges previously related to the Customer's requirements that the District must continue to pay even after the Customer begins receiving Transportation Service and any fees paid to others by the District related to such service providing such charges are not included in the above monthly service charges.

## **PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within fifteen (15) days of date of bill, a gross bill of 4% higher than the net bill will be due and payable.

## **PRIORITY**

When curtailment is necessary due to capacity restrictions on District's distribution system gas transported under this rate schedule will have the same priority as gas purchased or which would normally be purchased by customer under the applicable interruptible rate schedule.

When curtailment of service to interruptible-sales customers is necessary due to restrictions on District gas supply, transportation of customer owned gas will continue under this rate schedule providing customer's gas is delivered to District TBS.

## **EMERGENCY PRIORITY**

Gas transportation under this schedule is subject to curtailment to meet fuel requirements of higher emergency priority customers. Emergency priority customers shall be determined by District or as directed by other governmental authority having jurisdiction.

## **PENALTIES**

Customers are required to enter into an End User Agreement with Northern Natural Gas (NNG.) Customer shall make daily nominations to NNG and will settle all imbalances with NNG.

MUD will provide Customer two measurement emails daily to assist in tracking daily usage. The first email will occur approximately at 5:30 AM and the second email will occur at approximately 10:40 and will have the daily total in Mcf or Ccf depending on meter size. If the automatic emails system does not send the email then the Customer will be required to base usage off historical numbers or projected use. The District will not be responsible for any NNG charges due to this automatic system failing to send these emails.

On any day on which a Critical Day has been declared by the District, Customers who fail to curtail the use of gas hereunder when requested shall be subject to a charge at least equal to any payment the District is required to make to its gas supplier as a result of such unauthorized use, but in no event will the charge be less than \$7 per DTH of unauthorized gas use in addition to monthly billing rates stated in this schedule.

If the District incurs increased gas costs due to a Customer's Imbalance, those costs will be passed on to the Customer.

#### **EMERGENCY SALES**

Emergency Sales Service will be available only if, in the sole discretion of the District, it can be provided without jeopardizing service to other sales and transportation customers of the District. In emergency situations, on a reasonable-efforts basis, the District will purchase and resell to the customer as much gas as the customer nominates, and the District can obtain from its suppliers.

The rate for emergency-sales-service gas shall be agreed upon at time of nomination and shall include all incremental costs associated with obtaining the replacement gas supplies including the cost of operating District peakshaving facilities if necessary, plus the District's normal interruptible service sales rate margin over commodity cost of gas. In no case will the rate be less than the District's current interruptible service gas-sales rate.

#### **DEFINITIONS**

The following terms may be used in this rate schedule and/or in contracts, applications for service and in other documents and communications (oral or written) necessary to the providing of service under this rate schedule:

- **Balance.** The term "balance" or "balancing" shall mean Customer's obligation to make deliveries equal Receipts.
- **Billing Day.** The term "billing day" shall mean the period of time commencing at 9:00 a.m. pipeline time and ending at 9:00 a.m. pipeline time the following day.
- **Billing Month.** The term "billing month" shall mean the period from 9:00 a.m. pipeline time of the first day of the calendar months to 9:00 a.m. pipeline time of the first day of the succeeding calendar month, unless a different period of time is specified in the Contract.
- **British Thermal Unit (Btu).** The term "British thermal unit" ("Btu") shall mean the amount of heat required to raise the temperature of one (1) pound of water from fifty-nine degrees Fahrenheit to sixty degrees Fahrenheit at a constant pressure of 14.73 psia.
- **CST.** The term "CST" shall mean Central Standard Time or Central Daylight Time, whichever is applicable.
- **Capacity.** The term "capacity" shall mean the maximum gas load which any part of the District's distribution system is capable of carrying on a sustained basis under operating conditions relevant to the determination.



- **Commodity Charge.** The term "commodity charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service which is based upon the total quantity of transportation gas delivered to Customer at Delivery Point.
- **Contract.** The term "contract" shall mean a written agreement, substantially in the form attached to this rate schedule as Exhibit A, providing for Transportation Service, which is executed by District and Customer, and any exhibits, attachments, and/or amendments thereto.
- **Critical Day.** The term "critical day" shall mean any day on which, in the sole judgment of District, curtailment of transportation gas or interruption of Transportation Service may be required due to capacity constraint, supply shortage, or as a result of any consideration reasonably determined by District. District shall make every effort to give Customer notice of Critical Day by 8:00 a.m. prior to the beginning of the Gas Day, but it may give such notice at any time.
- **Cubic Foot.** The term "cubic foot" shall mean the volume of gas which occupies one cubic foot when such gas is at a temperature of sixty degrees Fahrenheit (60°F), and at a pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia) and corrected for deviation from ideal gas behavior.
- **Curtailment.** The term "curtailment" shall mean a reduction of the quantities of gas which District would otherwise deliver to Customer, whether due to capacity constraint, supply shortage, force majeure, or any other cause reasonably determined by District.
- **Curtailment Quantity.** The term "curtailment quantity" shall mean the lesser of the Daily Nominated Quantity, the daily Receipts, or the daily quantity of transportation gas allowed by District to be consumed by Customer during the curtailment period.
- **Customer.** The term "customer" shall mean any person, association, firm, public or private corporation, or any agency of the federal, state, or local government or legal entity responsible by law for payment for Transportation Service.
- **Customer Charge.** The term "customer charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service which is a fixed amount without regard to the Daily Contract Requirement or quantity of gas delivered.
- **Daily Contract Requirement.** The term "daily contract requirement" shall mean the maximum daily quantity of transportation gas District agrees to transport to Customer at Delivery Point under this rate schedule, as specified in the Contract.
- **Daily Nominated Quantity.** The term "daily nominated quantity" shall mean the daily volume of transportation gas nominated by Customer to District for transportation from Receipt Point to Delivery Point.
- **Day.** The term "day" shall mean a period of time beginning at 12:00 Midnight pipeline time on the starting day and ending at 12:00 Midnight pipeline time on the following day.

- **Decatherm.** The term "decatherm" or "DTH" shall mean ten therms (1,000,000 Btu).
- **Deliveries.** The term "deliveries" shall mean the quantity of transportation gas delivered by District to Customer on a daily basis at Delivery Point.
- **Delivery Point.** The term "delivery point" or "point of delivery" shall mean the location where District's gas distribution facilities interconnect with Customer's facilities and where Customer and District have agreed that transportation gas received at Receipt Point will be delivered by District to Customer.
- **District.** The term "District" shall mean Metropolitan Utilities District.
- **Gas.** The term "gas" shall mean natural gas that is received by District from a transporting pipeline at Receipt Point and delivered by District to Customer at Delivery Point. In addition, the term shall include liquefied natural gas and/or propane introduced by District into its gas distribution system and delivered to Customer as the equivalent of sales or transportation gas that Customer is otherwise entitled to have delivered by District.
- **Gas Day.** The Term "gas day" shall mean the period of time commencing at 9:00 a.m. pipeline time on the starting day and ending at 9:00 a.m. on the following day.
- **FT.** The term "FT" shall mean Firm Gas Transportation.
- **IT.** The term "IT" shall mean Interruptible Gas Transportation.
- **Imbalance.** The term "imbalance" shall mean the difference between the quantity of transportation gas received by District from the transporting pipeline at Receipt Point for Customer's account and the quantity of transportation gas delivered by District to Customer at Delivery Point.
- **Interruption.** The term "interruption" shall mean the total cessation of Transportation Service provided under this rate schedule, whether due to capacity constraint, supply shortage, force majeure, or any other cause reasonably determined by District.
- **Mcf.** The term "Mcf" shall mean one thousand (1,000) cubic feet of natural gas.
- **MMBtu.** The term "MMBtu" shall mean one million (1,000,000) Btu.
- **Natural Gas.** The term "natural gas" shall mean any mixture of hydrocarbons or of hydrocarbons and non-combustible gases, in a gaseous state, consisting principally of methane.
- **Negative Daily Imbalance.** The term "negative daily imbalance" shall mean the difference between daily Receipts and the greater quantity of daily Deliveries.



- **Negative Monthly Imbalance.** The term "negative monthly imbalance" shall mean the difference, at any time during a Billing Month, between cumulative daily Receipts and the greater quantity of cumulative daily Deliveries.
- **Northern Natural Gas Company.** Northern Natural Gas Company or "Northern" is the owner and operator of the interstate natural gas pipeline which transports gas from various producing basins and pipeline interconnects to District's gas distribution system.
- **Nomination.** The term "nomination" shall mean the quantity of gas that District is requested to transport on a daily basis from Receipt Point to Delivery Point.
- **Pipeline Time.** The term "pipeline time" will coincide with either Central Standard Time or Central Daylight Time, whichever is in effect at that particular time of the year.
- **Positive Daily Imbalance.** The term "positive daily imbalance" shall mean the difference between daily Receipts and the lesser quantity of daily Deliveries.
- **Positive Monthly Imbalance.** The term "positive monthly imbalance" shall mean the difference, at any time during a Billing Month, between cumulative daily Receipts and the lesser quantity of cumulative daily Deliveries.
- **Receipts.** The term "receipts" shall mean the quantity of transportation gas the District receives on a daily basis from Customer at Receipt Point.
- **Receipt Point.** The term "receipt point" shall mean the point at which Customer delivers gas to District.
- **Service.** The term "service" or "transportation service" shall mean the availability of the transportation of gas by District to Customer whether or not gas is actually transported.
- **Service Charge.** The term "service charge" shall mean that portion of the amount to be paid per Billing Month by Customer for Transportation Service.
- **Therm.** The term "therm" shall mean 100,000 Btu.
- **Town Border Station (TBS).** The term "town border station" shall mean the physical location where District's distribution system interconnects with Northern's interstate pipeline. The TBS generally consists of facilities to regulate gas pressure and measure volumes of gas.
- **Transportation.** The term "transportation" shall mean transportation of gas.
- **Year.** The term "year" shall mean a period of 365 consecutive days; provided, however, that any such year which contains a date of February 29 shall consist of 366 consecutive days.



## OTHER TERMS AND CONDITIONS

- **Filing.** Transportation will not commence until the Customer files with the District completed End User Agreement on Northern Natural Gas and Application for Interruptible Service Gas Transportation.
- **Gas Quality.** The District reserves the right to commingle Customer's gas with other gas suppliers including propane and liquefied natural gas.
- **Liability**
  - **General.** Gas shall be and shall remain the property of the customer while being transported and delivered by the District. The District shall not be liable to the Customer for any loss arising from or out of gas Transportation Service while in the District's system or for any other cause, except for gross or willful negligence of the District's own employees.
  - **Insurance.** The Customer shall be responsible for determining the extent of and maintaining all insurance it deems necessary to protect its property interest in such gas before, during, and after receipt by the District.
- **Measurement**
  - The quantity of gas transported on a daily basis shall be determined by District gas meter located at Delivery Point. The quantity of gas measured shall be expressed in MMBtu's. The number of MMBtu's transported by District from Receipt Point to Delivery Point in any day shall be determined by multiplying the volume of gas in cubic feet by the average heating value of the gas, expressed in Btu's per cubic foot, as applicable for such day and dividing this product by one million. If, for any reason, metering equipment is out of service or out of repair so that the quantity of gas delivered is not correctly indicated by the reading thereof, the gas delivered during such period shall be estimated by the parties on the basis of the best data available using the first of the following methods which is feasible:
    - By using the registration of any check measuring equipment installed and accurately registering; or
    - By correcting the error if the percentage of error is ascertainable by calibration, test or mathematical calculations; or
    - By estimating the quantity of delivery by deliveries during a preceding period under similar conditions when the meter was registering accurately.
  - Automatic meter reading equipment (AMR) shall be required at Delivery Point prior to the commencement of any transportation services provided for in this Rate Schedule. Customer shall be invoiced the estimated cost associated with the procurement and installation of said automatic meter reading equipment. Upon remittance, District shall purchase and install automatic meter reading equipment at the Delivery Point. Customer

shall furnish an acceptable location for installation of automatic meter reading equipment, as well as provide for the necessary electrical and telephone connections. Customer shall be responsible for any and all one-time and recurring charges associated with electrical or telephone service required for the installation, and any electrical or telephone service required shall list Customer as the customer. Upon completion of the automatic meter reading installation, District shall determine total installation cost and invoice or credit customer, whichever is applicable, the difference between the total and estimated cost.

- If directed by the District, the Customer shall read the District's gas meter each day at the time specified by the District and report such reading to the District.
- **Request for Service**
  - Requests for service under this rate Schedule must be made by filing with the District the information required on the form entitled "Request for Interruptible Gas Transportation" as attached to this rate schedule as Application for Interruptible Service Gas Transportation.
  - A Request for Service will not be approved until all the information required by the Request for Transportation Service has been delivered to the District and the Application Fee of \$250.00 has been paid. The District reserves the right to request additional information from any applicant, but requesting such information will not normally delay service if the applicant has otherwise provided all of the information and paid the fee as required.
  - After a Request for Transportation Service is approved, the applicant shall have one year from notification of approval to execute and send to the District a Contract for Transportation Service. If such Contract is not executed by the Customer and received by the District within such period, the Request for Transportation Service shall be deemed null and void.
- **Nominations.** Customer, or its agent, shall make daily nominations to Northern Natural Gas are required by the pipeline. MUD will be point operator for delivery to our system and will confirm all nominations.
- **Capacity Constraints.** Service under this Schedule is subject to the physical, operational, and contractual constraints of the District's gas system, pertinent to the Delivery Points and Receipt Points.
- **Customer's Balancing Obligation.** Customer shall use an end User Agreement with Northern Natural Gas then all Balancing shall be between Customer and Northern. The District will pass any charges incurred from Northern directly to the Customer and provide support of such charges.
- **Failure to Comply.** If the Customer fails to comply with or perform any of the obligations on its part to be complied with or performed under this Rate Schedule, the District shall have the

right to give Customer written notice of the District's intention to terminate the Transportation on account of such failure, then the District shall have the right to terminate such Transportation at the expiration of five days after the giving of said notice, unless within five days the Customer shall make good such failure. Termination of such Transportation for any such cause shall be a cumulative remedy as to the District, and shall not release the Customer from its obligation to make payment of any amount or amounts due or to become due from the Customer to the District under this rate Schedule. In order to resume Transportation after termination of service hereunder, it shall be necessary for Customer to file a new request.



**METROPOLITAN**  
**UTILITIES DISTRICT**

**SCHEDULE GIR**  
**GAS INFRASTRUCTURE REPLACEMENT (GIR) RIDER**  
**EFFECTIVE JANUARY 2, ~~2021~~2023**

(Supersedes Schedule GIR effective January 2, ~~2014~~2021)

**APPLICABILITY**

This rider shall apply to and become a part of each of the District's sales and transportation rate schedules. The rate will be applied per meter\* by customer class and rate schedule. The monthly charge will be assessed in addition to the Service Charge component of their applicable rate schedule.

**PURPOSE**

The purpose of this rider is for the District to recover costs associated with the replacement of gas mains. This rate has been weighted by the average use per customer class. On an annual basis, the weighting, past actual cost, and projected future costs will be reviewed.

**RATE - MONTHLY BILLING**

The charges for the respective gas service schedules are:

- Schedule A, Residential Gas Service ~~\$3.00~~\$3.50
- Schedule B - Commercial Gas Service ~~\$23.00~~\$27.00
- Schedule B - Industrial Gas Service ~~\$300.00~~\$350.00
- Schedule C, Large Volume Industrial Gas Svc ~~\$300.00~~\$350.00
- Schedule D, Compressed Natural Gas Svc  
Compression by the customer; separately metered:
  - Residential Service ~~\$3.00~~\$3.50
  - Commercial Service ~~\$23.00~~\$27.00
- Schedule 3, Interruptible Gas Service ~~\$300.00~~\$350.00
- Schedules IT & FT, Transportation Service ~~\$300.00~~\$350.00

**MINIMUM MONTHLY BILL**

The minimum monthly bill will be the sum of the Service Charge and GIR Charge for each respective rate schedule.

\*Charge is applied to each active meter at the time of billing. Excludes submeter bills.

**PAYMENT**

The monthly bill will be rendered at the above net rate. If not paid within 15 days of date of bill, unpaid water charges are subject to a late payment charge of four (4) percent.