

METROPOLITAN UTILITIES DISTRICT

Committee Meetings

8:15 AM

September 3, 2020

AGENDA

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

Construction and Operations – Friend, Frost, Cavanaugh

1. Capital Expenditures [Dave DeBoer – SVP, Chief Operations Officer] – **Tab 5**
2. Acceptance of Contracts and Payment of Final Estimates [Dave DeBoer – SVP, Chief Operations Officer] – **Tab 6**
3. Bids on Materials and Contracts [Jon Zellars – VP, Procurement & Enterprise Services] - **Tab 7**

Services and Extensions – Friend, Begley, Howard

1. Main Extensions [Cory O'Brien - VP, Engineering and Construction] - **Tab 9**

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

1. Amendment to Delegation of Authority for Gas Cost Adjustment [Mark Mendenhall – SVP, General Counsel] – **Tab 10**

Judicial and Legislative – Cook, Cavanaugh, Howard

1. Legislative Update [Rick Kubat - Governmental Relations Attorney] – **Tab 11**

Personnel – Begley, Frost, Friend

1. Wage and/or Salary Increases and Ratifications [Bonnie Savine – VP, Human Resources] - **Tab 12**
2. Group Insurance Contract Renewals [Bonnie Savine – VP, Human Resources] – **Tab 13**

Committee of the Whole

1. State of the District Presentation [Mark Doyle, President] – **Tab 15**

METROPOLITAN UTILITIES DISTRICT
Regular Monthly Board Meeting

9:00 AM

September 3, 2020

AGENDA

1. Roll Call
2. Open Meetings Act Notice
3. Pledge of Allegiance
4. Approval of Minutes – Committee Meetings & Regular Board Meeting for August 6, 2020
- CONSTRUCTION & OPERATIONS 5. Capital Expenditures
6. Acceptance of Contracts and Payment of Final Estimates
7. Bids on Materials and Contracts
8. Notice of Purchases Between \$25,000 and \$50,000
- SERVICES & EXTENSIONS 9. Main Extensions
- ACCOUNTS, EXPENDITURES, FINANCE & RATES 10. Amendment to Delegation of Authority for Gas Cost Adjustment
- JUDICIAL & LEGISLATIVE 11. Legislative Update
- PERSONNEL 12. Wage and/or Salary Increases and Ratifications
13. Group Insurance Contract Renewals
- BOARD 14. Other Matters of District Business for Discussion

METROPOLITAN UTILITIES DISTRICT

Minutes of Committee Meetings

August 6, 2020

Chairperson Gwen Howard called to order the Committee Meetings for the Metropolitan Utilities District Board of Directors at 3 p.m. at the Omaha Douglas Civic Center's Legislative Chamber at 1819 Farnam Street.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on July 26, 2020 and its online version from July 26, 2020 through August 1, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Public meeting notices called attention to a 3 p.m. start time for Committee Meetings and a 3:45 p.m. start time for the regular monthly Board Meeting, which was due to the scheduling availability of the Legislative Chamber. Agendas and all pertinent documents to be presented at the August 6, 2020 Committee and regular monthly Board Meetings were posted to the M.U.D. website on July 29, 2020. The meetings were recorded and uploaded to the District website on August 7, 2020.

Chairperson Howard urged all those in attendance to continue to abide by health officials' recommended guidelines for wearing facemasks and maintaining social distancing due to COVID-19.

Roll Call

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

Safety Briefing

Vice-President of Safety, Security and Business Continuity Shane Hunter provided a safety briefing for all individuals in attendance at the Board Meeting regarding the protocol in the event of an emergency situation.

Open Meetings Act Notice

Chairperson Howard announced that a copy of the Open Meetings Act was located on the wall of the Legislative Chamber.

Construction and Operations – Friend, Frost, Cavanaugh

Senior Vice-President and Chief Operations Officer Dave DeBoer reviewed the proposed capital expenditure as outlined in his letter to the Committee dated July 27, 2020.

Mr. DeBoer reviewed the acceptance of contracts and payment of final estimates as outlined in his letter to the Committee dated July 27, 2020.

Vice-President of Procurement and Enterprise Services Jon Zellars reviewed the bids on materials and contracts as outlined in his letter dated July 23, 2020.

Services and Extensions - Friend, Begley, Howard

Vice-President of Engineering and Construction Cory O'Brien reviewed the proposed main extensions as outlined in his letter to the Committee dated July 27, 2020.

Personnel - Begley, Frost Friend

Vice-President of Human Resources Bonnie Savine reviewed the proposed wage and/or salary increases and ratifications as outlined in her letter to the Committee dated July 27, 2020.

Ms. Savine along with Senior Vice-President & General Counsel Mark Mendenhall presented an update on the Blue Cross Blue Shield (BCBS) Insurance Policy Administration. Mr. Mendenhall reported that the presentation grew out of a discussion at the July Board Meeting that centered on BCBS's protocols for handling claim denials and appeals. BCBS Chief Medical Director Dr. Barbara Essers and Strategic Account Executive Julie Nash addressed the Board and responded to questions, explaining that the District's partnership with BCBS is an "administrative service only" plan whereby BCBS administers the plan based upon approved benefits and, because the District is self-insured, District funds pay the claims. The BCBS representatives distributed an informational handout presenting a statistical overview of its preauthorizations, denials and appeals in recent years, and explained how each process is handled. In its role as a fiduciary partner, BCBS seeks to maintain quality services that are cost-effective. Preauthorizations are typically approved automatically at the rate of 65% while the overall denial rate in 2019 was 8.9%, resulting in \$1.15 million in cost savings. Some discussion took place.

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

Senior Vice-President and Chief Financial Officer Joseph Schaffart provided a presentation on the financial impact of the COVID-19 pandemic, as requested by Director McGowan at the July Board Meeting. He provided a grim economic picture showing increasing levels of unemployment. Mr. Schaffart also noted that at the recent July meeting of the Board's Insurance and Pension Committee, the District's financial advisor Vanguard Institutional Advisory Services indicated it was projecting a 10% unemployment rate by the end of 2020, and a 5% rate by the end of 2021 (presuming the availability of a COVID-19 vaccine). Additionally, the Commerce Department estimates that Gross Domestic Product dropped by nearly 33%, on an annualized basis, during the second quarter, the sharpest drop since records have been kept, which dates to 1947. The impact of the economic deterioration has been felt by the District in the form of an increase in past due accounts receivable balances, and a doubling in the number of accounts eligible for disconnection for the January to June time period. The District declared a moratorium on gas and water service disconnections beginning on March 17, 2020 which is still in

effect, and though deemed a necessary step to ensuring life-essential water and gas services for customers struggling with financial insecurity, it does augment the current uncollected accounts receivable. The distribution of LIHEAP (Low Income Home Energy Assistance Program) funds in late July has resulted in some improvement in past due Accounts Receivable balances as of July 31. Further customer assistance in the form of CARES Act funding from both Douglas County (\$2 million) and from the state of Nebraska (\$500,000) should result in additional improvement in past due Accounts Receivable balances.

The presentation included a review of the District's COVID-related spending through June 30, 2020 such as costs associated with quarantining the District's three water treatment plants and costs incurred for personal protective equipment. Efforts are underway with FEMA to seek reimbursement for incremental COVID-19 related costs. Mr. Schaffart also discussed measures to preserve our financial strength, which included a very collaborative effort to identify capital and hiring that may be deferred. Mr. Schaffart concluded the presentation with a focus on unrestricted cash balances for both the Water and Gas Departments, as monthly cash balances were presented for January through June. It was noted that cash balances have been reduced due to the pandemic by an estimated \$3.5 to \$4 million, but the steps the District has taken to defer spending are serving to preserve our strong financial position. Mr. Schaffart noted that seasonality is a key contributor to the pattern of monthly cash balances. Additionally, the Water Department cash balance has been decremented by approximately \$1.2 million associated with 2019 flood damage repair costs that have yet to be reimbursed by our insurance carrier.

Mr. Schaffart emphasized that the District is prepared for what lies ahead thanks to the efforts of colleagues and members of Management who stepped up in the very early stages of the pandemic to take the necessary steps to preserve the operational and financial condition of the District.


Judicial & Legislative – Cook, Cavanaugh, Howard

Governmental Relations Attorney Rick Kubat provided an update on legislative bills of interest to the District as outlined in his Fourth Legislative Report dated July 27, 2020. Mr. Kubat noted that three days remain on the calendar for the 2020 Legislative Session with a prospective adjournment date of August 13, 2020. He informed the Board that a very recently published list of the Legislature's Interim Studies includes LR 333 which was introduced by Senator Mike McDonnell to study the feasibility of constructing a reservoir on the Platte River near the city of Ashland, Nebraska.

Director Begley inquired as to the future prospects for LB 242, a bill introduced by Senator Brett Lindstrom and endorsed by the District because it provides a revenue source for potable water and wastewater infrastructure projects using a portion of the 5.5% state sales tax revenue collected for sewer and potable water services. Mr. Kubat indicated that the bill garnered broad support, was prioritized and was able to be openly debated on the floor of the Legislature. However, timing for resurrecting the bill at a future date will be dependent upon the State's fiscal situation and

the COVID-19 pandemic, but he promised the bill would not be going away due to the District's commitment to addressing the excessively regressive nature of the state's taxation of potable water. Directors thanked Mr. Kubat for his efforts not only with LB 242 but also his efforts associated with securing the CARES Reimbursement funding for much-needed utility assistance for M.U.D. customers.

Chairperson Howard announced that the Committee Meetings were concluded and asked if any Board Members or members of the public had any comments to share. There were none. She announced the regular Board Meeting would convene at 4:05 p.m.



Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT
Minutes of the Regular Board Meeting
August 6, 2020

Chairperson Gwen Howard called to order the Metropolitan Utilities District Board of Directors regular monthly meeting on August 6, 2020 at 4:05 p.m. in the Omaha Douglas Civic Center's Legislative Chamber at 1819 Farnam Street.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on July 26, 2020 and its online version from July 26, 2020 through August 1, 2020. The notice also appeared on the M.U.D. website at www.mudomaha.com and other social media platforms. Public meeting notices called attention to a 3 p.m. start time for Committee Meetings and a 3:45 p.m. start time for the regular monthly Board Meeting, which was due to the scheduling availability of the Legislative Chamber. Agendas and all pertinent documents to be presented at the August 6, 2020 Committee and regular monthly Board Meetings were posted to the M.U.D. website on July 29, 2020. The meetings were recorded and uploaded to the District website on August 7, 2020.

Chairperson Howard urged meeting attendees to continue to abide by health officials' recommended precautionary guidelines for wearing facemasks and maintaining social distancing.

AGENDA NO. 1

ROLL CALL

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

AGENDA NO. 2

OPEN MEETINGS ACT NOTICE

Chairperson Howard announced that a copy of the Open Meetings Act was located on the wall of the Legislative Chamber.

AGENDA NO. 3

PLEDGE OF ALLEGIANCE

Chairperson Howard announced that the Pledge of Allegiance would be recited and invited all those in attendance to participate.

AGENDA NO. 4

APPROVAL OF MINUTES FOR COMMITTEE MEETINGS AND REGULAR BOARD MEETING FOR JULY 2, 2020

Director Cavanaugh moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for July 2, 2020, which was seconded by Director Frost and carried on a roll call vote.

Voting Yes: Frost, Howard, Cavanaugh, Begley, Friend

Voting No: None

AGENDA NO. 5

CAPITAL EXPENDITURES

Director Friend moved to approve the capital expenditure as outlined in Mr. DeBoer's letter to the Committee dated July 27, 2020, which was seconded by Director Frost and carried on a roll call vote.

Voting Yes: Frost, Howard, Cavanaugh, Begley, Friend

Voting No: None

AGENDA NO. 6

ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

Director Friend moved to approve the acceptance of contracts and payment of final estimates as outlined in Mr. DeBoer's letter to the Committee dated July 27, 2020. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

Voting Yes: Frost, Howard, Cavanaugh, Begley, Friend

Voting No: None

AGENDA NO. 7

BIDS ON MATERIALS AND CONTRACTS

Director Friend moved to approve Management's recommendation regarding the bids on materials and contracts as outlined in Mr. Zellars' letter dated July 23, 2020. The motion was seconded by Director Begley.

Voting Yes: Frost, Howard, Cavanaugh, Begley, Friend

Voting No: None

AGENDA NO. 8

NOTICE OF PURCHASES BETWEEN \$25,000 & \$50,000

Director Friend requested that the Notice of Purchases letter dated July 23, 2020 be placed on file.

AGENDA NO. 9

MAIN EXTENSIONS

Director Friend moved to approve the main extensions as outlined in Mr. O'Brien's letter dated July 27, 2020, which was seconded by Director Frost and carried on a roll call vote.

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

AGENDA NO. 10

WAGE AND/OR SALARY INCREASES AND RATIFICATIONS

Director Begley moved to approve the wage and/or salary increases and ratifications as outlined in Ms. Savine's letter to the Committee dated July 27, 2020. The motion was seconded by Director Frost and carried on a roll call vote.

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

AGENDA NO. 11

LEGISLATIVE UPDATE

Director Cavanaugh requested that the Fourth Legislative Report dated July 27, 2020 as presented by Mr. Kubat be placed on file. There was no change made to the District's position on any legislative bills of interest to the District.

AGENDA NO. 12

OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION

Chairperson Howard asked if any Board Members or any member of the public had any comments to share. There were none.

AGENDA NO. 13

CLOSED SESSION – REAL ESTATE MATTERS

At 4:10 p.m., Director Cavanaugh moved to go into Closed Session for the purpose of discussing real estate matters. The motion was seconded by Director Begley and carried on a roll call vote.

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

At 4:39 p.m., Director Begley moved to return to Open Session which was seconded by Director Cavanaugh and carried on a roll call vote.

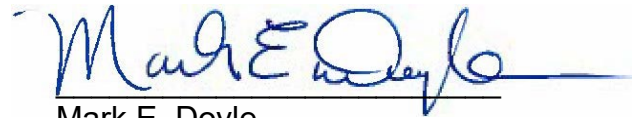
Voting Yes: Frost, Howard, Cavanaugh, Begley, Friend
Voting No: None

Chairperson Howard asked if anyone had any comments to share. There were none.

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

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

The regular Board Meeting was adjourned at 4:40 p.m.

A handwritten signature in blue ink, reading "Mark E. Doyle", with a horizontal line extending to the right.

Mark E. Doyle
Secretary and President

MED/mjm

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

August 20, 2020

Subject: CAPITAL EXPENDITURES

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

From: Dave W. DeBoer, Senior Vice President, Chief Operations Officer

The following items will be on the September 3, 2020 Committee Agenda for consideration and the Board Agenda for ratification:

BUILDINGS, PLANTS AND EQUIPMENT

1. 100088000764 - \$286,000 – Purchase five replacement extended cab F-550 gasoline chassis for valve turner trucks. These trucks will have service bodies with front and rear valve turners installed for use by Water Distribution. Two trucks will be equipped with four-wheel drive to improve the accessibility to off road areas and emergency response during inclement winter weather. Four of these trucks will be replacements for older, high mileage trucks in the fleet and one will be an addition for a new crew in 2021.

2. 100053001445 and associated job numbers - \$165,000 – Install 140 feet of 12-inch and 70 feet of 6-inch water main and install 70 feet of 6-inch gas main in Cornhusker Rd., 132nd to 142nd Streets. This work is required to eliminate conflicts with proposed grading, paving and storm sewers being done for a Sarpy County project. Much of the District's work is installing water and gas off-sets to avoid conflicts. This project is anticipated to start in September. This work is not reimbursable as the mains are in public right-of-way.



Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Approved:



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

August 24, 2020

Subject: ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES

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

From: Dave W. DeBoer, Senior Vice President, Chief Operations Officer

Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
a. Est. 4 - Kersten Construction, 100055001240, 100057000447, Install water mains in Sagewood Valley, 180 th and Fort Sts.	March 7, 2018	\$246,288.00	\$296,764.60	\$23,641.69

Comments: There was an increase in unit quantities of \$30,079.80 and increases of \$8,817.00 for a Change Order No. 1 (modified connection A-3, standard connection A-3, dewatering and rock stabilization) and \$11,579.80 for miscellaneous work and items.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
b. Est. 2 - Valley Corporation, 100055001261, Install water mains in Plaza 133, 101 st St. and Blair High Rd.	May 1, 2019	\$265,083.78	\$303,372.83	\$77,702.39

Comments: There was an increase in unit quantities of \$11,317.73 and increases of \$26,870.07 for Change Order No. 1 (additional shoring, wrapping of pipe and labor and material increases) and \$952.65 for additional items.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
c. Est. 5 - Judds Bros. Construction, 100057000460, 100055001272, Install water mains in State St. from Kilpatrick Pkwy. To 177 th St.	July 3, 2019	\$779,000.00	\$737,797.23	\$36,336.23

Comments: There was a decrease in unit quantities of \$14,000.00, a decrease of \$23,005.00 due to Change Order No. 1 (section of water main installed at an incorrect elevation), a decrease of \$11,202.77 for 100069005931 and an increase of \$7,005.00 additional items.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
d. Est. 5 - FerPal, 100093001225, 100041000012, Structurally line water mains in Regency Pkwy. from Pacific St. to Harney Pkwy.	June 5, 2019	\$744,477.50	\$721,590.57	\$66,910.18

Comments: There was a decrease in unit quantities of \$21,484.50 and a decrease of \$2,212.43 for 100069005651. There was an increase of \$810.00 for excess depth.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
e. Est. - FerPal, 100093001259, 100041000047, Structurally line water mains in Wright St. to Pasadena Ave. and 74 th to 82 nd Sts.	June 5, 2019	\$1,734,505.75	\$971,622.34	\$73,440.47

Comments: There was a decrease in unit quantities of \$754,249.45 for delaying the third phase of the project, a decrease of \$1,943.15 for 100069005739 and a decrease of \$6,690.81 for a claims adjustment.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
f. Est. 4 - FerPal, 100093001260, 100041000048, Structurally line water main in 95 th Cir., West Center Rd. to the north.	June 5, 2019	\$433,337.75	\$436,360.79	\$21,974.94

Comments: There was an increase in unit quantities of \$7,587.88 and decreases of \$564.84 for 100069005743 and \$4,000.00 for a defect.

Contract	Board Approval Date	Amounts		
		*Unit Price Bid	Actual	Final
g. Est. 4 - FerPal, 100093001262, 100041000050, Structurally line water main in Mason to Marcy Sts., 67 th to 69 th Sts.	June 5, 2019	\$844,174.25	\$834,699.18	\$67,470.63

Comments: There was a decrease in unit quantities of \$9,552.82 and a decrease of \$4,201.90 for 100069005738. There was an increase of \$4,279.65 for Change Order No. 1 to remove and replace a 6-inch tee and valve for a modified structural lining pit location.

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

Approved:


Mark E. Doyle
President


Dave W. DeBoer
Senior Vice President, Chief Operations Officer

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 20, 2020

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

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

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

The following items will be on the September 3, 2020 Committee Agenda for consideration and the September 3, 2020 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 Falcon Pointe Subdivision, S. 54 th Street Capehart Road. 100055001339 100057000485 WP1773 Engineering Estimate: \$295,369.00 (A C&A in the amount of \$372,449.00 will be presented to the Board on September 3, 2020 for approval.)	18/2	Cedar Construction Kersten Construction	\$280,331.00 283,144.00
Install Water Mains in Evert Place Replat 1 Subdivision, S. 193 rd and Jackson Streets 100055001342 WP1774 Engineering Estimate: \$72,600.00 (A C&A in the amount of \$98,118.00 will be presented to the Board on September 3, 2020 for approval.)	18/4	Kersten Construction Cedar Construction Pat Thomas Construction Becker Trenching	\$70,191.00 70,601.00 86,901.60 98,250.00

RATIFICATION

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Furnish Guard Service (August 3, 2020 to August 1, 2023) * Contract awarded July 2, 2020. Could not meet contract terms.	7/6	Per Mar Security GardaWorld Security G4S Solutions Securitas Security <i>Allied Universal</i> Signal 88 Security	\$6,902,427.43 6,842,868.71 7,088,659.52 7,160,016.71 7,191,579.61 6,635,781.64*

OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Concrete Paving Repairs at the Construction & Operations Center 100084001266 GP2565 (C&A for 100084001266 approved August 12, 2020 in the amount of \$36,050.00.)	3/3	Mackie Construction Cormaci Construction Shawmark Concrete	\$26,993.00 34,708.00 35,356.00
One (1) Tandem Axle Chassis & Cab 100088000762 *State of Nebraska bid, Contract #14515 OC (C&A for 100088000762 approved February 6, 2020 in the amount of \$195,000.00.)	NA*	Truck Center Co.	\$114,693.00
Five (5) Ford F550 Extended Chassis & Cab 100088000764 *State of Nebraska bid, Contract #14704 OC (A C&A in the amount of \$286,000.00 will be presented to the Board on September 3, 2020 for approval.)	NA*	Anderson Ford	\$236,130.00

ANNUALS

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Precast Concrete Manhole Section (October 1, 2020 to September 30, 2021)	5/1	Kersten Precast Conc.	\$153,725.05

Hydrofluorosilicic Acid - Florence (250 Tons) (October 1, 2020 to September 30, 2021)	6/4	Univar Solutions <i>Dubois Chemicals</i> <i>Solvay Fluorides</i> <i>Pencco, Inc.</i>	\$97,497.50 113,325.00 117,000.00 123,500.00
Hydrofluorosilicic Acid – Platte South (250 Tons) (October 1, 2020 to September 30, 2021)	6/4	Univar Solutions <i>Dubois Chemicals</i> <i>Solvay Fluorides</i> <i>Pencco, Inc.</i>	\$97,497.50 113,325.00 117,000.00 123,500.00
Hydrofluorosilicic Acid – Platte West (250 Tons) (October 1, 2020 to September 30, 2021)	6/4	Univar Solutions <i>Dubois Chemicals</i> <i>Solvay Fluorides</i> <i>Pencco, Inc.</i>	\$97,497.50 113,325.00 117,000.00 123,500.00



Jon Zellars
Vice President, Procurement and Enterprise Services
(402) 504-7253

Approved:



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



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 20, 2020

Subject: NOTICE OF PURCHASES BETWEEN \$25,000 - \$50,000


To: All Board Members
cc: Doyle, Ausdemore, DeBoer, Mendenhall, Schaffart and all Vice Presidents

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

During the month of July, the following item was purchased or contracted for and is being submitted to the Board to be placed on file. The purchase or contract was initiated with the low bidder which is bolded and listed first. Nonlocal bidders have been indicated in italics.

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidder</u>	<u>Amount Bid</u>
One (1) Small Skid Loader 100087000615	8/4	NMC Murphy Tractor Bobcat of Omaha Reuters	\$37,143.00 41,580.00 42,628.36 52,170.00

(A C&A in the amount of \$45,000.00 will be presented to the Board on September 3, 2020 for approval.)



Jon Zellars
Vice President, Procurement and Enterprise Services
(402) 504-7253

Approved:



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



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

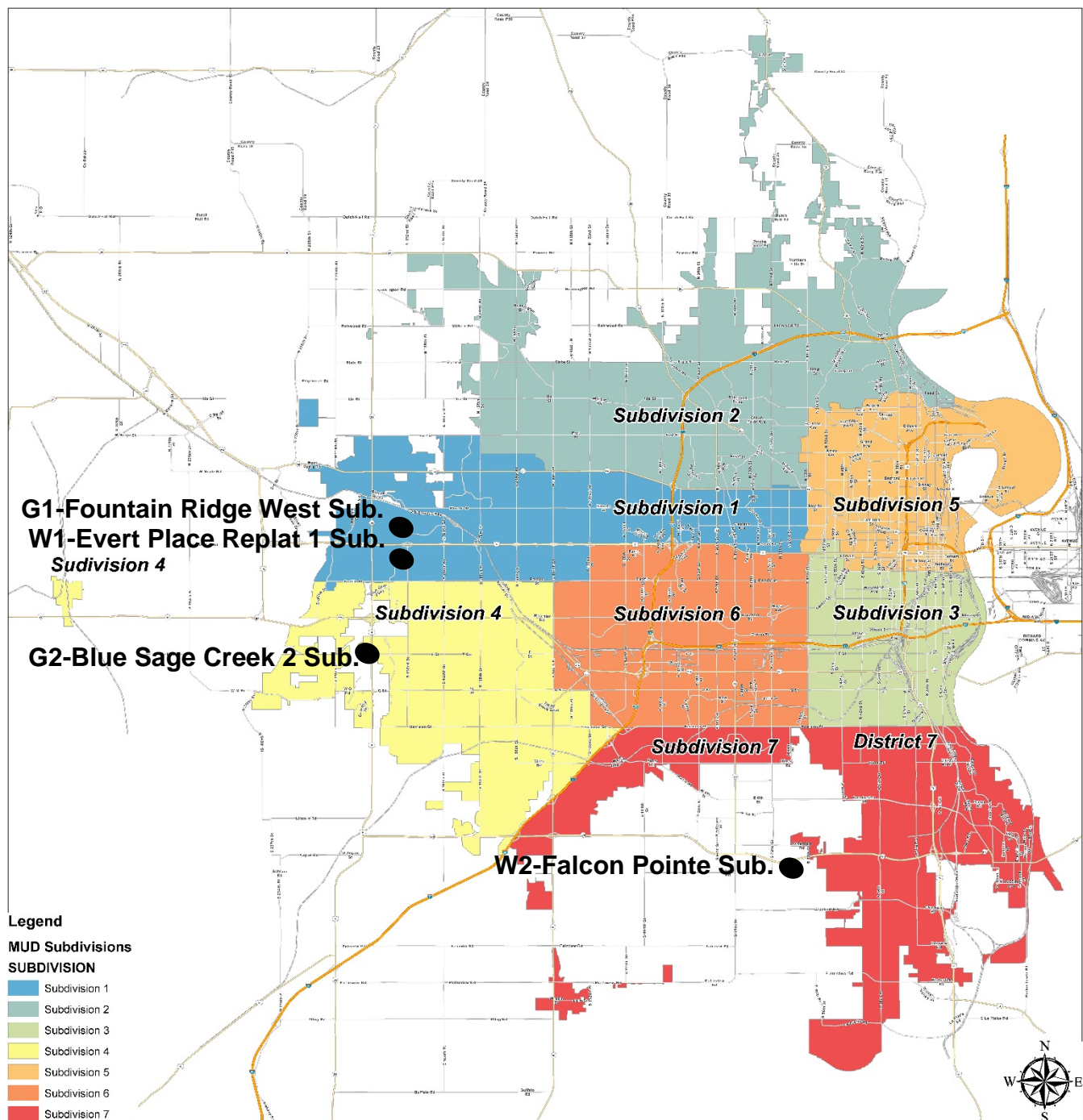
August 20, 2020

Subject: MAIN EXTENSIONS

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

From: Cory J. O'Brien, Vice President, Engineering and Construction

The following main extensions will be on the September 3, 2020 Committee Agenda for consideration and the Board Agenda for approval:



WATER					
	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
1.	WP 1774	\$98,118	\$119,916	\$0	\$0
	Subdivision 1, Begley: These mains are being installed to provide domestic water service and fire protection to 21 single-residence and two commercial lots in Evert Place Replat 1 Subdivision, 193 rd and Jackson Sts. There is a pioneer main fee in the amount of \$21,798 due to the existing 30-inch water main in Pacific Street & 192 nd Street. Work is requested to be completed by December 2020. (City of Omaha zoning, All Holy Spirit Greek Orthodox Church)				
	Project Number	Project Cost	Applicant Contribution	Construction by Applicant	M.U.D. Cost
2.	WP 1773	\$372,449	\$381,745	\$0	\$0
	Subdivision 7, Frost: These mains are being installed to provide domestic water service and fire protection to 71 single-residence lots in Falcon Pointe Subdivision, 54 th St. and Capehart Rd. There is a pioneer main fee in the amount of \$9,296 due to the existing 16-inch water main in Capehart Rd. Work is requested to be completed by December 2020. (City of Bellevue zoning, Charleston Homes, LLC)				

GAS						
	Project Number	Total Estimated	Cost		Allowable Revenue Credits Developer	Deficiency
			Developer Equivalent	Developer Estimate		
1.	GP 2520	\$58,583	\$48,693	\$43,235	\$14,467	\$28,768
	Subdivision 1, Begley: These mains are being installed to provide gas service to one commercial lot in Fountain Ridge West and three commercial lots in Avenue One, 192 nd St. and HWS Cleveland Blvd. Management is recommending oversizing approximately 1,470 feet of main as a 4-inch main at an estimated District cost of \$9,890. The applicant has agreed to pay the cost of the deficiency in the amount of \$28,768. Work is requested to be completed by Winter 2020. (City of Omaha zoning, R&R Reality Group)					

GAS (con't)						
2.	Project Number	Total Estimated	Cost		Allowable Revenue Credits Developer	Deficiency
			Developer Equivalent	Developer Estimate		
	GP 2550	\$70,355	\$70,355	\$62,469	\$76,829	\$0
Subdivision 4, Cavanaugh: These mains are being installed to provide gas service to 68 single-residence lots and one park lot in Blue Sage Creek 2 Subdivision, George B. Lake Pkwy. And "F" St. Work is requested to be completed by November 2020. (City of Omaha zoning, Lanoha Pacific, Inc.)						

Cory J. O'Brien
Vice President, Engineering and Construction

Approved:

Dave W. DeBoer
Senior Vice President, Chief Operations Officer

Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Departmental Communication

August 24, 2020

Subject: DELEGATION OF AUTHORITY CHANGES

To: Accounts, Rates, Expenditures & Finance Committee
cc: All Board Members; Doyle, Ausdemore, DeBoer, Schaffart, and all Vice Presidents

From: Mark Mendenhall, Senior Vice President, General Counsel

Nebraska State law provides this Board with the exclusive authority to set rates for gas and water. The relevant part of Nebraska Revised Statutes § 14-2114 states:

The Board of Directors of the metropolitan utilities district shall have power and authority to determine and fix all water and natural gas rates and to determine what shall be a reasonable rate for any particular service, the conditions and methods of service, and the collection of all charges for service or the sale water or natural gas.

This statute gives the Board the authority to set a base rate for gas and water. From the base rate, gas rates are adjusted as necessary to address changes in the weighted average cost of gas as well as the recovery of costs associated with peak shaving and pipeline transportation. These adjustments are implemented under the GCA (Gas Cost Adjustment) provisions.

Three different adjustments are made under the GCA which is adjusted monthly.

WACOG—Weighted Average Cost of Gas (month to month)

1. The WAGOG estimate is calculated at the end of every month for the following month. This estimated figure includes the cost of gas purchases from various suppliers at various supply points. The WACOG also incorporates the projected volumes and costs for pipeline storage, LNG, and propane gas. The actual WACOG is then calculated and compared to the estimate. Any over or under recovery adjustments are made in future months.

GCA—Gas Cost Adjustment

2. The pipeline transportation and storage demand charge. This is calculated by dividing total annual pipeline transportation and storage demand charges by total annual normalized firm gas sales.
3. Costs related to operating our peak shaving facilities, which can include expansions and upgrades. This figure is calculated by dividing total annual peak shaving costs by the total annual normalized firm gas sales.

The three types of adjustments described above are different from the base gas rate set by the Board because these rates are calculated and subject to change on a month to month basis. The adjustments are added to the base rate set by the Board to derive the gas rate charged to customers.

The adjustments to the base rate described above are not currently addressed in the “Delegation of Authority” contained in the District’s Procedures Manual. Management is recommending the attached

revisions to the Procedures Manual which provide that both the President and Chief Financial Officer can set the GCA monthly. This process is consistent with how rates are currently set, but we feel it is necessary to memorialize this in our Procedures Manual . The revised Delegation of Authority policy ensures that Management is acting in accordance with the Board's statutory authority.



Mark Mendenhall
Senior Vice President, General Counsel

Approved:



Mark E. Doyle
President

Attachment

SECTION 15 – Delegation of Authority

15-001 Delegation of Authority

Issue Date: ~~03/02/12~~ 03/02/20

Supersedes Date: ~~06/17/10~~ 03/02/12

15-001 Delegation of Authority 03.02.12

1.0 Introduction

This procedure outlines the authority delegated to Division Supervisors, Vice Presidents, Senior Vice Presidents, and the President. This authority refers to the necessary approval and/or highest approval required. Each of the Senior Vice Presidents, (General Counsel, CFO, Operations, Chief Information Officer, Chief Customer Officer, and Counsel to the President) shall have equal authority and may sign documents for each other when necessary. Each of the Senior Vice Presidents may act for the President when necessary, as well.

This authority carries responsibility. Those making approvals are accountable for those authorizations. They shall make such investigations as is necessary to satisfy themselves that each approval shall be correct and appropriate.

In cases where Board approval is required, it shall be the responsibility of the highest approver indicated to obtain the appropriate Board approval.

2.0 Purchase and Contract Authority

2.1 Purchasing Function:

A. General Authority:

The Purchasing Department shall be delegated the authority and responsibility for purchasing material, supplies, equipment, and services for the Metropolitan Utilities District. This Department shall control all purchasing commitments except those that are specifically delegated by the President to another Department in the interest of sound management practices.

B. Requisition Approval:

The Purchasing Department shall be responsible for reviewing requisitions to ensure the proper level of approval has been provided in accordance with this procedure and insuring that an approved C & A has been received for capital items before the item is placed on order.

C. Requirement for Sealed Bids and Approval:

The Director, Purchasing shall have the authorization to buy or contract for purchase of materials, supplies, or services on approved requisitions without sealed bids up to the amount of \$25,000. The Director, Purchasing shall be responsible for the propriety of any such purchases and may use written or verbal quotations, according to his/her judgment of what is right and necessary for the purchase of that particular item. All bids on requisitions exceeding \$25,000 must be submitted to the Board for approval of recommendation to purchase with the following exception:

The Director, Purchasing shall have the authorization to purchase, on a sealed bid basis, material, supplies, and services, including award of contracts between \$25,000 and \$50,000, provided more than one bid is received and the lowest bid is accepted. A report on purchases and awarding of contracts between \$25,000 and \$50,000 must be

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submitted to the Board to be placed on file. Board approval, however, shall be required where the lowest bid is not recommended for acceptance.

For purchases of "single source" items where only one supplier of the item exists and there is no chance for competitive bidding or requesting informal quotes to compare prices, the purchase or award of contract shall not require Board approval when the item cost is less than the C&A amount approved by the Board.

D. Emergency Orders:

When necessary for the safe and continuous operation of the gas or water systems, the Purchasing Department may issue an emergency order. The following is the highest approval required before an emergency order shall be placed for items with a total value of:

Emergency Orders	Highest Approval Required
Up to \$10,000	Division Head
\$10,000.01 to \$25,000	Vice President
\$25,000.01 and above	Sr. Vice President

E. Credit Card Purchases:

To facilitate purchasing low cost items from vendors unwilling or unable to accept a purchase order, the Director, Purchasing department shall be authorized to use a credit card with a total transaction limit of \$10,000. This card shall also be used to purchase items on the internet. The Director, Purchasing shall be solely responsible for security and use of the card. At time of payment, each item shall be supported by appropriate supporting documentation.

2.2 Executing Contracts/Agreements:

All written contracts and agreements must be approved as to form by the Law Department.

A. Service and Maintenance Contracts:

A Sr. Vice President shall be delegated the authority to execute approved service and maintenance contracts.

Standard common contracts which apply to multiple items (i.e. PCs with unique serial number and extended warranty maintenance agreements) shall be delegated to the Vice President, Infrastructure once the common contract agreement is approved by the Law Department and a Senior Vice President.

B. Construction Contracts:

A Sr. Vice President shall be delegated the authority to sign formal authorized construction contracts approved by the Board provided that the contract has been approved as to form and the insurance bond requirements have been reviewed for compliance with contract specifications by the Law Department.

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C. Professional Services:

Agreements and proposals to provide professional services, including but not limited to engineering, auditing, consulting, and medical services require at a minimum the following approvals:

Non-Budgeted Projects	Highest Approval Required
Up to \$25,000	Sr. Vice President
\$25,000.01 to \$50,000	President
\$50,000.01 and above	Board of Directors

Budgeted Projects	Highest Approval Required
Up to \$50,000	Sr. Vice President
\$50,000.01 to \$200,000	President
\$200,000.01 and above	Board of Directors

D. Main Extension Agreements Sr. Vice President

E. All Base Natural Gas Supply Contracts Sr. Vice President

Purchase Amendments to Base Contract	Highest Approval Required
Term less than one month	Director, Energy Acquisitions
Term one month to three years	Vice President, Gas Operations

Fixed Gas Price Purchase Amendments to Base Contract	Highest Approval Required
Term greater than one month	Sr. Vice President

All Gas Purchase Contracts/Amendments	Highest Approval Required
Term greater than three years	President

Amendments to NNG Service & Transportation Agreements	Vice President, Gas Operations
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2.3 Cancellation of Contracts:

The President, Sr. Vice Presidents and the Legal Department shall have the authority to cancel any District contract on behalf of the authorized District employee who originally entered into the contract. However, if a District employee in a position beneath these above mentioned levels is authorized to enter into a contract, that same person shall also have the authority to then cancel it.

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2.4 Requisitions- SAP System:

Supervisors shall be responsible for insuring that the appropriate approval of item to be requisitioned has been obtained prior to requisition. The SAP System is used to requisition items charged to inventory, (Stock) or expense (Non-stock). It is also used to requisition approved items to be capitalized or charged to work orders.

A. Items Charged to Inventory (Materials and Supplies):

Inventory includes both Stores items and Special Stocks, e.g., Florence and Platte Chemicals. Requisition approval requirements are based on the value class of a line item. The following criteria shall be used to determine the value class.

Value Class	Annual Issues x Unit Price	Highest Approval Required
C	Less than \$1,500 and unit price \$50.00 or under	Clerk
B	From \$1,500.01 to \$5,000 or unit price exceeds \$50.00	Division Supervisor
A	From \$5,000.01 to \$10,000	Vice President
	Above \$10,000	Sr. Vice President

B. Items Charged to Expense:

Approvals for these purchase requisitions have been programmed into the SAP purchasing system using the following guidelines.

Items Charged to Expense	Highest Approval Required
Up to \$5,000	Division Supervisor
From \$5,000.01 to \$10,000	Vice President
\$10,000.01 and above	Sr. Vice President

C. Items Charged to Work Orders or Jobs:

Approvals for these purchases requisitions have been programmed into the SAP purchasing system using the following guidelines.

Items Charged to Work Orders or Jobs	Highest Approval Required
Up to \$5,000	Division Supervisor
From \$5,000.01 to \$10,000	Vice President
\$10,000.01 and above	Sr. Vice President

Exception: Where prior approval of management and the Board is obtained on a C&A, a purchase requisition approved by a Vice President can be entered in SAP without any further approval.

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2.5 Authorization – Capital Expenditures:

Extension of requested gas/water main	Highest Approval Required
Up to \$25,000	Sr. Vice President
\$25,000.01 to \$50,000	President
\$50,000.01 and above	Board of Directors

Purchase of vehicles, construction equipment or special machines and real estate	Highest Approval Required
Up to \$25,000	Sr. Vice President
\$25,000.01 to \$50,000	President
\$50,000.01 and above	Board of Directors

Other Capital Expenditure authorizations	Highest Approval Required
BUDGETED - \$1,000 to \$5,000	Vice President
NON-BUDGETED - \$1,000 to \$5,000	Sr. Vice President
From \$5,000.01 to \$25,000	Sr. Vice President
From \$25,000.01 to \$50,000	President
\$50,000.01 and above	Board of Directors

Monthly report of released C&A's shall be sent to the Board – Revisions in estimated C&A costs which exceed 10% AND \$25,000 of original estimate must be approved by the Board of Directors.

Contract – Change Orders	Highest Approval Required
Up to \$25,000	Sr. Vice President
\$25,000.01 and above	Sr. Vice President Sr. Vice President, General Counsel President Board of Directors

2.6 Authorization to Travel, Attend Seminar or Conference: See Subsection 1.3.6

Initial Authorization for Reimbursement of Organization Dues and/or Meals: Highest Approval Required – Sr. Vice President.

3.0 Disbursement Authorization

3.1 SAP Inventory and Expense Items:

These invoices are matched to purchase order line items for quantities received, terms, description etc. and are paid through the SAP System where specific controls are built in to insure payment is suitable before disbursement is authorized.

3.2 SAP Framework Orders:

- A. The District uses SAP Framework orders to authorize the purchase and payment of various materials, supplies and services:

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A Framework order (previously known as "Blanket Purchase Orders") authorizes a specific dollar amount which can be spent with a vendor over a specified period of time. These purchases are usually "Non- Stock" expense purchases. Maximum is \$1500 per invoice billing unless written approval of division supervisor is obtained on the invoice.

- B. The following Framework order purchases are authorized to be paid using SAP processing procedure:

- **Paving Cuts:**

The Administrative Clerk VI, Operations Section, Customer Service, is delegated responsibility for insuring invoice quantities and unit prices are correct. Final authority for payment of invoice for paving cuts resides with the Vice President, Engineering and Construction via signature on the Direct Payment Authorization (Form 418).

- **Barricade Rental:**

Final authority for payment of barricade rental resides with the Administrative Clerk VI, Operations Sections, Customer Service.

- C. The Vice President, Human Resources and Vice President, Safety and Security shall have authorized approval authority equal to that of a Sr. Vice President for purchases and requisitions for their Departments.

3.3 Request for Payment Authorization - Form 418-0 (Consultants):

A Vice President is required to certify to the best of his knowledge on the Request for Payment Authorization (Form 418-0) that services for which payment is requested have been provided in accordance with the provisions of the agreement and related amendments. Highest approval of an estimated payment resides with the position of a Sr. Vice President. A copy of the Request for Payment Authorization (Form 418-0) shall be attached to the Weekly Disbursement Report. The acceptance of the job and final payment requires approval of the Accounts, Expenditures, Finance and Rates (AEF&R) Committee and the Board of Directors.

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3.4 Direct Payment Authorization - Form 418:

Approval of Direct Payment Authorization (Form 418) signifies that stated quantity of described item has been received for which payment is suitable at the agreed price shown thereon. When timing of payment is not a factor, Accounting shall process disbursement through the SAP system.

Type	Highest Approval Required
Contract Employee Services	Vice President
Individual Budgeted Membership Dues and Meals	Vice President
Subscriptions and Books	Vice President
Utility bills (electric, gas, or water)	Vice President
Cellular & Long Distance (See Section 21-004 for requirements to add/modify equipment)	Sr. Vice President Chief Service Information Officer
Postage (Permit 759) <ul style="list-style-type: none">Up to \$2,500From \$2,500.01 to \$10,000	Approval <ul style="list-style-type: none">Spvsr, Remittance ProcessingVP - Rates Reg Affairs and Rev
Security services involving off-duty Police	Vice President, Safety & Security
Lobbyist fees and outside consultants for marketing and advertising	Sr. Vice President.
Reimburse bank for NSF checks	Disbursement Supervisor
Replenishment of SAP CRB Working Fund Account for checks issued to customers for credit balance refunds and deposit refunds	Disbursement Supervisor
Natural Gas Supply invoices	Vice President, Gas Operations

Payments for Supplies & Services where no written order/contract exists

Type	Highest Approval Required
Up to \$1,000	Division Supervisor
From \$1,000.01 to \$5,000	Vice President
\$5,000.01 and above	Sr. Vice President

Refunds of customer overpayments on gas/water accounts

Type	Highest Approval Required
From \$0.01 to \$2,000	Manager or Supervisor, Customer Accounting
From \$2,000.01 to \$5,000	Manager or Supervisor, Customer Accounting AND Vice President – Customer Services
\$5,000.01 and above	Manager or Supervisor, Customer Accounting AND Vice President – Customer Services AND CFO OR delegated to Vice President, Accounting in CFO's absence

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Refunds of excess deposits and overpayments for installation of gas services, meters and remotes, meter enlargements, heating inspection fees, taps, connection charges & capital facilities charges:

Type	Highest Approval Required
Below \$5.00	Sr. Clerk, Builder & Contractor Services
From \$5.01 to \$2,000	Supervisor or Asst Supervisor, Customer Service
From \$2,000.01 to \$5,000	Supervisor or Assistant Supervisor, Customer Service and Vice President, Customer Service
\$5,000.01 and above	Sr. Vice President, CFO – OR delegated to Vice President, Accounting in CFO's absence

Refunds of customer deposits

Type	Highest Approval Required
Automatic good credit refund	Customer Account Clerk
Manual good credit refunds:	
• Up to \$2,000	Supervisor or Assistant Supervisor, Customer Accounting
• From \$2,000.01 to \$5,000	Supervisor, or Assistant Supervisor, Customer Accounting and Vice President, Rates, Regulatory Affairs and Revenue
• \$5,000.01 and above	Sr. Vice President, CFO – OR delegated to Vice President, Accounting in CFO's absence

3.5 Certificate – Covering Estimate on Contract Work - Form 179 ([Section 07-020](#))

Type	Highest Approval Required
Payment of estimates	Sr. Vice President
Reduction in retainage	Sr. Vice President Sr. Vice President, General Counsel President
Acceptance of job and final payment	Sr. Vice President Sr. Vice President, General Counsel President C&O Committee–Board of Directors
\$5,000.01 and above	Sr. Vice President, CFO – OR delegated to Vice President, Accounting in CFO's absence

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3.6 Other Disbursements:

Travel and Organization Expense Reimbursements ([Section 01-002](#))

Type	Highest Approval Required
Reimbursement for Overtime Meal (Form 1036)	Division Supervisor
Travel Allowances – Use of Personal Cars by Meter Reading & Construction	Foreman or Division Supervisor
Replenishment of Petty Cash Fund	Applicable person responsible for fund (See Section 15-002)
Approval of course for Reimbursement of Tuition, Books, and Fees	Vice President, Human Resources
Cash Allowances – Meters Returned to Stock	Supervisor or Asst. Supervisor, Customer Accounting
President's Bond and Property Insurance Premiums	Sr. Vice President
Meter Postage	Supervisor or Asst. Supervisor, Customer Accounting

Single Claim Settlements ([Section 01-003](#))

(NOTE: Any unusual settlements require President's approval)

Type	Highest Approval Required
Up to \$25,000	Sr. Vice President, General Counsel
From \$25,000.01 to \$50,000	Sr. Vice President, General Counsel President
\$50,000.01 and above	Sr. Vice President, General Counsel President Board of Directors

Worker's Compensation ([Section 24-003](#))

Type	Highest Approval Required
Weekly compensation benefits & medical bills	Vice President, Safety & Security
Lump sum settlements:	
• Up to \$25,000	Sr. Vice President, General Counsel
• From \$25,000.01 to \$50,000	Sr. Vice President, General Counsel President
• \$50,000.01 and above	Sr. Vice President, General Counsel President Board of Directors

Other Disbursements

Type	Highest Approval Required
Sewer and Trash Fee Collections	Vice President, Accounting
Nebraska Sales & Use Tax	Vice President, Accounting
Payroll Withholding Taxes	Vice President, Accounting

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Type	Highest Approval Required
Payroll Deductions for: Deferred Compensation, IBEW, Credit Union, Savings Bond, United Way, Vet's Club, Heat-Aid Plan and Misc. court ordered deductions	Vice President, Accounting
Group Insurance Remittance for: <ul style="list-style-type: none"> • Health, Life, & Dental Claims • HMO Premiums • LTD Premiums • Supplemental Life Ins Premiums 	Vice President, Accounting OR Vice President, Human Resources
Pension Fund Contributions	Vice President, Accounting OR Vice President, Human Resources
Refund of Employee's retirement plan contributions & interest and savings bond balances	Vice President, Accounting OR Vice President, Human Resources
Refund of excess deposits which exceed the actual (equivalent/total) costs of WCC, WCP, WCD and GCC jobs	Vice President, Accounting Sr. Vice President
Refund final water pioneer approach main contribution	Vice President, Accounting Sr. Vice President
Easement Disbursement:	
<ul style="list-style-type: none"> • Up to \$25,000 	Sr. Vice President, General Counsel
<ul style="list-style-type: none"> • From \$25,000.01 to \$50,000 	Sr. Vice President, General Counsel President
<ul style="list-style-type: none"> • \$50,000.01 and above 	Sr. Vice President, General Counsel President Board of Directors

4.0 Adjustments to Customer CIS Accounts

4.1 Credit adjustments to customer's account for gas, water, sewer, late payment charges, merchandise or sundry charges, turn-on charges, sales tax, recovery credits (token payment adjustment for district errors) etc., excluding computer generated credits initiated thru sequential or high/low audit function.

Customer Service, Credit Services and Remittance Processing	Highest Approval Required
Below \$5.00	Sr. Clerk, Customer Accounting
\$5.00.01 to \$100	Asst. Supervisor, Customer Service With authority to delegate to: Customer Service Clerk III or Customer Service Clerk IV, Supervisor, Credit Services
\$100.01 to \$1,000	Supervisor of Asst. Supervisor, Customer Service

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\$1,000.01 to \$2,500	Vice President, Customer Services (Customer Service/Credit Services)
	Vice President, Rates, Regulatory Affairs and Revenue (Remittance Processing)
\$2,500.01 and above	Sr. Vice President

Customer Accounting	Highest Approval Required
Up to \$500	Customer Account Clerk VI
\$500.01 to \$2,500	Supervisor or Assistant Supervisor, Customer Accounting
\$2,500.01 to \$5,000	Vice President, Rates, Regulatory Affairs, and Revenue
\$5,000.01 and above	Sr. Vice President

4.2 Adjustments Due to the Following - Supervisor or Assistant Supervisor, Customer Accounting (Conditions regardless of amounts)

- Meter flop-overs following estimates.
- Billing through a meter change and out reading is included in the billing.
- Obvious read card errors.
- Readings transcribed in error.
- Prorating the bill between customers.
- Water & Sewer Credits on Commercial Accounts (Water Amount < \$1,000).

4.3 Credit Adjustments to Non-CIS (Misc. Customer Bills):

Credit Adj to Non-CIS	Highest Approval Required
Up to \$2,000	Division Supervisor
\$2,000.01 to \$5,000	Vice President, Rates, Regulatory Affairs, and Revenue
\$5,000.01 to \$10,000	Sr. Vice President
\$10,000.01 and above	President

5.0 Investment Authority

Investment Authority	Highest Approval Required
Investment of District funds and conversion to cash	Vice President, Accounting
Transfer of funds to bond sinking fund and bond reserve fund account	Vice President, Accounting
Transfer of funds – bond principal and accrued interest	Vice President, Accounting

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6.0 Adjustments to Natural Gas Rates

6.1 General Rate Setting Function:

Under Neb. Rev. Stat. §14-2114, the “Board of Directors of the metropolitan utilities district shall have power and authority to determine and fix all water and natural gas rates and to determine what shall be a reasonable rate for any particular service, the conditions and methods of service, and the collection of all charges for service for the sale of water or natural gas.” This statute gives the Board the authority to set the base rate for gas and water service.

6.2 Gas Cost Adjustment (GCA) Rate:

The total gas rate consists of the base rate for gas established by the Board and the Gas Cost Adjustment (GCA) Rate established pursuant to this subsection. The GCA Rate represents the pass-through costs of natural gas, which include – costs incurred to transport natural gas to our market area as well as those costs that are incurred to – address peak shaving/peak demand requirements. These costs must regularly be adjusted and added to the base gas rate established by the Board in order to account for the following:

A. Weighted Average Cost of Gas (WACOG):

The WACOG includes the cost of gas purchases from various suppliers at various supply points. It also incorporates the projected volumes and costs for pipeline storage, liquid natural gas (LNG) and propane gas.

B. Pipeline Transportation and Storage Demand Charge:

The pipeline transportation and storage demand charge is calculated by dividing total annual pipeline transportation and storage demand charges by the total annual normalized firm gas sales.

C. Peak Shaving Costs:

The peak shaving capital costs are calculated by dividing the total annual estimated peak shaving costs by the total annual normalized firm gas sales.

6.3 Authority to Adjust GCA Rate:

The Manager of Rates and Regulatory Affairs is responsible for calculating proposed adjustments to the GCA Rate. The Senior Vice President - Chief Financial Officer and the President must approve of all adjustments to the GCA rate before they take effect.

7.0 Other Authorizations

Water Service

Type	Highest Approval Required
Approve private water lines & construction	Sr. Vice President, Operations
Outside water meter installations	Director, Engineering Design
Fire service applications	Director, Engineering Design

Gas Service Contracts

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Type	Highest Approval Required
Execute interruptible agreements	Vice President, Gas Operations
Execute Schedule C and D contracts	Sr. Vice President
Execute NNG Service and Transportation Agreement	President
Approve time and absence reports	Division Supervisor
Approve auto and special machine time reports	Foreman & Supervisor
Approve health, dental, life and LTD administrative agreements	Board of Directors
Approve inventory stock adjustments	Vice President, Accounting or Sr. Vice President
Approve payroll summary report	Sr. Vice President
Approve final calculation of Water Pioneer Approach Main Contribution	Director, Engineering Design or Supervisor, Accounting

**Sales of Stores Material to Other Utilities
Emergency Basis (Section 12-014)**

Type	Highest Approval Required
Up to \$1,000	Stores Supervisor
\$1,000.01 to \$2,500	Vice President, Accounting
\$2,500.01 and above	Sr. Vice President

**Approval to bill less than actual cost of reimbursable cost
Varying more than 15% from contract agreement**

Type	Highest Approval Required
\$1,000 or less	Director, Engineering Design
\$1,000.01 to \$5,000	Vice President, Engineering & Construction
\$5,000.01 to \$25,000	Sr. Vice President
\$25,000.01 and above	President

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Type	Highest Approval Required
Participation in job oriented organizations and civic clubs	President
Acceptance of officer position in a national organization	President
Retiree Cobra and health insurance calculations	Director of Compensation & Benefits - VP, Human Resource
Initiate action to sell developer's warrants and process proceeds	Disbursements Supervisor
Authorization to purchase cell phones	President

78.0 Personnel Matters

Type	Highest Approval Required
Requisition – Contract Temp Help (period no longer than 90 days)	Vice President, Human Resources Sr. Vice President
Employment Requisition (summer & temporary)	Sr. Vice President
Employment Requisition (regular full-time and regular part-time)	President

Personnel Status Change Form (PSCF)**Employment, termination, transfers, and salary adjustments:**

EMPLOYMENT	Highest Approval Required
Operating and Clerical Personnel (OAC)	Sr. Vice President
SPA Personnel	President
Summer Personnel	Vice President, Human Resources

TERMINATION	Highest Approval Required
Operating and Clerical Personnel (OAC)	President
SPA Personnel	President
Summer Personnel	Vice President, Human Resources
Retirements & Long-Term Disability	Vice President, Human Resources
Deceased Employee	Vice President, Human Resources

TRANSFER/CHANGE OF JOB STATUS (Excluding Salary Changes)	Highest Approval Required
Operating and Clerical Personnel (OAC)	Sr. Vice President

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SPA Personnel	President
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WAGE & SALARY ADJUSTMENTS	Highest Approval Required
Operating & Clerical Personnel (OAC)	
• Progression increases up to standard wage	Sr. Vice President
• Promotion increases under statutory limitations	President
• Promotion increases at or above statutory limitations	Board of Directors
SPA Personnel	
• Progression increases up to established rate	Sr. Vice President

NOTE: All progression increases for Vice President and above require approval of the President.

PERFORMANCE APPRAISALS	Highest Approval Required
Operating and Clerical Personnel (OAC)	One level above the person making the evaluation. A minimum of a Vice President and/or Sr. Vice Presidents/ President as noted below if required
SPA Personnel	One level above the person making the evaluation. A minimum of a Vice President and/or Sr. Vice Presidents/ President as noted below if required

NOTE: All Performance Appraisals require a minimum of two approvals on appraisals.

OTHER	Highest Approval Required
Retirement Annuity	Director of Compensation & Benefits Vice President, Human Resources
Memberships – Company	President

89.0 Abandonments of District Property

Original Cost – Other than Mains	Highest Approval Required
Up to \$5,000 per item	Vice President
\$5,000.01 to \$25,000 per item	Sr. Vice President
\$25,000.01 and above per item	President

SECTION 15 – Delegation of Authority

15-001 Delegation of Authority

Issue Date: ~~03/02/12~~09/03/20

Supersedes Date: ~~06/17/10~~03/02/12

Note: A C&A must be initiated to request approval of original cost jobs in excess of \$10,000 in accordance with [Section 06-010](#). For original cost jobs less than \$10,000, an abandonment request letter must be initiated, approved and sent to Accounting and Purchasing in accordance with [Section 09-001](#).

Original Cost –Mains	Highest Approval Required
Up to \$10,000	Vice President
\$10,000.01 to \$50,000	Sr. Vice President
\$50,000.01 and above	President

Note: A C&A must be initiated to request approval of original cost jobs in excess of \$10,000 in accordance with [Section 06-009](#).

910.0 Absences of Management Personnel

During periods of absence of the President, a Sr. Vice President, or a Vice President, final approval is authorized as follows:

910.1 A Sr. Vice President may make final approval for the President.

910.2 The Vice President, Marketing and Rates may approve in the absence of the Vice President, Accounting.

910.3 The Vice President, Safety and Security may approve in the absence of the Vice President, Human Resources.

910.4 Expenditure authorization delegated by this procedure to Vice Presidents can only be passed to higher authority. During periods of extended absence, the higher authority at their discretion may delegate partial or full authority of Vice President to a lower level. At a minimum, specific delegation of authority shall be communicated to Purchasing and Accounting.

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

August 25, 2020

Subject: FINAL LEGISLATIVE REPORT – 2020 SESSION

To: Judiciary and Legislative Committee
cc: All Board Members; Doyle, Mendenhall, Ausdemore, Schaffart; all Vice Presidents; Nowka

From: Rick Kubat, Government Relations Attorney

Provided below are the final updates on legislative positions taken by the Board of Directors from the 2019 and 2020 sessions. All legislation that did not pass during the 2020 short session does not survive for the subsequent 2021 long session. LB 1107 by Speaker Scheer which contained additional funding for property tax relief, financing for the University of Nebraska Medical Center's hazard disaster response center, and an update to the state's business incentive program was signed into law by Governor Ricketts.

LB 148 (Groene) – Requires the public hearing on a proposed budget statement be held separately from any regularly-scheduled meeting of the governing body. The public hearing on the budget shall not be limited by time, and any member of the public desiring to speak on the proposed budget statement must be given a reasonable amount of time to speak. LB 148 also requires the governing body make a detailed presentation of the proposed budget statement and make at least three copies of the budget statement available to the public. Additionally, LB 148 requires budget notice be published in a newspaper of general circulation within the public body's jurisdiction and, if available, in a digital advertisement on such newspaper's website. The public body would be required to record the methods and dates of such notice in its minutes.

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

LB 150 (Brewer) – Permits political subdivisions to charge a fee for the fulfillment of public record requests by non-residents of Nebraska. Unlike the charge for Nebraska residents, the fee for non-residents would include a charge for the existing salary for public employees who do the work to fulfill the request. An exception is provided for news media regardless of their state of domicile.

Board Position: Support
Status: Indefinitely Postponed

LB 242 (Lindstrom) – Provides for a turn-back of a portion of the 5.5% of state sales tax dollars collected for sewer and potable water services. The turn-back of revenue is specifically designated and earmarked for potable water and wastewater infrastructure assistance. As amended, LB 242 would turn-back 36% of the 5.5% of state sales tax

dollars collected for water and sewer services from July 1, 2019 through June 30, 2021, a turn-back of 56% of the 5.5% of state sales tax dollars collected from July 1, 2021 through June 30, 2023, and a turn-back of 76% of the 5.5% of state sales tax dollars collected after July 1, 2023. The legislation is supported by the Nebraska League of Municipalities, Omaha-Council Bluffs Metropolitan Area Planning Agency, Natural Resource District Rural Water Providers, Nebraska Chapter of Utility Contractors Association (NUCA), Nebraska Beef, Nebraska Coalition of Agriculture Manufacturers, Omaha and Lincoln Chambers of Commerce, and the Cities of Lincoln, Omaha, Beatrice, Hastings, Plattsmouth, Grand Island, Blair, South Sioux City and Waverly. LB 242 was prioritized by Senator Lindstrom and was debated by the full legislature on February 10. LB 242 likely had the support necessary to advance from General File, however the bill did not have the necessary votes to survive a filibuster (33 votes). Opponents of the bill were primarily concerned with the LB 242's fiscal note. The impact to the state's general fund is \$9 million per year in the first phase and results in roughly \$24 million per year when fully implemented at the 76% turn back rate. Senator Lindstrom will need to show the speaker a vote card with 33 votes for LB 242 to be placed back on the agenda.

Board Position: Support
Status: Senator Lindstrom priority, Indefinitely Postponed

LB 289 (Linehan) – LB 289 was introduced as a placeholder bill to allow the Revenue Committee to formulate an omnibus property tax relief proposal. As amended, the bill includes a three-quarter cent increase in state sales tax beginning July 1, 2019. LB 284 makes numerous statutory changes. These changes include, but are not limited to, altering the state aid to schools' formula, the elimination of some sales tax exemptions, increasing the cigarette tax, and altering the real property valuation methodology. In accordance with previous direction from the Board, the Revenue Committee has been notified of the District's opposition to any proposed increase in state sales tax.

Board Position: Oppose any proposal to increase the state sales tax rate
Status: Indefinitely Postponed

LB 368 (Hughes) – Eliminates all "overappropriated" references in state statute. LB 368 declares all basins previously deemed overappropriated as fully appropriated following the effective date of the legislation. It requires surface water controls be included in an integrated management plan and be adopted by the Department of Natural Resources (DNR) to maintain compliance with any compact, decree, formal state contract or agreement. LB 368 would require the DNR to manage reservoirs in fully-appropriated river basins. Such reservoirs shall not exceed 80% of capacity prior to March 1st of any year so that said structures would be capable of capturing snow melt and runoff. The DNR would develop a management plan for such structures as part of an integrated management plan.

Board Position: Neutral
Status: Indefinitely Postponed

LB 412 (Geist) – Requires a vote of the registered voters of political subdivisions before a joint public agency could be created. The political subdivisions would be prohibited from entering into an agreement until the voters of each political subdivision have approved the creation of the joint agency.

Board Position: Neutral
Status: Indefinitely Postponed

LEGISLATION INTRODUCED IN THE 2020 SESSION

MANAGEMENT'S RECOMMENDATIONS

LB 749 (Blood) – Enacts the Nebraska Anti-Terrorism Act, which creates new felony offenses for engaging in terrorist activities in Nebraska. Creates a new felony offense for introducing poisons or harmful chemicals into waters of the state or any food, drink or medicine.

Board Position: Support
Status: Indefinitely Postponed

LB 802 (Hughes) – Finds and declares the right to use ground water is an attribute of owning fee simple title to land overlaying the source of the ground water and is inseparable from the land to which the right applies. LB 802 does not alter, modify, or change the regulatory authority granted under the Nebraska Ground Water Management and Protection Act. The proposed legislation does not alter or change in any way the District's water rights. LB 802 is a re-statement of the common law as applied in Nebraska.

Board Position: Neutral
Status: Indefinitely Postponed

LB 845 (Groene) – Allows property owners of augmentation projects for streamflow enhancement to sell the above ground real property and retain the rights to ground water. LB 845 is offered primarily to address the Nebraska Cooperative Republican Platte Enhancement project (N-CORPE) public ownership of land used to augment streamflow to meet compact compliance with Kansas.

Board Position: Neutral
Status: Indefinitely Postponed

LB 890 (Hilgers) – Specifically allows political subdivisions to use "design-build," a one-step bidding process for water, waste water, utility or sewer construction projects. LB 890 provides permissive authority to political subdivisions in terms of another way to bid predominantly large projects. LB 890 has been amended into LB 790 via AM 2436 and has advanced to Select File.

Board Position: Support
Status: Indefinitely Postponed

LB 899 (Hughes) – Authorizes public power districts to develop, manufacture, use, purchase, or sell biofuels or biofuel byproducts to reduce greenhouse emissions. LB 899 was introduced on behalf of Nebraska Public Power District (NPPD). The bill provides clarity that NPPD can process and sell energy from Monolith Materials via the hydrogen that is collected as a byproduct of carbon black manufacturing. LB 899 provides all public power districts the authority to manufacture and sell biofuel energy byproducts if the process reduces greenhouse gasses.

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

LB 933 (Crawford) – Changes provisions regarding the discontinuance of gas, water or electric utility services. Provides that utilities may not charge a fee more than “reasonable costs” for the disconnection or reconnection of services. Current law provides that a “duly licensed physician” may certify that a customer has an existing illness or handicap which would cause the customer to suffer an immediate and serious health hazard due to disconnection of utility service. LB 933 adds physician assistant and advanced practice registered nurse as medical providers to those who may make such certification. The District will be further required to provide service termination information on our web site and available by mail upon request. LB 933 has been amended into LB 632.

Board Position: Neutral
Status: Amended into LB 632 and Signed into law by the Governor

LB 1109 (Chambers) – Provides a sales and use tax exemption for furnishing water Services.

Board Position: Support
Status: Indefinitely Postponed

LB 1201 (Bostelman) – Creates the Flood Mitigation and Planning Task Force. The duties include examining and coordinating flood planning and mitigation efforts in Nebraska and to develop strategies to address flooding. Requires reporting to the Legislature’s Executive Committee. Task Force members include the Directors of Natural Resources, Environment and Energy, State Engineer, Nebraska Emergency Management Agency, Agriculture, a representative from a natural resource district, and chairperson of the Natural Resources Committee.

Board Position: Support
Status: Amended into LB 632 and Signed into law by the Governor

LB 1205 (McCollister) – Creates the Renewable Energy Standards Act. LB 1205 requires public power suppliers to phase in an increased amount of power generation capacity to come from renewable energy sources. These sources include solar, wind, waste management, a cogeneration facility, an agricultural crop or residue energy generation facility or wood burning facility. Before the end of 2022, renewable power generation capacity equal to 35% of the supplier’s median annual generation for calendar years 2019 through 2021. Before the end of 2026, renewable power generation capacity equal to

50% of the supplier's median annual generation for calendar years 2023 through 2025. Before the end of 2030, renewable power generation capacity equal to 75% of the supplier's median annual generation for calendar years 2027 through 2029.

Board Position: Oppose
Status: Indefinitely Postponed



Richard A. Kubat
Government Relations Attorney

Approved:



Mark Mendenhall
Senior Vice President/General Counsel



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT
Inter-Department Communication

August 24, 2020

Subject: Wage and/or Salary Increases and Ratifications, September 2020 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, DeBoer, 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:	Kevin Goldman
Current position (department):	Pipe Layer Trainee (Construction)
New position (department):	Water Maintenance Trainee (Water Operations)
Current rate; step/grade:	\$23.72; Step 1
Proposed rate; step/grade:	\$25.23; Step 2
Percent of increase:	6.37%
District hire date:	September 9, 2019

Employee:	Ronald Heim
Current position (department):	Gas Plant Engineer (Gas Production)
New position (department):	Instrument Technician (Gas Operations)
Current rate; step/grade:	\$42.71; Step 4
Proposed rate; step/grade:	\$44.85; Step 4
Percent of increase:	5.01%
District hire date:	January 3, 1994

Employee:	Jeffrey Kuhn
Current position (department):	Utility Worker (Construction)
New position (department):	Gas Plant Operator (Gas Operations)
Current rate; step/grade:	\$37.48; Step 4
Proposed rate; step/grade:	\$38.44; Step 4
Percent of increase:	2.56%
District hire date:	August 4, 2008

Employee: Matthew Walag
Current position (department): Apprentice Mechanic (Transportation)
New position (department): Gas Plant Operator (Gas Operations)
Current rate; step/grade: \$29.61; Step 4
Proposed rate; step/grade: \$32.67; Step 1
Percent of increase: 10.33%
District hire date: May 29, 2018

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: Timothy Lincoln
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: August 6, 2018

Employee: Ryan Stanek
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: August 13, 2018

Employee: Tyler Vaca-Keller
Current position (department): Pipe Layer Trainee (Construction)
New position (department): Pipe Layer (Construction)
Current rate; step/grade: \$27.90; Step 4
Proposed rate; step/grade: \$29.98; Step 2
Percent of increase: 7.46%
District hire date: August 13, 2018

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.

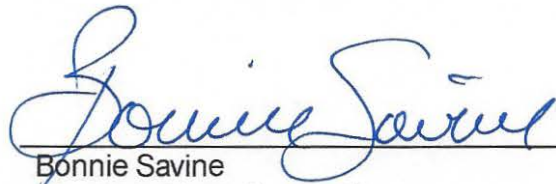
Employee: Ernest Bless
Current position (department): Engineer I (Engineering Design)
New position (department): Engineer II (Engineering Design)
Current rate; step/grade: \$83,244; SPA – 02
Proposed rate; step/grade: \$87,407; SPA – 04
Percent of increase: 5.00%
District hire date: December 22, 2014

Employee: Sherri Meisinger
Current position (department): Manager, Stores (Stores)
New position (department): Director, Procurement (Procurement & Enterprise Services)
Current rate; step/grade: \$115,045; SPA – 06
Proposed rate; step/grade: \$120,798; SPA – 08
Percent of increase: 5.00%
District hire date: June 25, 1990

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

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

There are no New Hire Ratifications for this month



Bonnie Savine
Vice President, Human Resources

APPROVED:



Mark A. Mendenhall
Senior Vice President, General Counsel



Mark E. Doyle
President

METROPOLITAN UTILITIES DISTRICT

Inter-Department Communication

August 24, 2020

Subject: GROUP INSURANCE CONTRACT RENEWALS

To: Personnel Committee members Begley, Friend, and Frost

cc: Board Members Cavanaugh, Cook, Howard, and McGowan
President Doyle, and Senior Vice Presidents Ausdemore, DeBoer,
Mendenhall and Schaffart

From: Bonnie Savine, Vice President, Human Resources

The following group insurance contracts are being recommended for 2021: PPO health, HMO health, dental, vision, flexible spending accounts, basic life insurance, supplemental (voluntary) life insurance, accidental death & dismemberment (AD&D), and long-term disability (LTD). The District also requested an analysis from SilverStone Group, a HUB International Company (SSGI-HUB), on outsourcing the administration of the District's Consolidated Omnibus Budget Reconciliation Act (COBRA) compliance for the impacted District benefit plans.

With the current COVID-19 pandemic situation impacting our organization, we also took into consideration the impact on our ability to meet with employees in person and hold our annual Benefits Fair for benefit awareness. The recommendations below include minor changes for our employees and their families which will make this open enrollment period easier to communicate using virtual meetings and written communication. There will also be some virtual benefit presentations by some District third party benefit administrators to highlight District benefit plans during this period for engagement in place of our Benefits Fair.

Blue Cross and Blue Shield of Nebraska – PPO & HMO Health Plans

The District worked with SSGI-HUB to review the contract renewals for the 2021 health plans. Renewals for both the PPO & HMO were received from Blue Cross and Blue Shield of Nebraska (BCBS). The year 2021 will represent the third year of the three-year contract established in 2019 between MUD and Blue Cross Blue Shield of Nebraska (BCBSNE). As outlined in the initial quote, the guaranteed administration fee for 2021 will move to \$47.40 per employee per month (PEPM) (inclusive of the Telehealth and spine management programs). This rate is \$2.00 more PEPM than 2021. This represents a 4.4% adjustment, or roughly \$753,660 annually based on average enrollment of 1,325 employees and retirees.

Included with the administrative fees is program support for items such as the Retiree Drug Subsidy. Also, the value of the prescription plans drug rebates reports in excess of

\$1.1 million based on a rolling 12-month review through July 2020. Also included is support for the MUD Wellness Program BALANCE through the collaboration on the Personal Health Assessment offered to employees and their spouses for the 3rd year. The bargained plan design changes for the PPO health plan will be effective January 1, 2021. A proposed change for the HMO plan is to the pharmacy benefit copay structure. This change will take the specialty Rx copay from \$80 to \$100.

HM Life – Aggregate and Specific Stop Loss Coverage

Aggregate stop loss coverage is under contract with the current administrator, HM Life. A preliminary stop loss renewal from HM has been received. The renewal figures will be finalized after a review of last month's claims. Based on the preliminary renewal SSGI-HUB has performed, a 15% increase to the Specific stop loss is proposed. Review and finalization of the aggregate stop-loss will also coincide with the specific stop-loss review. The proposed aggregate stop-loss premium increase is 9.3%.

Ameritas - Dental Plan

The current contract includes a guaranteed administration fee of \$3.89 per member per month (PEPM). There are no changes recommended for the District's dental plan administration.

PayFlex - Flexible Spending Accounts

PayFlex administers the District's flexible spending accounts (FSA); Health Care and Dependent Care. A market analysis was conducted for the FSA support. MUD will renew with PayFlex for the account administration for 2021, the third year of our current contract.

Discovery Benefits

A market analysis was conducted to review outsourcing the COBRA administration for the impacted MUD benefit plans. Discovery Benefits has provided a thorough and competitive quote for this service. The cost for this program is structured at \$.55 PEPM. Based on the overview of the services, it is proposed to move forward with the Discovery Benefits COBRA Administration effective January 1, 2021. A cost analysis estimated minimal difference in cost to utilize a third party to provide administration of the COBRA regulatory notices as required under the Act. This change will replace the existing manual process and ensure continued compliance for the District.

Ameritas - Voluntary Vision Care

No changes are recommended for the 2021 plan year. The cost of these benefits is paid by employees that enroll for the plans.

Life Insurance, AD&D, and LTD Plans – Mutual of Omaha


Mutual of Omaha administers the District's basic and supplemental (voluntary) life insurance plans. Both plans are fully insured.

Mutual of Omaha is also the administrator of the accidental death & dismemberment (AD&D) and long-term disability (LTD) plans.


These plans were renewed starting in 2018, with a three (3) year rate guarantee (until January 1, 2021). The District agrees with SSGI-HUB recommendation to continue our contract with Mutual of Omaha for these insurance products.


Recommendation

The District recommends the Board of Directors approve the negotiated rates for the Group Insurance products outlined above at the September 3, 2021 meeting. In addition, the District recommends the Board of Directors approve the recommendation to contract with Discovery Benefits for COBRA administration. I will be at the meeting to answer any questions you may have.


Bonnie Savine
Vice President, Human Resources

APPROVED:


Mark A. Mendenhall
Sr. Vice President, General Counsel


Mark E. Doyle
President

August 24, 2020

Ms. Bonnie Savine
Vice President, Human Resources
Metropolitan Utilities District (MUD)
3100 South 61st Avenue
Omaha, NE 68106

RE: Renewal Suggestions – 2021

Dear Bonnie:

On behalf of SilverStone Group, a HUB International company (SSGI-HUB), we thank you for the opportunity to work with MUD as your benefits consultant. The following summarizes our suggestions for the January 1, 2021 renewal of your self-funded medical and dental plans.

General Medical Overview

The year 2021 will represent the third year of the three-year contract established in 2019 between MUD and Blue Cross Blue Shield of Nebraska (BCBSNE). As outlined in the initial quote, the ASO fee for 2021 will move to \$47.40 per employee per month (PEPM) (inclusive of the Telehealth and spine management programs). This represents a 4.4% adjustment, or roughly \$753,660 annually based on average enrollment of 1,325 employees and retirees.

Consistent with the initial contract award, MUD will continue to receive 100% of the prescription drug rebates. The value of the prescription drug rebates reports in excess of \$1.1 million based on a rolling 12-month review through July 2020.

BCBSNE will be updating their standard contract provisions, and we would suggest the adoption of the new provisions, with most pertaining to clarifications within the existing contract.

Preferred Provider Organization (PPO) Medical

Under the PPO medical plan, the negotiated medical out-of-pocket maximum will transition to \$2,250 for an individual and \$4,500 for a family when receiving care from a network provider. Under the Affordable Care Act (ACA), the maximum allowed out of pocket for 2021 transitions to \$8,550 for an individual and \$17,100 for a family. The MUD prescription drug out-of-pocket maximum for 2021 will transition to \$6,300 for an individual and \$12,600 for a family as a result. This equates to the ACA maximum less the negotiated medical out-of-pocket maximum for 2021.

The employee contribution amounts will transition to 14.5% for the coming year. This percentage will be incorporated into the MUD rate figuration review based on a three-year average of premium costs.

SSGI-HUB evaluated the potential cost savings to introduce a qualified high deductible health plan (QHDHP) as an additional medical plan option for MUD employees in 2021. The estimated plan savings for this plan were roughly 26% assuming the BCBSNE narrow networks, Premier Select Blue Choice (PSBC) and Blue Print (BP), were utilized. If a QHDHP were considered, the suggested strategy would be for MUD to use a portion of the plan savings to make contributions to health savings accounts (HSAs) for any employee electing the plan.

Plan savings would be offset by these MUD HSA contributions. Recognizing the employee education needed, and minimal overall savings, suggestions were to not move forward with this approach for 2021.

HMO Medical

SSGI-HUB evaluated the potential savings to the HMO benefit plan(s) if coinsurance was added to the facility-related claims. Under the proposed change, members would pay 10% of eligible charges after any applicable copay and the plan would pay 90%. Currently, the plan pays 100% after any applicable copay.

Additionally, a minor change to the pharmacy benefit copay structure was evaluated. The change would take the specialty Rx copay from \$80 to \$100.

The final suggestion would be for MUD to increase the specialty Rx copay to \$100. No additional changes for the coinsurance on facility-related services.

Prescription Drugs

Effective in 2020, MUD adopted the BCBSNE NetResults formulary. There are no further suggested changes to the prescription drug program for 2021.

Stop-Loss

HM provided a preliminary renewal offer that is competitive to the offers provided by BCBSNE. A market review of stop-loss pricing is currently underway. The preliminary increase for a \$425,000 specific stop-loss deductible is 15%. This results in an annual premium cost of roughly \$796,908 based on 1,325 employees/retirees.

Review and finalization of the aggregate stop-loss will also coincide with the specific stop-loss review. The proposed aggregate stop-loss premium increase is 9.3%. This results in an annual premium cost of \$80,454 based on 1,325 employee/retirees.

We suggest moving forward to finalize the stop-loss renewal, while also confirming competitive pricing based on the market review.

Dental

The MUD self-funded dental plan moved administration to Ameritas effective January 1, 2019. Effective January 1, 2021, MUD moves into the third year of the initial three-year fee offer. The administration fee will remain \$3.89 PEPM.

Premium Equivalencies for Medical and Dental

SSGI-HUB will finalize the projected premium equivalencies for the 2021 plan year with the inclusion of claims through August 2020. These evaluations will be shared with MUD prior to the October annual enrollment. Preliminary projections show a needed increase to the medical funding of 2.82%, with the inclusion of a COVID-19 adjustment factor. No increase is projected for the dental plan.

Vision

A voluntary vision plan was introduced to MUD employees January 1, 2019. Ameritas underwrites the vision plan, with MUD employees having access to a dual choice plan with EyeMed or VSP networks offered. This plan will be renewing at no change in rates for 2021 as well. The premium rates will remain as follows:

Tier	Monthly Premium
Employee only	\$6.96
Employee and spouse	\$13.40
Employee and child(ren)	\$13.68
Family	\$21.36

Ancillary Benefits

Mutual of Omaha underwrites the MUD basic life and accidental death and dismemberment (AD&D), voluntary life and long-term disability (LTD) plans. Rates will remain at current levels for 2021.

Flexible Spending Accounts (FSAs) Administration

A market analysis was conducted for the FSA support. MUD will renew with PayFlex for the account administration for 2021.

COBRA Administration

A market analysis was conducted to review outsourcing the COBRA administration for the impacted MUD benefit plans. Discovery Benefits has provided a thorough and competitive quote for this service. The cost for this program is structured at \$.55 PEPM.

Based on the overview of the services, our suggestion is to move forward with the Discovery Benefits COBRA Administration proposed services effective January 1, 2021.

Long-Term Care

SSGI-HUB evaluated options for the introduction of long-term care coverage. The introduction and enrollment for this benefit would be done off cycle to the MUD annual enrollment. If MUD wants to pursue this benefit, a possible roll-out an enrollment could occur in spring 2021 with an initial simplified underwriting process.

Ms. Bonnie Savine
August 24, 2020
Page -4-

Thereafter, the long-term care could roll in with normal MUD annual enrollment cycles. New hires enrolling when initially eligible will go through a simplified underwriting process. Employees not electing during the initial offering, or when initially eligible, would be subject to full underwriting requirements if enrollment were requested at later dates.

Consulting Fees and Commissions

There are no changes to the consulting fees payable to SSGI-HUB for 2021. MUD will continue to remit the consulting fees to the medical and dental administrators as separate line items on the monthly administration invoices. The medical and dental administrators will remit to SSGI-HUB. The medical fee will remain \$5.53 PEPM. The dental fee will remain \$.96 PEPM.

The voluntary vision plan commissions will not change for 2021.

The premiums for the ancillary benefits (basic life, AD&D, voluntary life and LTD) are net of commissions.

Again, we appreciate the opportunity to work with you as your benefits consultant. If you have any questions regarding any of this review or our suggestions, please let me know.

Warmest regards,



Vicki L. Wulf
Vice President, Consultant

VLW/je

A large, stylized graphic of a hand in a vibrant teal color, with fingers spread, serving as a background for the text.

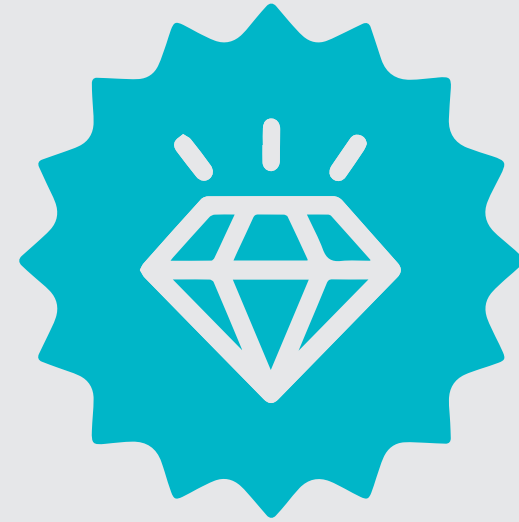
STATE OF THE DISTRICT

METROPOLITAN
UTILITIES DISTRICT



OUR MISSION

To provide safe, reliable and cost-effective natural gas and water services to our community.



CORE VALUES

Safety, Reliability, Fiscal Responsibility
and Organizational Excellence

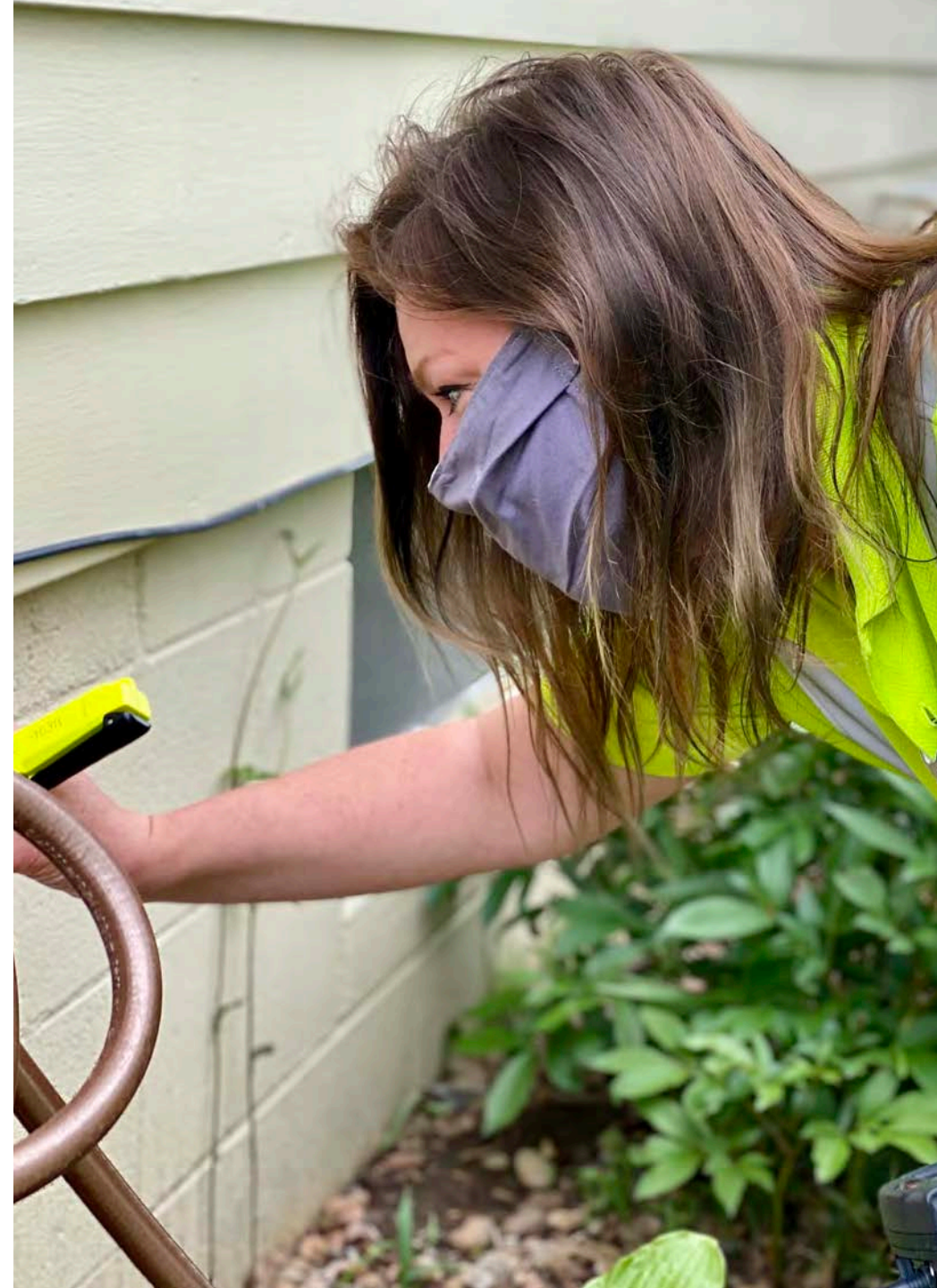
Safety



Public Safety

Decreased the Average Response Time to

21.92
MINUTES



Reliability



2019 IR Milestones



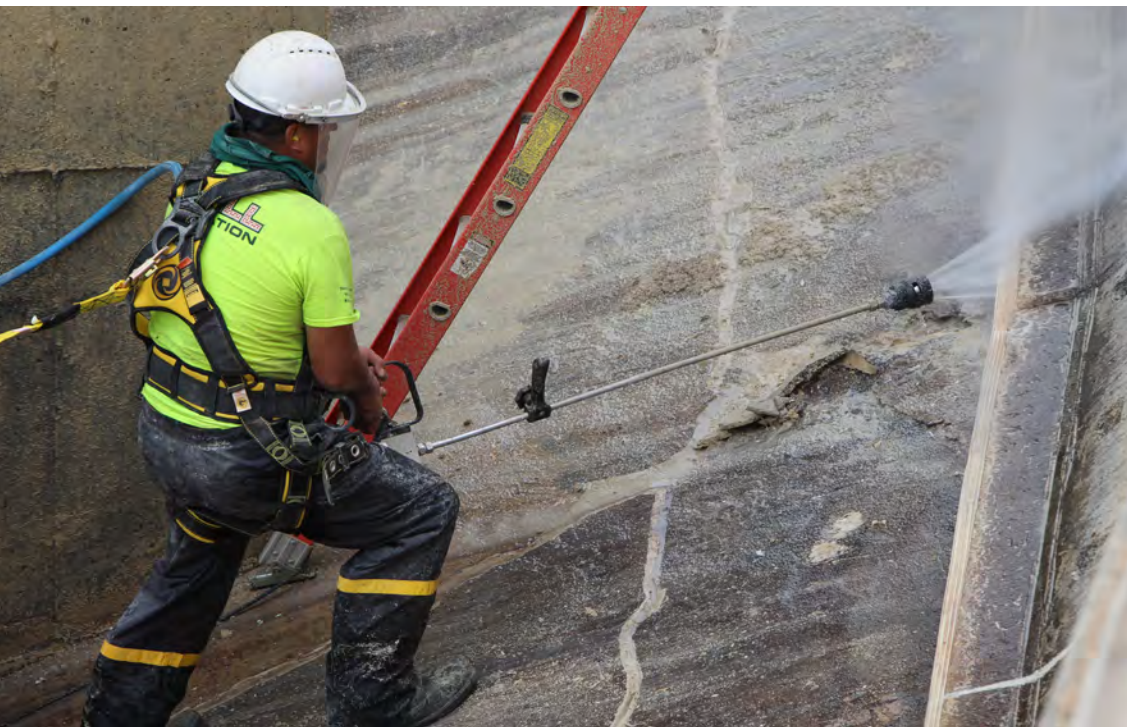
MILES OF GAS MAINS



MILES OF WATER MAINS

New Materials & Technologies





Fiscal Responsibility

STRONG CREDIT RATINGS

**S&P UPGRADE
TO AA+**

Fiscal Responsibility

\$20
MILLION

In spending reductions
vs. 2020 budget

\$37.2
MILLION

Expected savings from CPEP
pre-pay contracts 2019-2023

\$39.5
MILLION

Estimated savings with Northern
Natural Gas contract 2019-2023

CNG/Economic Growth

80 REFUSE
TRUCKS +

100K = **1,250**
DTH/YEAR HOMES

Home Fund Rebrand



Home Sweet Home Fund

After more than 37 years, our Heat Aid Fund has a new home: **Home Fund**. This change reflects our commitment to ensuring our customers' houses continue to feel like homes.

Need assistance with your gas and water bills?

Visit our website or call 402.554.6666.

Want to help those in need?

Make a donation today.



mudomaha.com/homefund

METROPOLITAN
UTILITIES DISTRICT

Affordability

1.	Oklahoma City, OK
2.	Denver, CO
3.	Memphis, TN
4.	Omaha, NE
5.	Austin, TX
6.	Milwaukee, WI
7.	San Antonio, TX

4th
**LOWEST
GAS RATES**

15.	Jackson, MS
16.	Denver, CO
17.	Detroit, MI
18.	Omaha, NE
19.	Jackson, TN
20.	Louisville, KY
21.	New York, NY

18th
**LOWEST
WATER RATES**



Keeping Promises to our Employees

\$12.3
MILLION

Pension Trust

\$14.3
MILLION

OPEB Trust

Organizational Excellence



Employee Engagement



One-on-one
Meetings



Skip Level
Meetings



Employee
Surveys



Task Force
Addressing Issues



Employee
Focus Groups

