

# METROPOLITAN UTILITIES DISTRICT

## Committee Meetings Agenda

8:15 a.m.

June 5, 2024

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

### **Construction & Operations – Friend, Sidzyik, Cavanaugh**

1. Capital Expenditures [Kendall Minor – SVP & Chief Operations Officer] – **Tab 5**
2. Change Order No. 1 – Replace Sections of Construction Center 1 Roof; 10 Men LLC – [John Velehradsky – Director, Facilities Management] – **Tab 6**
3. Change Order No. 2 – Administrative Building Addition, New Site Entrance, and Security Improvements at Platte South Water Production Facility – [Kris Thompson – Sr. Engineer – Major Projects, Water Department] – **Tab 7**
4. Acceptance of Contracts and Payment of Final Estimates [Adam Gartner – Interim Director, Plant Engineering] – **Tab 8**
5. Bids on Materials and Contracts [Jon Zellars – VP, Procurement & Enterprise Services] – **Tab 9**

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

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

### **Personnel – Begley, Sidzyik, Friend**

1. Wage and/or Salary Increases and Ratification [Bonnie Savine – VP, Human Resources] – **Tab 12**
2. Selection of Vice President, Water Operations [Bonnie Savine – VP, Human Resources] – **Tab 13**

### **Insurance & Pension – Howard, McGowan, Cook**

1. Insurance Renewals [Steve Dickas – VP, Accounting] – **Tab 14**
2. RFP for Investment Advisory Services – Recommendation [Mark Myers – SVP & Chief Financial Officer] – **Tab 15**

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

1. Renewal of Unsecured Line of Credit [Mark Myers – SVP & CFO] – **Tab 16**

### **Public Comment**

*(Turn over for regular Board Meeting agenda)*

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

9:00 a.m.

June 5, 2024

1. Roll Call
  2. Open Meetings Act Notice
  3. Pledge of Allegiance
  4. Approval of Minutes – Committee Meetings and Regular Board Meeting for May 1, 2024
- CONSTRUCTION & OPERATIONS**
5. Capital Expenditures
  6. Change Order No. 1 – Replace Sections of Construction Center 1 Roof; 10 Men LLC
  7. Change Order No. 2 – Administrative Building Addition, New Site Entrance, and Security Improvements at Platte South Water Production Facility
  8. Acceptance of Contracts and Payment of Final Estimates
  9. Bids on Materials and Contracts
  10. Notice of Purchases Between \$25,000 & \$50,000
- SERVICES & EXTENSIONS**
11. Main Extensions
- PERSONNEL**
12. Wage and/or Salary Increases and Ratifications
  13. Selection of Vice President, Water Operations
- INSURANCE & PENSION**
14. Insurance Renewals
  15. RFP for Investment Advisory Services – Recommendation
- ACCOUNTS, EXPENDITURES, FINANCE & RATES**
16. Renewal of Unsecured Line of Credit
- BOARD**
17. Other Matters of District Business for Discussion
  18. Public Comment
  19. CLOSED SESSION – Litigation, Personnel and Real Estate

**Adjourn Regular Monthly Board Meeting**

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

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Committee Meeting**  
**May 1, 2024**

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

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, April 21, 2024. Notice was also provided on the MUD website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and all pertinent Board materials to be presented at the meeting were emailed to Directors and posted on the MUD website on April 26, 2024.

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

**Safety Briefing**

Manager of Safety Shane Docken provided a safety briefing for all individuals attending the meeting in-person regarding protocol at the headquarters building in the event of an emergency.

**Roll Call**

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

**Open Meetings Act Notice**

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

**Proposed Updates to the Billing Price Book**

Manager of Financial Planning & Analysis Stephanie Lemonds presented a PowerPoint to review the proposed changes, and noted for the Directors that their Board Book information included her letter to the Committee outlining the proposed updates, the detailed list of the revised prices, and the Resolution. The proposed changes will become effective on June 1, 2024, upon approval by the Board.

The Billing Price Book establishes prices for specified services and materials that the District provides to customers and contractors that are wholly separate from customers' monthly gas and water charges. The District typically conducts an annual

review of its pricing using a 'cost recovery' approach to ensure the prices continue to align with actual costs, including the current average hourly wage rate of the personnel performing the service, the average time required to complete each task, and the customer materials sold or installed as part of the service. Some services are not cost based but rather service fees intended to discourage such actions in the future, such as penalty fees for turning on a service that has been disconnected for nonpayment. Some services are intentionally priced below cost when it involves customers who are facing financial hardship. An example is the "Turn-on Charge for Collection Accounts - Priority" service which is below cost and occurs after a customer's service has been turned off for non-payment.

Revenue generated from Billing Price Book charges this past fiscal year totaled approximately \$4.1 million, or 1% of total revenue. Although it is a relatively small percentage of total revenue, the District makes every effort to conduct a thorough review each year to ensure that pricing methodologies are accurate, and that prices charged for the services are reasonable.

Ms. Lemonds recognized Senior Financial Analyst Brandon Meisinger for his work on the annual review process.

Ms. Lemonds reviewed the frequently billed services highlighting pricing changes and the rationales for updating them. She presented a list of prices increasing by more than \$200 which included large water taps of various sizes. These changes were driven by significant price increases for materials that were largely due to continued inflation and an increase in labor costs. Ms. Lemonds also pointed out one item increasing by more than 15%, the gas meter replacement charge. Discussion took place regarding this item, and it was explained that the increase to the price of this service was primarily due to the addition of the ERT (encoder receiver transmitter) on meters.

She also noted that no new billing items or fees are being recommended this year. The revised Billing Price Book, upon approval by the Board, will be posted on the District's website to publicize the changes for customers and contractors along with an announcement that the revisions will take effect June 1, 2024.

### **Construction and Operations – Friend, Sidzyik, Cavanaugh**

Senior Vice-President and Chief Operations Officer Kendall Minor presented the proposed capital expenditures as outlined in his letter to the Committee dated April 25, 2024. Discussion took place regarding the Platte West Water Treatment Facility perimeter fencing and Above Ground Regulator Stations.

Director of Facilities Management John Velehradsky presented Change Order Number 1 for the Operations Center Remodel with MCL Construction as outlined in his

letter to the Committee dated April 16, 2024. Discussion took place regarding City of Omaha building code and items not included in the original estimate.

Interim Director of Plant Engineering Adam Gartner reviewed the Acceptance of Contracts and Payment of Final Estimates as outlined in the Committee from Interim Director of Plant Engineering, Adam Gartner dated April 16, 2024.

Vice-President of Procurement & Enterprise Services Jon Zellars presented the bids on materials and contracts as outlined in the letter to the Committee from Director of Procurement Sherri Lightfoot dated April 17, 2024.

Vice-President of Engineering Masa Niiya presented the proposed main extensions as outlined in his letter to the Committee dated April 24, 2024.

#### **Personnel – Begley, Sidzyk, Friend**

Vice-President of Human Resources Bonnie Savine reviewed the wage and/or salary increases and ratifications as outlined in her letter to the Committee dated April 22, 2024.

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

Governmental Relations Attorney Rick Kubat presented the Final Legislative Report dated April 24, 2024, summarizing all legislative bills that have been identified as being of interest to the District.

Senior Vice-President and General Counsel Mark Mendenhall presented the Settlement of Nebraska Medicine and Farmers Mutual Claim regarding Water Main Break in August 2023 as outlined in his letter to the Committee dated April 25, 2024.

Mr. Mendenhall continued, presenting the Water Rules and Regulations Amendments as outlined in his letter to the Committee dated April 27, 2024.

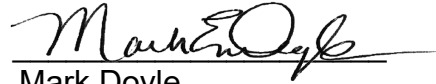
#### **Committee of the Whole**

President Mark Doyle asked Interim Vice President, Water Operations Andy Melville to discuss efforts related to the April 26<sup>th</sup> tornado recovery and resumption for the District and ratepayers. President Doyle presented the annual 'State of the District.' (Presentation slides and video can be found on the MUD website.) Director Cook requested a follow-up on how organizations request sponsorships from the District. Director McGowan inquired as to whether public service announcements would be distributed to local media for recent \$25 million grant award from PHMSA.

#### **Public Comment**

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

At 9:04 a.m., Chairperson Begley announced the Committee Meetings had concluded and the Board would reconvene in ten minutes for the regular monthly Board Meeting.

A handwritten signature in black ink, appearing to read "Mark Doyle", with a horizontal line extending to the right from the end of the signature.

Mark Doyle  
President & Secretary to the Board

MD/sec

**METROPOLITAN UTILITIES DISTRICT**  
**Minutes of the Regular Monthly Board Meeting**  
**May 1, 2024**

Chairperson Jim Begley called to order the Regular Board Meeting of the Metropolitan Utilities District Board of Directors at 10:05 a.m. at its headquarters building located at 7350 World Communications Drive.

Advance notice of the meeting was published in the print version of *The Omaha World-Herald* on Sunday, April 21, 2024. Notice was also provided on the MUD website at [www.mudomaha.com](http://www.mudomaha.com) and other social media platforms. Agendas and all pertinent Board materials to be presented at the meeting were emailed to Directors and posted on the MUD website on April 26, 2024.

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

**AGENDA NO. 1**

**ROLL CALL**

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

**AGENDA NO. 2**

**OPEN MEETINGS ACT NOTICE**

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

**AGENDA NO. 3**

**PLEDGE OF ALLEGIANCE**

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

**AGENDA NO. 4**

**APPROVAL OF MINUTES FOR THE COMMITTEE MEETINGS, REGULAR MONTHLY BOARD MEETING AND PUBLIC HEARING FOR APRIL 3, 2024.**

Director Friend moved to approve the minutes for the Committee Meetings and regular monthly Board Meeting for April 3, 2024, which was seconded by Director Cook and carried on a roll call vote.

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

Committee Meetings & Regular Board Meeting

May 1, 2024

Page 5 of 8

Voting No: None

**AGENDA NO. 5**  
**UPDATES TO THE BILLING PRICE BOOK (RESOLUTION)**

Director McGowan moved to approve the updates to the Billing Price Book as presented in the Committee Meetings by Manager of Financial Planning and Analysis Stephanie Lemonds and as outlined in her letter to the Committee dated April 25, 2024. The motion was seconded by Director Friend and carried on a roll call vote.

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

**AGENDA NO. 6**  
**CAPITAL EXPENDITURES**

Director Friend moved to approve the proposed capital expenditures as presented in the Committee Meetings by Senior Vice-President and Chief Operations Officer Kendall Minor as outlined in his letter to the Committee dated April 24, 2024. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

**AGENDA NO. 7**  
**CHANGE ORDER NO. 1 – OPERATION CENTER REMODEL; MCL CONSTRUCTION**

Director Friend moved to approve the proposed capital expenditures as presented in the Committee Meetings by Director, Facilities Management John Velehradsky as outlined in his letter to the Committee dated April 16, 2024. The motion was seconded by Director McGowan and carried on a roll call vote.

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

**AGENDA NO. 8**  
**ACCEPTANCE OF CONTRACTS AND PAYMENT OF FINAL ESTIMATES**

Director Friend moved to approve the acceptance of contracts and payment of final estimates as presented in the Committee Meetings by Interim Director, Plant Engineering Adam Gartner and as outlined in his letter to the Committee dated April 16, 2024. The motion was seconded by Director Howard and carried on a roll call vote.

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



**AGENDA NO. 9**

**BIDS ON MATERIALS AND CONTRACTS**

Director Friend moved to approve the bids on materials and contracts as presented in the Committee Meetings by Vice-President of Procurement and Enterprise Services Jon Zellars and as outlined in the letter to the Committee dated April 17, 2024, from Director of Procurement Sherri Lightfoot. The motion was seconded by Director Cavanaugh and carried on a roll call vote.

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

Voting No: None

**AGENDA NO. 10**

**MAIN EXTENSIONS**

Director Friend moved to approve the proposed main extensions as presented in the Committee Meetings by Vice-President of Engineering Masa Niiya and as outlined in his letter to the Committee dated April 24, 2024, which was seconded by Director Cook and carried on a roll call vote.

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

Voting No: None

**AGENDA NO. 11**

**WAGE AND/OR SALARY INCREASES AND RATIFICATIONS**

Director Begley moved to approve the Wage and/or Salary Increases and Ratifications as presented in the Committee Meetings by Vice-President of Human Resources Bonnie Savine and as outlined in her letter dated April 22, 2024. The motion was seconded by Director Howard and carried on a roll call vote.

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

Voting No: None

**AGENDA NO. 12**

**FINAL LEGISLATIVE REPORT FOR 2024**

Director Cavanaugh requested have the Final Legislative Report for 2024 as presented by Government Relations Attorney Rick Kubat in the Committee Meetings and as outlined in his letter dated April 24, 2024, placed on file. No vote necessary.

**AGENDA NO. 13**

**NEBRASKA MEDICINE CLAIM SETTLEMENT**

Director Cavanaugh moved to approve the Nebraska Medicine Claim Settlement related to the August 2023 water main break as presented in the Committee Meetings by Senior Vice President and General Counsel Mark Mendenhall and as outline in his letter

dated April 25, 2024. The motion was seconded by Director Cook and carried on a roll call vote.

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

**AGENDA NO. 14**  
**WATER RULES UPDATE**

Director Cavanaugh moved to approve the Water Rules and Regulations Amendments as presented in the Committee Meetings by Senior Vice President and General Counsel Mark Mendenhall and as outline in his letter dated April 27, 2024. The motion was seconded by Director Friend and carried on a roll call vote.

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

**AGENDA NO. 15**  
**OTHER MATTERS OF DISTRICT BUSINESS FOR DISCUSSION**

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

**AGENDA NO. 16**  
**PUBLIC COMMENT**

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

**AGENDA NO. 17**  
**CLOSED SESSION – LITIGATION, PERSONNEL AND REAL ESTATE**

A Closed Session was not necessary.

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

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

The regular Board Meeting was adjourned at 10:13 a.m.



Mark Doyle  
President & Secretary to the Board

MD/sec

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

May 28, 2024

**Subject: CAPITAL EXPENDITURES**

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

**From:** Kendall Minor, SVP & Chief Operations Officer

The following items will be on the June 5, 2024, Committee Agenda for consideration and the Board Agenda for approval.

**BUILDINGS, PLANTS & EQUIPMENT**

**1. JOB #: WP2049** (100091000063 - \$472,500)

**TOTAL COST:** \$472,500

**LOCATION:** Platte West Water Production Facility

**PURPOSE:** Outdoor Material Storage Bins Construction Phase

**DESCRIPTION:** The purpose of this project is to build a material storage building at Platte West Water Production Facility. Currently material storage and handling is inefficient and cumbersome as it is being purposed within the Garage Building stalls. The building was not designed for this and it takes away valuable space necessary for vehicle/equipment storage. This will allow efficient storage of large quantities of materials such as sand, gravel, dirt, and other palletted materials. The open bay storage concept will allow safe and efficient loading and unloading of materials. The 5 bay building will be a prefabricated steel construction supported by reinforced concrete walls and foundation. The roofing and exterior siding will match the overall appearance of the existing Platte West WPF buildings.

The Platte West Outdoor Material Storage Bins project was included in the approved FY2024 budget. Approval of this C&A will authorize the President to enter into a contract with Midwest DCM to proceed with construction of the material storage building. If approved, the project is anticipated to be completed in 2024.

**2. JOB #:** (100031000020 - \$60,000)

**TOTAL COST:** \$60,000

**LOCATION:** Florence Water Treatment Plant

**PURPOSE:** Basin 1 Skirting Repairs

**DESCRIPTION:** Basin 1 skirting that wraps around the collection weirs/flume protects the weirs from accumulating debris i.e. leaves that may enter the basin. They also protect the weirs from freezing during the winter months. The skirting is experiencing significant corrosion and beginning to separate from the basin. This C&A is to cover the funds to replace the skirting around the entire collection weir with stainless steel to extend the life of the skirting.

**3. JOB #:** (100033000018 - \$69,625)

**TOTAL COST:** \$69,625

**LOCATION:** Platte South Water Production Facility

**PURPOSE:** Professional Architectural and Engineering Roof Design Services

**DESCRIPTION:** Facilities Management is seeking approval to procure Professional Architectural and Engineering Roof Design Services. The scope of work included in this C&A consists of design services for five roof replacement projects at the Platte South Water Production Facility, including: Engine (High Service) building; Connecting Gallery; Unloading Bay; and North and South Upflow Basins. Work will be phased for the design work to occur in 2024 to seek favorable bids later this year for 2025 construction. A separate C&A will be sent for approval of the roof construction and inspection services to occur in 2025.

A formal request for proposals and qualifications process was conducted for the selection of the design and inspection consultant pending approval at the June 5, 2024 meeting of the Board of Directors. The review committee unanimously selected Schemmer as the roof design and inspection consultant based on their submitted qualifications, proposal, and interview. Approval of this C&A will authorize the President to enter into an agreement with Schemmer to provide Professional Architectural and Engineering Roof Design Services.

**4. JOB #:** (100084001338 - \$146,000)

**TOTAL COST:** \$146,000

**LOCATION:** Operations Center

**PURPOSE:** Exterior Building Repairs

**DESCRIPTION:** The Operations Center was constructed in the late 1960's and needs exterior building repairs. The scope of work will include the following: repairs to masonry mortar joints; replacement of broken masonry; replacement of deteriorated concrete windowsills; repairs to concrete support columns; and joint sealing around perimeter edges.

**SYSTEM IMPROVEMENTS**

**1. JOB #:** WP2114 (100071000731 – \$117,832)

**TOTAL COST:** \$117,832

**LOCATION:** South 49<sup>th</sup> Avenue and South 50<sup>th</sup> Street from Q Street to Y Street and along South 50<sup>th</sup> Avenue from S Street to Y Street; South 46<sup>th</sup> Avenue from Frances Street to Spring Street, South 48<sup>th</sup> Avenue from Center Street to Spring Street, and Spring Street from South 46<sup>th</sup> Avenue to South 48<sup>th</sup> Avenue.

**PURPOSE:** Non-invasively assess the condition of 3.16 miles of 6 inch cast iron water mains.

**DESCRIPTION:** It is requested to pilot the ePulse® acoustic condition assessment technology offered by Echologics, LLC to evaluate the condition of 5 stretches of 6" cast iron main as described above at the locations above. The information gathered from the inspection will be used for targeted rehabilitation activities vs. entire pipeline replacement if determined to be a cost-effective strategy based on the results of the inspection. The goal will be to use the information from the inspection to take actions to reduce the risks of water main breaks on these mains and confirm the integrity of the pipeline. These mains are medium risk mains that have experienced localized main breaks so are not being considered for a full replacement project. Echologics will perform with acoustic sensors. After field testing the collected data will be analyzed to provide condition data and defect locations.

These mains have previously been inspected using other condition assessment technologies including the PICA HydraSnake and the Hydromax USA p-Cat. This inspection will help us to compare results to the other two technologies, validate the results and better plan for future condition assessment projects.

**2. JOB #: GP2880** (100052001868 - \$254,900) & (100066002457 – \$48,400)

**TOTAL COST:** \$303,300

**LOCATION:** South 156<sup>th</sup> Street from West Center Road to Ontario Street

**PURPOSE:** Install 4” plastic gas main and abandon below ground regulator station along with associated mains

**DESCRIPTION:** The proposed 4” gas main in 156th Street is needed to eliminate a severely corroded below ground regulator station at South 156th Street and Ontario Street. This project will also eliminate two single-fed distribution systems which improves the reliability of the distribution system in this area.

The abandonments associated with this project are necessary to eliminate smaller diameter parallel gas mains in South 156th Street. Avoiding parallel distribution mains in a street improves safety and the ability for District personnel to pinpoint potential leaks in the future.

**3. JOB #: R2228** (100053001558 - \$50,000), (100067001555 - \$5,000), (100054001118 - \$33,000) & (100068001101 - \$5,000)

**TOTAL COST:** \$93,000

**LOCATION:** North 24<sup>th</sup> Street and Lake Street, Ohio Street to Lake Street

**PURPOSE:** Relocate hydrant, water and gas mains

**DESCRIPTION:** This work is required due to development of the 2505 N. 24th Street property as a part of the Forever North project. The gas main is conflict with proposed building footprint and the hydrant and water main conflict with the proposed building footprint, sidewalk paving and storm sewer. This work is reimbursable as the project is private in nature. This project is anticipated to start in June 2024 and will be constructed by M.U.D. crews.

**4. JOB #: R2281 - STREETCAR PROJECT** (100054001147 - \$720,000) & (100068001130 - \$74,700)

**TOTAL COST:** \$794,700

**LOCATION:** South 8<sup>th</sup> Street and South 10<sup>th</sup> Street from Harney Street to Capitol Street & Farnam Street and Capitol Street from South 8<sup>th</sup> Street to South 10<sup>th</sup> Street

**PURPOSE:** Relocate gas mains

**DESCRIPTION:** This work is required to eliminate conflicts on the City of Omaha's Streetcar Project OPW 54338. This phase will be the third of eight gas relocation projects along the currently proposed streetcar route. This work is anticipated to start in August 2024 and will be constructed by M.U.D. crews.

The District and the City of Omaha agreed to limit the District's costs for gas and water infrastructure work related to the streetcar to \$7.6 million.

**5. JOB #: R2289 - STREETCAR PROJECT** (100054001155 - \$650,000) & (100068001138 - \$57,500)

**TOTAL COST:** \$707,500

**LOCATION:** Farnam Street from 37<sup>th</sup> Street to South 44<sup>th</sup> Street & Harney Street from South

38<sup>th</sup> Street to South 38<sup>th</sup> Avenue.

**PURPOSE:** Relocate gas mains

**DESCRIPTION:** This work is required to eliminate conflicts on the City of Omaha's Streetcar Project OPW 54338. This phase will be the fourth of eight gas relocation projects along the currently proposed streetcar route. This work is anticipated to start in June 2024 and will be constructed by M.U.D. crews.

The District and the City of Omaha agreed to limit the District's costs for gas and water infrastructure work related to the streetcar to \$7.6 million.

**6. JOB #: R2250** (100053001557 - \$35,500), (100067001528 - \$2,000), (100054001136 - \$560,000), (100068001118 - \$40,000), (100062000696 - \$35,000) & (100062000697 - \$35,000)

**TOTAL COST:** \$707,500

**LOCATION:** 192<sup>nd</sup> Street and West Dodge Road & South 192<sup>nd</sup> Street and Burke Street.

**PURPOSE:** Relocate 2 hydrants, plastic and steel gas mains, and above ground regulator station.

**DESCRIPTION:** This work is required to eliminate conflicts with proposed grading, paving and storm sewers being built along the US-6 and 192nd Interchange for NDOT project S-6-7 (1060). This project is anticipated to start in June 2024 and will be constructed by an MUD crew.

This work is not reimbursable as the mains are in public right-of-way.

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

Approved:

DocuSigned by:  
*Mark Doyle*  
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Mark E. Doyle  
President

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

May 22, 2024

**Subject:** CHANGE ORDER 1 – REPLACE SECTIONS OF CONSTRUCTION CENTER I ROOF; 10 MEN LLC; 100084001263

**To:** Committee on Construction & Operations – Dave Friend, Chairperson; Bob Sidzyik and Tim Cavanaugh  
Cc: All Board Members and Messrs. Doyle, Ausdemore, Mendenhall, Minor, Myers, Ms. Lobsiger, and all Vice Presidents

**From:** John Velehradsky, Director, Facilities Management

On May 3, 2023, the District entered into a contract with 10 Men LLC to replace sections of the roof for Construction Center I. The original contract price was \$1,369,000.00. Change Order No. 1 represents an increase of \$43,910.02 to the contract for a total cost of \$1,412,910.02 and consists of seven items.

Item No. 1 represents an increase of \$12,922.80 to provide a new roofing detail for an expansion joint that was discovered when the existing roof was removed in the southeast section. Expansion joints are used to hold separate building and roof sections together while safely absorbing temperature induced expansion and contraction. The existing roof had several divider parapets planned for removal. A divider wall scheduled for demolition on the southwest portion of the roof was found to also be an expansion joint. Additional work was necessary for a new expansion joint detail in lieu of the planned divider wall removal.

Item No. 2 represents an increase of \$10,476.40 to modify the fascia and membrane at the boundary between separate roof levels. Uneven substrates and an expansion joint were discovered when the existing roof was removed at this location. Additional work was necessary to fix the substrates and provide a new expansion joint detail.

Item No. 3 represents an increase of \$2,070.00 to provide a new roofing detail for an expansion joint that was discovered when the existing roof was removed in the north section, where the lower roof tied into an upper wall.

Item No. 4 represents an increase of \$10,130.45 to install new anchors and tie downs for the boiler vent stack. After the existing roof was removed, the existing roof anchors and tie downs were found to be improperly secured to the roof structure and unsuitable for reuse due to current design wind load conditions, requiring replacement.

Item No. 5 represents an increase of \$7,002.20 to replace a leaking water roof hydrant discovered after the new roof had been installed. The leakage caused damage to a small area of new roofing that had to be replaced as well.

Item No. 6 represents an increase of \$855.80 for the reinstallation of a roof curb needed to assist with drainage.

Item No. 7 represents an increase of \$452.17 replace rotten wood blocking in a parapet wall the was discovered with the existing roof was removed.

Overall, including this change order, the project was completed within the approved C&A amount of \$1,641,431.00. This work has already been completed to prevent delays.  
**Approval of the Final Payment is contingent on the approval of Change Order No. 1.**

DocuSigned by:  
*John E. Velehradsky*  
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John Velehradsky  
Director, Plant Engineering

**Approved:**

DocuSigned by:  
*Jon Zellars*  
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Jon Zellars  
Vice President,  
Procurement & Enterprise Services

DocuSigned by:  
*Steve Ausdemore*  
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Steve Ausdemore  
Sr. Vice President,  
Field Services, Safety & Security

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*Mark Mendenhall*  
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Mark Mendenhall  
Sr. Vice President, General Counsel

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*Mark Doyle*  
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Mark Doyle,  
President



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

May 10, 2024

**Subject:** CHANGE ORDER NO. 2 – ADMINISTRATIVE BUILDING ADDITION, NEW SITE ENTRANCE, AND SECURITY IMPROVEMENTS; PLATTE SOUTH WATER PRODUCTION FACILITY; MIDWEST DCM; WP2060 (100033000009)

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

**From:** Kris Thompson, Sr. Engineer – Major Projects, Water Department

On January 3, 2024, the District entered into a contract with Midwest DCM to construct the new administrative building addition, new site entrance, and security improvements at the Platte South Water Production Facility. The original contract price was \$4,789,000.00. Change Order No. 1 resulted in a net addition of \$18,464.76. Change Order No. 2 results in a net addition of \$99,690.75. This will change the total contract price to \$4,907,155.51.

Change Order No. 2 represents an increase cost of \$99,690.75 due to a variety of field changes.

- Item 1 includes replacing the existing site exterior lighting circuit, light pole bases, light poles, and fixtures. During construction it was discovered that the existing exterior lighting circuit was in very poor condition and required replacement. The plans included only replacing the light poles that conflicted with the new construction and reconnecting to the existing circuit.
- Item 2 includes additional work associated with shifting the guard station and the west entrance paving to avoid utility conflicts. The additional work includes surveying, utility work, and concrete paving.
- Item 3 includes additional storm sewer work due to conflicts discovered during construction.

This work is in progress and your approval is requested.

DocuSigned by:

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Kris Thompson

Sr. Engineer – Major Projects, Water Department

**Approved:**

DocuSigned by:

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Doug WhitfieldDirector,  
Platte South

DocuSigned by:

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Andy Melville  
Interim Vice President,  
Water Department

DocuSigned by:

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Kendall Minor  
Sr. Vice President,  
Chief Operations Officer

DocuSigned by:

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Mark Mendenhall  
Sr. Vice President,  
General Counsel

DocuSigned by:

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Mark Doyle  
President

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

May 30, 2024

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

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

**From:** Adam Gartner, Interim Director, Plant Engineering

The following items will be on the June 5, 2024, Committee Meeting for consideration and the Board Meeting Agenda for approval. Work has been satisfactorily completed on the following contracts and final payment is recommended:

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
a. Kersten Construction, WP2013/1994, 100055001445, 100055001437, Install Water Mains in Children's/Coventry Subdivision Lot 118-120, SW Of 205th Plz. & Coventry Dr.	5/3/2023	\$173,616.00	\$182,181.50

**Comments:** There was an increase of \$8,565.50 (4.9%) for this project, due to one previously approved change order and a decrease in unit quantities required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
b. Cedar Construction Company, Inc., WP1890S, 100055001392, Install Water Mains in South Streams Subdivision, SE of 204th St. & Q St.	7/6/2022	\$1,683,167.00	\$1,689,010.25

**Comments:** There was an increase of \$5,843.25 (0.4%) for this project, due to one previously approved change order and a decrease in unit quantities required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
c. Q3 Contracting, Inc., GP2660, 100092001674, 100082000040, 100082000041, 100082000042, 100082000043, 100042000130, Contracted Cast Iron Gas Main Replacement, S. 16th St. to S. 26th St. & B St. to M St.	1/4/2023	\$1,788,034.93	\$1,530,726.60

**Comments:** This was a gas cast iron main replacement project that included work in S 20<sup>th</sup> St and Missouri Ave which is a state highway. There was a decrease of \$257,308.33 (-14.4%) for this project, due to a reduction of unit quantities required to complete the work. The project carried a large contingency for concrete restoration anticipating hard surface restoration in roadways. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
d. Q3 Contracting, GP2584, 100092001658, 100082000040, 100082000041, 100082000042, 100082000043, 100042000109, Contracted Cast Iron Gas Main Replacement, 36th St. to 48th St. & Saddle Creek Rd. to Center St.	1/5/2022	\$2,603,105.54	\$2,468,616.12

**Comments:** This was the last of two gas cast iron main replacement projects that were scheduled to start in 2022 but were delayed because of supply chain material shortages following the pandemic. There was a decrease of \$134,489.42 (-5.2%) for this project, due to a previously approved change order and a reduction of unit quantities required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		*Unit Price Bid	Actual
e. Q3 Contracting, GP2583, 100092001657, 100082000040, 100082000041, 100082000042, 100082000043, 100042000108, Contracted Cast Iron Gas Main Replacement, 30th St. to 39th St. & Weber St. to Sorensen Pkwy.	1/5/2022	\$2,663,791.41	\$2,539,834.10

**Comments:** This was the last of two gas cast iron main replacement projects that were scheduled to start in 2022 but were delayed because of supply chain material shortages following the pandemic. There was a decrease of \$123,957.31 (-4.7%) for this project, due to a previously


approved change order and a reduction of unit quantities required to complete the work. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		Contract Bid	Actual
f. Dakota Pump, Inc., WP1701, 100083001102, Manufacture Cornhusker Road Underground Pump Station	8/3/2022	\$436,667.00	\$469,537.00


**Comments:** This contract was for the District procured packaged Cornhusker Pump Station that was contractor installed in 2023. The contract for the installation was presented at the May 2024 board meeting. There was an increase of \$32,870.00 (7.5%) for this project, due to two previously approved change orders. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications.

Contract	Contract Approval Date	Amounts	
		Contract Bid	Actual
g. 10 Men LLC, 100084001263, Replace Sections of Construction Center 1 Roof	5/3/2023	\$1,369,000.00	\$1,407,003.56


**Comments:** This contract was for replacement of sections of roofing at the existing Construction Center facility. There was an increase of \$38,003.56 (2.8%) for this project due one change order and a small deduct for contractor damages during construction. All work required by the contract has been completed by the Contractor and is acceptable and in compliance with the Contract and Specifications. Approval of the final is contingent upon approval of the Change Order no. 1.

DocuSigned by:  
  
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 Adam Gartner  
 Interim Director, Plant Engineering

Approved:

DocuSigned by:  
  
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 Masa Miya  
 Vice President  
 Engineering

DocuSigned by:  
  
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 Kendall Minor  
 Senior Vice President  
 Chief Operations Officer

DocuSigned by:  
  
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 Mark Doyle  
 President

METROPOLITAN UTILITIES DISTRICT  
*Inter-Department Communication*

May 24, 2024

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

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

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

The following items will be on the June 5, 2024 Committee Agenda for consideration and the June 5, 2024 Board Agenda for approval. The recommended bid is bolded and listed first. Nonlocal bidders have been indicated in italics.

**WATER/GAS MAIN CONTRACTS**

<b><u>Item</u></b>	<b><u>Bids Sent</u></b> <b><u>/ Rec'd</u></b>	<b><u>Bidders</u></b>	<b><u>Bid Amount</u></b>
Cast Iron Water Main Replacement Bedford Avenue from N. 72 <sup>nd</sup> Street to N. 76 <sup>th</sup> Street and Pinkney Street from N. 72 <sup>nd</sup> Street to N. 75 <sup>th</sup> Street 100093001413 WP2008 Engineering Estimate: \$961,750.00 (C&A for Annual Water Main Infrastructure Replacement Program approved January 3, 2024 in the amount of \$25,132,000.00.)	22/4	<b><i>Valley Corporation</i></b>	<b>\$990,389.74</b>
		<i>General Excavating</i>	1,088,140.92
		Roloff Construction	1,134,806.50
		<i>Murphy Pipeline</i>	1,167,005.25
Cast Iron Water Main Replacement N. 48 <sup>th</sup> Street from Sahler Street to Pratt Street and Spaulding Street from N. 52 <sup>nd</sup> Street to N. 48 <sup>th</sup> Street and N. 50 <sup>th</sup> Street from Ruggles Street to Manderson Street 100093001414 100051001081 WP2009 Engineering Estimate: \$1,658,950.00 (C&A for Annual Water Main Infrastructure Replacement Program approved January 3, 2024 in the amount of \$25,132,000.00.)	22/4	<b><i>K2 Construction</i></b>	<b>\$1,551,300.00</b>
		<i>Valley Corporation</i>	1,603,831.67
		<i>Murphy Pipeline</i>	1,743,280.50
		Roloff Construction	1,909,645.00

Install Water Mains in Bungalows at Whitehawk Lake Lot 1, SE of S. 204 <sup>th</sup> Street and F Street 100055001473 WP2105 Engineering Estimate: \$177,770.00 (A C&A in the amount of \$211,265.00 will be presented to the Board on June 5, 2024 for approval.)	22/3	<b>Kersten Construction \$168,078.50</b> <i>Pat Thomas Construction 189,890.00</i> Cedar Construction 243,900.00
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Install Water Mains in Bungalows at Honeysuckle Lot 1 12" Pioneer Main, SE of Honeysuckle Drive and Veterans Drive 100055001474 100057000548 WP2106 Engineering Estimate: \$375,150.00 (A C&A in the amount of \$476,976.00 will be presented to the Board on June 5, 2024 for approval.)	22/2	<b>Kersten Construction \$370,832.00</b> Cedar Construction 420,701.00
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Install Water Mains in Purple Martin Hill Lot 1, NE of Kansas Avenue and Purple Martin Pkwy 100055001475 WP2107 Engineering Estimate: \$111,160.00 (A C&A in the amount of \$139,021.00 will be presented to the Board on June 5, 2024 for approval.)	22/4	<b>Castle Contracting \$99,421.00</b> Kersten Construction 105,616.00 <i>Pat Thomas Construction 123,320.00</i> Cedar Construction 157,050.00
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### OTHER

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Platte West Material Storage Building 100091000063 WP2049 Engineering Estimate: \$351,158.00 (A C&A in the amount of \$472,500.00 will be presented to the Board on June 5, 2024 for approval.)	10/2	<b>Midwest DCM</b> DR Anderson Const.	<b>\$340,305.00</b> 400,051.50
Operations Center Exterior Building Repairs 100084001338 Engineering Estimate: \$120,000.00 (A C&A in the amount of \$146,000.00 will be presented to the Board on June 5, 2024 for approval.)	8/4	<b>Western Specialty</b> McGill Restoration <i>Mid-Continental Restor.</i> Fisher Window Cleaning	<b>\$122,565.81</b> 128,630.00 132,845.00 200,180.00

Two (2) Directional Boring Machines, Mixing Systems, Tandem Axle Trailers and Locating Systems 100087000686 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of \$18,794,100.00.)	5/1	<b>Vermeer High Plains</b>	<b>\$470,670.00</b>
Six (6) Crew Cab and Chassis for Utility Crew Truck (CNG) 100088000836 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of \$18,794,100.00.)	5/1	<b>Truck Center</b>	<b>\$1,004,656.98</b>
Six (6) Fiberglass Crew Truck Body with Air Compressor and Power Inverter 100088000837 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of \$18,794,100.00.)	5/2	<b>Aspen Equipment</b> <i>Protech Commercial</i>	<b>\$730,380.00</b> 747,036.00
One (1) Welding Truck Body and Crane 100088000823 (C&A for Annual Construction Machines, Equipment, Vehicles and Upfitting approved January 3, 2024 in the amount of \$18,794,100.00.)	1/1	<b>Aspen Equipment</b>	<b>\$61,000.00</b>
Basin #1 Skirting Repairs at the Florence Water Treatment Plant (WTP) 100031000020 (A C&A in the amount of \$60,000.00 will be presented to the Board on June 5, 2024 for approval.)	2/2	<b>Cummings &amp; Sons</b> Prairie Mechanical	<b>\$52,160.00</b> 127,950.00
Large Ductile Iron Push Joint Water Pipe (80' of 42" & 48")	9/3	<b>American Cast Iron Pipe</b>	<b>\$56,678.00</b> American Underground 60,405.24 Core & Mains 65,103.80
Lead Service Line Replacement 100097000020 WP2112 Engineering Estimate: \$728,000.00 (An Annual C&A for Water Services approved January 3, 2024 in the amount of \$13,017,490.00)	9/5	<b>Backlund Plumbing</b> <i>A. Raymond Plumbing</i> Southside Plumbing Omaha Council Bluffs Plumbrite	<b>\$698,020.00</b> 771,530.00 788,911.00 866,570.00 932,839.00

**ANNUALS**

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidders</u>	<u>Bid Amount</u>
Rotary Gas Meters (May 1, 2024 thru April 30, 2025)	6/2	<b>Dresser Utility</b> <i>Groebner</i>	<b>\$137,130.00</b> 192,670.50
Concrete and Asphalt Pavement Repairs at Various District Construction Sites – Year Three (3) of Three (3) Year Contract (June 1, 2024 to May 31, 2025)	1/1	<b>Burrell Enterprises</b>	<b>\$709,287.50</b>

DocuSigned by:

*Sherri A. Lightfoot*

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

Approved:

DocuSigned by:

*Jon Zellars*

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**Jon Zellars**  
Vice President, Procurement and Enterprise Services

DocuSigned by:

*Steve Ausdemore*

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

DocuSigned by:

*Mark Doyle*

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**Mark E. Doyle**  
President



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

May 22, 2024

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

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

**From:** Sherri A. Lightfoot, Director, Procurement

During the month of May, 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.

<u>Item</u>	<u>Bids Sent / Rec'd</u>	<u>Bidder</u>	<u>Amount Bid</u>
Replace Roof for 63 <sup>rd</sup> Propane Air Plant Mix Building 100084001339 Engineering Estimate: \$27,500.00 (C&A for 100084001339 approved May 22, 2024 in the amount of \$36,000.00.)	5/2	<b>Anderson Roofing</b> <i>McKinnis Roofing</i>	<b>\$30,306.44</b> 32,438.00

DocuSigned by:

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

Approved:

DocuSigned by:

*Jon Zellars*  
Jon Zellars  
Vice President, Procurement and Enterprise Services

DocuSigned by:

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

DocuSigned by:

*Mark Doyle*  
Mark E. Doyle  
President

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

May 24, 2024

**Subject:** MAIN EXTENSIONS**To:** Services and Extensions Committee  
cc: All Board Members, Ausdemore, Doyle, Lobsiger, Mendenhall, Minor, Myers, and all Vice Presidents**From:** Masa Niiya, Vice President, Engineering

The following main extensions will be on the June 5, 2024, Committee Agenda for consideration and the Board Agenda for approval:

**1. JOB #: GP2861** (100060001502 - \$101,143)**PROJECT COST:** \$101,143**DISTRICT COST:** \$0**LOCATION:** North 183<sup>rd</sup> Street and Kansas Avenue**DISTRICT SUBDIVISION:** Begley**PURPOSE:** Install gas mains in Woodbrook West Subdivision**DESCRIPTION:** Work to be done will provide gas service 157 single family residential in Woodbrook West Subdivision.**2. JOB #: WP2107** (100055001475 - \$139,021)**PROJECT COST:** \$139,021**DISTRICT COST:** \$0**LOCATION:** Northeast of Kansas Avenue and Purple Martin Parkway**DISTRICT SUBDIVISION:** Begley**PURPOSE:** Install water mains in Purple Martin Hill Subdivision**DESCRIPTION:** Work to be done will provide domestic water service and fire protection to 1 multi-family residential lot and 1 outlot in Purple Martin Hill Subdivision.**3. JOB #: WP2106** (100055001474 - \$82,466) & (100057000548 - \$394,510)**PROJECT COST:** \$476,976**DISTRICT COST:** \$0**LOCATION:** Honeysuckle Drive and Veterans Drive**DISTRICT SUBDIVISION:** Begley**PURPOSE:** Install water mains in Bungalows on Honeysuckle Subdivision**DESCRIPTION:** Work to be done will provide domestic water service and fire protection to 1 multi-family residential lot and 2 outlots in Bungalows on Honeysuckle Subdivision.**4. JOB #: WP2105** (100055001473 - \$211,265)**PROJECT COST:** \$211,265**DISTRICT COST:** \$0**LOCATION:** Southeast of South 204<sup>th</sup> Street and "F" Street**DISTRICT SUBDIVISION:** Cavanaugh**PURPOSE:** Install water mains in Bungalows at Whitehawk Lake Subdivision**DESCRIPTION:** Work to be done will provide domestic water service and fire protection to 1 multi-family residential lot and 3 outlots in Bungalows at Whitehawk Lake Subdivision.

DocuSigned by:  
*Masa Miya*  
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**Masa Niiya**  
Vice President, Engineering

Approved:

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

DocuSigned by:  
*Mark Doyle*  
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**Mark E. Doyle**  
President

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

May 24, 2024

**Subject: Wage and/or Salary Increases and Ratifications, June 2024 Board Meeting**

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

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

President Doyle, and Senior Vice Presidents Ausdemore, Lobsiger, Mendenhall, Minor, and Myers

**From:** Bonnie Savine, Vice President, Human Resources

The Human Resources Department is recommending the Board of Directors approve the wage or salary increases outlined below. All positions involve District employees earning more than \$10,000 per year and therefore require your approval.

**1. Operating and Clerical (OAC) Wage Increases Due To Promotion**

The Human Resources Department is recommending the Board of Directors approve wage increases for the following Employees within the OAC classification. These wage increases are based on a job selection process, are in compliance with the Collective Bargaining Agreement, and are made following the posting and application process for a job opening in the District. The effective date for these increases will be the beginning of the next OAC pay period following Board approval.

<b>Employee:</b>	<b>Evan Arellano</b>
<b>Current position (department):</b>	Pipe Layer Trainee (Construction)
<b>New position (department):</b>	Customer Service Technician Trainee (Field Services)
<b>Current rate; step/grade:</b>	\$28.60; Step 2
<b>Proposed rate; step/grade:</b>	\$31.39; Step 4
<b>Percent of increase:</b>	9.76%
<b>District hire date:</b>	January 23, 2023

<b>Employee:</b>	<b>Justin Ethofer</b>
<b>Current position (department):</b>	Pipe Layer Trainee (Construction)
<b>New position (department):</b>	Customer Service Technician Trainee (Field Services)
<b>Current rate; step/grade:</b>	\$30.19; Step 3
<b>Proposed rate; step/grade:</b>	\$31.39; Step 4
<b>Percent of increase:</b>	3.98%
<b>District hire date:</b>	November 7, 2022

<b>Employee:</b>	<b>Christian Kubat</b>
<b>Current position (department):</b>	Building and Grounds Maintenance Worker (Facilities Management)
<b>New position (department):</b>	Customer Service Technician Trainee (Field Services)
<b>Current rate; step/grade:</b>	\$29.96; Step 4
<b>Proposed rate; step/grade:</b>	\$31.39; Step 4
<b>Percent of increase:</b>	4.77%
<b>District hire date:</b>	August 30, 2021

## Wage and/or Salary Increases and Ratifications

June 2024

Page 2

**Employee:** **Rodrigo Martinez**  
**Current position (department):** Mechanic I (Transportation)  
**New position (department):** Water Plant Maintenance Mechanic (Water Production & Pumping)  
**Current rate; step/grade:** \$35.03; Step 3  
**Proposed rate; step/grade:** \$37.89; Step 3  
**Percent of increase:** 8.16%  
**District hire date:** November 28, 2022

**Employee:** **Louise Miller**  
**Current position (department):** Customer Account Clerk IV (Customer Services)  
**New position (department):** Customer Account Clerk V (Customer Services)  
**Current rate; step/grade:** \$35.60; Step 4  
**Proposed rate; step/grade:** \$38.99; Step 4  
**Percent of increase:** 9.52%  
**District hire date:** September 15, 2003

## **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:** **Brett Aaberg**  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$31.78; Step 4  
**Proposed rate; step/grade:** \$34.15; Step 2  
**Percent of increase:** 7.46%  
**District hire date:** May 16, 2022

## Wage and/or Salary Increases and Ratifications

June 2024

Page 3

**Employee:** **Noah Hogberg**  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$31.78; Step 4  
**Proposed rate; step/grade:** \$34.15; Step 2  
**Percent of increase:** 7.46%  
**District hire date:** May 31, 2022

**Employee:** **Phillip Stevens**  
**Current position (department):** Pipe Layer Trainee (Construction)  
**New position (department):** Pipe Layer (Construction)  
**Current rate; step/grade:** \$31.78; Step 4  
**Proposed rate; step/grade:** \$34.15; Step 2  
**Percent of increase:** 7.46%  
**District hire date:** May 31, 2022

#### **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:** **Justin Corcoran**  
**Current position (department):** Senior Customer Service Technician (Field Services)  
**New position (department):** Field Foreman (Field Services)  
**Current rate; step/grade:** \$49.13; Step 4  
**Proposed rate; step/grade:** \$107,300; SPA – 05  
**Percent of increase:** 5.00%  
**District hire date:** August 19, 2013

**Employee:** **Oliver O'Brien**  
**Current position (department):** Software Developer II (Information Technology)  
**New position (department):** System Engineer II (Information Technology)  
**Current rate; step/grade:** \$105,928; SPA – 04TX  
**Proposed rate; step/grade:** \$111,224; SPA – 05  
**Percent of increase:** 5.00%  
**District hire date:** November 11, 2019

**Employee:** **Wesley Poore**  
**Current position (department):** Communications Specialist (Corporate Communications)  
**New position (department):** Creative Design Specialist (Corporate Communications) Job Re-Evaluation  
**Current rate; step/grade:** \$94,811; SPA – 02  
**Proposed rate; step/grade:** \$99,552; SPA – 03  
**Percent of increase:** 5.00%  
**District hire date:** August 12, 2019

Wage and/or Salary Increases and Ratifications

June 2024

Page 4

**Employee:** Brenda Zapata  
**Current position (department):** Builder Services Clerk (Business Development)  
**New position (department):** Supervisor, Contractor Services (Business Development)  
**Current rate; step/grade:** \$35.61; Step 4  
**Proposed rate; step/grade:** \$88,601; SPA – 04  
**Percent of increase:** 19.62%  
**District hire date:** August 25, 2008

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

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

**Employee:** Robert Kreiser  
**Current position (department):** Director, Internal Audit (Accounting)  
**Current rate; step/grade:** \$175,000; SPA – 8D  
**District hire date:** June 3, 2024

**Employee:** Moussa Tientore  
**Current position (department):** Engineer I (Plant Engineering)  
**Current rate; step/grade:** \$76,028; SPA – 02  
**District hire date:** May 20, 2024

DocuSigned by:

*Bonnie Savine*

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Bonnie Savine  
Vice President, Human Resources

**APPROVED:**

DocuSigned by:

*Mark Mendenhall*

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Mark A. Mendenhall  
Senior Vice President, General Counsel

DocuSigned by:

*Mark Doyle*

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Mark E. Doyle  
President

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

May 23, 2024

**Subject: Selection of Vice President, Water Operations**

**To:** Personnel Committee members Begley, Friend, and Sidzyik  
**cc:** Board Members Cavanaugh, Cook, Howard, and McGowan  
President Doyle, and Senior Vice Presidents Ausdemore, Lobsiger, Mendenhall, Minor,  
and Myers;

**From:** Bonnie Savine, Vice President, Human Resources

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The District is recommending the Board of Directors approve the promotional salary increase of Douglas L. Whitfield who is being promoted from Director, Platte South, to Vice President, Water Operations, Water Operations Division.

Mr. Whitfield received his Bachelor of Science in Civil Engineering from the University of Nebraska, Lincoln, and holds a Professional Engineer License and Grade I Water Operator License in the state of Nebraska. Mr. Whitfield was hired by the District on May 16, 1990, as an Engineer II and has held a variety of other positions in the Engineering and Water departments.

Based on his education, credentials, and work experience prior to and while employed by the District, Mr. Whitfield is being recommended for the position of Vice President, Water Operations, Water Operations Division. Mr. Whitfield's promotion would be from Grade SPA—8D to Grade SPA -11 on the Supervisory, Professional, and Administrative Scale.

In view of the additional responsibilities of this position as the Vice President, Water Operations, Water Operations Division, it is recommended the President be authorized to increase the salary of Mr. Whitfield to \$196,000 per year effective June 16, 2024.

DocuSigned by:

*Bonnie Savine*

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Bonnie Savine

Vice President, Human Resources

**APPROVED:**

DocuSigned by:

*Mark Doyle*

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Mark E. Doyle  
President

DocuSigned by:

*Mark Mendenhall*

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Mark A. Mendenhall

Senior Vice President, General Counsel



**METROPOLITAN UTILITIES DISTRICT***Inter-Departmental Communication*

May 30, 2024

**Subject:** INSURANCE RENEWALS – PROPERTY, BOILER, CAVERNS, CONSTRUCTION EQUIPMENT, AUTO/FLEET, DATA PROCESSING EQUIPMENT, AND CYBER

**To:** Insurance and Pension Committee

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

**From:** Steve Dickas, Vice President, Accounting

The following insurance policies expire June 15, 2024 and require action:

Property Policy	LNG/Propane Caverns/Contents
Equipment Breakdown	Construction Equipment
Data Processing Equipment	Cyber

Following is a brief description of the various insurance policies to be renewed and the corresponding policy-specific points of interest:

### **Property/LNG Propane Caverns/Equipment Breakdown/Data Processing**

First-party insurance that addresses all risks of physical loss or damage, including but not limited to property damage, extra expense and machinery breakdown, losses from terrorism, earth movement, windstorm, storm surge, flooding and other coverages as described in the policy.

The lowest deductible offered for the proposed policy was \$250k, which is an increase of \$150k compared to the expiring policy's \$100k deductible. The carriers also offered a \$500k deductible option for the proposed policy. An analysis was prepared comparing the two deductible options. Based upon our loss history and premium savings, management recommends the \$500k deductible option.

	<u>Expiring Policy</u>	<u>Proposed Policy</u>
<b>Property – without LNG &amp; Caverns</b>		
Insurance Carrier	AEGIS/Starr Tech	AEGIS/Starr Tech
Total Insurable Values	\$1.1 billion	\$1.2 billion
Average Rate per \$100 of Insured Value	N/A-combined rate	N/A – combined rate
Premium	N/A-combined	N/A – combined premium
<b>Property – LNG &amp; Caverns</b>		
Insurance Carrier	AEGIS/Starr Tech	AEGIS/Starr Tech
Total Insurable Values	\$107.2 million	\$112.4 million
Average Rate per \$100 of Insured Value	N/A-combined rate	N/A – combined rate
Premium	N/A-combined	N/A – combined premium

### Equipment Breakdown

Insurance Carrier	AEGIS/Starr Tech	AEGIS/Starr Tech
Total Insurable Values	Included above	Included above
Average Rate per \$100 of Insured Value	N/A-combined rate	N/A – combined rate
Premium	N/A-combined	N/A – combined premium

### Data Processing Equipment

Insurance Carrier	AEGIS/Starr Tech	AEGIS/Starr Tech
Total Insurable Values	\$6.3 million	\$6.3 million
Average Rate per \$100 of Insured Value	N/A-combined rate	N/A – combined rate
Premium	N/A-combined	N/A – combined premium

### Total Property/Equipment Breakdown/Data Processing

Total Insurable Values	\$1.2 billion	\$1.3 billion
Average Rate per \$100 of Insured Value	\$0.0999	\$0.1039
Premium	\$1,245,938	\$1,361,817

### Construction/Contractor's Equipment

Coverage directed at loss or damage to covered property defined as owned and rented construction equipment, tools and heavy equipment when the loss is caused by covered perils.

	<u>Expiring Policy</u>	<u>Proposed Policy</u>
Insurance Carrier	Continental Casualty	Continental Casualty
Total Insurable Values	\$30.5 million	\$36.1 million
Average Rate per \$100 of Insured Value	\$0.0982	\$0.1017
Premium	\$29,912	\$36,688

### Cyber

Coverage directed at third-party liability for losses arising from a cyber event as well as first-party coverage for event management and cyber extortion. The premium increase is driven by higher loss limits available under the renewed policy. Loss limits for cyber coverage are confidential.

	<u>Expiring Policy</u>	<u>Proposed Policy</u>
Insurance Carrier	AIG	AIG
Premium	\$38,399	\$65,354

### Auto/Fleet

The District's auto/fleet insurance policy expired on June 15, 2023. Consistent with the prior year, North Risk Partner's search did not identify any insurance carriers interested in providing a quote. Considering the District's low claim history, distribution of the vehicles across several locations, and measures taken to mitigate risk of a significant loss, management will continue to self-insure through at least June 15, 2025. Management will re-evaluate insurance coverage for the vehicles next year during the renewal process for other insurance policies, which also expire at that time.

<b>Subtotal – Premiums</b>	\$1,314,249	\$1,463,859
<b>Inspection Fees</b>	\$6,350	\$6,350
<b>Insurance Brokerage Fee/Commission</b>	\$63,000	\$63,000
<b>Total Premiums and Fees</b>	\$1,383,599	\$1,533,209

An Executive Summary prepared by North Risk Partners has been attached as well as an additional schedule comparing the expiring policies to the proposed policies. Our insurance broker markets the various lines of coverage to additional insurance carriers to ensure that we are provided the best value. The marketing efforts employed by North Risk Partners are addressed in the attached Executive Summary.

In addition, a representative from North Risk Partners, Tony Velishek, will be present virtually at the June 5, 2024 Board Committee meeting to address any questions you may have.

Management recommends the Board approve the insurance proposals noted above for the period June 16, 2024 through June 15, 2025. As noted above, the insurance proposals result in combined annual premiums and fees of \$1,533,209, which represents an increase of \$149,610 or 10.8%, as compared to the prior combined premiums and fees of \$1,383,599. The increase is driven by an increase in insurable values as well as an increase in the cost per dollar of insured value.

It should be noted that the District anticipated an increase in premiums when the 2024 budget was prepared. The 2024 budget is sufficient to fund the projected increase in premiums and fees stated above.

*Steve Dickas*

Steve Dickas  
Vice President, Accounting

(402) 504-7111

Approved:

*Mark F. Myers*

Mark F. Myers  
Senior Vice President, Chief Financial Officer

*Mark E. Doyle*

Mark E. Doyle  
President

Attachments

MUD 2023 to 2024 Comparison

2023 Renewal					2024 Renewal					Difference					
Program	Insurer	Value	Net Premium	Net Average Rate	Program	Insurer	Value	Net Premium	Net Average Rate	Value	%	Net Premium	%	Net Average Rate	%
Property-No LNG	AEGIS/	\$1,133,490,834			Property-No LNG	AEGIS/	\$1,191,411,540			\$ 57,920,706	5.1%				
Property-LNG & Caverns	Starr Tech	\$ 107,155,694			Property-LNG & Caverns	Starr Tech	\$ 112,422,186			\$ 5,266,492	4.9%				
Property-New Corp. Office		Included			Property-New Corp. Office		Included			Included					
Equipment Breakdown		Included			Equipment Breakdown		Included			Included					
EDP		\$ 6,272,861			EDP		\$ 6,270,534			\$ (2,327)	0.0%				
<b>Total<sup>1</sup></b>		<b>\$ 1,246,919,389</b>	<b>\$ 1,245,938</b>	0.0999	<b>Total</b>		<b>\$ 1,310,104,260</b>	<b>\$ 1,361,817</b>	0.1039	<b>\$ 63,184,871</b>	<b>5.1%</b>	<b>\$115,879</b>	<b>9.3%</b>	<b>0.0040</b>	<b>4.0%</b>
Contractor Equipment	CNA	\$ 30,454,833	\$ 29,912	0.0982	Contractors Equipment	CNA	\$ 36,059,436	\$ 36,688	0.1017	\$ 5,604,603	18.4%	\$ 6,776	22.7%	0.0035	3.6%
Cyber Liability <sup>2</sup>	AIG		\$ 38,399		Cyber Liability <sup>2</sup>	AIG		\$ 65,354				\$ 26,955	70.2%		
<b>Total Net Premium</b>			<b>\$ 1,314,249</b>		<b>Total Net Premium</b>			<b>\$1,463,859</b>				<b>\$149,610</b>	11.4%		
Engineering <sup>3</sup>	Starr Tech		Included		Engineering	Starr Tech		Included							
Jurisdictional	ARISE		\$ 6,350		Jurisdictional	ARISE		\$ 6,350				\$ -			
			\$ 6,350					\$ 6,350				\$ -			
Broker Compensation	Fee		\$ 63,000		Broker Compensation <sup>4</sup>	Fee		\$ 63,000				\$ -			
<b>Total Costs, excl. Auto</b>			<b>\$ 1,383,599</b>		<b>Total Costs, excl. Auto</b>			<b>\$ 1,533,209</b>				<b>\$ 149,610</b>	10.8%		
Auto-Comp/Spec Only <sup>5</sup>	None		\$ -		None			\$ -				\$ -			
<b>Total Costs, incl. Auto</b>			<b>\$ 1,383,599</b>		<b>Total Costs, incl. Auto</b>			<b>\$ 1,533,209</b>				<b>\$ 149,610</b>			

Note 1: Premium includes terrorism and Nebraska surplus lines taxes on the AEGIS and Starr Tech property premium.

Note 2: Premium includes Nebraska surplus lines taxes of 3%. AIG on Cyber Liability will not net out commissions. The 2023 and 2024 premiums include 19% and 12.5% commission, respectively. Only net premium is shown as the commissions are credited against the broker fee.

Note 3: The Starr Tech engineering costs are offset by the 2.5% engineering credit from AEGIS.

Note 4: An annualized amount based on the current agreement with North Risk Partners.

Note 5: No auto coverage was obtained.



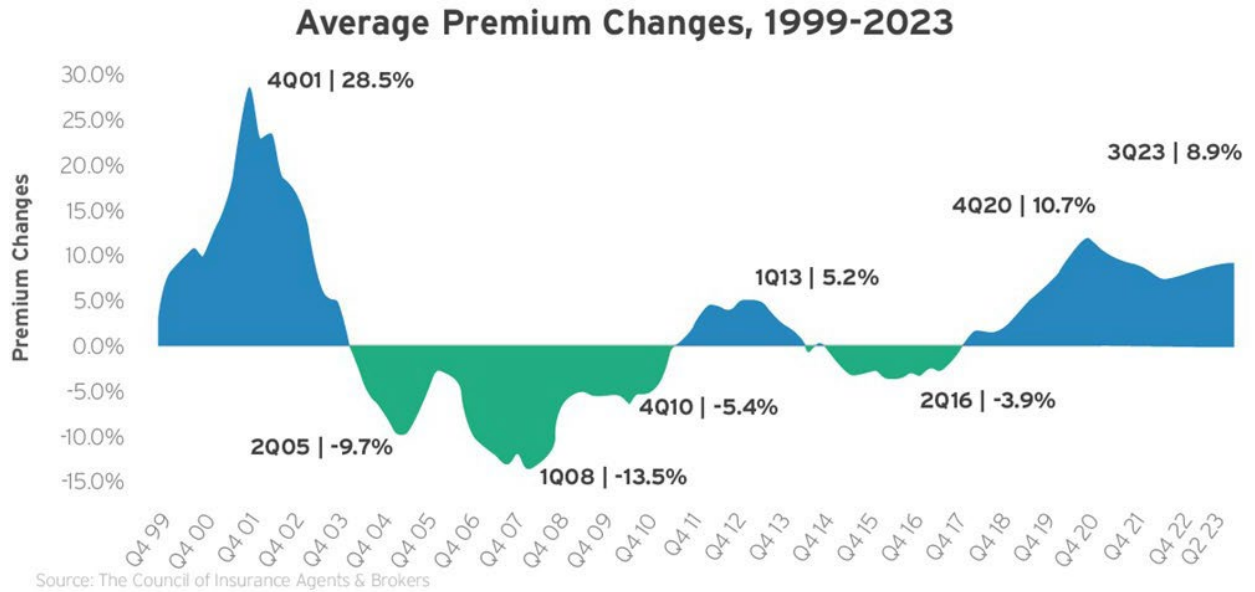
# Executive Summary

## Insurance Market Overview 2024

Over the last five years, the commercial insurance sector has been contending with a hard marketplace, thus posing difficult conditions for insurance buyers. These conditions were brought on by a variety of factors that motivated many insurance carriers to reassess their positions in the industry. Specifically, the increased frequency and severity of claims, growing social inflation issues, evolving cyberthreats and worsening natural disasters have contributed to reshaping the market. Consequently, hardened conditions have pressed on for multiple years, prompting most carriers to implement reduced capacity, stringent underwriting standards and rising premiums across several lines of coverage.

Throughout 2023, the commercial insurance space became an increasingly complex environment. Mirroring other areas of the economy, the sector encountered continued volatility within the past year. In some lines of coverage—namely, directors and officers liability (D&O), employment practices liability (EPL) and workers' compensation—shifting market dynamics, new capacity and optimal underwriting results set the stage for improved conditions, evidenced by decelerated price increases, and, in some cases, rate decreases. On the other hand, headwinds facing other coverage segments, such as commercial property and auto, led to diminished profitability and fueled double-digit rate jumps. Considering these inconsistencies, the commercial insurance landscape will likely remain somewhat challenging in the months ahead, minimizing the likelihood of a soft market arising in the near future.

Looking ahead, industry experts anticipate that the commercial insurance sector will still carry challenges in 2024; however, it may present more favorable conditions than it has in previous years for some insurance buyers and in certain lines of coverage. Yet, some coverage segments, including commercial property and auto, will likely remain difficult to navigate. Regardless, it's essential for businesses to take a proactive approach to bolster their risk management efforts and secure adequate coverage during this time. Amid an evolving risk environment, businesses, with the help of their insurance professionals, should focus on addressing the factors they can control.



## 2024 Market Outlook Forecast Trends

Price forecasts are based on industry reports and North Risk Partners surveys for individual lines of insurance. Forecasts are subject to change and are not a guarantee of premium rates. Insurance premiums are determined by a multitude of factors and differ between organizations.

LINE OF COVERAGE	PRICE FORECAST
<b>Commercial property</b>	<b>CAT-free:</b> +5% to +15% <b>CAT-exposed:</b> +15% to +25%
<b>General liability</b>	<b>Overall:</b> +1% to +10%
<b>Commercial auto</b>	<b>Overall:</b> +5% to +30%
<b>Workers' compensation</b>	<b>Overall:</b> -5% to +2%
<b>Cyber</b>	<b>Overall:</b> 0% to +15%
<b>D&amp;O</b>	<b>Private and nonprofit companies:</b> 0% to +5% <b>Public companies:</b> -10% to +5%
<b>EPL</b>	<b>Overall:</b> 0% to +10%

## Property Limits/Capacity

The surge in extreme weather events, substantial underwriting losses and prolonged inflation issues have proven especially challenging for the property reinsurance segment to navigate. Specifically, as natural disasters become more severe and inflation sits at elevated levels, reinsurers are facing a rise in claims, larger investment losses, diminished profitability, and reduced capital. For instance, between 2021 and 2022 alone, industry research confirmed that climate-related underwriting losses across the commercial insurance space almost quadrupled. These trends have generated some degree of market uncertainty and earnings volatility, motivating reinsurers to reevaluate whether their existing methods for pricing CAT risks are effectively modeled. Consequently, some reinsurers have lowered capacity for CAT exposures or eliminated capacity altogether. Certain reinsurers have also introduced sublimits and revised their policy wording to establish more distinct coverage limitations. According to industry data, the first quarter of 2023 saw capacity for additional reinsurance coverage layers decrease by more than 50% while rates spiked by 40% to 100%. By midyear renewals, capacity continued to tighten as rates jumped by 25% to 40%. Although demand for reinsurance remains high, capacity will likely become further constrained in 2024, therefore impacting overall property insurance rates, particularly among CAT-exposed policyholders.

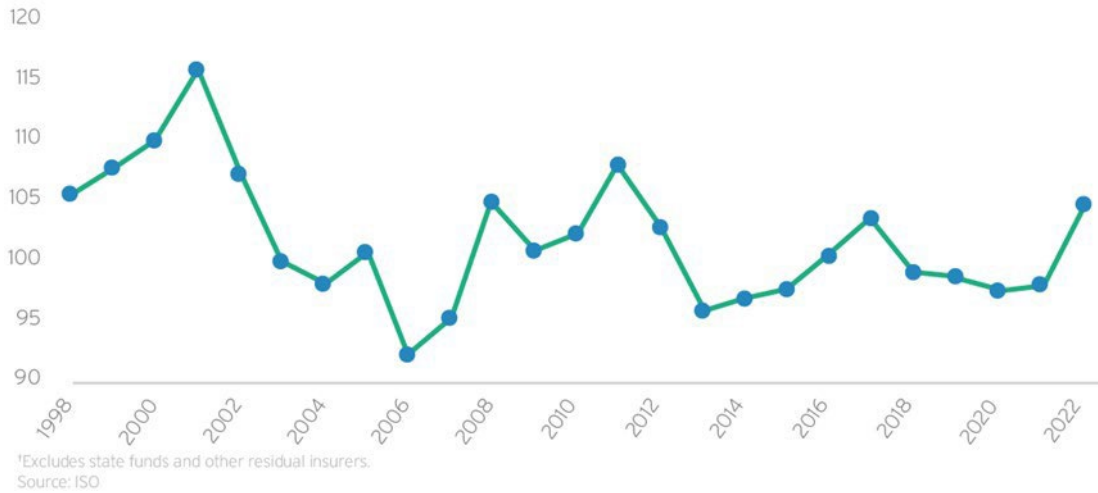
## Coverage

Insurance-to-value (ITV) considerations—In light of current inflation issues, ensuring accurate property valuations has proven to be a difficult feat. After all, these valuations are tied to the latest building material prices, which have become more volatile over the years. In response to inflation issues affecting building expenses and valuations, insurance experts are encouraging organizations to be more diligent in performing correct ITV calculations and maintaining ample property coverage. MUD has done a very good job of increasing replacement cost valuations using index data to stay current with inflation. However, North Risk Partners recommends having a formal appraisal completed by HCA which will provide an exact ITV specific to MUD.

## Losses

Many factors affect insurance pricing, but the recent Catastrophic (CAT) losses such as floods, hurricanes, wildfires and other natural disasters are becoming increasingly common and devastating. Years of costly disasters like these have compounded losses for carriers, driving up the cost of coverage overall, especially when it comes to commercial property policies.

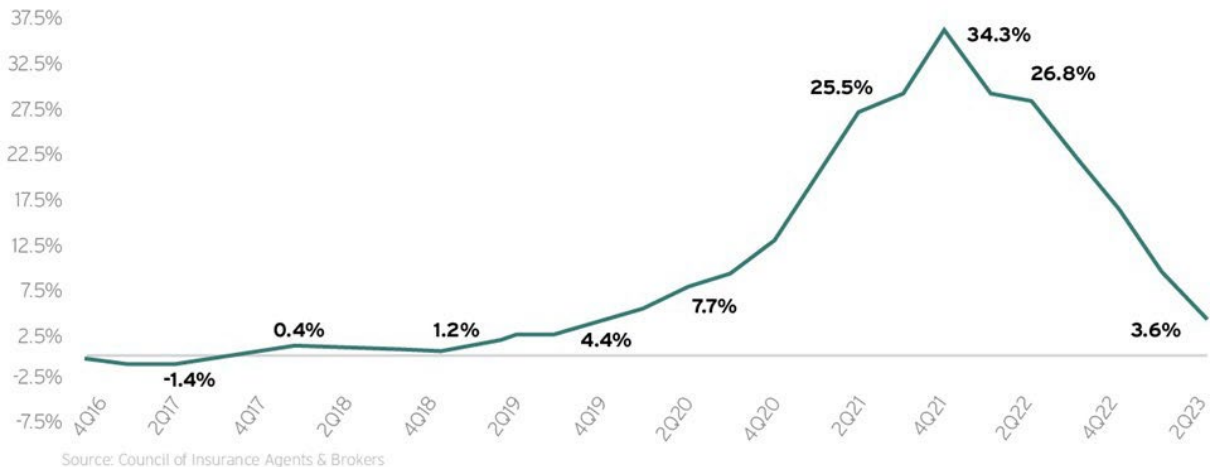
### Combined Ratio for Property and Casualty Insurance, 1998-2022



## Cyber Insurance

Over the last couple of years, evolving technology, increased threat vectors and growing attacker sophistication have driven up the frequency and severity of cyber incidents, causing a rise in cyber insurance claims and subsequent underwriting losses. As a result of this volatile risk environment, most policyholders have faced continued premium hikes. Specifically, industry data found that average cyber insurance rate increases peaked at 34% in the fourth quarter of 2021 and remained in double digits for the entirety of 2022. Fortunately, the segment experienced underwriting profitability in 2022, allowing for market conditions to soften throughout 2023. As such, industry research confirmed that most policyholders encountered more modest, single-digit rate increases this past year; according to North Risk Partners latest Hard Market Conditions Pulse Survey, more than half (62%) of insurance brokers and agents saw their clients’ cyber insurance premiums decline, remain flat or rise by less than 10% in 2023.

### Premium Change for Cyber, Q4 2016–Q2 2023



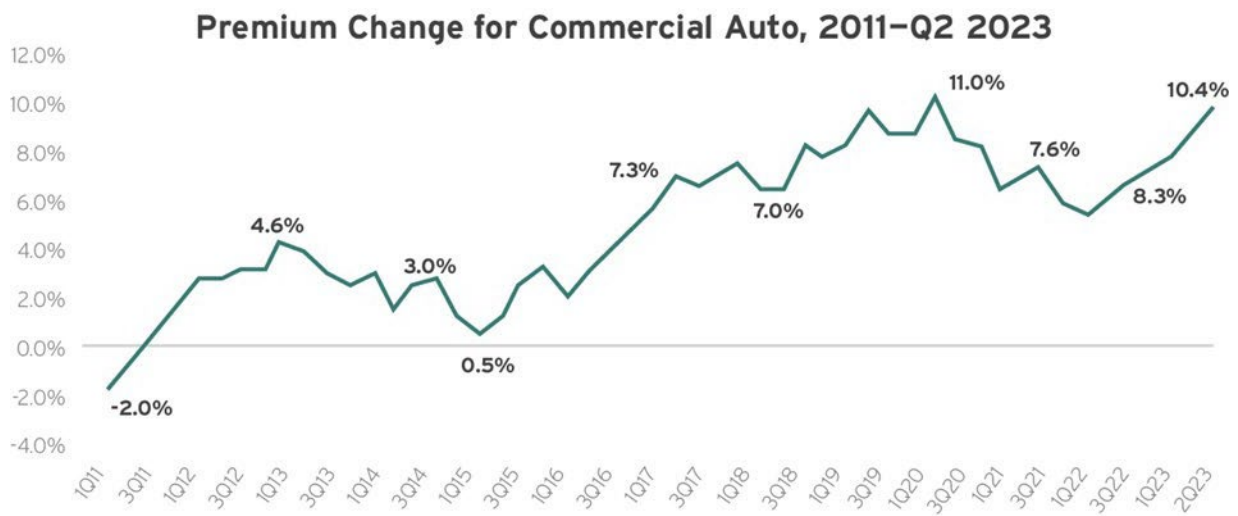


Despite rate deceleration trends across the segment, it's worth noting that many insureds are still experiencing widespread coverage restrictions, further scrutiny from underwriters regarding cybersecurity practices and exclusions for losses stemming from certain events (e.g., incidents involving the wrongful collection of data, cyberwarfare and ransomware). Furthermore, some policyholders with elevated cyber exposures continue to face double-digit rate jumps.

Moving into 2024, industry experts anticipate that market conditions will likely keep softening, albeit at a slower pace than in 2023. Nevertheless, this segment sees frequent changes and reacts to such developments faster than other lines of coverage, making pricing predictions difficult to pin down. More than anything, policyholders with a strong cybersecurity posture and a deep understanding of the current threat landscape will be best equipped to navigate the coming year's cyber insurance market. This means that insureds who fail to adopt proper cybersecurity protocols or experience a rise in cyber losses may encounter ongoing premium hikes and coverage restrictions for the foreseeable future.

## Commercial Auto Insurance

The commercial auto insurance market has faced hardening conditions for much of the past decade, as evidenced by significant underwriting losses, plummeting profitability, and continued rate hikes. Although 2022 saw lower average premium increases due to strengthening reserves and 2021's combined ratio falling below 100 for the first time in several years, this deceleration wasn't here to stay. According to credit rating agency AM Best, 2022's combined ratio jumped back up to 105, representing \$3.3 billion in underwriting losses. In response to this poor market performance, industry data revealed that average rate jumps reached 8% in the first half of 2023. By the latter half of the year, the majority of policyholders experienced premium increases near or above double digits.



Source: Council of Insurance Agents & Brokers

Various factors have led to such difficult market conditions, including widespread driver shortages, nuclear verdict concerns, inflation issues and distracted driving challenges. Altogether, these cost-

driving trends have pushed claims frequency to pre-pandemic levels and exacerbated overall loss severity throughout the segment. As a result, policyholders with large commercial fleets and additional auto exposures have had greater difficulty securing excess layers of coverage alongside elevated program pricing. Considering these developments, most insureds—regardless of industry or vehicle class—can expect to encounter ongoing premium hikes in 2024. Further, policyholders with sizeable fleets or poor loss history may be more susceptible to double-digit rate jumps, reduced capacity, and possible coverage restrictions.

## Metropolitan Utilities District Insurance Program – Property

The district has the following advantages over other utilities.

1. Covered property is not situated in a high hazard Natural Catastrophe Zone, e.g. no costal high hazard earthquake, wildfires, etc. However, Nebraska is prone to tornadoes, heavy winds and hail, and floods.
2. MUD has a preferred occupancy/operation in respects to underwriting compared to other utilities such as power generation facilities.

The renewal rates were driven up by the open loss incurred in July of 2023

The District continues to purchase its property and boiler and machinery breakdown coverage limit of \$300m. Aegis and Starr Tech provide a 50% quota-share participation. The policies include a \$25M annual aggregate sublimit for earthquakes and floods. Business Interruption is not included, however Extra Expense limit of \$10M will provide soft costs to repair or replace a covered property.

According to AEGIS the Districts Probable Maximum Loss (PML) is \$12M while the Maximum Foreseeable Loss (MFL) is \$70M.

The District's property values increased by \$63,184,871 or 5.1% compared to 2023. Assuming the \$500k deductible option is chosen, the net rate increase is 4.0% for a total premium increase of 9.3% or \$115,879.

Starr will continue to provide engineering costs, not including jurisdictional inspections required by the State of Nebraska. Jurisdictional inspections will be completed by Arise who the District will work directly with.

## Summary of Property Costs

	AEGIS 24/25 \$250K DED	24/25 STARR \$250K DED	AEGIS \$500K DED	STARR TECH \$500K DED
Premium	\$982,087.00	\$510,940.00	\$828,444.00	\$460,000
Terrorism Premium	\$14,240.00	\$16,524.00	\$14,240.00	\$16,524.00
Non-Certified terrorism	N/A	\$1,836.00	N/A	\$1,836.00
Subtotal	\$996,327.00	\$529,300.00	\$842,684.00	\$478,360.00
Add SL Tax (3%)	\$29,889.00	\$15,879.00	\$25,280.52	\$14,350.80
Engineering Fee		\$7,200.00		\$7,200
Less Continuity Credit	\$(6,058.00)	N/A	\$(6,058.00)	
Total Premium/Tax	\$1,020,158.00	\$552,379.00	\$861,906.52	\$499,910.80

Total (Aegis/Starr \$250K Deductible) \$1,572,537.00

Total (Aegis/Starr \$500K Deductible) \$1,361,817.32

### AEGIS INCREASING TO THE RETENTIONS BELOW WOULD RESULT IN A PREMIUM SAVINGS OF \$158,251

Earth Movement	\$500,000	Per Occurrence
Flood	2.50 % of PD TIV	Per Occurrence Minimum of \$500,000 Maximum of \$2,500,000
Property Damage	\$500,000	Per Occurrence
LNG Plant (117th & Fort) & Caverns (63rd & Oak and 117th & Fort)	\$500,000	Per Occurrence
Mobile Equipment & Contractor's Equipment	\$100,000	Per Occurrence
Service Interruption	48 Hours	Per Occurrence then applicable deductible shall apply

### STARR INCREASING THE RETENTIONS BELOW WOULD RESULT IN A PREMIUM SAVINGS OF \$52,469

Earth Movement	\$500,000	Per Occurrence
Flood	\$500,000	Per Occurrence
Property Damage - All locations	\$500,000	Per Occurrence

The AEGIS and Starr higher deductible option of \$500k reduces pricing by \$210,720. Considering the increased premium from \$1,245,938 to \$1,572,537 (an increase of \$326,599), we believe increasing the deductibles would be prudent as it would pay for itself if the District had less than one property loss over the next 2 years, which is probable.

AEGIS provided an optional increased quote with a total limit of their quota share of \$200m which would increase the total overall limit to \$350m for an additional \$191,632 in annual premium. However, the District would have to change their AEGIS policy from the manuscript policy it has now to the standard AEGIS form which doesn't align with the Starr policy form. This would make a claim situation difficult as coverage between the two policies wouldn't align as they do now. In addition, loss control would have to move away from Starr to AEGIS.

North Risk Partners approached multiple insurers for property quotes which all declined due to recent claims and the hard insurance market.

## Engineering and Jurisdictional Boiler Inspections

The current engineering inspections of the District's assets are provided by Starr Tech and the jurisdictional boiler inspections were provided by ARISE. The Starr Engineering expense is offset by the 2.5% engineering fee credit on the AEGIS policy.

## Contractors Equipment

CNA the incumbent, who has provided the most competitive option in our marketing efforts, continues to provide rates lower than other markets.

The District's contractor's equipment policy provides physical damage coverage for owned equipment and short-term leased or borrowed equipment with limits of \$500k per item and \$500k per item, respectively, subject to a \$40k deductible. This coverage applies to the equipment whether at a District site or off-site.

North Risk Partners worked with the incumbent insurer, CNA, to obtain a competitive quote and was able to negotiate a premium of \$36,688 with total values for equipment of \$36,059,436, an increase of \$5.6m. This policy continues to have a competitive rate of .1017 cents per \$100 of value.

## Cyber Liability

The District's cyber liability policy provides third-party liability for losses the District is legally obligated to pay arising from a cyber event, as well as first-party coverage for event management and cyber extortion, see executive summary addendum for more information.

## Auto Physical Damage

The District's auto policy provides comprehensive physical damage for private passenger vehicles and specified perils physical damage coverage, designated perils such as wind, hail, theft, and flood, for larger vehicles. The policy does not include physical damage resulting from a collision or overturn or third-party liability coverage.

North Risk Partners approached many markets to quote the District's auto physical damage coverage but due to the above noted marketplace conditions, we were not able to secure competitive terms based on prior years marketing effort results.

**METROPOLITAN UTILITIES DISTRICT***Inter-Departmental Communication*

May 28, 2024

**Subject:** RFP FOR INVESTMENT ADVISORY SERVICES - RECOMMENDATION**To:** Insurance & Pension Committee  
cc: All Board Members, Doyle, Ausdemore, Mendenhall, Lobsiger, Minor and all Vice Presidents**From:** Mark F. Myers, Senior Vice President, Chief Financial Officer

As previously communicated, the District was notified in December 2023 that Vanguard entered into an agreement with Mercer Investments, LLC under which Mercer acquired Vanguard's Institutional Advisory Services business unit (VIAS). This is the business unit that managed the District's pension and OPEB investment accounts. Management was also informed that Mercer does not serve public pension plans, which required the District to conduct a search for a new investment advisor.

A Request for Proposal (RFP) to provide investment advisory services was issued in February 2024 and twelve proposals were received. A selection committee comprised of Mark Myers, SVP, Chief Financial Officer; Steve Dickas, Vice President, Accounting; and Joseph Schaffart, consultant, reviewed all twelve proposals for completeness and content, including the following categories:

- Previous background and relevant experience.
- Background and experience of the proposed project team to be assigned to the engagement.
- Schedule of pricing, rates and/or fees for services proposed which shall include estimated embedded costs of individual investment funds.
- Technical content of the proposal and how well the stated needs are addressed.
- Adequacy and completeness of the proposal with regard to the information specified (compliance with and acceptance of all terms, conditions and all other provisions contained in the RFP).

The review was completed, and the selection committee narrowed the twelve proposals down to six finalists as follows:

- 1) Aon Investments USA, Inc.
- 2) BlackRock, Inc.
- 3) Callan LLC
- 4) Northern Trust Asset Management
- 5) PNC Institutional Asset Management
- 6) Russell Investments

The six finalists were invited to attend on-site meetings in April 2024 to present to their proposals and respond to questions. In addition to those listed above, Mark Mendenhall, SVP, General

Counsel, was added to the selection committee and participated in the evaluation of the six finalists.

Upon completion of the on-site meetings, the committee further narrowed the finalists down to two firms, PNC Institutional Asset Management (PNC) and Russell Investments.

Additional information was gathered from these two firms to clarify the information contained in their respective proposals. Upon final deliberation, the selection committee recommends that PNC Institutional Asset Management be engaged to provide investment advisory services and assume co-fiduciary responsibility, as defined by the Employee Retirement Income Security Act (ERISA) Section 3(38), for The Retirement Plan for Employees of the Metropolitan Utilities District of Omaha ("Pension Plan") and The Postretirement Benefits for Employees of the Metropolitan Utilities District of Omaha ("OPEB Plan").

The selection committee believes the PNC staff is well qualified to manage the investments of the Pension Plan and OPEB Plan.

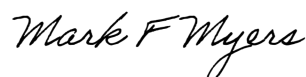
The price quoted by PNC is very competitive and includes 1) an annual investment management fee based on the total market value of the accounts, and 2) embedded fund costs for the underlying investment managers of the funds included in the portfolios. In addition, PNC will provide trust and custody services at no additional charge.

The pricing offered by PNC is confidential and proprietary, and the annual fees paid by the District will ultimately be based on the asset investment choices and future account balances. However, an estimate using the combined Pension Plan and OPEB Plan investment balances as of December 31, 2023 indicates that the total fees will be lower than those charged by the District's previous investment advisor, Vanguard. The fees quoted by PNC are guaranteed for three years.

At a meeting held on May 16, 2024, the Insurance & Pension Committee was introduced to members of the PNC staff and given an opportunity to ask questions of these representatives. At the conclusion of the meeting, the Committee members approved Management's selection of PNC and the presentation of this recommendation to the full Board of Directors.

With Board approval, Management will start working with PNC immediately to execute an agreement and begin transition of the Pension Plan and OPEB Plan investment portfolios.

Thank you for your consideration. Please contact me if you have any questions.



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

Approved:



Mark E. Doyle  
President

**METROPOLITAN UTILITIES DISTRICT***Inter-Departmental Communication*

May 24, 2024

**Subject:** RENEWAL OF UNSECURED LINE OF CREDIT**To:** Committee on Accounts, Expenditures, Finance and Rates  
cc: All Board Members; Doyle, Ausdemore, Mendenhall, Lobsiger, Minor and all Vice Presidents**From:** Mark F. Myers, Sr, Vice President, Chief Financial Officer

An important component of the overall financial strength of the District is its line of credit with First National Bank of Omaha. This line of credit has effectively served as liquidity insurance and is viewed favorably by credit rating agencies as it represents a ready source of cash. It has been in place since October 31, 2006, originally with a \$30 million limit. This amount was reduced to \$20 million when the line of credit was renewed on July 1, 2021; the current \$20 million credit line expires on July 1, 2024.

The reduction to \$20 million was a result of the District's improved financial condition over the past several years. Since the line of credit was renewed in July 2021, this financial condition has continued to strengthen as evidenced in part by the District's improved liquidity. Days cash-on-hand, a fundamental measure of liquidity, reflects the number of days of average expenses that can be funded with the level of unrestricted cash on hand.

On April 30, 2024, the Water Department and the Gas Department had unrestricted cash balances of \$117.5 million and \$189.0 million, respectively, which results in days cash-on-hand of 437 days for the Water Department and 417 days for the Gas Department. For comparison, three years ago on April 30, 2021, shortly before the line of credit was renewed, the Water Department and the Gas Department had unrestricted cash balances of \$83.8 million and \$153.1 million, respectively, which resulted in days cash-on-hand of 353 days for the Water Department and 348 days for the Gas Department.

When the line of credit was renewed in 2021, a plan was established to continue lowering the limit over time and eventually eliminating the credit line entirely, contingent upon continued improvement in the District's financial condition. Considering the enhanced liquidity demonstrated by the growing cash balances and increase in days cash-on-hand, management recommends renewal of the credit line with First National Bank of Omaha, though at a lower amount of \$10 million.

Terms of the proposed credit line are as follows:

- \$10 million credit line available to both the Gas and Water Departments.
- Two-year term expiring July 1, 2026.



- Interest rate calculated based on the U.S. Prime Rate less 263 basis points, with a 3.00% interest rate floor. On May 23, 2024, the U.S. Prime Rate less 263 bps would equate to a calculated borrowing rate of 5.87%.
- In addition to the quoted interest rate, there is a 15 basis points (0.15%) commitment fee on the unused portion of the line of credit to make this credit facility available, or a maximum of \$15,000 per year (assuming no amounts are drawn on the credit line). The maximum two-year commitment fee is \$30,000, assuming no amounts are drawn on the line over the two-year term.

It should be noted that since it was put in place on October 31, 2006, the District has never borrowed on the credit line. Assuming this continues, the only cost to the District will be the commitment fee stated above.

To ensure that the terms offered by First National Bank of Omaha are competitive, outreach was made to Wells Fargo Bank, with whom the District also has a banking relationship. Wells Fargo Bank provided a proposal for the line of credit, but at terms less favorable than those offered by First National Bank of Omaha. The Wells Fargo Bank proposal reflected a higher interest rate, a higher commitment fee and also required an up-front administrative fee for legal services to initiate the loan documents.

Management recommends renewing the credit line, albeit at a reduced amount of \$10 million, for the following reasons:

- In consultation with Piper Sandler, our financial advisor who consults on our bond issuances, we have concluded that it is prudent to maintain a revolving credit line and continue the plan to reduce the limit over time.
- The credit line continues to be viewed favorably by credit rating agencies. Though not assured, the credit line could be a factor in our ability to issue bonds at more favorable interest rates. The District's 2024 budget projection includes a planned bond issuance in 2025 of approximately \$116 million in the Water Department to fund capital expenditures at the three water treatment plants and other system improvements.
- The credit line serves to bolster the District's financial position and provides an additional source of liquidity to fund unexpected expenditures or unforeseen financial losses incurred in the future.
- In addition, most of the \$117.5 million unrestricted cash balance in the Water Department as of April 30, 2024 is designated for specific purposes, most notably is \$55.1 million of advances received from developers to fund construction projects and \$31.4 million that has been accumulated to fund water infrastructure replacement. Though all the \$117.5 million is properly classified as unrestricted, we believe it is imperative that cash balances be used for their designated purposes. A similar review of the Gas Department unrestricted cash balance of \$189.0 million on April 30, 2024 indicates that the majority, \$162.7 million, is classified as cash reserves with no specific designated purpose other than to fund general operational needs. This assessment of the components of unrestricted cash balances is another reason management believes executing a two-year, \$10 million credit line is a prudent way to bolster liquidity, particularly for the Water department.

Due to the factors stated above, management recommends renewing the line of credit with First National Bank of Omaha for a two-year term at a reduced amount of \$10 million.

Thank you for your consideration. Please contact me if you have any questions.



Mark F. Myers  
Sr. Vice President, Chief Financial Officer

Approved:



Mark E. Doyle  
President