

METROPOLITAN UTILITIES DISTRICT
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OMAHA, NEBRASKA 68102

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February 15, 2010

United States Senator E. Benjamin Nelson

440 North 8th Street, suite 120

Lincoln, NE, 68508

Re: Metropolitan Utilities District - \$12 million Appropriations Application

Dear U.S. Senator Nelson:

I would like to take this time and thank you for considering working with the Metropolitan Utilities District (the "District") in obtaining a \$12 million federal appropriation for a new construction/operation center. The new construction/operation center is needed to address inadequate facilities needed to replace the aging infrastructure of the District's natural gas and water system.

The District is in the process of removing and replacing over 1,700 miles of cast iron natural gas and water mains. The infrastructure replacement will have a direct impact on over 200,000 of our customers and will financially impact 500,000 more as utility rates rise to pay for this massive undertaking. Our customer owners will be spending approximately \$1 billion over the next 30 years to overhaul the aging distribution system. Included in the cost of replacing and rebuilding the distribution system is the hiring of an additional 150 employees. It is expected that all positions to be filled will be long term (more than 30 years) highly skilled fulltime union labor, administrative and professional employees.

The corner stone of the infrastructure replacement project is the building of a new construction/operations center. This facility is critical to the District and our customer owners for two reasons. One, our current construction/operation center is at or above capacity to adequately house and store the people and equipment needed to take on the task of replacing over 1,700 miles of underground piping in Omaha. Secondly, for the purpose of system-wide integrity, a second facility is needed to handle unforeseen events. In case of a natural disaster or any other event that would render our construction/operations center inoperable, such facility would inable the District to restore critical water and energy services to the metro area of Omaha.

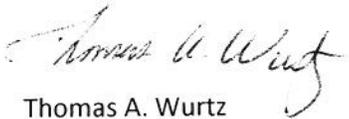
Senator Nelson, a federal appropriation of \$12 million to assist in the building of a new construction/operations center for the customer owners of the Metropolitan Utilities District would have a dramatic impact on this massive project. It would provide a vital infusion of cash that would

assist in the hiring of 150 new employees. These employees would have an estimated annual income impact of \$6.5 million. The appropriation would allow the District to more efficiently and effectively address the massive construction project of replacing 1,700 miles of natural gas and water mains and replacing over 60,000 service lines which connect our customers to the new natural gas and water mains.

On January 6, 2010, the Board of the Metropolitan Utilities District voted in favor of a resolution supporting the efforts of the Nebraska Congressional Delegation to obtain federal appropriations to assist in the building of a new construction/operations center for the District. I am attaching a copy of such resolution.

The District needs and appreciates your continued support and assistance in obtaining the federal appropriations for a new construction/operations center. Please contact me if you need any additional information or have any questions. Thank you for your time and consideration in advancing the District's appropriations application.

Sincerely,



Thomas A. Wurtz

President

Metropolitan Utilities District

1723 Harney Street

Omaha, NE 68104

RESOLUTION

WHEREAS, the Metropolitan Utilities District of Omaha ("District") provides natural gas and water to the City of Omaha and the surrounding area in Douglas, Sarpy and Washington Counties; and

WHEREAS, the District must replace and renew its aging gas and water infrastructure in order to continue to provide its customers with reliable gas and water service for the years to come; and

WHEREAS, The District is currently preparing for the construction of a new construction center that will provide for the District's construction needs for infrastructure replacement both in conjunction with the City of Omaha's CSO program and to continue infrastructure replacement for the years to come; and

WHEREAS, the construction of the District's Construction Center and the resulting infrastructure replacement program will provide a true economic stimulus by providing construction jobs during its construction and many long-term District construction jobs in the infrastructure replacement program itself; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Metropolitan Utilities District of Omaha, that it expresses its full support to the Nebraska Congressional delegation in its efforts to obtain federal funding for the construction of a new District construction center so that the District can continue its infrastructure replacement program for the benefit of all District customers.

Adopted: January 6, 2010