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(AM0017, Legislative Journal page 353.)

SPEAKER KRISTENSEN: Senator Hartnett, you're recognized to open on LB 101.

SENATOR HARTNETT: Mr. Speaker, members of the body, I'm here to introduce LB 101. This bill deals with the Metropolitan Utility District. There's only one MUD, it's...it serves the Omaha metropolitan area with water and natural gas, with an operating revenue of \$162 million. Essentially, this bill does what we did for the directors of OPPD and NPPD when we adopted LB 901, last year. The salary changes proposed in this bill are identical to those authorized for OPPD and NPPD in LB 901; and you see, from the chart that I passed out. The reason that we...pass...I want to call that to your attention, before...prior to LB 901, OPPD and NPPD directors had a salary of \$800, the same thing as MUD directors. And one...the electrical utility compensation is on an annual basis, and they had an annual salary of \$9,600, and MUD directors had a \$9,600. Last year, when we passed LB 901, we raised the monthly salary to \$11,120 (sic), and the annual salary of \$13,440. We do the same thing with this bill. We raise the MUD directors' salaries to an annual salary of \$13,440. The salary changes represents the only...the sixth increase in salary limit since 1913, when MUD was created, and the first since 1989. Historically, the ceiling has been adjusted periodically to take inflation into account. The United States Department of Labor calculations shows that in 19...since 1989, wages and salaries in private industry in the Midwest have gone up 48.6 percent. The proposed change in this bill is for an increase of 40 percent...the permanent salary lid. Salary is not automatic. The board would have to vote to raise the current salary of its members, and the change cannot take effect until the next election after November 2002. The bill would authorize the director to participate in the health and dental insurance plan offered to district employees, authorizing the district to make expenditure for this participation without counting the resulting costs against the salary cap. Finally, the bill would declare the obsolete provision requiring service district directors to post a \$5,000 bond.