

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

DECEMBER 5, 2016 – 9:00 AM

INDEX

PAGE

- 19,470 MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS – 11/28/16
  - a. Public Input
- 19,471 b. Change Location of the December 5, 2016 Regular Business Meeting of the Board to the Rodeway Inn, Holdrege, NE
  - c. Directors' Attendance
  
- 19,472 MINUTES OF COMMITTEE MEETING OF THE BOARD OF DIRECTORS – 11/28/16
  - a. Public Input
  - b. Consent to Assignment Summary
- 19,473 c. Permit to Construct Summary
  - d. Work Order/Purchase Requisition Summary
  - e. Right of Way Transactions
  - f. Power & Recreation Committee (11/28/16)
- 17,474 g. Power & Recreation Committee, continued
  - h. Administration Committee
  - i. Irrigation Committee
  - j. Kingsley Hydro Morning Glory Repairs
  - k. 2017 Property & Casualty Insurance Bids
- 19,475 l. Board Retreat – February 28-March 1, 2017 at Cornhusker Hotel, Lincoln, NE
  - m. Wage Scale Adjustment for Salaried Personnel, Confidential Employees and other Hourly Employees not represented by the Union
  - n. Wage Scale Adjustment for Hourly Employees Represented by IBEW 2185
  - o. 2017 Budget
  - p. Facilities Improvements
  - q. Kingsley Hydro Budget
  - r. Agreement for Legal Services – Robert McCormick
  - s. Agreement for Legal Services – Anderson, Klein, Brewster & Brandt
  - t. Employment Agreement – Dave Campbell
  - u. Employment Agreement – Leonard France
  - v. Employment Agreement – Glen Bevard
  - w. Employment Agreement – Tim Anderson
  - x. Amendment to Agreement with Dickinson Land Surveyors, Inc. for Professional Land and Surveying Services for the Surveying and Re-Platting of the K-1 Cabin Area, Lake McConaughy
  - y. Litigation – Maloley
  - z. Johnson Lake Leases
  - aa. Johnson Lake Inlet Hydro
  - bb. Republican Basin Diversion Project
- 19,476 cc. Personnel
  - dd. Out of State Travel
  - ee. Legislation
  - ff. Board Comments
  - gg. Operations Report
  - hh. Workshops, Seminars and Conferences
- 19,477 ii. CLOSED SESSION
  
- 19,478 MINUTES OF REGULAR BUSINESS MEETING OF THE BOARD OF DIRECTORS 12/05/16
- 19,479 1. Public Input
  - 2. Consent Agenda
- 19,480 1. Consent Agenda, continued
  - 2. Johnson Lake and Plum Creek Lease Proposal
- 19,481 1. Annual Conservation Report

2. Application for Variance – 5 Northeast Cove, Johnson Lake
3. Application for Variance – 18 Crappie Corner, Johnson Lake
4. Application for Variance – 2 East Shore, Johnson Lake
5. Reserve Fund Policy
6. Investment Policy Statement
7. Legal Services Agreement – Robert McCormick
- 19,482 1. Wage Scale Adjustment for Salaried Personnel, Confidential Employees and Other Hourly Employees not included in the Union Agreement
2. 2017 Budget
3. Personnel
4. Legislation
5. Workshops, Seminars and Conferences
6. Directors' Attendance
7. Board Comments
8. Operations Report
9. Adjournment

MINUTES OF SPECIAL MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
HOLDREGE, NEBRASKA  
NOVEMBER 28, 2016 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on November 21, 2016, giving the time, date, and place of the meeting and the information that the Agenda was available in advance at the Office of the Assistant Secretary.

Notices giving the time, date, and place of this meeting were mailed to the Directors on November 18, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	K. Scott Olson
Martin E. Mueller, Secretary	Ronald E. Fowler	Roger D. Olson
Robert B. Dahlgren, Treasurer	William E. Knoerzer	Robert L. Petersen
		Gordon N. Soneson

The following Directors were absent: Robert A. Garrett and David L. Rowe

Also present were the following:

Don D. Kraus, General Manager	Duane Cernousek, Purchasing Agent
Kevin M. Boyd, Gothenburg Division Mgr.	Dave R. Ford, Irrigation Division Manager
Eric Hixson, Engineering Services Manager	Jeff J. Buettner, Public Relations Coord.
Mike A. Drain, Natural Resources Mgr.	Jim Brown, Land Administrator
Rochelle A. Jurgens, Controller	Michael C. Klein, Legal Counsel
Cory A. Steinke, Civil Engineer	Emily Anderson, Assistant Secretary

Also present were:

Allan McClure	Steve Kemper
Rob Lane	Louise Lane
Dave Kreutz, JLDI	Jean Edeal, JLDI
John Williams	Frank Vetter
Dan Jensen	Deb Jensen

\* \* \* \* \*

The Board President announced that information for the public concerning the Open Meetings Act was available for interested parties to view.

At 9:00 A.M., Board President, Dudley L. Nelson, announced the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: Jean Edeal, JLDI President, addressed the Board and asked them to consider all of the letters and comments they have received from the Johnson Lake tenants when deciding on new lease rates. Allan McClure stated he met with a realtor who sells real estate at Johnson Lake who indicated home sales at Johnson Lake have slowed due to the uncertainty of the new lease rates. He expressed concern over high property tax rates and would like to see the Legislature change the law about paying taxes on leased land. He would like to see Central's lease proposal prior to the next JLDI meeting on December 9, 2016.

CHANGE LOCATION OF THE DECEMBER 5, 2016 REGULAR BUSINESS MEETING OF THE BOARD TO THE RODEWAY INN, HOLDREGE, NE (WITH THE TIME REMAINING AT 9:00 A.M.):

It was moved by Director Knoerzer and seconded by Director Mueller to hold the December 5, 2016 Regular Business Meeting of the Board at the Rodeway Inn, Holdrege, NE at 9:00 a.m. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent was: Garrett and Rowe. None voted no and the motion was declared carried.

DIRECTORS' ATTENDANCE: It was moved by Director S. Olson and seconded by Director Bogle to excuse the absences of Robert A. Garrett and David L. Rowe from the Special Meeting of the Board. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. None voted no and the motion was declared carried.

The meeting adjourned at 9:07 A.M.

MINUTES OF COMMITTEE MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
HOLDREGE, NEBRASKA  
NOVEMBER 28, 2016 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on November 21, 2016, giving the time, date, and place of the meeting and the information that the Agenda was available in advance at the Office of the Assistant Secretary.

Individual cards giving the time, date, and place of this meeting were mailed to the Directors on November 18, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	K. Scott Olson
Martin E. Mueller, Secretary	Ronald E. Fowler	Roger D. Olson
Robert B. Dahlgren, Treasurer	William E. Knoerzer	Robert L. Petersen
		Gordon N. Soneson

The following Directors were absent: Robert A. Garrett and David L. Rowe

Also present were the following:

Don D. Kraus, General Manager	Duane Cernousek, Purchasing Agent
Kevin M. Boyd, Gothenburg Division Mgr.	Dave R. Ford, Irrigation Division Manager
Eric Hixson, Engineering Services Manager	Jeff J. Buettner, Public Relations Coord.
Mike A. Drain, Natural Resources Mgr.	Jim Brown, Land Administrator
Rochelle A. Jurgens, Controller	Michael C. Klein, Legal Counsel
Cory A. Steinke, Civil Engineer	Emily Anderson, Assistant Secretary

Also present were:

Allan McClure	Steve Kemper
Rob Lane	Louise Lane
Dave Kreutz, JLDI	Jean Edeal, JLDI
John Williams	Frank Vetter
Dan Jensen	Deb Jensen
Dean Nelson	Odee Ingersoll, Pinnacle Consulting (at 9:41 a.m.)

\* \* \* \* \*

The Board President announce that information for the public concerning the Open Meetings Act was available for interested parties to view.

At 9:04 A.M., the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

CONSENT TO ASSIGNMENT SUMMARY: There were five Consents to Assignment at Johnson Lake in November, 2016.

PERMIT TO CONSTRUCT SUMMARY: The following Permits to Construct were approved in the month November, 2016:

Permits to Construct Approved by General Manager November 28, 2016			
<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
None			

Permits to Construct Approved by Real Estate Department November 28, 2016 – Johnson Lake & Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit &amp; Purpose</u>	<u>Date Approved &amp; Fee</u>
Forney, Rochelle	8 K-3 Rd	PTC (SWAF)-Construct walkway to beach using series of steps and platform landings	November 3, 2016-\$50.00 application fee
Wohlgemuth, David & Brenda	4 South Crappie Corner Dr 3	PTC (SWAF)-Replace existing dock and anchor pad	November 10, 2016-\$50.00 application fee
Brew, Patricia	30 Mallard Cove Dr. 19B	PTC (SWAF)-Replace existing stairs to the concrete slab	November 10, 2016-no application fee

Permits to Construct Approved by Real Estate Department November 28, 2016 – Jeffrey & Midway Lakes			
<u>Name</u>	<u>Description</u>	<u>Permit &amp; Purpose</u>	<u>Date Approved &amp; Fee</u>
Canfield, Jeffrey & Sara	91 Pelican Dr	PTC (DEF/ECS)-Repair existing retaining wall and construct series of two retaining walls on the lake side of the dwelling	November 7, 2016-no application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: None.

RIGHT OF WAY TRANSACTIONS: Dave Ford presented an application for the removal of a timber bridge. Both parties have signed the necessary bridge waiver.

**APPLICATION FOR REMOVAL OF BRIDGE OR CROSSING**

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowners</u>
E65	E65 #12	SW¼ of Section 15-7-21	Donald A. Nutzman and Colleen M. Nutzman, Trustees

(Remove timber bridge at approx. mp p-19.2 on E65 #12)

**POWER & RECREATION COMMITTEE (11/28/16):**

- a. Request for Variance – Johnson Lake – 5 Northeast Cove: Customer desires to: Expand a deck which currently is located in the lot’s side setback, and Relocate the HVAC unit that currently is situated in the side setback to the south to accommodate the deck extension. The proposed location of the HVAC unit would remain in the side setback. Permitting Procedures state: Rear and side setbacks. All buildings shall be located on the lot no closer than 4’ horizontal from the side lot line, or 10 percent of the width of the lot at the point of construction, whichever is greater. Staff does not support the request for the following reasons: i.) The strict application of the LSMP and Permitting Procedures does not produce an undue hardship. ii.) The hardship is not unique to the parcel of land for which the variance is sought. iii.) The granting of such a variance is not based upon reasons of demonstrable and exceptional hardship and is a variation for purposes of convenience and/or caprice. The Committee voted to recommend Board approval of a variance to allow the customer at 5 Northeast Cove, Johnson Lake to expand the pre-existing deck and to relocate the HVAC unit in the lot’s side setback.

- b. Request for Variance – Johnson Lake – 18 Crappie Corner: Customer constructed a patio and sidewalks without obtaining permission from Central. Patio was expanded into the lot's side setback. An above grade block bench was constructed within the lot's side setback. Current Permitting Procedures state: Rear and side setbacks. All buildings shall be located on the lot no closer than 4' horizontal from the side lot line, or 10 percent of the width of the lot at the point of construction, whichever is greater. Permitting Procedures becoming effective on 1 January 2017 state: Paved on grade features (e.g. sidewalks, patios, parking areas and garage approaches) located greater than thirty feet from the shoreline may be constructed within a lot's boundaries. Proper drainage of water must be part of the design for any on grade features. Staff recommends the approval of a variance for the construction of the patio situated within the side setback through the issuance of an after-the-fact permit as the recently approved Permitting Procedures would allow for such an improvement. Staff does not support the request to place an above grade feature within the side setback for the following reasons: i.) The strict application of the LSMP and Permitting Procedures does not produce an undue hardship. ii.) The hardship is not unique to the parcel of land for which the variance is sought. iii.) The granting of such a variance is not based upon reasons of demonstrable and exceptional hardship and is a variation for purposes of convenience and/or caprice. The Committee voted to recommend Board approval of a variance to allow the customer at 18 Crappie Corner, Johnson Lake for the construction of a patio situated within the side setbacks.
- c. Request for Variance – Johnson Lake – 2 East Shore: Customer placed two egress windows into the lot's side setback without obtaining permission from Central. The furthest of the two egress windows extend 1.67' into a 5' setback. Permitting Procedures state: Rear and side setbacks. All buildings shall be located on the lot no closer than 4' horizontal from the side lot line, or 10 percent of the width of the lot at the point of construction, whichever is greater. Egress windows were not shown on plans. Permit Notice of Approval states: The HVAC unit, any window wells, roof overhangs, etc. shall be placed so that they fit within the buildable area of the lot. Staff does not support this request for the following reasons: i.) The strict application of the LSMP and Permitting Procedures does not produce an undue hardship. ii.) The hardship is not unique to the parcel of land for which the variance is sought. iii.) The granting of such a variance is not based upon reasons of demonstrable and exceptional hardship and is a variation for purposes of convenience and/or caprice. The Committee voted to recommend Board approval of a variance to allow the customer at 2 East Shore, Johnson Lake to retain the egress windows on the conditions that the window openings utilize a well cover designed to be weight bearing and the customer receives the written permission from their neighbors.

ADMINISTRATION COMMITTEE: Don Kraus explained the committee will meet immediately following the Committee Meeting of the Board to review the Reserve Fund Policy and the Investment Policy Statement.

IRRIGATION COMMITTEE: Don Kraus stated the Irrigation Committee voted to recommend Board approval of a 1.5% rate increase over the 2016 rates. Staff had recommended a 3.0% increase but Director Knoerzer indicated the Water Users Board asked Central to consider waiving a rate increase for 2017 so the committee met in the middle at 1.5%.

KINGSLEY HYDRO MORNING GLORY REPAIRS: Kevin Boyd stated the work on the Morning Glory is complete except for the removal of the scaffolding which should be finished by the end of this week. He presented Change Order No. 1 in the amount of \$11,650.00 for additional scaffolding and welding that was required. He recommends paying Progress Estimate No. 1 in the amount of \$443,596.50 which represents a 90% payment. The remaining 10% will be paid upon full removal of the scaffolding, at which time the contract may be closed.

2017 PROPERTY & CASUALTY INSURANCE BIDS: Duane Cernousek presented the renewal rates for the 2017 Property-Boiler & Machinery, Inland Marine, Terrorism, Worker's Compensation, Commercial Auto, Commercial Crime, General & Management Liability, and Excess Liability insurance which will increase from \$397,961.00 in 2016 to \$423,212.00 in 2017. A 15% membership credit from

FM Global in the amount of \$24,952.00 will be credited to Central on the 2017 premium invoice total. In August, 2016, Central received a Worker's Compensation dividend check in the amount of \$10,948.00 for low loss experience during calendar year 2015.

BOARD RETREAT – FEBRUARY 28-MARCH 1, 2017 AT CORNHUSKER HOTEL, LINCOLN, NE: Jeff Buettner is trying to find a date when the Legislature has a break and staff/board are available so the retreat date is still unconfirmed.

WAGE SCALE ADJUSTMENT FOR SALARIED PERSONNEL AND CONFIDENTIAL EMPLOYEES: Don Kraus stated the Union Agreement approved a 2.5% wage increase for 2017.

WAGE SCALE ADJUSTMENT FOR HOURLY EMPLOYEES REPRESENTED BY IBEW 2185: Don Kraus re-stated the Union Agreement approved a 2.5% wage increase for 2017.

2017 BUDGET: Rochelle Jurgens presented the 2017 Fiscal Budget Management Letter which highlights major planned expenditures and capital project purchases. Odee Ingersoll from Pinnacle Consulting entered the meeting at 9:41 a.m.

FACILITIES IMPROVEMENTS: Odee Ingersoll presented the Executive Summary of the Study of Existing CNPPID Irrigation and Administration Division Facilities in Central Nebraska for Possible Location, Renovation or Consolidation. His recommendation is to construct a new facility and consolidate the Bertrand and Holdrege locations.

A break was taken at 10:31 a.m. The meeting resumed at 10:50 a.m.

2017 KINGSLEY HYDRO BUDGET: This was discussed in Closed Session.

AGREEMENT FOR LEGAL SERVICES – ROBERT MCCORMICK: This was discussed in Closed Session.

AGREEMENT FOR LEGAL SERVICES – ANDERSON, KLEIN, SWAN & BREWSTER: This was discussed in Closed Session.

EMPLOYMENT AGREEMENT – DAVE CAMPBELL: This was discussed in Closed Session.

EMPLOYMENT AGREEMENT – LEONARD FRANCE: This was discussed in Closed Session.

EMPLOYMENT AGREEMENT – GLEN BEVARD: This was discussed in Closed Session.

EMPLOYMENT AGREEMENT – TIM ANDERSON: This was discussed in Closed Session.

AMENDMENT TO AGREEMENT WITH DICKINSON LAND SURVEYORS, INC. FOR PROFESSIONAL LAND AND SURVEYING SERVICES FOR THE SURVEYING AND RE-PLATTING OF THE K-1 CABIN AREA, LAKE MCCONAUGHY: Jim Brown explained this amendment is necessary to extend the completion date of the K-1 Cabin Area re-platting to December 31, 2017. The consultant has the majority of the work completed, but Brown and the Land Administration staff need time to determine the location of new lot lines.

LITIGATION - MALOLEY: Mike Klein stated the Motions for Summary Judgment are still under the Court's advisement.

JOHNSON LAKE LEASES: This was discussed in Closed Session.

JOHNSON LAKE INLET HYDRO: There was nothing new to report.

REPUBLICAN BASIN DIVERSION PROJECT: The Lower Republican NRD and Tri-Basin NRD have a draft of a proposed agreement but they will not sign it until they receive landowner cooperation and complete their feasibility study. Cory Steinke stated the feasibility study should be completed



soon.

PERSONNEL: There were no discussions.

OUT OF STATE TRAVEL: The following Out of State Travel was approved for December, 2016:

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Don Kraus	Platte Program Governance Committee	Denver, CO	December 6-7, 2016
Mike Drain	Platte Program Governance Committee	Denver, CO	December 6-7, 2016

LEGISLATION: Jeff Buettner had nothing to report.

BOARD COMMENTS: None.

OPERATIONS REPORT:

- a. Jeff Buettner conducted a tour of Kingsley Hydro with a group from the Curtis Technical and Agricultural School on November 15, 2016. He attended a planning meeting for the Holdrege Water Conference which is scheduled for January 31, 2017. He reminded everyone of the upcoming Christmas parties in Holdrege on December 5, 2016 and Cozad on December 8, 2016.
- b. Dave Ford stated recharge is occurring on the Phelps Canal on the first 13.3 miles. Recharge on the E65 Canal and Elwood Reservoir will commence once the new box culvert project is completed which he expects to be within the next week. They have been monitoring high groundwater levels on the Phelps Canal using observation wells.
- c. Kevin Boyd showed a photo of the Johnson Lake Outlet Bridge which is nearing completion. The bridge was temporarily opened for the Thanksgiving holiday, and crews will finish the work this week. Boyd stated he and Duane Cernousek sent the specifications for a new dredge out for bids which will be reviewed at the December 22, 2016 Committee Meeting of the Board. He has been preparing annual FERC reports.
- d. Mike Drain has been busy preparing dam safety reports for submission to FERC and working on the FERC boundary review project.
- e. Rochelle Jurgens stated irrigation payments are due this week.
- f. Cory Steinke reported that Lake McConaughy is at elevation 3,256.4, 1,489,800 acre feet and 85.5% capacity. Lake McConaughy inflows are at 1,300 cfs, with outflows at 2,100 cfs. He will start transferring 1,500 cfs to NPPD later this week.
- g. Eric Hixson reported the Jeffrey Hydro bus tie breaker goes into service next week and it will go through testing. He started the process to seek proposals for a cyber-security consultant.
- h. Don Kraus received a fully signed copy of the Amendment to the J-2 Regulating Reservoir Water Service Agreement which officially places the project on hold. He will attend a scoring committee meeting of the Natural Resources Commission later this week for potential new projects.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

**At 11:08 AM it was moved by Director Soneson and seconded by Director R. Olson, that the Board enter into Closed Session to protect the public interest, to receive legal advice, and to discuss contract negotiations. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent was: Garrett and Rowe. None voted no and the motion was declared carried.**

**Board President Nelson stated that the items to be discussed in closed session were the following agenda items: Agreement for Legal Services-Robert McCormick; Agreement for Legal Services-Anderson, Klein, Swan & Brewster; Employment Agreement-Dave Campbell; Employment Agreement-Leonard France; Employment Agreement-Glen Bevard; Employment Agreement-Tim Anderson; 2017 Kingsley Hydro Budget; and Johnson Lake Leases.**

### **C L O S E D S E S S I O N**

A break was taken for lunch at 11:35 a.m. The meeting resumed in Closed Session at 12:12 p.m.

**At 1:47 PM it was moved by Director Fowler and seconded by Director Soneson, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent was: Garrett and Rowe. None voted no and the motion was declared carried. President Nelson stated that the items discussed in Closed Session were of a legal nature relating to the following agenda items: Agreement for Legal Services-Robert McCormick; Agreement for Legal Services-Anderson, Klein, Swan & Brewster; Employment Agreement-Dave Campbell; Employment Agreement-Leonard France; Employment Agreement-Glen Bevard; Employment Agreement-Tim Anderson; 2017 Kingsley Hydro Budget; and Johnson Lake Leases.**

The meeting adjourned at 1:47 PM.

MINUTES OF REGULAR BUSINESS MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
HOLDREGE, NEBRASKA  
DECEMBER 5, 2016 – 9:00 A.M.

This meeting was publicly advertised on November 28, 2016, giving the time, date, and place of the meeting and the information that the Agenda was available in advance at the Office of the Assistant Secretary.

Individual cards giving the time, date, and place of this meeting were mailed to the Directors on November 18, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	K. Scott Olson
David L. Rowe, Vice President	Ronald E. Fowler	Roger D. Olson
Martin E. Mueller, Secretary	Robert A. Garrett	Robert L. Petersen
Robert B. Dahlgren, Treasurer	William E. Knoerzer	Gordon N. Soneson

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Coord.
Rochelle A. Jurgens, Controller	Jim Brown, Sr. Land Administrator
Cory A. Steinke, Civil Engineer	DeAnna Bartruff, Land Administrator
Eric R. Hixson, Engineering Services Mgr.	Marcia Trompke, Conservation Director
Mike A. Drain, Natural Resources Mgr.	Tim Anderson, Public Relations Advisor
Kevin M. Boyd, Gothenburg Division Mgr.	Michael C. Klein, Legal Counsel
Dave R. Ford, Irrigation Division Mgr.	Emily Anderson, Assistant Secretary

Others present:

John Thorburn, Tri-Basin NRD	Lori Potter, Kearney Hub
Curtis Scheele	Rob McCormick
Dave Nelson	Patti Johnson
David Kreutz, on behalf of JLDI	Frank Koehn
Todd Stolley	Chuck Stone
Brad Dillard	Ron Latter
Dan Jensen	Deb Jensen
Sherry Tucker	Bonnie Hahn
Jean Edeal	Judy Wixson
Mike Rohnert	Linda Ridenour
Rose Ridenour	Rob Lang
Rod Schmidt	Allan McClure
Denis Pratt	Sandy Pratt
John Kirby	Gail Ortegren
Dick Helvey	Sharon Clark
Carl Clark	Doug Thompson
Dan Finken	Steve Thuernagle

\* \* \* \* \*

The President announced that information for the public concerning the Open Meetings Act was available for interested parties to view.

At 9:00 AM, the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

**PUBLIC INPUT:** Jean Edeal gave a history of Johnson Lake Development, Inc. and asked the Directors to consider a 2.65% cap on annual lease rate increases. She asked the Directors to reject any alternate lease proposal until Central and the JLDI Lease Committee can meet again to compare and combine ideas. Allan McClure reviewed Central’s financial statements earlier this year and stated the lease rates should increase similarly to the irrigation rates. John Thorburn reported Tri-Basin NRD expects to receive the feasibility study of the Platte to Republican High Flow Diversion Project later this month and he will present a copy to Central upon receipt. He reminded everyone of the Holdrege Water Conference on January 31, 2017.

**CONSENT AGENDA:** President Nelson asked the Directors if there were items they wished to be removed from the following consent agenda, to be discussed and voted on individually.

- **Approval of Minutes of Regular Business Meeting of the Board of Directors held November 7, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held November 28, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held November 28, 2016**
- **Approval of the December Disbursements:**

*Hydro Division:*

Check # 53017 & 53094-VOID; Check #s 53117 through 53321 and 8899295 through 8899312 (Accounts Payable) \$1,518,914.15  
 Check #s 9912873 through 9912977 (Payroll) \$349,483.24

*Kingsley Division:*

Check #s 2896 through 2912 (Accounts Payable) \$184,867.01

*J-2 Regulating Reservoir Construction Fund:*

Check #s 1236 through 1239 (Accounts Payable) \$10,635.61

*Glendo Division:*

Check #NONE \$NONE

*Flex Spending Account:*

Check #s 8049 through 8050 \$725.00

- **Approval of the following Right of Way Transaction:**

**APPLICATION FOR REMOVAL OF BRIDGE OR CROSSING**

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowners</u>
E65	E65 #12	SW¼ of Section 15-7-21	Donald A. Nutzman and Colleen M. Nutzman, Trustees

(Remove timber bridge at approx. mp p-19.2 on E65 #12)

- **Approval of the 2017 Irrigation Rates as follows:**

Incremental Pricing Program, 9” base fee	\$34.10 per acre
IPP Acre-inch fee from 9” to 18” of use	\$1.19 per inch
Non IPP rate 12” contracts	\$37.67 per acre
Non IPP rate 18” contracts	\$44.81 per acre
Use over 18” rate	\$44.81 per acre-foot

- **Approval of Change Order No. 1, Contract No. 0-667, Simon Contractors (\$11,650.00)**
- **Approval of Progress Estimate No. 1, Contract No. 0-667, Simon Contractors (\$443,596.50)**
- **Approval of the Renewal Rates for the 2017 Property & Casualty Insurance:**

Factory Mutual Insurance Company (FM Global) for Property-Boiler & Machinery, Inland Marine and Terrorism insurance in the amount of \$166,350; and

Harry A. Koch Co. for Worker's Compensation, Commercial Auto, Commercial Crime, General & Management Liability, and Excess Liability in the amount of \$256,862

- **Approval of Special Committee Meetings of the Board on March 21-22, 2017 at 8:30 a.m. at the Cornhusker Hotel, Lincoln, NE**
- **Approval of Legal Services Agreement – Anderson, Klein, Brewster & Brandt**
- **Approval of Employment Agreement – Dave Campbell**
- **Approval of Employment Agreement – Leonard France**
- **Approval of Employment Agreement – Glen Bevard**
- **Approval of Employment Agreement – Tim Anderson**
- **Approval of an Amendment to the Agreement with Dickinson Land Surveyors, Inc. for professional land and surveying services for the surveying and re-platting of the K-1 Cabin Area, Lake McConaughy**

**It was moved by Director Petersen and seconded by Director S. Olson to approve the Consent Agenda as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

JOHNSON LAKE AND PLUM CREEK LEASE PROPOSAL: Mike Drain presented an overview of the Johnson Lake and Plum Creek Lease Proposal which includes an alternate lease format and rate schedule reflecting an increase in lease fees of 3.5% of fair market value. The value of the lot would depend on the lot location and the amount of lake frontage. Sample calculations were given using various properties as examples. Drain included a proposed transfer policy and hardship policy. He stated the purpose of the proposal is to give staff a starting point with which to hold a series of public hearings to collect comments from the public. A meeting with the JLDI Lease Committee has been scheduled on December 9, 2016. A form for the public to use to make comments about the proposal will be placed on the website in the coming days and the form will also be mailed to Johnson Lake and Plum Creek tenants along with a letter on December 6, 2016. Drain reiterated that the documents are not in final form, but they are merely a starting point to generate discussion and feedback.

**It was moved by Director S. Olson and seconded by Director Soneson to approve the Johnson Lake and Plum Creek Lease Proposal as presented for the purpose of receiving public comment. Discussion included: Director Dahlgren questioned whether voting 'yes' was voting to approve the final concept. Director Fowler stated the proposal is simply for staff to utilize to initiate public input and the entire method could be abandoned if the Board chooses to do so in the future. There were comments heard from the public, including: Allan McClure wanted to remind the Directors that the lot values have gone up due to improvements paid for by the leaseholders. David Kreutz stated the lots have gained in value due to the implementation of the Sanitary Improvement Districts. Linda Ridenour commented that she is retired and on a fixed income and will not likely be able to tolerate an increase in lease fees. Jean Edeal reiterated that the Sanitary Improvement Districts caused property values to skyrocket and she stated she feels the lease fees should be based on the value of an unimproved lot. Rod Schmidt suggested using a method which ties the lease fees directly to what it costs to maintain the lake and surrounding area. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Knoerzer, Nelson, R. Olson, S. Olson, Petersen, and Soneson. The following voted no: Bogle, Dahlgren, Mueller, and Rowe. Motion carried.**

A break was taken at 10:09 a.m.

Director Soneson exited the meeting at 10:09 a.m.

The meeting resumed at 10:30 a.m.

ANNUAL CONSERVATION REPORT: Curtis Scheele from the Holdrege NRCS office and Marcia Trompke presented rainfall data, groundwater level information, and updates on various conservation programs for 2016.

APPLICATION FOR VARIANCE – 5 NORTHEAST COVE, JOHNSON LAKE: The minutes of the November 28, 2016 Power and Recreation Committee Meeting were reviewed showing the committee supported Board approval of the variance.

**It was moved by Director Bogle and seconded by Director Knoerzer to approve the variance to allow the customer at 5 Northeast Cove, Johnson Lake to expand the pre-existing deck and to relocate the HVAC unit on the lot's side setback. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Rowe. Soneson was absent. None voted no and the motion was declared carried.**

APPLICATION FOR VARIANCE – 18 CRAPPIE CORNER, JOHNSON LAKE: The minutes of the November 28, 2016 Power and Recreation Committee Meeting were reviewed showing the committee supported Board approval of the variance.

**It was moved by Director Knoerzer and seconded by Director S. Olson to approve the variance to allow the customer at 18 Crappie Corner, Johnson Lake to construct a ground level patio situated within the side setbacks. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Rowe. Soneson was absent. None voted no and the motion was declared carried.**

APPLICATION FOR VARIANCE – 2 EAST SHORE, JOHNSON LAKE: The minutes of the November 28, 2016 Power and Recreation Committee Meeting were reviewed showing the committee supported Board approval of the variance.

**It was moved by Director Petersen and seconded by Director R. Olson to approve the variance to allow the customer at 2 East Shore, Johnson Lake to retain the egress windows on the conditions that the window openings utilize a well cover designed to be weight bearing and the customer receives the written permission from their neighbors. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Rowe. Soneson was absent. None voted no and the motion was declared carried.**

RESERVE FUND POLICY: Don Kraus presented a revised document reflecting edits to the Future Obligation Reserve Fund and amending the FERC Project Boundary Acquisition Fund to the Hydro Project Boundary Acquisition Fund.

**It was moved by Director Dahlgren and seconded by Director R. Olson to approve the Reserve Fund Policy as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Rowe. Soneson was absent. None voted no and the motion was declared carried.**

Director Soneson entered the meeting at 11:27 a.m.

INVESTMENT POLICY STATEMENT: A draft of the Investment Policy Statement was reviewed with no changes since the last presentation to the Board.

**It was moved by Director S. Olson and seconded by Director Fowler to approve the Investment Policy Statement as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

LEGAL SERVICES AGREEMENT – ROBERT MCCORMICK: Don Kraus will have a draft of an agreement available for review at the December 22, 2016 Committee Meeting of the Board.

WAGE SCALE ADJUSTMENT FOR SALARIED PERSONNEL, CONFIDENTIAL EMPLOYEES AND OTHER HOURLY EMPLOYEES NOT INCLUDED IN THE UNION AGREEMENT: Staff recommended a 2.5% wage increase for 2017 which is based upon terms in the Management Union Agreement.

**It was moved by Director R. Olson and seconded by Director Petersen to approve the 2.5% increase to the wage scale for salaried personnel, confidential employees and other hourly employees not included in the union agreement as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

2017 BUDGET: The 2017 Fiscal Budget Management Letter was presented for review. Rochelle Jurgens commented that the letter was revised since the Committee Meeting to reflect the 1.5% increase to the irrigation rates.

**It was moved by Director Soneson and seconded by Director Knoerzer to approve the 2017 Fiscal Budget as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

PERSONNEL: None.

LEGISLATION: None

WORKSHOPS, SEMINARS AND CONFERENCES: Dave Ford noted the Four States Irrigation Council Annual Meeting in Fort Collins, CO is January 11-13, 2017, with a registration deadline of December 22, 2016.

DIRECTORS' ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Jeff Buettner stated Holly Rahmann is preparing to open the Eagle Viewing Facility on December 23, 2016. The facility will be open on Saturdays and Sundays through the viewing season.
- b. Cory Steinke reported that Lake McConaughy's elevation is at 3,256.0 and 1,459,700 acre feet which is 85.0% of capacity. Inflows are around 1,320 cfs and outflows are 1,400 cfs.
- c. Kevin Boyd stated the scaffolding around the Morning Glory has been removed and crews are conducting final clean-up today.
- d. Dave Ford reported that recharge on the Phelps Canal continues and recharge could start on the E65 Canal by Friday once the box culvert project is complete. Around 1,000 acres have signed up for the 2017 Water Leasing Program to date.

The meeting adjourned at 11:34 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER  
AND IRRIGATION DISTRICT

\_\_\_\_\_  
Martin E. Mueller, Secretary

By \_\_\_\_\_  
Dudley L. Nelson, President