

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
JUNE 6, 2016 – 9:00 A.M.

This meeting was publicly advertised on May 30, 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 May 20, 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	Dave R. Ford, Irrigation Division Mgr.
Kevin M. Boyd, Gothenburg Division Mgr.	Jeff J. Buettner, Public Relations Coord.
Eric R. Hixson, Engineering Services Manager	Holly G. Rahmann, Public Relations Asst.
Cory A. Steinke, Civil Engineer	Jim Brown, Land Administrator
Rochelle A. Jurgens, Controller	Michael C. Klein, Legal Counsel
Mike A. Drain, Natural Resources Mgr.	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	John Thorburn, Tri-Basin NRD
Kevin Breece, NRCS	Ed Schrock
Dave Kreutz, on behalf of JLDI	Dan Jensen
Jim Hahn	Deb Jensen
Bonnie Hahn	

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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: Dave Kreutz explained there was a JLDI meeting yesterday and presented a letter dated June 5, 2016 from JLDI President, Jean Edeal, which is in response to Central's letter dated May 28, 2016. Kreutz read the letter aloud which clarified some inaccuracies stated in a recent JLDI Lease Committee letter to leaseholders and stated Edeal's desire to continue a good working relationship with Central.

Deb Jensen introduced herself and her husband, Dan Jensen, as cabin owners on Drive 22 at Johnson Lake. She said there are 55 cabin owners in that association. They have spent around \$150,000 on new wells and mains, and she anticipates more costs in the future. Many in the association have spent money to remove trees from the area, maintain the shorelines and streets, and pay association dues, taxes, and sewer bond payments. She indicated many cabin owners are retirees on a fixed income and urged the Board to consider this when establishing a new lease rate.

Jim Hahn is a cabin owner in the Mallard Cove, Section E association at Johnson Lake. He provided statistics of the composition of the 21 cabin owners in his area, which include retirees, business owners, and people in the work force. He stated the average age in his area is 62 years old. He expressed concern about increasing the lease rate due to its potential to lower home values and cause more homes to be put up for sale due to the uncertainty of lease fees.

Ed Schrock gave a brief update from his perspective as an NPPD board member and commented on wind farms, nuclear power and hydro generation. He is pleased to see a full supply on the Platte River and stated he enjoys being on the board and representing this area.

Kevin Breece, District Conservationist from the NRCS, explained changes to the EQUIP Program resulting in less funding have created a significant decline in contracts. He is writing a grant application to apply for more Ogallala funds.

John Thorburn stated tree planting was delayed due to the rain, but was finalized at the end of May. He has been attending Integrated Management Plans in the various basins and will attend a meeting at Monsanto on June 16, 2016 for the Platte Basin IMP.

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 May 2, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held May 27, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held May 27, 2016**
- **Approval of the June Disbursements:**

<i>Hydro Division:</i>	\$1,003,172.88
Check #s 51754 through 52004 and 8899193 through 8899210 (Accounts Payable);	\$341,443.46
Check #s 9912235 through 9912341 (Payroll)	
<i>Kingsley Division:</i>	\$57,749.50
Check #s 2850 through 2857 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$141,862.70
Check #s 1208 through 1212 (Accounts Payable)	
<i>Glendo Division:</i>	\$7,447.52
Check #1107	
<i>Flex Spending Account:</i>	\$2,128.45
Check #s 6986 through 6988; 8012 through 8016	

- **Approval of Right of Way Transactions:**

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowner</u>	<u>Landowner Easement to Central Acres</u>	<u>Central Quitclaim to L.O. Acres</u>
<u>RIGHT-OF-WAY EXCHANGE</u>					
E65	#186	SW¼ of 36-T8N-R21W	Richard & Martha Ford.....	4.21	4.94
E65	#186	S½ of 35-T8N-R21W	Terry & Lynda Meyer.....	5.18	6.18
E65	#211	NW¼ of 1-T7N-R21W	Dennis Roper.....	2.51	4.7
E65	#207	NE¼ of 1-T7N-R21W	Paula & Roger Beverage.....	1.69	1.41

- **Approval of Water Service Agreements**

<u>System</u>	<u>Acct. No.</u>	<u>Legal Desc.</u>	<u>Landowner</u>	<u>Contr. Acres</u>	<u>Total Acres Chg'd</u>
<u>New Account:</u>					
Phelps	7173309	SE1/4 33-7-17 (Receive 29 ac from 7162902)	Michael & Marcia Soneson	29 (1)	+29
<u>Water Service Agreement:</u>					
Phelps	7162902	Pt of SW1/4 29-7-16 (Transfer 29 ac to 7173309)	Wells Ag, Inc. c/o Gary Wells	43 (1)	-29

- (1) IPP Amendment to Water Service Agreement for the 2016 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2016 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2015, landowner came-back with new WSA.
- (4) Water Service Agreement in 10-year termination (after 2015), landowner came-back with new WSA.
- (5) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

- **Approval of 2016 Water Rights Transfers** Staff recommends the 19 water right transfer requests equaling 299.5 acres in the Phelps and E65 irrigation areas. The water rights from unused or canceled acres used to cover these requests are for the following parcels:

Phelps Canal

Louis T Titus – 35 acres- NW1/4 27-6-17
 Stacy Hallgren – 60.4 acres- NE1/4 29-7-17
 Terra Inc – 52 acres- N1/2 NW1/4 3-6-15
 Steve & Randi Bohr – 42 acres- SE1/4 25-7-19
 Merna Larson – 1.3 acres- Lot 4, 31-7-17
 David & Becky Grimes – 4 acres- NW1/4 36-7-16
 Judy Fritson-Turner – 3 acres- NE NW1/4 10-6-16
 KayMae LLC- 3 acres- SE NW1/4 35-7-16
 Michael Soneson- 29 acres- SE1/4 33-7-17
 David Olsen- 7 acres- SW1/4 26-7-15

E-65

Dahlgren Cattle Co.- 5 acres- SE NW1/4 21-7-20
 Foreland Real Estate II LLC – 8 acres- SE NE1/4 18-7-20
 Gary Peterson - 8 acres- SE1/4 4-7-20
 Dennis Roper – 11.5 acres- NW1/4 1-7-21
 Robert Jon Dahlstet etal – 2 acres- NW SW1/4 15-7-20
 Byron & Rebecca Hock – 3.3 acres- NE NW1/4 26-7-20
 Michael Wallander - 15 acres- NE1/4 13-7-20
 Gary & Betty Suhr- 4 acres- SE1/4 36-8-21
 Gregory Linder- 6 acres- SE1/4 17-7-19

- **Approval of Progress Estimate No. 1 (Final), Contract No. 0-662.2 – Gene Steffy Chrysler, One 2016 Pickup (\$27,376.00)**
- **Approval of Closure of Contract No. 0-662.2 – Gene Steffy Chrysler (\$27,376.00)**
- **Approval of Progress Estimate No. 1 (Final), Contract No. 0-662.4 – Pony Express Chevrolet, One 2016 Pickup (\$49,429.00)**
- **Approval of Closure of Contract No. 0-662.4 – Pony Express Chevrolet (\$49,429.00)**
- **Approval of NPPD SCADA Sharing Agreement Cancellation**
- **Approval of Annual Hospital Medical Trust Report**
 The report provides the required accruals for 2016 to the Hospital /Medical Trust Fund and the activity in the fund for 2015 as required by Nebraska State Statute 13-1620
- **Approval of Land Administrator Job Description**
- **Approval of Variance at 11 Plum Creek Canyon, Drive 12I, Plum Creek Lake for a 4 year period to modify the boat dock**
- **Approval of Variance at 1 Plum Creek Canyon, Drive 12C, Plum Creek Lake to create a sand beach consistent with the U.S. Army Corps of Engineers’ regulations and the existing erosion agreement between landowner and the District**
- **Approval of the Deer Hunting Policy on Jeffrey Island as follows:**
 - a. A 3 year lease to be awarded to lottery winners for the 2016, 2017 and 2018 fall deer hunting seasons
 - b. Five hunting areas would be leased at a rate of \$500/year
 - c. Deer hunting would be allowed during the firearm season of each lease year
 - d. Access to Jeffrey Island would be permitted from October 1-November 10 of each year for scouting and blind placement between the hours of 10:00 a.m. and 4:00 p.m.
 - e. The application deadline is July 31, 2016 with the lottery drawing on August 1, 2016

It was moved by Director S. Olson and seconded by Director Mueller 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.

AGRICULTURAL LEASE (ART HENRY & SONS, INC.): Don Kraus stated this property was previously leased by a tenant who passed away. The new lease being presented for approval is with the new tenant.

Name	Type of Lease	Acres	Rent	Term	Location	Tract No
Art Henry & Sons, Inc.	Grassland/Pasture Agricultural Lease	4.24	\$134.80	01/01/16 - 12/31/20	SW¼ of Section 17-T13N-R29W	E_40

It was moved by Director Mueller and seconded by Director Petersen to approve the Agricultural Lease with Art Henry & Sons, Inc. 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.

PURCHASE REQUISITION NO. HA6092 – GREAT PLAINS METER (\$49,411.50): Dave Ford indicated this is a budgeted item for the purchase of flow meters for new installation and to replace several old meters.

It was moved by Director Dahlgren and seconded by Director Fowler to approve Purchase Requisition No. HA6092 with Great Plains Meter for the purchase of flow meters in the amount of \$49,411.50. 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.

DAWSON PUBLIC POWER DISTRICT – LETTER OF INTENT EXTENSION: Don Kraus stated the last extension for the Johnson Lake Inlet Hydro Generation Facility expired on June 1, 2016. The new Letter of Intent will be effective through September 1, 2016.

It was moved by Director Bogle and seconded by Director Petersen to approve the Dawson Public Power District – Letter of Intent Extension Agreement. 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.

2016 BUDGET AMENDMENT: Mike Drain presented Hydro Division Budget Revision #7 to the FERC Chicago (Dam Safety) Budget for the Kingsley Dam Inflow Design Flow Analysis which increases the current budget from \$150,000 to \$270,000, for a difference of \$120,000. The budget amendment is necessary for amendments to the Mead & Hunt agreement.

It was moved by Director S. Olson and seconded by Director Petersen to approve Hydro Division Budget Revision #7 to the FERC Chicago (Dam Safety) Budget for the Kingsley Dam Inflow Design Flow Analysis by increasing the current budget from \$150,000 to \$270,000, for a net difference of \$120,000. 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.

MEAD & HUNT – AMENDMENT NO. 7 & 8 TO KINGSLEY DAM PMF STUDY: Mike Drain explained Amendment No. 7 relates to the work necessary to provide a report to FERC which answers their last set of questions and Amendment No. 8 pertains to the wind direction and duration/wave run-up calculation and reporting analysis. The not-to-exceed amount for both contracts totals \$111,415.

It was moved by Director R. Olson and seconded by Director Rowe to approve Amendment Nos. 7 & 8 to the contract with Mead & Hunt for the Kingsley Dam PMF Study. 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.

J-2 REGULATING RESERVOIR: This was discussed in Closed Session.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner stated he continues to follow a couple interim studies that are scheduled for hearings in June.

DIRECTORS' ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: Director Mueller commented on how full Lake McConaughy is and how good it looks.

OPERATIONS REPORT: The following operations reports were presented:

- a. Jeff Buettner is preparing for the summer tour which is next week.
- b. Cory Steinke reported that Lake McConaughy's elevation is at 3,263.6, 97.6% of capacity and 1,703,500 acre feet, which is 1.4 feet from full capacity. Inflows are near 7,200 cfs and outflows are at 5,200 cfs. There is 3,100 cfs in the North Platte at Lewellen and 3,500 cfs in the South Platte at Roscoe. He continues to communicate with the City of North Platte, the Emergency Manager, the State of Nebraska, Bureau of Reclamation, U.S. Army Corps of Engineers, National Weather Service, etc. regarding the high flows and potential for flooding.
- c. Kevin Boyd stated the dredge is operating at the Diversion Dam seven days a week, for 12 hours a day. The dredge at Jeffrey Lake is operating six days a week, for 12 hours a day. Dredging operations are going well.
- d. Mike Drain gave a tour of Kingsley Dam and Hydro last week to Congressman Adrian Smith and his staff, along with Nate Nielsen and Devin Brundage.
- e. Holly Rahmann is preparing for the summer tour which begins next week. There are still a few seats on the bus that need to be filled. She has also been organizing efforts to build a float for the Swedish Days parade on June 18, 2016.
- f. Dave Ford stated irrigation deliveries begin today and with a full supply, he anticipates deliveries well past Labor Day. Crews have been working to repair leaks in the canals. Elwood Reservoir is full and the pumps have been shut off.
- g. Don Kraus is attending the Governance Committee meeting this week in Cheyenne, WY along with Mike Drain, Mark Peyton, and Dave Zorn.

At 9:48 AM it was moved by Director S. Olson and seconded by Director R. Olson, that the Board enter into Closed Session to protect the public interest, to discuss land negotiations, and to receive legal advice. 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. President Nelson stated that the items to be discussed in closed session was the following agenda item: J-2 Regulating Reservoir and Personnel.

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

A break was taken at 9:48 a.m. The meeting resumed in Closed Session at 10:00 a.m.

At 10:34 AM it was moved by Director Fowler and seconded by Director Garrett, that the Board exit Closed Session and reconvene in Regular Session. 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. President Nelson stated he item discussed in Closed Session were of a legal nature relating to the following agenda item: J-2 Regulating Reservoir and Personnel.

PERSONNEL: It was moved by Director Knoerzer and seconded by Director Mueller to approve the Addition to Payroll for Luke Ritz, Land Administrator, 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.

The meeting adjourned at 10:37 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President