

THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
MAY 1, 2017 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by notices on KUVR Radio Station on April 24, 2017, and by legal publication in the Holdrege Daily Citizen and Kearney Hub on April 24, 2017, 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 April 14, 2017.

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 | William E. Knoerzer | Robert L. Petersen |
| Robert B. Dahlgren, Treasurer | David G. Nelson | Gordon N. Soneson |

Also present were:

| | |
|-------------------------------------------|-------------------------------------------|
| Don D. Kraus, General Manager | Dave R. Ford, Irrigation Division Mgr. |
| Rochelle A. Jurgens, Controller | Jeff J. Buettner, Public Relations Coord. |
| Cory A. Steinke, Civil Engineer | Holly Rahmann, Public Relations Assistant |
| Eric R. Hixson, Engineering Services Mgr. | Michael C. Klein, Legal Counsel |
| Devin M. Brundage, Gothenburg Div. Mgr. | Emily J. Anderson, Assistant Secretary |

Others present were:

| | |
|-----------------------------------|--------------------------|
| John Thorburn, Tri-Basin NRD | Lori Potter, Kearney Hub |
| Scott Dicke, Lower Republican NRD | Dean Nelson |
| Lane Anderson | Gaylord Lacy |

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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: John Thorburn stated the annual Water Jamboree held at the Harlan County Reservoir on April 25-26, 2017 was successful, although rainy and cool, and thanked Holly Rahmann and Jeff Buettner for their help organizing the event. Scott Dicke stated the Lower Republican NRD also appreciated their help.

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 April 3, 2017**
- **Approval of Minutes of Committee Meeting of the Board of Directors held April 21, 2017**
- **Approval of the May Disbursements:**

Hydro Division:

Check # 53842-VOID; Check #s 54178 through 54377 and 8899380 through 8899397 (Accounts Payable) \$1,349,656.30
Check #s 9913406 through 9913510 (Payroll) \$329,304.83

Kingsley Division:

Check #s 2937 through 2943 (Accounts Payable) \$52,959.79

J-2 Regulating Reservoir Construction Fund:

Check # 1248 through 1249 (Accounts Payable) \$10,090.78

Glendo Division:

NONE NONE

Flex Spending Account:

Check #s 8077 through 8082 \$2,691.48

- **Approval of Bid Tab – Compact Track Loader – Nebraska Machinery Co., North Platte, NE in the amount of \$72,200.00 for a new 2017 CAT loader**
- **Approval of Contract Change Order No. 1 – Simon Contractors – Cottonwood Bridge Replacement, Project No. 0-668 (\$2,600.00)**
- **Approval of Progress Payment Estimate No. 3 (Final) – Simon Contractors – Cottonwood Bridge Replacement, Project No. 0-668 (\$64,725.20)**
- **Approval of Closure of Contract No. 0-668 – Simon Contractors – Cottonwood Bridge Replacement (\$448.902.00)**
- **Approval of Modification to Permitting Procedures, Appendix A – Mallard Beach Setbacks to allow for the following shoreline setbacks in the Mallard Beach South Bay Association: 1) 40’ setback for enclosed structures/additions; and 2) 30’ setback for structures without walls, i.e. awnings, covered porches, etc.**
- **Approval of Modification to Permitting Procedures, Appendix C – Fees to allow staff the discretion to reduce or eliminate administrative fees to adjacent landowners for vegetation modification or removal activities if they are performed in order to provide environmental or ecological benefit on lands owned by the District**
- **Approval of the following Meeting Notice Publication Policy:**

| Media Organization | Publication Method |
|----------------------------------------------------|---------------------------|
| KMMJ KLRB KMTY, Grand Island | Notice Letter |
| KHAS KLIQ KKPR, Hastings | Notice Letter |
| KHAS-TV, Hastings | Notice Letter |
| KHGI-Nebraska TV, Kearney | Notice Letter |
| KUVR Radio, Holdrege | Announce One Time |
| KRVN Radio, Lexington | Announce One Time |
| Holdrege Daily Citizen, Holdrege | Publish One Time |
| Kearney Hub, Kearney | Publish One Time |
| Lexington Clipper-Herald, Lexington | Publish One Time |
| North Platte Telegraph, North Platte | Publish One Time |
| www.cnppid.com | Post to Website |

- **Approval of the Land Use Permit for Sediment Augmentation with the Nebraska Community Foundation and the Platte River Recovery Implementation Program**
- **Approval of Special Committee Meeting of the Board (Retreat) on February 27, 2018 at 8:15 a.m. and February 28, 2018 at 8:15 a.m. at the Cornhusker Hotel, Lincoln, NE**

It was moved by Director Petersen and seconded by Director R. Olson to approve the Consent Agenda as presented. Discussion included: Director Bogle questioned Check # 1249 under the J-2 Fund to RJH Consulting. Cory Steinke stated the payment was for RJH’s work

associated with completing the study on the 3.1 flume, collecting groundwater data for the Platte Program, and website maintenance. Don Kraus explained that the costs under the final contract amendment were previously approved by the Board. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

2017 BUDGET REVISION: Eric Hixson explained the reason for Supplemental Work Order No. 107238S and Hydro Division Budget Revision #3 is because the generator relaying project has evolved over the past 10 years due to the following reasons: NPPD was to create the protection settings but after some delays, their employee who was qualified to conduct the work left the company and then Central delayed the project to finish other projects such as the transmission line relaying and Kingsley rehab. The result is a higher cost to complete the project than originally budgeted. Rochelle Jurgens presented Hydro Division Budget Revision #3 to the Gothenburg Capital Budget for the Generator Relaying Supplement with a current budget of \$0 and a proposed budget of \$152,000, for a net difference of \$152,000.

It was moved by Director S. Olson and seconded by Director Knoerzer to approve Hydro Division Budget Revision #3 to the Gothenburg Capital Budget for the Generator Relaying Supplement which increases the budget from \$0 to \$152,000. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

BID TAB – GENERATOR PROTECTION RELAYS: Eric Hixson stated following the April 21, 2017 Committee Meeting of the Board, he contacted the low bidders (SEL Engineering Services and Stanley Consultants) and asked for clarification on their exceptions. He stated staff is recommending accepting the bid from SEL Engineering Services for a fixed price bid of \$83,700. SEL Engineering Services clarified in writing they will provide and operate the test equipment during commissioning. Hixson would like legal counsel to review a few provisions in the proposed agreement.

It was moved by Director Soneson and seconded by Director Petersen to accept SEL Engineering Services, Inc.'s bid in the amount of \$83,700 for the Jeffrey/J1/J2 Generator Relaying project, with the agreement being subject to legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

WORK ORDER/PURCHASE REQUISITION SUMMARY: The following work orders and purchase requisitions were presented for consideration:

- a. Work Order No. 107373 – Compact Tract Loader (\$80,293.00)
- b. Purchase Requisition No. G-3831 – Caterpillar Compact Track Loader – Nebraska Machinery Co., North Platte, NE (\$77,254.00)
- c. Work Order No. 107238S – Generator Relaying (\$152,000.00)

It was moved by Director Rowe and seconded by Director Dahlgren to approve Work Order No. 107373, Purchase Requisition No. G-3831 and Supplemental Work Order No. 107238S as presented. Upon voting on the motion, the following Directors voted therefore: Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

2017 WATER RIGHTS TRANSFER #2: Dave Ford presented two water rights transfer requests equaling 218 acres in the Phelps Canal and Supply Canal areas. The water rights from unused or cancelled acres used to cover these request are for the following parcels:

Phelps Canal – Nebraska Department of Roads – 156 acres – SE1/4 5-6-16

Ford explained he is seeking Board approval to advertise the 2017 Water Rights Transfer #2 in the Minden Courier.

It was moved by Director S. Olson and seconded by Director Dahlgren to approve advertising of the 2017 Water Rights Transfer #2 as presented. Upon voting on the motion, the following Directors voted therefore: Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

BOUNDARY REVIEW: Devin Brundage presented examples of possible project boundary changes which could mean obtaining access easements or ownership of various pieces of properties to meet FERC's requirements.

REAL ESTATE NEGOTIATIONS (REED): This was discussed in Closed Session.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner gave a brief update on the bills he continues to follow which primarily focus on taxing and budget issues. He stated it is likely there will be cuts to the Water Sustainability Fund.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

DIRECTORS' ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: Director Fowler stated all of the Directors have been added to JLDI's mailing list and they will receive a copy of their newsletter around Memorial Day.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported Lake McConaughy is at elevation 3,255.0, 1,450,000 acre feet and 83.3% capacity. Inflows to Lake McConaughy are around 3,000 cfs with significant outflows. Snowpack is at 97% of average in the upper basin, 101% in the lower basin, and 99% in the South Platte basin. He expects high inflows to continue through the end of June.
- b. Devin Brundage advised the repair work at the hydros is complete. The rain and snow over the weekend caused some communication and power outages.
- c. Dave Ford Irrigated Area Observation Well Change in Readings Report reflecting the one-year and ten-year comparisons of well measurements taken during the spring of each period. The report also included the spring of 1981-1985 averages compared to the 2017 readings. He also presented Observation Well Hydrographs reflecting historical data from five random wells in the core irrigated area.
- d. Rochelle Jurgens reminded the Investment Committee members of their first quarter meeting following this meeting.
- e. Eric Hixson is working with Black & Veatch on a draft of the Southwest Power Pool filing for the revenue requirements.
- f. Holly Rahmann reminded the Directors to let her know today if they would like to reserve a seat for the Summer Tour.

A break was taken at 9:52 a.m. The meeting resumed at 10:09 a.m.

At 10:09 AM it was moved by Director Dave Nelson and seconded by Director

Petersen, that the Board enter into Closed Session to receive legal advice regarding real estate negotiations and personnel matters. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated that the topics to be discussed in closed session were the following agenda items: Real Estate Negotiations (Reed) and Personnel.

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

At 10:37 AM it was moved by Director R. Olson and seconded by Director Mueller, 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, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. 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: Real Estate Negotiations (Reed) and Personnel.

PERSONNEL: It was moved by Director S. Olson and seconded by Director Petersen to approve the Personnel Action – Change in Rate of Pay for Rochelle Jurgens as presented in Closed Session. Upon voting on the motion, the following Directors voted therefore: Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

The meeting adjourned at 10:38 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President