

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
JUNE 5, 2017 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by notices on KRVN (Lexington) and KUVR (Holdrege) radio stations on May 30, 2017, and by legal publication in the Lexington Clipper-Herald on May 27, 2017, the North Platte Telegraph, the Holdrege Daily Citizen and Kearney Hub on May 30, 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 May 18, 2017.

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
	David G. Nelson	Gordon N. Soneson

Absent was: David L. Rowe

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:

Jeff Kletzmayer, on behalf of LMLI	Deb Jensen
Jean Edeal	Arlin Edeal
Steve Kemper	Linda Aust
Don Hutchens	

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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: Jean Edeal presented comments from the JLDI Lease Committee regarding the 30 year term of the draft alternate lease, including three proposed options for revising the language. Don Hutchens will attend the meeting between the JLDI Lease Committee and Central staff on June 16, 2017 in Kearney and encouraged the Directors to attend. Linda Aust spoke on behalf of Chuck Stone to reiterate his comments made at the May 11, 2017 public meeting in

Lexington about his desire to see the hardship policy incorporated into the draft alternate lease.

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 1, 2017**
- **Approval of Minutes of Committee Meeting of the Board of Directors held May 26, 2017**
- **Approval of the June Disbursements:**

Hydro Division:

Check # 54358, 54372 & 54410-VOID; Check #s 54378 through 54618 and 8899398 through 8899413 (Accounts Payable) \$1,461,889.13
 Check #s 9913511 through 9913619 (Payroll) \$344,303.19

Kingsley Division:

Check #s 2944 through 2946 (Accounts Payable) \$49,299.41

J-2 Regulating Reservoir Construction Fund:

Check # 1250 through 1251 (Accounts Payable) \$11,138.01

Glendo Division:

NONE NONE

Flex Spending Account:

Check #s 8083 through 8085 \$375.16

- **Approval of Hydro Division Budget Revision #4 as follows:**

	Current Budget	Proposed Budget	Difference
Gothenburg Capital Budget			
Road Groomer – Johnson Lake	0	\$18,900	\$18,900
Gothenburg Office HVAC	0	\$22,000	\$22,000
Net Change			\$40,900

- **Approval of Work Order No. 107374 – Road Groomer (\$18,838.00)**
- **Approval of Purchase Requisition No. G-3847 – Road Groomer (\$17,910.00)**
- **Approval of Work Order No. 107375 – Gothenburg Office HVAC (\$21,370.00)**
- **Approval of Purchase Requisition No. G-3860 – Gothenburg Office HVAC (\$22,865.90)**
- **Approval of Progress Estimate No. 1 (Final), Contract No. 0-671 - Nebraska Machinery Company for Long Reach Crawler Excavator (\$236,643.00)**
- **Approval of Closure of Contract No. 0-671 – Nebraska Machinery Company Caterpillar for 2017 Long Reach Crawler Excavator (\$236,643.00)**
- **Approval of Progress Estimate No. 1 (Final), Contract No. 0-673 – Murphy Tractor for Backhoe Loader (\$112,350.00)**
- **Approval of Closure of Contract No. 0-673 – Murphy Tractor for 2017 Backhoe Loader (\$112,350.00)**
- **Approval of Statement of Service – Ellicott Dredge Technologies for Second Month Dredge Rental Fee and Float Pipe Rental (\$50,620.00)**
- **Approval of the following 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>Water Service Agreements:</u>					
Phelps	7153104	NW1/4SW1/4 and SE1/4SW1/4 31-7-15	Kenneth Scott & Victoria L. Olson	20 (1)	
		<i>Notes: New account</i>			
Phelps	6181502	NE1/4 15-6-18	WSR, LLC (Shane Westcott)	138 (1)	+30
		<i>Notes: Transferred 30 ac from acct # 6182501</i>			
Phelps	7173602	SE1/4NE1/4 36-7-17	John & Helia Driscoll; Beverly Driscoll, Trustee	10 (1)(4)	+10
		<i>Notes: New account; transferred 10 ac from acct # 7163203 which is in termination, reducing it to 98 ac</i>			

➤ **Approval of the following June 2017 Water Right Transfers:**

Phelps Canal

Scott Olson- 20 acres- SW1/4 31-7-15

Carol Sue Honey- 8 acres- Lot 13- 30-7-17

John Driscoll- 10 acres- SE NE1/4 36-7-17

E-65

Michael Wallander- 7 acres- NW NE1/4 13-7-20

Dahlgren Cattle Co. - 243 acres- W1/2 21-7-20

Dahlgren Cattle Co. - 23 acres- NW1/4 22-7-20

- **Approval of a Variance at 15 North Shore, Johnson Lake to place a HVAC unit outside of the lot's buildable area, near the two other existing HVAC units, subject to the approval of the tenants of the neighboring properties**
- **Approval of a Variance at 13 Mallard Cove, Johnson Lake to allow for the placement of a post/rope fence with a series of cedar log planter boxes on the corner of the lot to deter vehicles from driving on the area, and approval to replat the lot to include the corner section**
- **Approval of an Easement Agreement with Dawson County for the Johnson Lake Hike & Bike Trail located in the NW1/4 of Section 31, Township 9 North, Range 22 West in Dawson County, NE, and to authorize the General Manager to approve and sign future easements required for the completion of the Johnson Lake Hike & Bike Trail**
- **Approval of Changing the Date of the November Committee Meeting of the Board to Wednesday, November 22, 2017 at 9:00 a.m. at District Headquarters**

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, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

JOHNSON LAKE LEASES – TRANSFER AND RENEWAL POLICIES: Don Kraus explained the Transfer Policy has been amended to include language about renewing leases. The Power and Recreation Committee reviewed a draft of the revised policy at a meeting earlier this morning. They are recommending Board approval of the Transfer and Renewal Policies, with the exception of one edit to capitalize the term "Fixed Term Lease Agreement" under the Background paragraph in the Renewal Policy section. Don Hutchens stated he was disappointed that comments were not allowed on this agenda item from the public before board consideration.

It was moved by Director Soneson and seconded by Director S. Olson to approve the Johnson Lake and Plum Creek Canyon Reservoir Residential Lease Transfer and Renewal Policies, with the revision as discussed to capitalize the term "Fixed Term Lease Agreement," for

the purpose of receiving public comment. Discussion included: Don Kraus stated the Power and Recreation Committee also recommended mailing each tenant a copy of the proposed Transfer and Renewal Policy, along with making it available on the website, and that comments would be accepted through June. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WATER SUSTAINABILITY FUND APPLICATION – RAINWATER BASIN ENHANCEMENT: Cory Steinke presented the estimated costs to install the project consisting of five wetland areas totaling around \$1.2-\$1.3M, which includes a 30% contingency fee. If approved, the grant would reimburse 60% of the costs of capital and installation. Steinke would need to apply for a temporary water right until the permanent water right was approved. In addition, an amendment to the permanent water right application would be needed if the grant were approved.

It was moved by Director Knoerzer and seconded by Director Fowler to authorize staff to submit a grant application to the Water Sustainability Fund for the Rainwater Basin Enhancement project. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WATER SUSTAINABILITY FUND APPLICATION – COTTONWOOD RANCH: Cory Steinke stated this project would cost approximately \$1M to install. He could also apply for a Water Sustainability Fund grant application for this project but before proceeding, Don Kraus would like to discuss the potential project with the Platte Program at the Governance Committee meeting June 6-7, 2017 to determine their level of support.

It was moved by Director Dave Nelson and seconded by Director S. Olson to authorize staff to submit a grant application to the Water Sustainability Fund for the Cottonwood Ranch project, pending support from the Platte River Recovery Implementation program. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

More discussions were held in Closed Session regarding the Cottonwood Ranch Water Service Agreement which would be needed for a Water Sustainability Fund grant application.

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

PERSONNEL: None.

LEGISLATION: Jeff Buettner had nothing new to report.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

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

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford stated the irrigation schedule begins today, although some deliveries to center pivots have already occurred.
- b. Cory Steinke reported Lake McConaughy is at elevation 3,256.5, 1,498,100 acre feet and

85.8% capacity. Inflows to Lake McConaughy are around 4,300 cfs, with releases approaching 1,600 cfs. He is attempting to have the flow attenuation plan for Johnson Lake suspended for the summer.

- c. Devin Brundage advised the dredging efforts at Jeffrey Lake and on the Supply Canal are going very well. He showed photos of the new road groomer which can be pulled behind a pick-up.
- d. Jeff Buettner conducted the 15th year of the UNK Summer Research Program tour this past week where they canoed the Supply Canal. He will attend a NSIA summer meeting on June 19-20, 2017 with Dave Ford. On June 13, 2017 he plans to attend a meeting to discuss changes to the Water for Food display at the Water Interpretive Center at Lake McConaughy. He has a tour planned on June 21, 2017 with the local ESU Summer Honors students.
- e. Eric Hixson stated the updated transmission requirements have been filed with FERC as of June 1, 2017, and there will be a period of time for written objections.
- f. Mike Klein advised Charlie Brewster will be present on his behalf at the June 23, 2017 Committee Meeting of the Board.

A break was taken at 10:01 a.m.

Directors Soneson and Dudley Nelson exited the meeting.

The meeting resumed at 10:23 a.m.

Board Secretary, Martin E. Mueller, assumed the duties of conducting the meeting in the absence of the Board President, Dudley Nelson and Vice President, Dave Rowe.

At 10:23 AM it was moved by Director Petersen and seconded by Director R. Olson, that the Board enter into Closed Session to protect the public interest and to receive legal advice regarding real estate and contract negotiations. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, R. Olson, S. Olson, and Petersen. Absent was: Dudley Nelson, Rowe and Soneson. None voted no and the motion was declared carried. Board Secretary Mueller stated that the topics to be discussed in closed session were the following agenda items: Real Estate Negotiations (Reed); and Water Sustainability Fund Application-Cottonwood Ranch.

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

At 10:47 AM it was moved by Director Knoerzer and seconded by Director S. Olson, 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, R. Olson, S. Olson, and Petersen. Absent was: Dudley Nelson, Rowe and Soneson. None voted no and the motion was declared carried. Secretary Mueller stated that the items discussed in Closed Session were of a legal nature relating to the following agenda items: Real Estate Negotiations (Reed); and Water Sustainability Fund Application-Cottonwood Ranch.

The meeting adjourned at 10:47 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President