

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
NOVEMBER 6, 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 October 30, 2017, and by legal publication in the Holdrege Daily Citizen and Kearney Hub on October 30, 2017, the North Platte Telegraph on October 31, 2017, and the Lexington Clipper-Herald on November 1, 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 October 19, 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.	Jim Brown, Land Administrator
Michael A. Drain, Natural Resources 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
Andy Bishop, Rainwater Basin Joint Venture	

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The Board 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 thanked Cory Steinke and Don Kraus for their work in securing funding for the Rainwater Basin Recharge Project. He stated the Holdrege Water Conference is scheduled for January 30, 2018 and thanked Holly Rahmann for her help with coordinating the annual event.

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 October 2, 2017**

- **Approval of Minutes of Special Meeting of the Board of Directors held October 27, 2017**
- **Approval of Minutes of Committee Meeting of the Board of Directors held October 27, 2017**
- **Approval of the November Disbursements:**

<i>Hydro Division:</i>	\$1,623,443.55
Check #s 55500 through 55779 and 8899489 through 8899507 (Accounts Payable)	\$347,753.11
Check #s 9914053 through 9914157 (Payroll)	
 <i>Kingsley Division:</i>	 \$51,482.16
Check #s 2965 through 2973 (Accounts Payable)	
 <i>J-2 Regulating Reservoir Construction Fund:</i>	 NONE
Check # NONE (Accounts Payable)	
 <i>Glendo Division:</i>	 NONE
Check # NONE	
 <i>Flex Spending Account:</i>	 \$50.00
Check # 8101	

- **Approval of a Variance at 38 Bass Bay, Johnson Lake to proceed with the following plan: Remove the west portion of the garage to a point just east of the garage’s existing windows, extend the structure approximately eight feet to the north, construct a second floor addition above the new footprint, and convert the garage to residential use, conditional upon their neighbors’ written approval**
- **Approval of a Variance at 95 Pelican Dr, Jeffrey Lake to raise the elevation of the sidewalk conditional upon placement of riprap along the seawall which the sidewalk sits on top of**

It was moved by Director Soneson and seconded by Director Petersen 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, Rowe, and Soneson. None voted no and the motion was declared carried.

RIGHT-OF-WAY TRANSACTION: Dave Ford presented the following Application for Removal of a Bridge for consideration:

System	Tract No.	Legal Desc.	Landowner	Landowner Easement to Central Acres
APPLICATION FOR REMOVAL OF BRIDGE OR CROSSING				
Phelps	A21.5#31	W1/2SE1/4 of 32-7-18	K. & T. W. Land & Cattle, Inc.	N/A
	<i>(Remove timber bridge at approx. mp p-0.8 on A21.5#31)</i>			

It was moved by Director Mueller and seconded by Director R. Olson to approve the Right-of-Way Transaction for K. & T. W. Land & Cattle, Inc. 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, Rowe, and Soneson. None voted no and the motion was declared carried.

2017 BUDGET REVISION: Rochelle Jurgens presented Hydro Division Budget Revision #9 to the Irrigation Capital Budget for the installation of approximately 2,700 feet of 36” pipe for the Funk Lagoon portion of the Rainwater Basin Recharge Project:

Irrigation Capital Budget	Current Budget	Proposed Budget	Difference
Funk Lagoon Recharge Project	0	\$36,282.22	\$36,282.22

Dave Ford commented the pipe will be delivered this week and this budget revision covers the labor associated with installing the pipe.

It was moved by Director Knoerzer and seconded by Director Rowe to approve the Hydro Division Budget Revision #9 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, Rowe, and Soneson. None voted no and the motion was declared carried.

WORK ORDER NO. 186547 – FUNK LAGOON WPA PIPELINE (\$36,282.22): Cory Steinke introduced Andy Bishop from the Rainwater Basin Joint Venture (Joint Venture) and stated the Joint Venture provided grant funds to purchase the pipe for the Funk Lagoon WPA Pipeline. Staff recommends approval of the Work Order for installation of the pipeline.

It was moved by Director S. Olson and seconded by Director Dahlgren to approve Work Order No. 186547 for the Funk Lagoon WPA Pipeline in the amount of \$36,282.22 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, Rowe, and Soneson. None voted no and the motion was declared carried.

JEFFREY LAKE LEASES: Don Kraus advised the Board that Jim Brown resolved the issue with a permit at Jeffrey Lake last week. No action was taken.

REAL ESTATE PURCHASE AGREEMENT – NORTH PLATTE OPPORTUNITY CENTER, INC.: Don Kraus stated this agreement was presented at the October 27, 2017 Committee Meeting of the Board and it has been approved by legal counsel and is recommended by staff for the purchase of approximately 182.25 acres of land at a price of \$446,512.50 located near Central's diversion dam at North Platte.

It was moved by Director R. Olson and seconded by Director Rowe to approve the Real Estate Purchase Agreement with the North Platte Opportunity Center, Inc. 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, Rowe, and Soneson. None voted no and the motion was declared carried.

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

WATER SERVICE AGREEMENT FOR RAINWATER BASIN RECHARGE PROJECT – TRI-BASIN NATURAL RESOURCES DISTRICT: Don Kraus mentioned that minor edits to this agreement have been made since the October 27, 2017 Committee Meeting of the Board and he is seeking approval of the agreement, subject to legal review.

It was moved by Director Dave Nelson and seconded by Director Petersen to approve the Water Service Agreement for Rainwater Basin Recharge Project with Tri-Basin Natural Resources District, 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.

WATER SERVICE AGREEMENT FOR GROUNDWATER RECHARGE FROM EXCESS FLOWS BETWEEN THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT, TRI-BASIN NATURAL RESOURCES DISTRICT, RAINWATER BASIN WETLAND MANAGEMENT DISTRICT, NEBRASKA COMMUNITY FOUNDATION, AND THE RAINWATER BASIN JOINT VENTURE: Don Kraus advised the Directors that Central's role in this agreement is to measure the total amounts diverted into each Waterfowl Protection Area (WPA) and participate in meetings as necessary to develop a "Water Delivery Plan" to determine priorities in location, timing and amounts of deliveries to each WPA. Legal counsel has not reviewed the agreement and therefore approval is recommended subject to legal review.

It was moved by Director Dahlgren and seconded by Director R. Olson to approve the Water Service Agreement for Groundwater Recharge from Excess Flows Between The Central

Nebraska Public Power and Irrigation District, Tri-Basin Natural Resources District, Rainwater Basin Wetland Management District, Nebraska Community Foundation, and The Rainwater Basin Joint Venture, 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.

AUTHORIZATION NO. 1 – PLATTE TO REPUBLICAN DIVERSION PROJECT: This was discussed in Closed Session.

APPOINTMENT OF BUILDING COMMITTEE: President Nelson appointed Directors Rowe, Mueller and Dahlgren and himself to the Building Committee for the purpose of analyzing the need for a facilities improvement project(s). He stated if another member is needed in the future, he will make another appointment.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner had nothing new to report.

WORKSHOPS, SEMINARS AND CONFERENCES: The NSIA/NWRA Joint Convention will be held in Kearney, NE on November 19-21, 2017. Anyone interested in attending should contact Emily Anderson.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported Lake McConaughy is at elevation 3,252.4 1.38 million acre feet, 79.5% capacity, and rising 3-4" per week. Inflows to Lake McConaughy are at 1,260 cfs, with releases at 130 cfs. He plans to have Lake McConaughy storage up around 1.5 million acre feet by March, 2018. Jeffrey Lake will start to rise tomorrow and be back to normal levels mid-week. Johnson Lake is cycling until November 10, 2017 to accommodate the whooping cranes, then it will be maintained at normal levels.
- b. Devin Brundage stated after working six days a week, crews have completed the Jeffrey Lake shoreline clean-up work and he estimates around 18,000 cubic yards of material were removed. The work on the breaker and relay upgrades at J-2 Hydro is complete.
- c. Jeff Buettner participated on a panel for the Nebraska Independent Community Bankers last week where topics including agriculture, water and weather issues were discussed. Due to Tim Anderson's death, there is a vacancy on the NWRA Board of Directors. Buettner will be submitting an application to take Anderson's place on the board.
- d. Jim Brown reminded the Directors of the annual stakeholders meeting at Johnson Lake on November 9, 2017 in Lexington, NE. Of the 56 permits issued for riprap installation at Jeffrey Lake, 34 were found to be in non-compliance. Letters notifying those Jeffrey Lake residents of non-compliance were mailed earlier this year, and 6 are still not compliant.
- e. Dave Ford showed a video clip of the E-65 siphon coating project which is now complete. He commented all of the E-65 siphons are now coated with the lining. Crews will begin on the Funk Lagoon pipeline project soon.
- f. Rochelle Jurgens reminded the Directors of the Investment Committee meeting following this meeting.
- g. Don Kraus is attending a Natural Resources Commission scoring meeting on November 7-9, 2017 in Gothenburg, NE. He will be gone next week to an NWRA meeting in Tucson, AZ on

November 14 -17, 2017.

At 9:28 AM it was moved by Director Mueller and seconded by Director Knoerzer, that the Board enter into Closed 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. Board President Nelson stated the items to be discussed in closed session were the following agenda items: Real Estate Negotiations – Reed; Authorization No. 1 – Platte to Republican Diversion Project; and Personnel. The items are being discussed in closed session to protect the public interest, to receive legal advice regarding threatened and pending litigation, and to discuss real estate and contract negotiations.

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

Director Dahlgren exited the meeting at 10:04 a.m.

At 10:07 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, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried. Board President Nelson stated the items discussed in closed session were the following agenda items: Real Estate Negotiations – Reed; Authorization No. 1 – Platte to Republican Diversion Project; and Personnel. The items were discussed in closed session to protect the public interest, to receive legal advice regarding threatened and pending litigation, and to discuss real estate and contract negotiations.

A break was taken at 10:07 a.m. The meeting resumed at 10:15 a.m.

AUTHORIZATION NO. 1 – PLATTE TO REPUBLICAN DIVERSION PROJECT: It was moved by Director Knoerzer and seconded by Director Fowler to approve Authorization No. 1 in the amount of \$100,000.00 for permitting and construction of the Platte to Republican Diversion 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, Rowe, and Soneson. None voted no and the motion was declared carried.

There was a brief discussion about whether Directors who are also irrigators and on the Irrigation Committee can vote on setting 2018 irrigation rates. Michael C. Klein indicated he intends to write a letter to Frank Daley, Executive Director of the Nebraska Accountability and Disclosure Commission, asking for clarification.

The meeting adjourned at 10:27 AM.

ATTEST:	THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
_____	By _____
Martin E. Mueller, Secretary	Dudley L. Nelson, President