

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

MAY 7, 2018 – 9:00 AM

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MINUTES OF COMMITTEE MEETING OF THE
 BOARD OF DIRECTORS
 THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
 HOLDREGE, NEBRASKA
 APRIL 27, 2018 – 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 April 23, 2018, and by legal publication in the Kearney Hub and Holdrege Daily Citizen on April 23, 2018, and the Lexington Clipper-Herald and North Platte Telegraph on April 21, 2018, 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 19, 2018.

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 the following:

Don D. Kraus, General Manager	Jim Brown, Land Administrator
Rochelle A. Jurgens, Controller	Holly Rahmann, Public Relations Assistant
Mike A. Drain, Natural Resources Manager	Marcia Trompke, Conservation Director
Eric Hixson, Engineering Services Manager	Van D. Fastenau, Customer Service Super.
Devin M. Brundage, Gothenburg Div. Mgr.	Tyler Thulin, Civil Engineer
David R. Ford, Irrigation Division Mgr.	Michael C. Klein, Legal Counsel
Jeff J. Buettner, Public Relations Manager	Emily Anderson, Assistant Secretary

* * * * *

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

At 9:02 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: Two Consents to Assignment at Johnson Lake were approved in April, 2018.

WATER SERVICE AGREEMENTS: Van Fastenau presented 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	6150403*	SW1/4NE1/4 4-6-15	Cavanaugh, Mike & Janet	10 (1)(4)	0

*Completed 10-year termination and re-signed acres

Phelps 6150405* SE1/4 4-6-15 Cavanaugh, Mike & Janet 60 (1)(4) -36

*Completed 10-year termination and re-signed acres

Phelps 8190403* S1/2 & NW1/4SE1/4 34-8-19 Wallander, Bruce & Darlene 20 0

*Acct will terminate at end of 2027 irrigation season

Phelps 8201704 S1/2NE1/4 & N1/2SE1/4 17-8-20 Samuelson, Darren & Marlynn 80 (1)(4) +8

- (1) IPP Amendment to Water Service Agreement for the 2018 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2018 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2017, landowner came-back with new WSA.
- (4) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

WATER CONVEYANCE PERMITS: Dave Ford presented the following Water Conveyance Permit:

Conveyance Permits		
4/27/2018		
Location	Operator	Notes
E67-0.9 to 0.9 & 1.2	Bryant Knoerzer	Bryant will convey water in the E67 main canal to two locations on the same account.

PERMIT TO CONSTRUCT SUMMARY: The following Permits to Construct were approved in the month of April, 2018:

Permits to Construct Approved by General Manager April 27, 2018			
Name	Description	Amount	Purpose
None			

Permits to Construct Approved by Land Administration Department April 27, 2018– Johnson Lake			
Name	Description	Permit & Purpose	Date Approved & Fee
Wedberg, Gregg & Patricia	19 Crappie Corner Dr 5	PTC (SWAF)-Install dock with swim platform and boat lift	March 8, 2018-\$50.00 application fee
Maloley, Michael & Ronda	42 Bass Bay Dr 16	PTC-Add on to existing patio with ground level concrete patio with steps leading down from porch and a fire pit	March 26, 2018-\$50.00 application fee
Reid, Ricky & Patricia	110 Lakeview Acres Dr 14C	PTC (SWAF)-Add 12' x 12' aluminum shore station onto existing dock	March 27, 2018-\$50.00 application fee
Courtney Hanson & Sue Hanson	14 N Shore Dr 8	PTC-Replace existing driveway and sidewalk and construct a concrete patio	March 27, 2018-no application fee
Larson, Stephen & Carolyn	2 Northeast Bay Dr 4	PTC-Create semi-circle landscaped area with a flagpole and low volt electricity	March 27, 2018-no application fee
Kunemann, Kevin	160 Lakeview Acres Dr 14F	PTC (SWAF)-Construct "L" shaped dock with shore station; Construct stairs from the deck to the shore	March 28, 2018-\$50.00 application fee
Sandy, William & Pam	5 Mallard Beach	PTC-Construct a garage, 2 retaining walls, a set of steps, and a driveway	March 29, 2018-no application fee
Dannull, Cliff & Will	132 Lakeview Acres Dr 14D	PTC (SWAF)-Add 8' x 8' swimming pad onto existing dock	April 2, 2018-\$50.00 application fee
Larson, Douglas & Kathleen	7 North Cove Dr 10	PTC (SWAF)-Add common use dock with branching docks and two shore stations	April 9, 2018-\$50.00 application fee

Applegate, Jerry & Diane	3 Crappie Corner Dr 5	PTC (SWAF)-Construct concrete shoreline adjacent patio with a sidewalk	April 10, 2018-\$50.00 application fee
Roberts, Tempie	3 Perch Bay Addn Dr 7	Amended PTC-Construct multi-part addition with on-grade patio	April 11, 2018-no application fee
Malcom, David & Marilee	61 Lakeview Acres Dr 14A	PTC ECS-Protect 50' of shoreline with riprap	April 13, 2018-no application fee
Urbom, David & Christine	15 Bass Bay Dr 16	PTC-Construct on-grade patio	April 18, 2018-no application fee
Atwood, Steve	45 North Point Dr 13	PTC for Veg-Plant trees	April 20, 2018-no application fee
Applegate, Jerry & Diane	3 Crappie Corner Dr 5	PTC ECS-Protect 55' of shoreline with riprap	April 20, 2018-no application fee
S & J Cattle Co	25 Kirby Point Dr 2	PTC (SWAF)-Place additional 4' x 8' dock section perpendicular to existing main dock	April 24, 2018-\$50.00 application fee

Permits to Construct Approved by Land Administration Department April 27, 2018 – Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Hartman, Dan & Wolff, Tracy	50 K-1 Rd	PTC-Remove existing A-frame structure and construct addition to existing structure, with a concrete patio, concrete pad with sidewalk leading to a parking pad	April 13, 2018-no application fee

Permits to Construct Approved by Land Administration Department April 27, 2018 – Jeffrey Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Russell, Gary & Leslie	71 Pelican Dr	Amended PTC (SWAF)-Install aluminum dock with a ramp to a shore station.	March 20, 2018-no application fee
Shepherd, Dell & Janet	28 Lakeview Rd	PTC-Construct a fence	March 29, 2018-no application fee
Kotsiopulos, Pete & Jane	35 S Lakeview Rd	PTC (SWAF)-Replace existing floating dock with a "L" shaped floating dock with a shore station	March 29, 2018-\$50.00 application fee
Shepherd, Dell & Janet	28 Lakeview Rd	Amended PTC-Construct fence and sidewalk	March 29, 2018-no application fee
Peterson, Steve & Lagia	118 Anchor Bay Dr	PTC-Replace existing deck, pour concrete patio with sidewalk	April 23, 2018-no application fee

Permits to Construct Approved by Land Administration Department April 27, 2018 – Plum Creek Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Howard, Ronald & Angela	95 Plum Creek Canyon Trail	PTC (SWAF)-Install dock with swim platform and bury electrical line	April 11, 2018-\$400.00 application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: The following work orders and purchase requisition were presented:

- a. Work Order No. 107387 – Low Boy Tractor (\$124,079.98)
- b. Work Order No. 186554 – Ultrasonic Meter (\$6,347.72)
- c. Purchase Requisition No. H9103 – GPM Enterprises, Inc. for flow meter and transducer (\$6,162.84)

Dave Ford commented that the work order and purchase requisition for the Ultrasonic flow meter will require a budget amendment which will be discussed later in this meeting.

PROGRESS PAYMENT ESTIMATE NO. 1 (FINAL), CONTRACT NO. 0-679.1, PLATTE VALLEY AUTO, 2018 PASSENGER SEDAN (\$18,615.00): Don Kraus stated this new sedan is for the Holdrege office.

CLOSURE OF CONTRACT NO. 0-679.1, PLATTE VALLEY AUTO, 2018 PASSENGER SEDAN (\$18,615.00): Don Kraus presented the closure of contract letter indicating the sedan has been received and inspected, and staff recommends final payment.

POWER AND RECREATION COMMITTEE (4/27/18): Jim Brown presented an overview of the items on which the Committee recommended Board action:

a. Mallard Beach Lighthouse – Johnson Lake: Johnson Lake tenants desire to partner with Central to construct a memorial lighthouse on a concrete base at the end of the Mallard Beach South Bay jetty. Photos were displayed of sinkholes and exposed rebar on the jetty which would require repair by Central. Staff does not support using land improvement funds without assurance that the public could access the lighthouse feature. The Committee voted to recommend Board approval of permitting the construction of the memorial lighthouse on the end of Mallard each jetty, conditional upon receipt of written approval from the closest leased lot (87 Mallard Beach), and that the future mowing of the jetty will be performed by the lake association. Central staff will perform maintenance on the jetty to repair identified hazards and prepare the site for the lighthouse’s concrete pad.

b. Application for Variance – 1 South Crappie Corner, Johnson Lake: Customer desires to construct a livable basement below elevation 2,618’ msl. The Permitting Procedures state: 6.5. Storm Shelters, Basements, and Below Grade Construction: The finished floor of a below grade livable area may not be below the OHWM elevation of the respective waterbody. Staff does not support granting the variance due to the fact that “good cause” has not been shown. The Committee voted to recommend Board approval of a variance to the permitting procedures for the construction of a basement at 1 South Crappie Corner, Johnson Lake conditional upon: 1) The lowest livable elevation may be constructed below elevation 2618.0’ msl provided that sump pumps and drain tiles are installed and the basement will be filled in by the customer if groundwater floods the basement in the future; 2) The lowest adjacent grade shall be ≥2622.0’ msl; and 3) The lowest building opening shall be ≥2623.5’ msl. Staff was directed to review and amend the Permitting Procedures relating to the lowest livable elevations.

E65 MP 2.6H BRIDGE REPLACEMENT (GOSPER COUNTY): Tyler Thulin presented the Letter of Consent and Letter of Understanding for the Gosper County bridge replacement. The proposed terms of the agreement states Central will pay 35% of the cost of the box culvert, not to exceed \$73,000. Gosper County will begin the project after October 1, 2018 and completion shall be by November 15, 2018. In the event they are unable to meet the deadline, Gosper County will pay Central \$2,000 per day in liquidated damages starting November 16, 2018 until the culvert can convey 350 cfs.

2018 BUDGET REVISION: Rochelle Jurgens presented Hydro Division Budget Revision #3 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Conservation Capital</u>			
Ultrasonic Flowmeter	\$0	\$6,100	\$6,100
Conservation Program O & M 2-41-54300-533	\$40,000	\$33,900	(\$6,100)
<u>E65 Roads, Bridges and Crossings</u>			
E65 MP 2.6h Box Culvert 2-39-54300-509-20	\$0	\$73,000	\$73,000

1ST QUARTER FINANCIAL REPORT (Year-to-Date Financial Report): Rochelle Jurgens presented reports on the year-to-date financial status through March, 2018 for generation, revenues, and operating expenses.

ANNUAL HOSPITAL MEDICAL TRUST REPORT: Rochelle Jurgens presented the amount necessary to fund the medical trust fund for 2018, along with Central's expected contributions and projected employee claims. The Hospital Medical Trust Fund balance as of December 31, 2017 was \$775,405. Jurgens will seek Board approval of the funding request of \$1,187,578 at the Regular Business Meeting on May 7, 2018.

ADMINISTRATION COMMITTEE MEETING (4/26/18): The Administration Committee met on April 26, 2018 to discuss the Voluntary Compliance Application Program for the District Employees' Retirement Plan. A former employee who resigned August 25, 1980 from Central after 11 years of employment failed to communicate with Central regarding his interest in receiving retirement benefits. The issue was brought to Central's attention by the actuary for the pension plan. After review, legal counsel for Central's pension plan recommended a Voluntary Compliance Plan application to the IRS and after IRS approval, distribution to the surviving spouse will be made in the approximate amount of \$27,700 (dependent on IRS approval date). The Committee members voted to recommend Board approval of the Voluntary Compliance Application.

Rochelle Jurgens commented that going forward, she will contact vested employees at the age of 65 to inform them of the requirement to start taking minimum distributions at age 70½.

JEFFREY LAKE LEASE AGREEMENT: Mike Drain stated staff is still negotiating with the attorneys for Jeffrey Lake to extend the time for the completion of shoreline work.

JOHNSON LAKE/PLUM CREEK LAKE LEASE UPDATE: Jim Brown indicated there are still ten tenants at Johnson Lake that do not qualify for the hardship who are still on the existing lease and have not converted to the alternate lease. Staff has been making attempts to contact these tenants to confirm their intentions.

UEBELE PROPERTY – PLUM CREEK: This was discussed in Closed Session.

FACILITIES UPGRADE: Don Kraus presented the results of the recent survey conducted to gather input from employees about the most important principles, shop/work area factors, employee/customer issues, and the location for a facility upgrade project.

LITIGATION - MALOLEY: Mike Klein stated the Motion for a New Trial is still under advisement by Judge Doyle.

A break was taken at 10:07 a.m. The meeting resumed at 10:20 a.m.

At 10:20 AM it was moved by Director Dave Nelson and seconded by Director Petersen, that the Board enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave 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 item to be discussed in closed session was the following agenda item: Personnel, for the purpose of discussing personnel matters.

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

At 11:50 AM it was moved by Director Petersen and seconded by Director R. 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, Dave 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 item discussed in Closed Session was for the purpose of discussing personnel matters related to the following agenda item: Personnel.

A break for lunch was taken at 11:51 a.m. The meeting resumed at 12:24 p.m.

OUT OF STATE TRAVEL: The following travel was approved for May, 2018:

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Mike Drain	National Hydropower Association Conference, includes FERC & Congressional visits	Washington, D.C.	April 30-May 3, 2018

LEGISLATION: Jeff Buettner handed out copies of his final Legislative Watch List and discussed updates to those bills relevant to Central's operations.

BOARD COMMENTS: None.

OPERATIONS REPORT:

- a. Mike Drain stated a meeting will occur next Friday with attorney Steve Windrum regarding the Jeffrey Lake Lease Agreement.
- b. Tyler Thulin reported that Lake McConaughy is at elevation 3,255.5, 84.2% capacity, and 1,467,900 acre feet. Inflows are 1,200 cfs and outflows are 1,500 cfs. The Environmental Account releases will end on April 30, 2018.
- c. Devin Brundage stated crews are still working to create riprap from a pile of concrete created by interstate rehabilitation projects. He continues to work on the shoreline issues along Lake McConaughy and the Supply Canal.
- d. Jeff Buettner finalized the itinerary for the summer tour scheduled for June 26-29, 2018. The registration brochures will be mailed on May 1, 2018. He advised the directors contact Holly Rahmann by the end of next week if they want to reserve a seat for the tour as he anticipates it will fill up quickly. Buettner received a proposal from Miller Signs to share the cost of updating the sign at the entrance of Lake McConaughy. There are a couple different lighting options which varies the cost. Buettner will contact Miller Signs to inquire further about the proposal and present a budget amendment at a later date for consideration by the Board.
- e. Dave Ford stated the canals began filling on April 17, 2018. The used backhoe sold on Big Iron for \$20,000 which was well above the trade-in value. He displayed a video of an employee using a rented bunk blower attached to a tractor to blow corn stalks out of the ditches. Ford stated this method is working well and he may budget for the purchase of a bunk blower next year. Elwood Reservoir is currently being filled with 10,000 acre feet of water and the last day of pumping will be April 30.
- f. Rochelle Jurgens and her department have been busy fine tuning the new payroll system which is now fully functional.
- g. Eric Hixson attended a Southwest Power Pool meeting in Kansas City earlier this week. He introduced Mike Klaus who is the new Systems Analyst Administrator.
- h. Holly Rahmann attended the Water Jamboree at Harlan County Reservoir earlier this week where 470 kids participated in the annual event.
- i. Jim Brown and the Land Administration department has been busy with issuing permits. The Nebraska Game and Parks Commission completed the Inlet Memorial Angler Access Improvement Project at Johnson Lake that Central partnered with them on and they will be installing signs near it and the boat ramp improvement projects completed last fall.
- j. Don Kraus discussed the issue of the lack of a grass and tree dump for the Johnson Lake tenants.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

PERSONNEL: This was discussed in Closed Session.

At 12:54 PM it was moved by Director Soneson and seconded by Director Petersen, that the Board enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave 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: Uebele Property at Plum Creek and Personnel, for discussion of contract and real estate negotiations and personnel matters.

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

At 1:25 PM it was moved by Director Petersen and seconded by Director Fowler, 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, Dave 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 items discussed in Closed Session were of a legal nature relating to the following agenda items: Uebele Property at Plum Creek and Personnel.

The meeting adjourned at 1:26 p.m.

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
MAY 7, 2018 – 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 April 30, 2018, and by legal publication in the Holdrege Daily Citizen and Kearney Hub on April 30, 2018, the North Platte Telegraph on May 1, 2018, and the Lexington Clipper-Herald on May 2, 2018, 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 19, 2018.

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	Jeff J. Buettner, Public Relations Manager
Rochelle A. Jurgens, Controller	Jim Brown, Land Administrator
Mike A. Drain, Natural Resources Manager	Holly Rahmann, Public Relations Assistant
Cory A. Steinke, Civil Engineer	Michael C. Klein, Legal Counsel
Dave R. Ford, Irrigation Division Manager	Emily Anderson, Assistant Secretary

Others present were:

John Thorburn, Tri-Basin NRD	Lori Potter, Kearney Hub
David Murman, Candidate for District 38 Legislature	Deb Jensen, on behalf of JLDI
Ted Rowan	

* * * * *

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: Deb Jensen was present on behalf of JLDI and displayed photos of overgrown native grasses and weeds in an area along the hike/bike trail near Drive #1 at Johnson Lake. She expressed concern over the dry and overgrown vegetation. Dave Murman discussed his background and intentions for the District 38 Legislature seat, if elected. John Thorburn thanked Holly Rahmann for her help with the annual Water Jamboree held a couple weeks ago and reminded everyone that chemigation permits are due to be renewed by the end of May. Ted Rowan, President of Jeffrey Lake Development Inc., thanked Central staff for their cooperation in recent months to come to an agreement to allow the Jeffrey Lake sublessees an extension of time to repair their shoreline work to

comply with the permitting procedures. Rowan stated they have created a lake management team to study the erosion at the lake and fishery issues, and a non-profit organization has been created with hopes of raising money for bank stabilization projects.

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 2, 2018**
- **Approval of Minutes of Committee Meeting of the Board of Directors held April 27, 2018**
- **Approval of the May Disbursements:**

<i>Hydro Division:</i>	\$1,266,907.81
Check #s 56802 through 57049 and 8899600 through 8899621 (Accounts Payable)	
Payroll	\$350,391.38
<i>Kingsley Division:</i>	\$41,431.83
Check #s 3007 through 3012 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$2,293.43
Check # 1257 through 1259 (Accounts Payable)	
<i>Glendo Division:</i>	NONE
Check # NONE	
<i>Flex Spending Account:</i>	\$615.00
Check #s 8117 through 8118	
- **Approval of Work Order No. 107387 – Low Boy Tractor (\$124,079.98)**
- **Approval of Work Order No. 186554 – Ultrasonic Meter (\$6,347.72)**
- **Approval of Purchase Requisition No. H9103 – GPM Enterprises, Inc. for flow meter and transducer (\$6,162.84)**
- **Approval of Progress Payment Estimate No. 1 (Final), Contract No. 0-679.1, Platte Valley Auto, 2018 passenger sedan (\$18,615.00)**
- **Approval of Closure of Contract No. 0-679.1, Platte Valley Auto, 2018 Ford Fusion (\$18,615.00)**
- **Approval of Letter of Consent and Letter of Understanding with Gosper County for the E65 MP 2.6h Bridge Replacement Project**
- **Approval of Annual Hospital Medical Trust Report**
The report provides the required accruals for 2018 to the Hospital /Medical Trust Fund and the activity in the fund for 2017 as required by Nebraska State Statute 13-1620
- **Approval of the Voluntary Compliance Program Application for District Employee’s Retirement Plan**
- **Approval of construction of a memorial lighthouse on the end of the Mallard Beach jetty, conditional upon receipt of written approval from the closest leased lot (87 Mallard Beach) and that future mowing of the jetty will be performed by the lake association. Central staff will perform maintenance to the jetty to repair identified hazards and prepare the site for the lighthouse’s concrete pad**
- **Approval of a variance at 1 South Crappie Corner, Johnson Lake for the construction of a basement conditional upon the following: 1) The lowest livable elevation may be constructed below elevation 2618.0’ msl provided that sump pumps and drain tiles are installed and the basement will be filled in by the customer if groundwater floods the basement in the future; 2) The lowest adjacent grade shall be ≥2622.0’ msl; and 3) The lowest building opening shall be ≥2623.5’ msl**

➤ **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	6150403*	SW1/4NE1/4 4-6-15 <i>*Completed 10-year termination and re-signed acres</i>	Cavanaugh, Mike & Janet	10 (1)(4)	0
Phelps	6150405*	SE1/4 4-6-15 <i>*Completed 10-year termination and re-signed acres</i>	Cavanaugh, Mike & Janet	60 (1)(4)	-36
Phelps	8193403*	S1/2 & NW1/4SE1/4 34-8-19 <i>*Acct will terminate at end of 2027 irrigation season</i>	Wallander, Bruce & Darlene	20	0
Phelps	8201704	S1/2NE1/4 & N1/2SE1/4 17-8-20	Samuelson, Darren & Marlynn	80 (1)(4)	+8

- (1) IPP Amendment to Water Service Agreement for the 2018 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2018 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2017, landowner came-back with new WSA.
- (4) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

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

PERSONNEL: President Dudley Nelson read aloud a letter from Don Kraus announcing his retirement effective January, 2019. Don Kraus presented an employment agreement for Jim Lauer for consideration.

It was moved by Director Petersen and seconded by Director Bogle to approve the Employment Agreement with Jim Lauer 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.

2018 BUDGET REVISION: Don Kraus presented Hydro Division Budget Revision #3 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Conservation Capital</u>			
Ultrasonic Flowmeter	\$0	\$6,100	\$6,100
Conservation Program O & M 2-41-54300-533	\$40,000	\$33,900	(\$6,100)
<u>E65 Roads, Bridges and Crossings</u>			
E65 MP 2.6h Box Culvert 2-39-54300-509-20	\$0	\$73,000	\$73,000
<u>Consultants – Personnel</u>			
Recruiting Services 1-40-92315-927-20	\$12,000	\$72,000	\$60,000
		NET CHANGE	\$133,000

It was moved by Director Rowe and seconded by Director R. Olson to approve Hydro Division Budget Revision #3 with a net difference of \$133,000.00 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.

MYCOFF, FRY AND PROUSE AGREEMENT: Don Kraus presented the Executive Search Services Proposal from Mycoff, Fry and Prouse to conduct a comprehensive executive search to recruit a

general manager.

It was moved by Director Soneson and seconded by Director R. Olson to approve the agreement with Mycoff, Fry and Prouse. 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.

CERTIFIED CONTRACTOR PILOT PROGRAM: Mike Drain presented draft language for a 2-year Certified Contractor Pilot Program as follows:

“Staff is authorized to implement a pilot certified-contractor program for the District’s permitting procedures for a period of up to two years. Staff is authorized to deviate from the procedural requirements of Section 3 of the District’s current Permitting Procedures, except that variances shall still follow established procedures. Staff shall report to the Board at the conclusion of the pilot program with recommendations regarding going forward.”

Drain commented that many municipalities and other FERC licensees have a list of certified contractors available to tenants to ensure their selected contractor is knowledgeable about the permitting procedures. Drain expects this will reduce Land Administration staff time when issuing permits and improve compliance.

It was moved by Director Fowler and seconded by Director S. Olson to approve a Certified Contractor Pilot Program for the District’s Permitting Procedures for a period of up to two years. 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 MEMORANDUM OF UNDERSTANDING: Don Kraus stated this agreement gives the sublessees at Jeffrey Lake additional time to resolve their shoreline protection permit issues and become compliant.

It was moved by Director R. Olson and seconded by Director Mueller to approve the Jeffrey Lake Memorandum of Understanding and to authorize Don Kraus to sign the agreement. 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.

LEGISLATION: Jeff Buettner reminded everyone of the upcoming primary election on May 15, 2018.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

DIRECTORS’ ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Rowe congratulated Don Kraus on his upcoming retirement. Don Kraus announced that the funeral for former director, Robert A. Garrett, will be held on Wednesday, May 9, 2018 at 11:00 a.m. at Bethany Lutheran Church in Minden.

OPERATIONS REPORT: The following operations reports were presented:

- a. Mike Drain attended the National Hydropower Conference in Washington, D.C. last week. He expects FERC to start issuing more rules on spillways and dam safety.
- b. Cory Steinke reported Lake McConaughy is at elevation 3,255.4, 1,465,000 acre feet, and 84.1% capacity. Inflows to Lake McConaughy are 1,100 cfs and outflows are around 1,200 cfs.
- c. Jeff Buettner is preparing for a busy season of tours with lake tenants, Central District Water

Users, new Central employees, and UNK students.

- d. Dave Ford stated the canals are ready in case an irrigator makes a demand for water. He presented the 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 2018 readings. He also presented Observation Well Hydrographs reflecting historical data from five random wells in the core irrigated area.
- e. Rochelle Jurgens reminded the directors of the Investment Committee Meeting immediately following this meeting.

The meeting adjourned at 9:53 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President