

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

OCTOBER 1, 2018 – 9:00 AM

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MINUTES OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
SEPTEMBER 11, 2018 – 10:00 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 September 8, 2018, and by legal publication in the Holdrege Daily Citizen on September 10, 2018 and the Lexington Clipper-Herald on September 8, 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.

An e-mail giving the time, date, and place of this meeting was sent to the Directors on September 7, 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	David G. Nelson	Robert L. Petersen
Robert B. Dahlgren, Treasurer		Gordon N. Soneson

**arrived at 10:05 a.m.*

The following Director was absent: William E. Knoerzer

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Manager
Rochelle A. Jurgens, Controller	Holly G. Rahmann, Public Relations Asst.
Cory A. Steinke, Civil Engineer	Michael C. Klein, Legal Counsel
Mike A. Drain, Natural Resources Manager	Emily Anderson, Assistant Secretary
David R. Ford, Irrigation Division Mgr.	

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

At 10:00 A.M., the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

LEGAL SERVICES AGREEMENT WITH REMBOLT LUDTKE LLP – PLATTE TO REPUBLICAN BASIN DIVERSION PROJECT: Don Kraus presented the legal services agreement for David Barga of Rembolt Ludtke, LLP to represent the Tri-Basin NRD, the Lower Republican NRD and Central with regard to the Platte to Republican Diversion Project (PRD Project). Kraus explained the PRD Project will be responsible for reimbursing Central for legal fees paid to Rembolt Ludtke and that both the Tri-Basin NRD and Lower Republican NRD boards have approved the agreement.

It was moved by Director R. Olson and seconded by Director Mueller to approve the Legal Services Agreement with Rembolt Ludtke, LLP as presented. Upon voting on the motion, the following Directors voted therefore: Fowler, Mueller, David Nelson, Dudley

Nelson, R. Olson, S. Olson, Petersen, and Soneson. The following Directors voted no: Bogle and Dahlgren. Absent: Knoerzer and Rowe. The motion was declared carried.

Director Rowe entered the meeting at 10:05 a.m.

WATER LEASING AGREEMENT (5-YEAR) – PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM AND THE NEBRASKA COMMUNITY FOUNDATION: Don Kraus presented two versions of the revised Water Leasing Agreement for consideration. Both versions state that the Platte Program will be invoiced by Central for the number of acres leased plus the administrative fee by January 1 each year. The alternate version, which was proposed by Jason Farnsworth with the Platte Program, would require Central to pay producers 50% of the water leasing fee by March 1 of each year, with the remaining 50% being due to the producer by November 1 upon verification that the lands enrolled in the program were not irrigated with surface water or groundwater. Kraus stated the Platte Program believes providing the partial payment by March 1 would incentivize more producers to sign-up for the program.

It was moved by Director S. Olson and seconded by Director Petersen to approve the alternate version of the Water Leasing Agreement which includes the 50% payment to producers by March 1 and the remaining 50% payment due by November 1, pending legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. None voted no and the motion was declared carried.

PERSONNEL: This was discussed in Closed Session.

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

At 10:23 AM it was moved by Director Bogle and seconded by Director Fowler for the Board to enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. 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 discussion about the General Manager position.

CLOSED SESSION

At 10:55 AM it was moved by Director R. Olson and seconded by Director Fowler for the Board to 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 relating to the following agenda item: Personnel.

PERSONNEL: **It was moved by Director Dave Nelson and seconded by Director Rowe to authorize Michael C. Klein to take the recommended steps as discussed during Closed Session with regard to the hiring of a General Manager, subject to legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. None voted no and the motion was declared carried.**

The meeting adjourned at 10:58 p.m.

MINUTES OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
SEPTEMBER 21, 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 September 17, 2018, and by legal publication in the Kearney Hub and the Holdrege Daily Citizen on September 17, 2018, the North Platte Telegraph on September 18, 2018, and the Lexington Clipper-Herald on September 15, 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.

An e-mail giving the time, date, and place of this meeting was sent to the Directors on September 13, 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	David G. Nelson	Robert L. Petersen
Robert B. Dahlgren, Treasurer*		Gordon N. Soneson

**arrived at 9:04 a.m.*

The following Director was absent: William E. Knoerzer

Also present were the following:

Don D. Kraus, General Manager	Devin M. Brundage, Gothenburg Div. Mgr.
Rochelle A. Jurgens, Controller	Holly G. Rahmann, Public Relations Asst.
Cory A. Steinke, Civil Engineer	Duane Cernousek, Purchasing Agent
Mike A. Drain, Natural Resources Manager	Jim Brown, Land Administrator
David R. Ford, Irrigation Division Mgr.	Charles Brewster, Legal Counsel
Eric R. Hixson, Engineering Services Mgr.	Emily Anderson, Assistant Secretary

Others present were:

Dean Nelson

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

At 9:00 A.M., the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

WATER LEASING AGREEMENT (5-YEAR) – PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM AND THE NEBRASKA COMMUNITY FOUNDATION: Don Kraus explained the Cancellation section that was added to the agreement which would allow either party to cancel the agreement upon providing written notice to the other party prior to October 15 of any year. Charles Brewster stated he would like more time to review the document for legal purposes. No action was taken and the agreement will be presented again at the October 1, 2018 Regular

Business Meeting.

Director Dahlgren entered the meeting at 9:04 a.m.

ENGINEERING SERVICES FOR PENSTOCK INSPECTIONS – KLEINSCHMIDT ASSOCIATES:
Devin Brundage presented photos of the Jeffrey penstock showing foundation issues. Upon hiring Kleinschmidt Associates, they will conduct an inspection along with a plan to make repairs to extend the life of the penstock.

It was moved by Director Rowe and seconded by Director Petersen to approve the Engineering Services Agreement with Kleinschmidt Associates for the Penstock Inspections. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. None voted no and the motion was declared carried.

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

The meeting adjourned at 9:16 a.m.

MINUTES OF COMMITTEE MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
SEPTEMBER 21, 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 September 17, 2018, and by legal publication in the Kearney Hub and Holdrege Daily Citizen on September 17, 2018, the North Platte Telegraph on September 18, 2018, and the Lexington Clipper-Herald on September 15, 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 September 13, 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	David G. Nelson	Robert L. Petersen
Robert B. Dahlgren, Treasurer		Gordon N. Soneson

The following Director was absent: William E. Knoerzer

Also present were the following:

Don D. Kraus, General Manager	Devin M. Brundage, Gothenburg Div. Mgr.
Rochelle A. Jurgens, Controller	Holly G. Rahmann, Public Relations Asst.
Cory A. Steinke, Civil Engineer	Duane Cernousek, Purchasing Agent
Mike A. Drain, Natural Resources Manager	Jim Brown, Land Administrator
David R. Ford, Irrigation Division Mgr.	Charles Brewster, Legal Counsel
Eric R. Hixson, Engineering Services Mgr.	Emily Anderson, Assistant Secretary

Others present were:

Dean Nelson	Bruce Remington, Wells Fargo
	Greg Anderson, Wells Fargo

* * * * *

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

At 9:16 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: Four consents at Johnson Lake and one at Plum Creek Reservoir were approved during the month of September, 2018.

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

Permits to Construct Approved by General Manager September 21, 2018			
Name	Description	Amount	Purpose
Qwest Corporation dba Century Link	SE1/4 25-12-27; Lincoln Co.	\$532.28	Bury fiber optic cable on the west side of the Jeffrey Wasteway at approximately MP 26.9-08

Permits to Construct Approved by Land Administration Department September 21, 2018– Johnson Lake			
Name	Description	Permit & Purpose	Date Approved & Fee
Goracke, Michael	21 Northeast Cove Dr 9	PTC (SWAF)-Install 8 dock sections with 2 sections running parallel at the end. Install shore station and construct dock anchor pad	August 20, 2018-\$50.00 application fee
Thayer, Daniel & Lisa	90 Mallard Beach Dr 22	PTC-Replace flagpole with new one	August 22, 2018-no application fee
Holbrook, Pam	24 Park Lane	PTC-Construct addition to pre-existing concrete patio	August 27, 2018-no application fee
Larson, Stephen & Carolyn	2 Northeast Bay Dr 4	PTC-Construct 10' x 10' paver stone pad for hot tub across the lot line with 3 Northeast Bay, must delineate the lot line location through the pavers with a visible marker	August 29, 2018-\$200.00 application fee
Lister, Fred & Susan	36 Mallard Beach	PTC (SWAF)-Construct on-grade patio, install retailing wall around patio	August 29, 2018-\$50.00 application fee
Landgren, David & Kelly	13 So Crappie Corner Dr 3	PTC-Remove existing concrete and replace with new; construct wood pergola	August 31, 2018-no application fee
Corner of Paradise	4 Mallard Beach Dr 19B	PTC-Construct pergola structure near north lot line measuring 6'8" wide x 9' long x 8' high	September 7, 2018-no application fee
Dillard, Bradley & Avis	1 Sandy Point Dr 24	PTC-Construct wooden hand railing on steps from door landing to the raised deck on the front of the house	September 10, 2018-no application fee
Moran, Michael & Susan	32 Bass Bay Dr 16	PTC-Construct single family home with attached garage, livable basement, stepping stone pathway and asphalt parking area	September 12, 2018-no application fee
Moseley, James & Theresa	44 Park Lane Dr 28	PTC-Construct storage shed on blocks on the back side of existing shed; install privacy fence	September 12, 2018-no application fee
Salisbury Farms, Inc.	21 Sandy Point Dr 24A	PTC-Remove existing wood split rail fence and replace with new white posts and rail	September 12, 2018-no application fee
Barratt, Susan & Salsbury, Rosalie	23 Sandy Point Dr 24	PTC-Remove existing wood split rail fence and replace with new white posts and rail; construct new fence from existing tree and continuing along south lot line	September 12, 2018-no application fee
Bellamy, Hill & Pffannenstiel	1 Northeast Bay Dr 4	PTC-Construct bathroom addition between house and garage	September 14, 2018-no application fee

Permits to Construct Approved by Land Administration Department September 21, 2018 – Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Nebraska Game & Parks Comm	State Recreation Area	PTC (ECS)-Protect shoreline with 270' of riprap	August 14, 2018-no application fee

Permits to Construct Approved by Land Administration Department September 21, 2018 – Jeffrey Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Griffin, Hugh & Kristine	82 Pelican Dr	PTC (ECS)-Protect shoreline with 135' of riprap	August 21, 2018-no application fee
Sneller, Robert Scott	39 S Lakeview Rd	PTC (ECS)-Construct retaining walls	August 23, 2018-no application fee
Rickertsen, Luke & Julie	61 S Lakeview Rd	PTC (SWAF)-Install shore station next to existing dock	August 27, 2018-\$50.00 application fee
Malcom, Anthony	75581 Road 418	PTC for Veg-Remove trees and woody vegetation to construct and maintain a division fence	August 31, 2018-no application fee

Permits to Construct Approved by Land Administration Department September 21, 2018 – Plum Creek/Midway Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Richardson, Calvin & Cheryl	54 Stange Circle	PTC (SWAF)-Install 4 dock sections, shore station and jet ski lift	September 6, 2018-\$50.00 application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: None.

POWER AND RECREATION COMMITTEE (8/23/18):

a. Application for Variance – 1 Lane Three, Johnson Lake: The customer desires to construct a deck outside of the lot's buildable area. Staff did not support the variance request as good cause had not been demonstrated and the strict application of the LSMP and the associated Permitting Procedures would not produce an undue hardship. The Committee voted to recommend Board approval of the variance to the side lot line setback with construction of the deck not to extend past the edge of the trailer.

b. Application for Variance – 16 North Point, Johnson Lake: The Committee previously discussed this variance request at the August 23, 2018 Power and Recreation Committee meeting and staff was instructed to gather additional information. This customer replaced a ground level wooden deck with a stone patio with a fire pit, surrounded by a stone wall which were outside of the buildable area of the lot. The ground level portion was permissible, but the above grade features were not, and the shoreline setback of 50' was infringed upon. Staff recommends modifications to the permitting procedures for the construction of dwelling related structures within the 30' to 50' shoreline setback zone. They also support granting this variance on the basis that the District is contemplating a future modification to the Permitting Procedures. They suggest issuing an after-the-fact permit for the construction of the patio, fire pit and surrounding wall for a fee of \$500.00 as allowed by the Permitting Procedures. The Committee voted to recommend Board approval of the variance to permit the patio and above grade portions upon the condition that the entire structure be made compliant with any modified Permitting Procedures adopted by the Board within one year, and to charge an after-the-fact fee of \$500.00.

Director Rowe exited the meeting room during the conversation about the next agenda item to avoid any conflict of interest.

c. Lot Expansions at Bass Bay, Johnson Lake: The Bass Bay area association requested to expand lots across the road and into the current common area for purposes of

providing for additional ancillary storage buildings, landscaping, parking areas, etc. Staff recommends performing a corrective replat to expand the lot boundaries across the road. The Committee voted to recommend Board approval of performing a replat of the Bass Bay area upon seeking any necessary approval from FERC.

Director Rowe re-entered the meeting room.

BID TAB – SNELL CANYON AND CANADAY STEAM PLANT BRIDGES: Devin Brundage presented the bids from Simon Contractors in the amount of \$976,286.00, KEA Constructors in the amount of \$1,085,427.70, Norfolk Construction in the amount of \$963,352.00, and Midwest Underground in the amount of \$1,165,269.89. He stated that staff will recommend accepting the low bid by Norfolk Construction of \$963,352.00. Brundage plans to hold public meetings with the landowners and residents in the area that will be affected by construction.

PLATTE TO REPUBLICAN RIVER BASIN DIVERSION PROJECT: This was discussed in Closed Session.

GLENDO RESERVOIR FULL UTILIZATION LEVEL II STUDY – DRAFT REPORT: Don Kraus presented the study commissioned by the Wyoming Water Development Office which would modify Glendo Reservoir flood pool operations and discussed the potential impacts to Lake McConaughy storage. The Wyoming Water Development Office is seeking comments from interested parties by September 28, 2018. Central will provide comments.

A break was taken at 10:01 a.m. The meeting resumed at 10:19 a.m.

2018 BUDGET REVISION: Rochelle Jurgens presented the Hydro Division Budget Revision #6 for additional professional and legal services relating to the NPPD arbitration as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Hydro Division</u>			
Outside Services Employed 1-40-92314-927-20	\$125,000	\$550,000	\$425,000
		NET CHANGE	\$425,000

2019 BUDGET: Rochelle Jurgens presented a preliminary overview of the 2019 budget and will present a more detailed version at the October 26, 2018 Committee Meeting.

WELLS FARGO SEMI-ANNUAL PENSION PLAN REPORT: Greg Anderson and Bruce Remington were present to update the Board on their investment strategies relating to Central’s pension plan.

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

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Meredith Pierce	APPA Public Utility Accounting	Orlando, FL	October 1-3, 2018
Don Kraus	NWRA	Washington, D.C.	October 1-3, 2018
Don Kraus	Southwest Power Pool	Little Rock, AR	October 29-30, 2018

LEGISLATION: Jeff Buettner was absent from the meeting so no report was given.

BOARD COMMENTS: Director Dave Nelson received a complaint regarding flooding to fields in Kearney County from the Adams Canal overflowing.

A break for lunch was taken at 11:40 a.m. The meeting reconvened at 12:19 a.m.

OPERATIONS REPORT:

- a. Cory Steinke reported that Lake McConaughy is at elevation 3,252.7, 80% capacity, and 1,393,100 acre feet. Inflows are 1,300 cfs and outflows are 1,250 cfs. The lakes are being lowered for upcoming outages for hydro inspections and maintenance. Steinke and Tyler Thulin inspected the outlet structures and Jeffrey, Johnson and the siphons on the Phelps Canal and they will prepare a report for the October 26, 2018 Committee Meeting.
- b. Devin Brundage presented photos of a section of canal below Jeffrey Lake where they are storing piles of concrete for riprap. The dredging at the Supply Canal and Jeffrey Lake continues. They plan to break the dike of the dredging sediment pond soon which will fill the adjacent landowner's field with the silt, pursuant to the agreement with him.
- c. Mike Drain attended the final stakeholder meeting for the basin wide integrated management plan where there was near unanimous approval of the draft plan. The Nebraska Department of Natural Resources and each NRD involved will need to agree to the final plan. He filed a request for a thirty-day extension to respond to FERC regarding the plan and schedule related to the Kingsley IDF report. He gave an update on the complaint filed with FERC by a tenant from the Mako-Ch-Mni area at Lake McConaughy. He is working on a response to FERC regarding the erosion which is due in approximately one week. Jim Brown displayed images from Google Earth showing the affected area along with other areas of erosion. Drain indicated that staff will begin to take steps to acquire some land in the Mako-Ch-Mni area to resolve the erosion issue. He stated he received positive comments about the Land Administration staff from several of the Jeffrey Lake residents after the recent shoreline inspections.
- d. Dave Ford stated that recharge into Elwood Reservoir will occur after November 15, 2018. A few small holes were found in the E65 Canal siphon lining material which will be repaired under the warranty. Other projects include planning to work on the head ends of the Waterfowl Production Area recharge projects, preparing the year-end irrigation report for the October 1, 2018 Regular Business Meeting, and researching methods to keep ice off the gates during recharge in cold weather. Ford reported on the water that escaped the Adams Canal earlier this week that caused flooding to fields at two locations near Heartwell which will create a damage claim by the affected landowners.
- e. Rochelle Jurgens and the accounting department have started on the irrigation bills which will be mailed on October 2, 2018. There are still a handful of unpaid lake lease invoices and she stated that Mike Klein filed a lien on the one outstanding irrigation bill.
- f. Eric Hixson reported on the outage at Jeffrey this week to replace the generator protection relays.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

PERSONNEL: This was discussed in Closed Session.

At 12:39 PM it was moved by Director R. Olson 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, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. 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: Platte to Republican Basin Diversion Project and Personnel, to protect the public interest, for discussion of contract negotiations, for discussion of personnel matters, and to receive legal advice.

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

At 1:22 PM it was moved by Director Mueller and seconded by Director Petersen, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Knoerzer. 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: Platte to Republican Basin Diversion Project and Personnel.

The meeting adjourned at 1:22 p.m.

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
OCTOBER 1, 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 September 24, 2018, and by legal publication in the Kearney Hub and the Holdrege Daily Citizen on September 24, 2018, the North Platte Telegraph on September 25, 2018, and the Lexington Clipper-Herald on September 26, 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 September 13, 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

**arrived at 9:01 a.m.*

Also present were:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Manager
Rochelle A. Jurgens, Controller	Duane Cernousek, Purchasing Agent
Cory A. Steinke, Civil Engineer	Holly G. Rahmann, Public Relations Assistant
Dave R. Ford, Irrigation Division Manager	Jim C. Brown, Land Administrator
Mike A. Drain, Natural Resources Manager	Michael C. Klein, Legal Counsel
Devin M. Brundage, Gothenburg Division Mgr.	Emily Anderson, Assistant Secretary

Others present were:

John Thorburn, Tri-Basin NRD	Lori Potter, Kearney Hub
Deb Jensen, on behalf of JLDI	Ted Rowan, Jeffrey Lake Development, Inc.

* * * * *

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 reported on a grant Tri-Basin NRD received from the Nebraska Environmental Trust to study groundwater rates of recharge with the Little Blue NRD.

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 September 4, 2018**

- **Approval of Minutes of Special Meeting of the Board of Directors held September 11, 2018**
- **Approval of Minutes of Special Meeting of the Board of Directors held September 21, 2018**
- **Approval of Minutes of Committee Meeting of the Board of Directors held September 21, 2018**
- **Approval of the October Disbursements:**

<i>Hydro Division:</i> Check # 57532-VOID; Check #s 57900 through 58088 and 8899698 through 8899715 (Accounts Payable)	\$660,591.66
Payroll	\$515,108.98
<i>Kingsley Division:</i> Check #s 3033 through 3037 (Accounts Payable)	\$95,939.22
<i>J-2 Regulating Reservoir Construction Fund:</i> Check #NONE (Accounts Payable)	\$NONE
<i>Glendo Division:</i> Check #NONE	\$NONE
<i>Flex Spending Account:</i> Check #8126	\$187.30

- **Approval of a variance to allow the customer at 1 Lane Three, Johnson Lake to construct a deck outside of the side lot line setback, but not past the edge of the trailer**
- **Approval of a variance to allow the customer at 16 North Point, Johnson Lake to permit the patio and above grade portions upon the condition that the entire structure be made compliant with any modified Permitting Procedures adopted by the Board within one year, and to charge an after-the-fact fee of \$500.00**
- **Approval of performing a corrective replat of the Bass Bay area at Johnson Lake to expand the lots across the road and into the current common area**
- **Approval of the bid by Norfolk Construction Co. in the amount of \$963,352.00 for the construction of the Snell Canyon and Canaday Steam Plant bridges**
- **Approval of Budget Amendment #6 as follows:**

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Hydro Division</u>			
Outside Services Employed 1-40-92314-927-20	\$125,000	\$550,000	\$425,000
		NET CHANGE	\$425,000

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, and Soneson. Rowe abstained from voting. None voted no and the motion was declared carried.

BID TAB (BID GROUP 18-14) – COTTONWOOD RANCH PIPELINE PROJECT: Don Kraus presented the three bids received from Midland Construction in the amount of \$312,990.00, BSB Construction in the amount of \$212,827.50 and Van Kirk Brothers Contracting in the amount of \$299,840.00. Kraus stated that staff recommends accepting the low bid by BSB Construction.

It was moved by Director Fowler and seconded by Director Rowe to approve the bid by BSB Construction in the amount of \$212,827.50. 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 (GROUP 18-16) – PIPE FOR COTTONWOOD RANCH PIPELINE PROJECT: Don Kraus presented the sole bid for the 42" PVC pipe from Diamond Plastics in the amount of \$670,187.59. Kraus pointed out the bid was over the Engineer's Estimate of \$575,000. Cory Steinke stated many companies do not manufacture pipe of this size and if they do, it would require shipping which is expensive. Kraus stated staff recommends accepting Diamond Plastics' bid.

It was moved by Director Dave Nelson and seconded by Director Mueller to approve the bid by Diamond Plastics in the amount of \$670,187.59. 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 LEASING AGREEMENT (5-YEAR) – PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM AND THE NEBRASKA COMMUNITY FOUNDATION: Kraus presented a revised document which has underwent legal review for clarification in several sections, including the default section.

It was moved by Director Knoerzer and seconded by Director S. Olson to approve the Water Leasing Agreement (5-Year) with the Platte River Recovery Implementation Program and the Nebraska Community Foundation. 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.

FERC COMPLAINT – MAKO-CH-MNI SUBDIVISION EROSION: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner has been attending the legislative forums hosted by the Nebraska State Chamber of Commerce. The State Senators will start working soon on the budget, and he expects the primary topics of the next legislative session to include taxes, workforce development, housing, education funding, and economic development.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

PERSONNEL: This was discussed in Closed Session.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Rowe commented that Johnson Lake is probably at the lowest level he can recall. Director Fowler stated that the exposed lake bed lead to lots of people riding ATVs and motorbikes over the weekend. Director Knoerzer complimented the Johnson Lake tenants for how well they have been mowing the common areas.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported Lake McConaughy is at elevation 3,252.4, 1,387,800 acre feet, and 79.6% capacity. Current inflows are 1,200 cfs and outflows are 0 cfs.
- b. Devin Brundage stated there is an outage at Johnson 1 to conduct work on the generator and relays. He will conduct a meeting in the near future with residents in the area of the Snell Canyon bridge replacement project to discuss detour options.
- c. Mike Drain met the filing deadline to respond to the complaint filed with FERC by the Mako-Ch-Mni resident and FERC is granting a 30-day extension to file the probable maximum design flow study.

- d. Jeff Buettner will present information about the District to a Lead 38 class in McCook next week for their energy and natural resources segment. In mid-October, he will conduct a tour with the UNL law students.
- e. Jim Brown offered to spend up to \$2,000 in Lake Improvement Funds to assist Medo's Resort with improving their boat ramp. He thanked Ted Rowan from Jeffrey Lake Development, Inc. for his assistance with the recent Jeffrey Lake shoreline inspections. He announced the Nebraska Game and Parks Commission plans to spend around \$1,000,000 on boat ramp improvements at Lake McConaughy.
- f. Dave Ford stated irrigation bills are being mailed today. He gave a report summarizing the results of the 2018 irrigation season.
- g. Rochelle Jurgens mailed out irrigation bills totaling approximately \$3,755,000. The annual employee health screenings will be held this week and flu shots will be provided to employees next week.
- h. Don Kraus reported he filed comments in response to the Wyoming Water Development Office's Glendo Full Utilization Level II Study last Friday. He will be leaving immediately following this meeting to attending an NWRA meeting in Washington, D.C. and will return on Wednesday.

At 9:26 AM it was moved by Director Knoerzer and seconded by Director Mueller, 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: FERC Complaint – Mako-Ch-Mni Subdivision Erosion and Personnel, for discussion of potential litigation and contract negotiations, to receive legal advice, and for discussion of personnel matters.

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

A break was taken at 10:00 a.m. and the meeting reconvened in Closed Session at 10:15 a.m.

At 10:43 AM it was moved by Director Petersen and seconded by Director Knoerzer, 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. Board President Nelson stated that the items discussed in Closed Session were relating to the following agenda items: FERC Complaint - Mako-Ch-Mni Subdivision Erosion and Personnel.

The meeting adjourned at 10:43 a.m.

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