



News Release

(HOLDREGE, Neb.) - The Central Nebraska Public Power and Irrigation District's board of directors approved a motion at Monday's monthly meeting to enter into a joint study with the Dawson County Public Power District to evaluate the potential benefits consolidating the two entities.

The study will be conducted by Power System Engineering, Inc., (PSE) of Madison, Wisc., and will help determine whether such consolidation is an economic and strategic fit that benefits both entities, as well as their customers and other stakeholders.

The study will take place over several phases, starting with a feasibility and legal assessment that, if favorable, would lead to additional and more detailed analysis, including details related to operations, consolidation and transition plans.

David Bargaen, a partner with the Rembolt Ludtke law firm in Lincoln, previously conducted an analysis of public power statutes for Central. He concluded that Nebraska statutes contemplate such consolidations and provide a process for such matters.

"Statutes give the Nebraska Power Review Board the authority and jurisdiction to review such matters and there are no statutory impediments to exploring such an option," Bargaen said. He added that the PRB's statutory declaration of policy encourages such mergers if such an arrangement is beneficial to rate-payers and results in more efficient operations.

Central and Dawson announced last month that discussions about a potential consolidation were underway. Dawson Public Power District's board of directors approved the agreement with PSE last week. The two districts will equally share the costs of the PSE study.

The study budget, if the project extends through the full work plan, is \$169,954. The study is expected to take about six months to complete.

Also at Monday's board meeting:

- The board approved a one-percent increase in irrigation rates for the 2021 irrigation season, bringing the Incremental Pricing Program fee for nine inches/acre to \$34.96.
- The board approved the operating budget for the 2021 fiscal year, which goes into effect on Jan. 1. The budget anticipates total revenue of \$17.9 million, including \$9.5 million from the sale of hydroelectric power, \$3.7 million from irrigation delivery service, and \$4.7 million from other sources.
- The board approved an annual services agreement with Johnson Lake Development, Inc., which covers communications, insurance and related services, yard waste landfill operations, contracted sanitation disposal services and mowing operations. Central will make a lump sum payment of \$51,055 to JLDI to cover such services.
- Irrigation Water Management Specialist Curtis Scheele of the Natural Resources Conservation Service provided the annual review of his activities to the board. Among his report items: the NRCS processed 13 Environmental Quality Improvement Program (EQIP) contracts within the Tri-Basin NRD, allocating \$680,530 for improvements on 1,734 acres. The NRCS also provided \$531,993 in cost-sharing funds for conversion to center pivots or sub-surface drip systems and installation of soil moisture sensors.

Scheele also updated the board members on the Nebraska Ag Water Management Network, which provides information about evapotranspiration (ET) data on Central's and the University of Nebraska-Lincoln's web sites to assist producers with irrigation management decisions.

- The board approved contracts with a consulting firm, Charles River Associates, headquartered in Boston, and a legal services contract with Duncan & Allen of Washington, DC, to assist in preparation of a required update to its annual transmission revenue requirement by the Southwest Power Pool (SPP) open access transmission tariff.

Central is a member of the SPP, a regional transmission organization mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members.

- The board approved the employment of Alex Linden as a public relations specialist. Linden, a native of rural Holdrege, has been the sports information director at Nebraska Wesleyan University in Lincoln for the past 12 years.
- Civil engineer Tyler Thulin reported that Lake McConaughy's elevation as of Monday was 3,243.5 feet above sea level with a storage volume of 1.16 million acre-feet (67 percent of capacity). The reservoir is 1.4 feet higher than a month ago and 13.9 feet lower than one year ago. Inflows are averaging around 1,100 cubic feet per second with releases of about 450 cfs.

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