

The Communicator

Published by The Central Nebraska Public Power and Irrigation District

Central Explores Merger with Dawson Public Power

Last November, The Central Nebraska Public Power and Irrigation District announced that it was in preliminary discussions with the Dawson Public Power District involving a potential consolidation or merger of the two entities. In December, both organizations' boards agreed to share the costs of retaining a consultant to conduct a study to determine whether a consolidation is an economic and strategic fit that benefits both entities, as well as their customers and stakeholders.

The study by Power Systems Engineering (PSE), headquartered in Madison, Wisc., will first determine whether the proposed merger makes economic and strategic sense, not only for the utilities, but for their customers and stakeholders.

If the answer is "yes," PSE will move to the next phase of the study, which is a more detailed analysis of the financial components of a merger necessary to satisfy the boards of both entities, as well as requirements of any lenders and/or bond rating agencies. In other words, is the potential consolidation in the economic best interests of each organization?

The consultant will assess elements of the Districts' governance, finances, facilities, existing contracts, employees, state/federal government regulations and operations of the projects, as well as other categories or topics that may arise during the study.

If that phase of the study again produces positive results, the next step would consist of developing additional details related to the creation of a consolidation plan. The culmination of such plan would likely be measured in years, not months, because of the complex nature of such a task.

Nevertheless, the managers of both Districts are optimistic and excited about the potential benefits of consolidation.

"We've received quite a bit of positive feedback regarding this proposal," said Gwen Kautz, general manager of Dawson Public Power District. "It's reassuring that others outside of our organizations see what we see about the potential in the proposed consolidation.

"There are, of course, hurdles in front of us and we will remain transparent throughout the process. The directors of both boards will be faced with the challenge of protecting the interests of those whom they represent while weighing the potential positive im-

pacts this would produce for both Districts and for central Nebraska."

"That won't be easy," Kautz continued, "but finding collaborative solutions on certain aspects of the proposal to achieve a greater good will be a critical part of the process."

The hallmark of public power has long been affordability, reliability and sustainability. And the word "public" in the name means just that: the utilities exist to serve the public.

"I believe we owe nothing less to the people we serve than to investigate how we can do so better," said Devin Brundage, Central's general manager. "If there is an opportunity to improve energy costs and reliability while enhancing and sustaining the incredible benefits the project provides to stakeholders, be they surface water irrigators, those who benefit from groundwater recharge, recreational enthusiasts, or the wildlife that thrive in and around our project waters, our mission as public power utilities compels us to look closely at that opportunity."

Some 80 years ago, he said, these utilities stepped up to bring new possibilities and prosperity to the people of central Nebraska.

"The challenge before us is to look to the future and continue to step forward," Brundage said. "We can't provide exceptional value to our stakeholders by standing still."

Mergers or consolidations of



Merger Story Continued....

electric utilities in Nebraska are not without precedent. Recent examples include the consolidation in 1998 of the Wayne Public Power District and the Northeast Nebraska Rural Public Power District, producing the utility known today as Northeast Power. Also, the Seward County Public Power District was merged into Norris Public Power District in 2016.

In a markedly different consolidation, the Nebraska Public Power District (NPPD) was formed in 1970 from the merger of the Platte Valley Public Power and Irrigation District, Consumers Public Power District, and the Nebraska Public Power System (NPPS).

Each of these mergers resulted in stronger, more efficient utilities that benefitted the electric customers.

The proposed Central/Dawson consolidation is intended to create the same type of benefits for customers and stakeholders. While the two districts are functionally very different,

they possess complementary strengths that can be amplified.

Central owns and operates hydroplants currently generating power for wholesale. The emissions-free, renewable-fueled hydroplants on the Supply Canal could conceivably provide either base-load or peaking power to customers within the area. In addition, Central is a member of -- and could provide access to -- the Southwest Power Pool, a regional transmission organization that ensures reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices to a large part of the nation's mid-section.

Central also owns and operates a system of reservoirs and canals to provide irrigation service and provides recreational opportunities and wildlife habitat benefits over a large stretch of the Platte River Valley.

Dawson's assets include an electrical

distribution system that serves a retail customer base of about 24,000 electric meters, rate-setting responsibilities, a stable electrical load and a strong, modern distribution system over an area that covers all or parts of seven counties in south-central Nebraska.

And finally, both Districts possess professional, dedicated and experienced employees who are good at what they do.

Together, they would form a vertically integrated entity that covers all levels of the supply chain -- generation, transmission and distribution -- that would allow for improved efficiencies and reduced costs. The proposed integration of the two organization has the potential to create unique opportunities to serve the public in new ways and to position the new entity to partner in economic development in the service territory and across the state.

Shoreline Protection Project Planned for Mako Ch' Mni

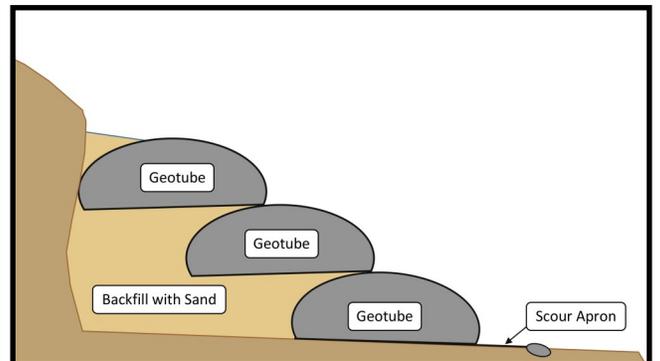
Central is planning a shoreline protection project at the Mako Ch' Mni subdivision at Lake McConaughy.

Similar to the other successful project on the north side of the lake approximately ten years ago, this project is aimed at the reconstruction and preservation of the shoreline in the area.

A unique feature of this project will be the use of a base layer of geosynthetic fabric tubes. The geotube will be filled with locally sourced native sandy material pumped into the tubes.

The preliminary design of the project consists of three stacked geotubes.

Fill material will then be placed between the tubes and the eroding bluff to establish a base layer for the next level of geotubes.



(Top Right) Example of geotube that will be used along shoreline at Lake McConaughy

(Bottom Right) Drawing representing the layers of geotube along the bluffs.

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On the Lakefront



Record Setting Year for Permits

The 2020 permitting season was a record setting year for the Land Administration team and 2021 appears to be shaping up to be even busier.

As we move towards the 2021 permitting season, the land administration team wants to remind everyone of the importance of knowing and having marked the lot boundaries, buildable area or SWAF placement zone prior to commencing any permitted activity.

If you have questions about allowable construction or the District’s permitting process, please contact the appropriate Land Administrator in the table below.

Johnson Lake Lowering Delayed

A previously announced draw down at Johnson Lake during the last week of February has been delayed. Central was to perform maintenance at the Johnson #2 hydroplant which would have required an approximately five foot drop in elevation of the lake. That project has been postponed to a later date.

On Feb. 15, Johnson Lake elevation was slightly lowered due to the emergency assistance in generating power during the shortage. Elevation at the lake is expected to return to normal winter levels.

Employee Name	Project subject matter	Contact Info
Luke Ritz (Senior Land Administrator)	<ul style="list-style-type: none"> Land and Shoreline Management Plan Permit rules and regulators, Certified Contractor Program Lease Questions 	Office: (308) 357-3582 Cell: (308) 529-0009 lritz@cnppid.com
DeAnna Bartruff (Land Administrator)	<ul style="list-style-type: none"> Dwelling & Associated Construction Permit POC Dredge, Excavate, Fill Permits, Concession Leases Residential Lease Questions & Transfers Pre-Construction/On Site Meetings 	Office: (308) 995-3563 Cell: (308) 991-5565 dbartruff@cnppid.com
Dustin Ehlers (Land Administrator)	<ul style="list-style-type: none"> Shoreline & Water Access Facility Permit POC Erosion Control Permit POC 	Office: (308) 537-3582 x4184 Cell: (308) 991-9778 dehlers@cnppid.com

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Irrigation Office Duties Restructured

After working at the district for 34 years, Dave Ford announced his retirement from Central.

Ford began working in May 1987 and concluded his duties on Jan. 22. For the past 19 irrigation seasons, Ford served as irrigation operations manager.

He was active with the Four States Irrigation Council, the Nebraska State Irrigation Association and served on the board of the Nebraska Water Balance Alliance.

A new hire at the District is Scott Dicke who began on Jan. 25 as the irrigation and water services manager. Dicke will take over duties held by Ford including overseeing the operation, maintenance and utilization of



Dave Ford

Scott Dicke

the District's surface water irrigation and recharge system. He will also represent the District in discussion and negotiations with political entities and agencies on matters regarding water supply management and use. He comes to the CNPPID office after working at the Lower Platte Natural Resource District.

Water User's Meeting

March 1 - 11 a.m.

Directors of the Central District Water User's committee made the decision that the annual meeting will be held virtually this year in conjunction with the CNPPID Board of Directors meeting on March 1 at 11 a.m. To participate in the Zoom meeting please contact Alex Linden to get the login information and agenda.

alinden@cnppid.com or 995-3560



Central is continuing its effort to collect email addresses for future newsletter and informational distribution.

At our website www.cnppid.com, you'll find a button that looks like the icon above. Once you submit your information, we'll keep it privately on file at our office and only use it to distribute important district-wide information.