

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

OCTOBER 4, 2016 – 9:00 AM

INDEX

PAGE

- 19,443 MINUTES OF SPECIAL MEETING OF THE BOARD OF DIRECTORS – 09/23/16
- a. Public Input
 - b. 2016 Budget Revision
- 19,444
- c. Bid Tab for Morning Glory Repair (Bid Group 16-09)
 - d. J-2 Regulating Reservoir Water Service Agreement – Amendment No. 1
 - e. Work Order No. 107360 – Shirley Blank Property Purchase (\$742,300.00)
 - f. Purchase Contract – Shirley Blank Property
 - g. Directors’ Attendance
- 19,445
- h. Adjournment
- 19,446 MINUTES OF COMMITTEE MEETING OF THE BOARD OF DIRECTORS – 09/23/16
- a. Public Input
 - b. Facilities Improvements
- 19,447
- c. Permit to Construct Summary
- 19,448
- d. Permit to Construct Summary, continued
- 19,449
- e. Permit to Construct Summary, continued
 - f. Work Order/Purchase Requisition Summary
 - g. Power & Recreation Committee (9/23/16)
- 19,450
- h. Agreement with Dawson County for Cozad Southwest Bridge Replacement Project at MP 51.3 (Project No. BRO-7024(25))
 - i. Sediment Augmentation – Jeffrey Island
 - j. 2017 Budget
 - k. IBEW Local #2185 Union Agreement
 - l. Employee Handbook
 - m. Litigation – Maloley
 - n. Johnson Lake Leases
 - o. Johnson Lake Inlet Hydro
 - p. Republican Basin Diversion Project
 - q. Personnel
 - r. Out of State Travel
- 19,451
- s. Legislation
 - t. Board Comments
 - u. Operations Report
 - v. Semi-Annual Pension Plan Report – Wells Fargo
 - w. Operations Report, continued
- 19,452
- x. Operations Report, continued
 - y. Workshops, Seminars and Conferences
 - z. CLOSED SESSION
- 19,453 MINUTES OF REGULAR BUSINESS MEETING OF THE BOARD OF DIRECTORS 10/04/16
- 1. Public Input
- 19,454
- 1. Consent Agenda
 - 2. Right of Way Transactions
- 19,455
- 1. Medicare Supplement Insurance – 2017 Renewal
 - 2. Life Insurance Renewal
 - 3. Contract Change Order No. 2 – L & S Electric (Contract No. 15D20 - \$684.00)
 - 4. Bid Tab – Cottonwood Bridge Project
 - 5. Personnel
 - 6. Legislation
 - 7. Directors’ Attendance
 - 8. Board Comments
 - 9. Operations Report
- 19,456
- 1. Operations Report, continued
 - 2. Adjournment

MINUTES OF SPECIAL MEETING OF THE
 BOARD OF DIRECTORS
 THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
 HOLDREGE, NEBRASKA
 SEPTEMBER 23, 2016 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on September 19, 2016, 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.

Notices giving the time, date, and place of this meeting were mailed to the Directors on September 16, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	Roger D. Olson
David L. Rowe, Vice President	Ronald E. Fowler	Robert L. Petersen
Martin E. Mueller, Secretary	William E. Knoerzer	Gordon N. Soneson
Robert B. Dahlgren, Treasurer		

The following Directors were absent: Robert A. Garrett and K. Scott Olson

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Coord.
Kevin M. Boyd, Gothenburg Division Mgr.	Holly G. Rahmann, Public Relations Asst.
Eric Hixson, Engineering Services Manager	Jim Brown, Land Administrator
Mike A. Drain, Natural Resources Mgr.	Duane Cernousek, Purchasing Agent
Devin M. Brundage, Asst. Gothenburg Div. Mgr.	Tim Anderson, Public Relations Advisor
Cory A. Steinke, Civil Engineer	Van Fastenau, Customer Service Super.
Rochelle A. Jurgens, Controller	Michael C. Klein, Legal Counsel
Dave R. Ford, Irrigation Division Manager	Emily Anderson, Assistant Secretary

Also present were:

Odee Ingersoll, Pinnacle Consulting

* * * * *

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., Board President, Dudley L. Nelson, announced the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: Eric Hixson introduced Duane Cernousek as the new Purchasing Agent who replaced Greg Ham upon his retirement.

2016 BUDGET REVISION: Rochelle Jurgens presented Hydro Division Budget Revision #11 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
Gothenburg Capital Land Purchase	0	\$742,300	\$742,300

Ogallala Maint of Structures Morning Glory Repairs 1-30-54200-401-20	\$200,000	\$500,000	\$300,000
Net Change			\$1,042,300

It was moved by Director Petersen and seconded by Director Mueller to approve Hydro Division Budget Revision #11 with a Net Change of \$1,042,300 as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was: Garrett and S. Olson. None voted no and the motion was declared carried.

BID TAB FOR MORNING GLORY REPAIR (Bid Group 16-09): Kevin Boyd presented the bid tabulation for the Kingsley Spillway Deck Repair which reflected one bid received from Simon Contractors in the amount of \$481,235.00 for the Kingsley Spillway Deck Repair, plus \$15,000.00 for welding of the vertical plate seams on the piers, and \$30.00 per inch for additional welding if needed. Staff recommends accepting Simon Contractors' bid.

It was moved by Director Soneson and seconded by Director Knoerzer to accept Simon Contractors' bid in the amount of \$481,235.00 for the Kingsley Spillway Deck Repair, plus \$15,000.00 for additional welding of the vertical plate seams on the piers, and \$30.00 per inch for additional welding if needed. Upon voting on the motion, the following Directors voted therefore Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was: Garrett and S. Olson. None voted no and the motion was declared carried.

J-2 REGULATING RESERVOIR WATER SERVICE AGREEMENT – AMENDMENT NO. 1: Don Kraus stated this agreement has previously been presented to the Board. A few minor changes were made during the legal review process.

It was moved by Director Petersen and seconded by Director Dahlgren to approve Amendment No. 1 to the J-2 Regulating Reservoir Water Service Agreement with the Nebraska Department of Natural Resources and the Nebraska Community Foundation. Upon voting on the motion, the following Directors voted therefore Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was: Garrett and S. Olson. None voted no and the motion was declared carried.

WORK ORDER NO. 107360 – SHIRLEY BLANK PROPERTY PURCHASE (\$742,300.00): This work order relates to the acquisition of property adjacent to the FERC Project at Gallagher Canyon.

It was moved by Director Knoerzer and seconded by Director Rowe to approve Work Order No. 107360 for the Shirley Blank Property Purchase in the amount of \$742,300.00. Upon voting on the motion, the following Directors voted therefore Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was: Garrett and S. Olson. None voted no and the motion was declared carried.

PURCHASE CONTRACT – SHIRLEY BLANK PROPERTY (Part of SE1/4 of 19-9-23 and Part of NE1/4 of 30-9-23): Don Kraus stated he is seeking ratification by the Board for the signed purchase contract which required an earnest deposit in the amount of \$144,134.00, and the remaining \$576,536.00 due upon the delivery of the warranty deed.

It was moved by Director R. Olson and seconded by Director Mueller to approve the Purchase Contract for the Shirley Blank property in the amount of \$720,670.00. Upon voting on the motion, the following Directors voted therefore Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was: Garrett and S. Olson. None voted no and the motion was declared carried.

DIRECTORS' ATTENDANCE: It was moved by Director Fowler and seconded by Director Dahlgren to excuse the absences of Robert L. Garrett and K. Scott Olson from the Special Meeting of the Board. Upon voting on the motion, the following Directors voted therefore Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, and Soneson. Absent was:

Garrett and S. Olson. None voted no and the motion was declared carried.

The meeting adjourned at 9:14 A.M.

MINUTES OF COMMITTEE MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
SEPTEMBER 23, 2016 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on September 19, 2016, 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 16, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	Roger D. Olson
David L. Rowe, Vice President	Ronald E. Fowler	Robert L. Petersen
Martin E. Mueller, Secretary	William E. Knoerzer	Gordon N. Soneson
Robert B. Dahlgren, Treasurer		

The following Directors were absent: Robert A. Garrett and K. Scott Olson

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Coord.
Kevin M. Boyd, Gothenburg Division Mgr.	Holly G. Rahmann, Public Relations Asst.
Eric Hixson, Engineering Services Manager	Jim Brown, Land Administrator
Mike A. Drain, Natural Resources Mgr.	Duane Cernousek, Purchasing Agent
Devin M. Brundage, Asst. Gothenburg Div. Mgr.	Tim Anderson, Public Relations Advisor
Cory A. Steinke, Civil Engineer	Van Fastenau, Customer Service Super.
Rochelle A. Jurgens, Controller	Michael C. Klein, Legal Counsel
Dave R. Ford, Irrigation Division Manager	Emily Anderson, Assistant Secretary

Also present were:

Odee Ingersoll, Pinnacle Consulting	Greg Anderson, Wells Fargo
	Bruce Remington, Wells Fargo

* * * * *

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

At 9:14 A.M., the Board Vice President, David L. Rowe, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

FACILITIES IMPROVEMENTS: Odee Ingersoll of Pinnacle Consulting presented a preliminary overview of his study of the Central facilities. He will continue working with Central staff to gather more information to complete a more detailed report and formulate a recommendation.

CONSENT TO ASSIGNMENT SUMMARY: There were three Consents to Assignment at Johnson Lake in September, 2016.

PERMIT TO CONSTRUCT SUMMARY: The following Permits to Construct were approved in the month of September, 2016:

Permits to Construct Approved by Real Estate Department September 23, 2016 – Johnson Lake & Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Peden, Cody & Debra	155 Lakeview Acres Dr 14F	PTC (SWAF)-Install walkway to a floating dock with a swim platform on one side and aluminum shore station on the other	August 24, 2016-\$50.00 application fee
Bartruff, Evelyn	1A Crappie Corner Dr 5A	Amended PTC-Construct concrete sidewalk and paver patio	August 26, 2016-no application fee
Prange, James	40A K-1 Rd	PTC-Remove paved driveway and replace with concrete driveway, with 160' of buried PVC for drainage	August 26, 2016-no application fee
O'Brien, Dean & Gloria	32 East Shore Dr 1A	PGP & PTC (ECS)-Place riprap on 54' of shoreline	August 31, 2016-no application fee
Burke, Jerrod & Doris	23 Mallard Beach Dr 20	PTC-Enclose existing carport, pour concrete, rebuild steps, place a dog kennel next to new garage, and construct new paver patio	September 9, 2016-no application fee
Evans, Paul	22 Mallard Cove Dr 19A	PTC-Enclose existing partially enclosed back porch	September 9, 2016-no application fee
Pratt, Dennis & Sandra	19 Sandy Point Dr 24A	PTC-Construct garage with eaves and gable end overhangs and a concrete parking area with sidewalks	September 11, 2016-no application fee
Zecha, Sandra	37 Mallard Cove Dr 19B	PTC-Construct storage addition to south side of existing detached garage	September 12, 2016-no application fee

Permits to Construct Approved by Real Estate Department September 23, 2016 – Jeffrey & Midway Lakes			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Mann, David & Joy	63 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 137' of shoreline	August 29, 2016-no application fee
Richeson, Joseph & Angela	76 Pelican Dr	PGP & PTC (ECS)-Place riprap in 8' of shoreline	August 29, 2016-no application fee
Aden, James & Lichelle	43 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 101' of shoreline	August 29, 2016-no application fee
Aaron Ploussard & Tiffanie Farr	23 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 50' of shoreline	August 29, 2016-no application fee
Anderson, Donald	101 Pelican Dr	PGP & PTC (ECS)-Place riprap on 79' of shoreline	August 29, 2016-no application fee
Kentfield, Dennis & Lisa	65 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 200' of shoreline	August 29, 2016-no application fee
Murry, Dennis & Frances	88 Pelican Dr	PGP & PTC (ECS)-Place riprap on 65' of shoreline	August 29, 2016-no application fee
France, Joe & Katherine	57 S Lakeview Dr	PGP & PTC (ECS)-Place riprap on 200' of shoreline	August 29, 2016-no application fee
Hecox, Jim & Marsha	80 Pelican Dr	PGP & PTC (ECS)-Place riprap on 50' of shoreline	August 29, 2016-no application fee
Chatelain, Stephen & Mary Jo	117 Anchor Bay Dr	PGP & PTC (ECS)-Place riprap on 60' of shoreline	August 29, 2016-no application fee

Penington, Allegra	81 Pelican Dr	PGP & PTC (ECS)-Place riprap on 150' of shoreline	August 29, 2016-no application fee
Joseph Wahlgren & Kristi Williams	97 Pelican Dr	PGP & PTC (ECS)-Place riprap on 25' of shoreline	August 29, 2016-no application fee
Hyatt, Mark & Debra	93 Pelican Dr	PGP & PTC (ECS)-Place riprap on 90' of shoreline	August 29, 2016-no application fee
Rick Ackerman & Lyndee Vergith	50 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 75' of shoreline	August 29, 2016-no application fee
Bogges, Gregory & Melanie	15 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 300' of shoreline	August 29, 2016-no application fee
Dilley, Timothy & Patricia	55 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 275' of shoreline	August 29, 2016-no application fee
Lockwood, Scott & Susan	90 Pelican Dr	PGP & PTC (ECS)-Place riprap on 71' of shoreline	August 29, 2016-no application fee
Crown, Jim	19845 Sea St	PGP & PTC (ECS)-Place riprap on 175' of shoreline	August 29, 2016-\$400.00 administrative fee (adjacent landowner)
Trower, Luther & Martha	87 Pelican Dr	PTC (DEF)-Add 8-12" of fill dirt on landward side of existing seawall and riprap	August 29, 2016-no application fee
Peterson, Oscar	Lot 5, Area 5, Sec 9	PGP & PTC (ECS)-Place riprap on 100' of shoreline	August 29, 2016-no application fee
Stienike, Harry & Connie	25 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 100' of shoreline	August 30, 2016-no application fee
Dilley, John & Mary	22 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 20' of shoreline	August 30, 2016-no application fee
Rickett, Mitchel & Lorraine	21 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 97' of shoreline	August 30, 2016-no application fee
Stubbe, Paul & Kathleen	19 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 93' of shoreline	August 30, 2016-no application fee
Schlake, Trent & Misty	48 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 100' of shoreline	August 30, 2016-no application fee
Crawford, Courtney & Sharon	32 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 90' of shoreline	August 30, 2016-no application fee
Stagemeyer, Jeff & Kristin	54 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 88' of shoreline	August 30, 2016-no application fee
RyLiCo, LLC, Doug Beard	52 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 50' of shoreline	August 30, 2016-no application fee
Wagner, Toby	64 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 95' of shoreline	August 30, 2016-no application fee
Rickertsen, Luke & Julie	26 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 75' of shoreline	August 30, 2016-no application fee
Dillon, Matt & Rita	27 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 105' of shoreline	August 30, 2016-no application fee
Cheetsos, David & Carol	89 Pelican Dr	PGP & PTC (ECS)-Place riprap on 100' of shoreline	August 31, 2016-no application fee
Deaver, Thomas & Susan	49 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 74' of shoreline	August 31, 2016-no application fee
Rowan, Ted & Linda	5 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 128' of shoreline	August 31, 2016-no application fee
Mann, James & Jamie	67 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 80' of shoreline	August 31, 2016-no application fee
Healey, James	95 Pelican Dr	PGP & PTC (ECS)-Place riprap on 50' of shoreline	August 31, 2016-no application fee

Gustafson, Glenn & Melody	92 Pelican Dr	PGP & PTC (ECS)-Place riprap on 210' of shoreline	August 31, 2016-no application fee
Brown, Christopher & Pamela	42 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 102' of shoreline	August 31, 2016-no application fee
Bender, David & Patricia	66 S Lakeview Rd	PGP & PTC (ECS)-Place riprap on 145' of shoreline	August 31, 2016-no application fee
O'Connor, Daniel & Kimberly	116 Anchor Bay Dr	PGP & PTC (ECS)-Place riprap on 35' of shoreline	August 31, 2016-no application fee
Davis, Gerald & Casey	73 Pelican Dr	PGP & PTC (ECS)-Place riprap on 45' of shoreline	August 31, 2016-no application fee
Ploussard, Aaron, & Tiffanie Farr	23 Lakeview Rd	PTC (SWAF)-Add 4' wide concrete sidewalk and pour new concrete steps with metal handrails	September 9, 2016-no application fee
O'Connor, Daniel & Kimberly	116 Anchor Bay Dr	PGP & PTC (ECS)-Construct 35' of retaining wall	September 11, 2016-no application fee
Kristi Williams & Joseph Wahlgren	97 Pelican Dr	PGP & PTC (ECS)-Construct erosion control drainway with riprap surface	September 11, 2016-no application fee
Tiffanie Farr & Aaron Ploussard	23 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 30' of newly permitted shoreline access walkway	September 11, 2016-no application fee
Dilley, John & Mary	22 Lakeview Rd	PGP & PTC (ECS)-Place riprap on 100' of shoreline	September 11, 2016-no application fee
Schlake, Trent & Misty	48 S. Lakeview Rd	PGP & PTC (ECS)-Construct 20' retaining wall	September 11, 2016-no application fee
Raasch, Lyle & Mary	Lot 5, Add 5, Sec 16	PGP & PTC (ECS)-Place riprap on 65' of shoreline	September 19, 2016-no application fee
Hyatt, Mark & Debra	93 Pelican Dr	PTC (SWAF)-Pour concrete dock anchor pad and approach to existing dock	September 20, 2016-no application fee
Hyatt, Mark & Debra	93 Pelican Dr	PGP & PTC (ECS)-Place riprap on 90' of shoreline	September 20, 2016-no application fee
Franzen, Eldora & Daryl and Bonnie Aubushon	Lot 1, Add 1, Sec 33	PGP & PTC (ECS)-Place riprap on 125' of shoreline	September 20, 2016-no application fee
Bailey, William & Marilyn	Lot 39, Add 1, Sec 9	PGP & PTC (ECS)-Place riprap on 95' of shoreline	September 20, 2016-no application fee
Chesley, Steven & Lucinda	Lot 16, Add 4, Sec 9	PGP & PTC (ECS)-Place riprap on 120' of shoreline	September 20, 2016-no application fee
Allison, Scott & Cynthia	Lot 6, Add 4, Sec 16	PGP & PTC (ECS)-Place riprap on 8' of shoreline	September 20, 2016-no application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: None.

POWER & RECREATION COMMITTEE (9/23/16):

a. Request for Variance – 96 Pelican Dr, Jeffrey Lake: Customer requested a variance to construct a detached 2-car garage on the sub-leased lot. The foundation would be 7' into the 14' setback on the west edge of the structure. Staff did not support the request because the strict application of the LSMP and Permitting Procedures do not produce an undue hardship. The Committee unanimously voted to recommend Board approval to allow the customer at 96 Pelican Dr, Jeffrey Lake to construct a 2-car garage 7' into the side setback. The variance does not apply to the applicable Lincoln County zoning setback which remains a requirement under the Permitting Procedures.

b. Request for Variance – 50 S Lakeview, Jeffrey Lake: Customer requested a variance to replace a pre-existing wooden watercraft ramp with a poured concrete ramp over top of newly installed riprap. They also asked to modify or replace the pre-existing concrete approach from a storage shed to the watercraft ramp and to replace a pre-existing 13' x 13' concrete patio adjacent to the shoreline. Staff supported the variance request as the work being requested is a result of a change in District operations. The Committee voted to recommend Board approval of a variance to allow the customer at 50 S Lakeview, Jeffrey Lake to replace the pre-existing wooden ramp with a concrete ramp, replace the concrete approach, conditional upon the approach being separated from the patio, and replace a concrete patio within 30' of the shoreline, not to exceed 300 ft² and located according to the proposed permitting procedure guidelines.

c. Kelly Ranch Conservation Easement: On November 9, 2000 Central acquired a conservation easement from The Nature Conservancy for 507 acres of meadow on the North Platte River to satisfy the land requirements of Central's FERC license. The Nature Conservancy is proposing to replace the general description of lands in the easement with a more detailed metes-and-bounds description and have supplied a draft of a proposed easement with a revised description. The Committee voted to recommend Board approval to modify the Kelly Ranch Conservation Easement utilizing a metes-and-bounds property description, subject to legal review and FERC approval.

AGREEMENT WITH DAWSON COUNTY FOR COZAD SOUTHWEST BRIDGE REPLACEMENT PROJECT AT MP 51.3 (Project No. BRO-7024(25)): Kevin Boyd stated Dawson County is receiving Federal Aid funds and they would like to partner with Central on this project. Central will be responsible for paying no more than 20% of the project cost.

SEDIMENT AUGMENTATION – JEFFREY ISLAND: Cory Steinke reported the Platte Program is conducting a study to evaluate the effects of breaching the dike at Jeffrey Island during high flow events to allow water to flow into the south channel to move sediment.

Director Dahlgren exited the meeting at 9:45 a.m.

2017 BUDGET: Rochelle Jurgens presented a preliminary overview of the 2017 budget and will present a more refined version at the October Committee Meeting.

IBEW LOCAL #2185 UNION AGREEMENT: Don Kraus stated an agreement has been reached with the Union and presented the agreement which includes all of the negotiated items. He plans to seek Board approval of the agreement at the October Board Meeting following legal review.

EMPLOYEE HANDBOOK: The revised employee handbook was reviewed which reflects the changes that have been negotiated with the Union.

LITIGATION - MALOLEY: Mike Klein stated Don Kraus was deposed earlier this month. A Motion for Summary Judgment has been filed and is scheduled for hearing on October 21, 2016.

JOHNSON LAKE LEASES: A letter enclosing the schedule approved by the Board on September 12, 2016 was mailed to the Johnson Lake and Plum Creek Lake tenants on September 14, 2016.

JOHNSON LAKE INLET HYDRO: This was discussed in Closed Session.

REPUBLICAN BASIN DIVERSION PROJECT: There was nothing new to report.

PERSONNEL: There were no discussions.

OUT OF STATE TRAVEL: The following Out of State Travel was approved for October, 2016:

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Don Kraus	Southwest Power Pool	Little Rock, AR	October 24-25, 2016

LEGISLATION: Jeff Buettner recently attended several State Chamber of Commerce legislative forums. He expects to see bills introduced in the upcoming session relating to corrections reform, budget, tax reform, property taxes, and housing and workforce development. There are many outgoing senators due to term limits.

A break was taken at 10:12 a.m.

Director Soneson exited the meeting at 10:12 a.m.

The meeting resumed at 10:32 a.m.

BOARD COMMENTS: Director Rowe announced he was accepted to the LEAD Program and he will be unable to attend the October 4, 2016 due to a conflict. Director Petersen complimented staff for how well they handled the recent oil spill at Kingsley Hydro.

OPERATIONS REPORT:

- a. Devin Brundage presented photographs of the equipment failure that caused the recent oil spill at Kingsley Hydro and the subsequent containment measures. He reported the hydro is operational again and no damage was sustained in the plant. He will be working to modify the oil discharge method.

At this time the Wells Fargo representatives, Greg Anderson and Bruce Remington, entered the meeting.

SEMI-ANNUAL PENSION PLAN REPORT – WELLS FARGO: Greg Anderson and Bruce Remington were present to update the Board of Directors on their investment strategies relating to Central's pension plan. Remington indicated he has reviewed the draft Investment Policy Statement and gave his comments to Rochelle Jurgens.

Director Dahlgren entered the meeting at 11:35 a.m.

Director Bogle exited the meeting at 12:02 p.m.

A break for lunch was taken at 12:02 p.m. The meeting resumed at 12:41 p.m.

OPERATIONS REPORT (continued):

- b. Cory Steinke reported that Lake McConaughy is at elevation 3,257.0 and 86.6% capacity. Lake McConaughy inflows have increased to 2,800 cfs, with outflows decreasing to 1,400-1,500 cfs. Recharge inflows to Elwood Reservoir will commence after November 15, 2016.
- c. Kevin Boyd stated crews have been working to remove the E65 bridge at Sundry's Outlet. He received the FERC inspection follow-up letter and will work to address any items needing correction. He thanked the Board for sending him to Philadelphia to speak at the American Society of Dam Safety conference earlier this month.
- d. Mike Drain discussed the recent meeting with Nebraska Game & Parks Commission and the Fish & Wildlife Service regarding the strategic plan for Lake McConaughy.
- e. Jeff Buettner has a mini tour scheduled on October 14, 2016 with individuals from the Water for Food Institute.
- f. Dave Ford reported crews are working on the canal lining project and making repairs to road crossings. Staff has been finalizing irrigation records with plans to print the irrigation bills next week.
- g. Eric Hixson has been working with Midwest Reliability on the NERC compliance filing.

- h. Jim Brown and the land administration staff attended a Land and Shoreline Management conference at the Lake of the Ozarks last week. He sent default letters to several tenants at Johnson Lake who have failed to pay their lease fees. He reported that the Hike & Bike Trail committee approached him with a request from an adjacent landowner whose land has been encroached on by the construction of the trail, to trade that land associated with the encroachment for the deed to his leased cabin lot at Johnson Lake. After further discussion, the Board took no action. Any shoreline permits issued at Jeffrey Lake after July 31, 2016 are under new guidelines established by the U.S. Army Corps of Engineers that require any posts containing creosote be removed.
- i. Any shoreline permits issued at Jeffrey Lake after July 31, 2016 are under new guidelines established by the U.S. Army Corps of Engineers will require any posts containing creosote be removed.
- j. Holly Rahmann mailed a postcard to Central retirees regarding the new drug plan and she has been working to make staff updates on the website.
- k. Rochelle Jurgens reported the NPPD audit was conducted last week. She has been busy making changes to the benefit administrators due to adjustments in the benefits as a result of the Union negotiations. She will conduct a meeting with retirees soon regarding changes to benefits.
- l. Don Kraus stated he will be on vacation next week.

Director Dahlgren exited the meeting at 1:13 p.m.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

At 1:16 PM it was moved by Director R. Olson and seconded by Director Petersen, that the Board enter into Closed Session to protect the public interest, to receive legal advice, and to discuss contract negotiations. Upon voting on the motion, the following Directors voted therefore: Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, and Rowe. Absent was: Bogle, Dahlgren, Garrett, S. Olson, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated that the item to be discussed in closed session was the following agenda item: Johnson Lake Inlet Hydro.

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

At 1:18 PM it was moved by Director Knoerzer 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: Fowler, Knoerzer, Mueller, Nelson, R. Olson, Petersen, and Rowe. Absent was: Bogle, Dahlgren, Garrett, S. Olson, and Soneson. None voted no and the motion was declared carried. President Nelson stated that the item discussed in Closed Session was of a legal nature relating to the following agenda item: Johnson Lake Inlet Hydro.

The meeting adjourned at 1:18 PM.

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
RODEWAY INN
HOLDREGE, NEBRASKA
OCTOBER 4, 2016 – 9:00 A.M.

This meeting was publicly advertised on September 26, 2016, 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 16, 2016.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	K. Scott Olson
Martin E. Mueller, Secretary	Ronald E. Fowler	Roger D. Olson
Robert B. Dahlgren, Treasurer*	William E. Knoerzer	Robert L. Petersen
		Gordon N. Soneson

**arrived at 9:02 a.m.*

The following Directors were absent: Robert A. Garrett and David L. Rowe

Also present were the following:

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	Jim Brown, Sr. Land Administrator
Mike A. Drain, Natural Resources Mgr.	Michael C. Klein, Legal Counsel
Kevin M. Boyd, Gothenburg Division Mgr.	Emily Anderson, Assistant Secretary

Others present:

John Thorburn, Tri-Basin NRD	Lori Potter, Kearney Hub
Bruce Hanson	Alan McClure
Dan Jensen	Joe Jeffrey
Deb Jensen	

* * * * *

The 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 that Tri-Basin staff has been taking fall static water levels and working on the integrated management plans. Thorburn has been attending stakeholder meetings with the three basins.

Director Dahlgren entered the meeting at 9:02 a.m.

Alan McClure reported the Johnson Lake Lease Committee is working on a lease proposal to present to the Board in the near future. Joe Jeffrey claimed there is erosion being caused to his property due to J-2 return discharge.

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 12, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held September 23, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held September 23, 2016**
- **Approval of the October Disbursements:**

Hydro Division:

Check # 52543-VOID; Check #s 52658 through 52839 and 8899262 through 8899279 \$1,026,575.51

Check #s 9912557 through 9912664 (Payroll) \$339,927.63

Kingsley Division:

Check #s 2875 through 2878 (Accounts Payable) \$115,512.27

J-2 Regulating Reservoir Construction Fund:

Check #s 1228 through 1231 (Accounts Payable) \$42,054.73

Glendo Division:

Check #NONE \$NONE

Flex Spending Account:

Check #s 8035 through 8040 \$843.10

- **Approval of a Variance to Central's side setback requirement in the Permitting Procedures to permit the customer at 96 Pelican Dr, Jeffrey Lake to construct a 2-car garage seven feet (7') into the side setback. The variance does not apply to the applicable Lincoln County zoning setback which remains a requirement under the Permitting Procedures**
- **Approval of a Variance to permit the customer at 50 S Lakeview, Jeffrey Lake to replace the pre-existing wooden ramp with a concrete ramp, replace the approach, conditional upon the approach being separated from the patio, and replace the concrete patio, not to exceed three hundred square feet (300 ft²) and located according to the proposed permitting procedures guidelines**
- **Approval to modify the Kelly Ranch Conservation Easement utilizing a metes-and-bounds property description, subject to legal review and FERC approval**
- **Approval of an Agreement with Dawson County for the Cozad Southwest Bridge Replacement Project at MP51.3 (Project No. BRO-70-24(25))**
- **Approval of the IBEW Local #2185 Union Agreement, subject to legal review**
- **Approval of the Revised Employee Handbook subject to legal review**

It was moved by Director S. Olson 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, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Garrett and Rowe. None voted no and the motion was declared carried.

RIGHT OF WAY TRANSACTIONS: Don Kraus explained this item was placed on the agenda due to an oversight by staff, but the easement was previously approved by the Board on April 4, 2016.

MEDICARE SUPPLEMENT INSURANCE – 2017 RENEWAL: Rochelle Jurgens presented the 2017 Medical Renewal Plan Options for the retirees' hospital and medical insurance reflecting proposals from The Hartford in the amount of \$217.84 and United American in the amount of \$202.00. Jurgens recommended selecting United American due to the lower monthly premium, with no change in benefits from the current plan.

It was moved by Director Soneson and seconded by Director S. Olson to accept United American's proposal of \$202.00 (monthly premium) for the 2017 Medicare Supplement Insurance. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Garrett and Rowe. None voted no and the motion was declared carried.

LIFE INSURANCE RENEWAL: Rochelle Jurgens explained the proposal she received from Hays Companies was missing some information, so she will present it to the Board at the October Committee Meeting.

CONTRACT CHANGE ORDER NO. 2 – L & S ELECTRIC (CONTRACT NO. 15D20 - \$684.00): Don Kraus stated this change order will cover the purchase of spare relays for the Kingsley Generator Relay.

It was moved by Director Mueller and seconded by Director Petersen to approve Contract Change Order No. 2 – L & S Electric (Contract No. 15D20) in the amount of \$684.00 for the purchase of spare relays. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Garrett and Rowe. None voted no and the motion was declared carried.

BID TAB – COTTONWOOD BRIDGE PROJECT: Don Kraus presented the two bids received from Simon Contractors in the amount of \$448,902.00 and KEA Constructors, LLC in the amount of \$571,850.20. Staff recommends accepting Simon Contractors' bid.

It was moved by Director Petersen and seconded by Director Knoerzer to approve Simon Contractors' bid in the amount of \$448,902.00 for the Cottonwood Bridge Project. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Garrett and Rowe. None voted no and the motion was declared carried.

PERSONNEL: None.

LEGISLATION: Jeff Buettner stated there will be many new faces in the Legislature following the upcoming election.

DIRECTORS' ATTENDANCE: **It was moved by Director Dahlgren and seconded by Director Bogle to excuse the absences of Robert A. Garrett and David L. Rowe from this Regular Business Meeting of the Board. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Garrett and Rowe. None voted no and the motion was declared carried.**

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford presented the 2016 Irrigation Season Report which showed an average irrigation water use for the season of 8.64 inches per acre on the 101,929 acres. There were 173,045 ac ft diverted and recharge of 99,410 ac ft. The Holdrege rain gauge collected 18.61 inches of rain for the 6-month period of April 1 through September 30, Minden collected 14.71 inches and Bertrand collected 24.35 inches.

- b. Cory Steinke reported that Lake McConaughy's elevation is at 3,257.5 and 1,525,900 acre feet which is 87.0% of capacity. Inflows at Lewellen are 2,100 cfs and outflows are 1,600 cfs. NPPD and Kingsley Hydro are having outages this month for repairs and maintenance.
- c. Mike Drain filed a report with FERC regarding the Kingsley oil spill. He met recently with Fish & Wildlife Services about protecting the terns and plover nests.
- d. Jim Brown reported at the September 23, 2016 Committee Meeting of the Board that shoreline permits issued at Jeffrey Lake after July 31, 2016 were under new guidelines established by the U.S. Army Corps of Engineers requiring any posts containing creosote be removed. He received clarification from the Corps stating this new regulation applies to newly submerged creosote posts. Brown stated the customers have been informed of this rule and the permits have been amended accordingly. An outage will start on Monday at Jeffrey Hydro. In preparation for the increasing lake elevation, Central staff and Jeffrey Lake residents will conduct a clean-up day on October 6, 2016.
- e. Kevin Boyd stated crews are finishing dredging at Jeffrey Lake - using excavators and trucks to remove as much material as possible by the end of the week. Additional material is being moved below the dam to make room for next year's dredging. Central's Part 12 inspector will be on-site as the Morning Glory repairs commence.
- f. Jeff Buettner will conduct a tour with members from the Daugherty Water for Food Institute next week. He has been attending planning meetings for the Water Center tour which will be in Nebraska next summer.
- g. Don Kraus reported the closing on the Blank property is scheduled for October 12, 2016.

The meeting adjourned at 9:29 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President