

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
APRIL 4, 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 March 28, 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 March 18, 2016.

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	Robert A. Garrett	Robert L. Petersen
	William E. Knoerzer	Gordon N. Soneson

Absent was: Robert B. Dahlgren

Also present were the following:

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

Others present:

Lori Potter, Kearney Hub	John Thorburn, Tri-Basin NRD
Dean Nelson	

* * * * *

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

At 9:02 AM, the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: John Thorburn stated the Water Jamboree is April 26-27, 2016 and thanked Holly Rahmann for her help organizing the event. He also reminded everyone that Arbor Day is April 29, 2016

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 March 7, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held March 24, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held March 24, 2016**

➤ **Approval of the April Disbursements:**

<i>Hydro Division:</i>	\$1,061,864.01
Check # 51136, 51182, 51243 & 51310-VOID; Check #s 51311 through 51529 and 8899148 through 8899174 (Accounts Payable);	\$336,039.61
Check #s 9912026 through 9912131 (Payroll)	
<i>Kingsley Division:</i>	\$58,087.38
Check #s 2835 through 2843 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$285,012.00
Check #s 1198 through 1201 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$1,549.54
Check #6983; 8000, 8003 through 8007	

➤ **Approval of the following Right of Way Transaction:**

APPLICATION TO CLOSE LATERAL

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowner</u>
Phelps	A40.6W#1	SW¼ & S½SE¼ of 4-6-16	Keith W. & Linda G. Carlson

- **Approval to Advertise the 2016 Water Rights Transfers**
- **Approval of an Erosion/Flowage Agreement for the adjacent landowner, Christopher Denker at 11 Plum Creek Canyon Drive 121, Plum Creek Canyon Reservoir**
- **Approval of a Request for Variance at 42 Mallard Cove, Johnson Lake for the placement of a 125 gallon propane tank less than 1.0’ within the side setback**
- **Approval of a Request for Variance at 39 Park Lane, Johnson Lake to construct a house within the lot’s rear and shoreline setback**
- **Approval of the Nebraska Game and Park’s Request for Funding in the amount of \$5,000.00 plus a crew and equipment to assist with the Public Boat Ramp Improvement Project at Plum Creek Canyon Reservoir**
- **Approval of a Request for Variance at 1 Park Lane, Johnson Lake to construct a basement below at future new construction home using the following guidelines: Lowest Living Elevation will be ≥ 2,618.0 msl; Lowest Opening Elevation will be ≥ 2,623.5’ msl; Lowest Adjacent Grade Elevation will be 2,622.0’ msl; and Lowest Openings (egress windows) must meet side lot line setbacks**
- **Approval to conduct a snapshot appraisal of the Lake McConaughy K Cabin Area Lots**
- **Approval of the Agreement for Professional Land Surveying Services – Dickinson Land Surveyors, Inc. in an amount not-to-exceed \$25,000.00**
- **Approval of a contribution in the amount of \$25,000.00 to the Platte Valley and West Central Weed Management Areas for phragmites control**
- **Approval of 2016 Budget Amendment – Hydro Division Budget Revision #5 to the Gothenburg Capital – High Voltage Test Set: Increase current budget from \$0 to \$6,000, for a net difference of (\$6,000)**
- **Approval of Work Order No. 107355 – High Voltage DC Test Set-Gothenburg (\$6,000.00)**
- **Approval of Purchase Requisition G-3629 – High Voltage DC Test Set (est. \$5,670.00 plus freight and use tax)**
- **Approval to extend the J-2 Regulating Reservoir authorization from December 31, 2015 to December 31, 2019**

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, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen,

Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

WATER SERVICE AGREEMENTS: Dave Ford presented the Water Service Agreements with two additions since the March 24, 2016 Committee Meeting of the Board:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres	Chg'd
--------	-----------	-------------	-----------	--------------	-------------	-------

WATER SERVICE AGREEMENTS

Phelps	6171301	.... S1/2 13-6-17	.....Donald E Sjogren et al	.....93	.....(1)	
<i>(NOTE: Service Acres stayed same total, changed to include SE1/4)</i>						
E65	7210104	.... NW1/4 1-7-21	.....Dennis R Roper	.....120	.....(1)	.....+65
<i>(NOTE: 26 acres from 7210104, 39 acres from E65 termin list 7191801)</i>						

IMMEDIATE TERMINATION

E65	7210204	.... SE1/42-7-21	.....Renita Fisher et al	.....26	.....(prior to 2016)	
<i>..... (NOTE: 26 acres transferred to 7210104)</i>						

- (1) IPP Amendment to Water Service Agreement for the 2016 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2016 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2015, landowner came-back with new WSA.
- (4) Water Service Agreement in 10-year termination (after 2015), landowner came-back with new WSA.
- (5) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

It was moved by Director Mueller and seconded by Director Knoerzer to approve the Water Service Agreements as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

IRRIGATION COMMITTEE:

a. E65-19.1-5.8N Waste Way: Dave Ford presented aerial photos showing the waste way that spills into a pasture located in the SE1/4 of 17-8-20. The waste water has created a channel in the pasture that drains into a pond with a dam on the outlet. Over the years, Central has maintained the channel somewhat but it is showing signs of erosion. Ford recommends installing approximately 1,370 feet of 10” PVC pipe (estimated cost of pipe is \$4,500) which will minimize future maintenance needs and eliminate erosion. The Landowner has previously signed an agreement to allow the use of the channel and Ford expects he would be agreeable to signing an easement to install the pipe. The Irrigation Committee unanimously voted to recommend Board approval of the pipe installation.

It was moved by Director Knoerzer and seconded by Director S. Olson to obtain an easement with the landowner in the SE1/4 of 17-8-20 to install 1,370 feet of 10” PVC pipe for the E65-19.1-5.8N Waste Way. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

b. Lateral Closure A38.6-0.6-1.1: Dave Ford presented aerial photos showing a lateral that was closed in the 1970s, but the necessary paperwork was never completed or filed with Kearney County. He suggests completing the Lateral Closure on the condition that the property owner in the SE1/4 of 21-6-16 (currently Bradley and Patricia Lundeen) will agree to supply service to the property owner in the S1/2S1/2NE1/4 of 21-6-16 (currently Cooperative Producers Inc.). The Irrigation Committee unanimously voted to recommend Board approval of the Lateral Closure with the conditions as stated.

It was moved by Director S. Olson and seconded by Director Mueller to approve the Lateral Closure at A38.6-0.6-1.1, subject to legal approval, and on the condition that the property owner in the SE1/4 of 21-6-16 agrees to supply service to the property owner in the S1/2S1/2NE1/4 of 21-6-16. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

REQUEST FOR VARIANCE - 16 BASS BAY, JOHNSON LAKE: Jim Brown presented the variance which the Power and Recreation reviewed earlier this morning for the construction of an

addition to a deck and steps which serve as a walkway to the front of a dwelling and the front yard. The setback in this location ranges from 6.7' to 7.7' and the amount of encroachment into the setback is approximately 1.5'+/-. The terrain is sloping and the house is elevated making the conversion of this feature to a sidewalk impractical. No impact to neighboring viewsheds or safety impediments would be created by this addition. Staff does not support the request because it does not produce an undue hardship. The Committee voted to recommend Board approval of the variance request.

It was moved by Director Bogle and seconded by Director Petersen to approve the request for variance at 16 Bass Bay, Johnson Lake for the construction of a deck/elevated walkway approximately 1.5' into the side setback, pending neighbor approval. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Rowe abstained. Absent: Dahlgren. None voted no and the motion was declared carried.

JEFFREY LAKE DREDGING: This was discussed in Closed Session.

JOHNSON LAKE LEASES: Don Kraus stated a letter will be mailed to the Johnson Lake lessees following the Board meeting regarding the path forward, to include contracting with a firm to conduct a comprehensive review of rental rates at other lakes in the region, if approved by the Board. Kraus then presented a Technical and Price Proposal from Bioeconomics, Inc. to conduct an economic analysis to be used to recommend lease rates for Johnson Lake at a fixed-rate contract price of \$20,000.

It was moved by Director Bogle and seconded by Director S. Olson to approve an agreement with Bioeconomics, Inc. at a fixed-rate contract price of \$20,000.00, subject to legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Garrett voted no. Absent: Dahlgren. The motion was declared carried.

J-2 REGULATING RESERVOIR: Cory Steinke stated efforts continue to amend the Water Service Agreement with the Platte River Recovery Implementation Program.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner presented a brief update of the legislative bills he is following.

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

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported that Lake McConaughy's elevation is at 3,255.6, 84.3% of capacity and 1,470,600 acre feet. Lake McConaughy inflows are at 1,055 cfs and flows at the state line in the South Platte are at 1,200 cfs. Snowpack in the upper basin is 101%, lower basin is 120%, and South Platte basin is 106% of average.
- b. Kevin Boyd stated the dredge should arrive at end of April. Jim Brown has been working with the US Army Corps of Engineers to amend the dredging permit. Crews are working to widen the boat dock in order to launch the dredge. Boyd is working to obtain a new dredge permit from NDEQ for the Diversion Dam. Crews have been performing minor bridge repairs.
- c. Mike Drain will be in Chicago this month to meet with FERC on the Kingsley design flood study.
- d. Jeff Buettner has several tours booked already, including a group of international students and another group of students from UNK in May. He is meeting soon with Keith County

Economic Development to plan for the 75th anniversary celebration of Kingsley Dam scheduled for July 22-23, 2016.

- e. Dave Ford stated one pump will be turned on at Elwood Reservoir on Wednesday. There will be opportunities coming up for more recharge on Phelps Canal. Crews are making repairs on a valve at the Phelps head gate. New agreements for the weather stations at Minden, Holdrege and Smithfield will be signed with UNL and the landowners.
- f. Eric Hixson explained during a recent inspection of Johnson 2 and Jeffrey, some erosion on the turbine blades was observed.
- g. Holly Rahmann has eight confirmed sponsors for the summer tour which is scheduled for June 14-16, 2016. She will post a tentative itinerary on the Board website in the near future. Reservations for the tour will be accepted after May 1, 2016.

At 9:44 AM it was moved by Director R. Olson and seconded by Director Garrett, that the Board enter into Closed Session to protect the public interest, to discuss land negotiations, and to receive legal advice. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried. President Nelson stated that the items to be discussed in closed session were the following agenda items: Jeffrey Lake Dredging and Personnel.

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

At 9:52 AM it was moved by Director Fowler 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, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried. President Nelson stated that the items discussed in Closed Session were of a legal nature relating to the following agenda items: Jeffrey Lake Dredging and Personnel.

JEFFREY LAKE DREDGING: It was moved by Director Petersen and seconded by Director Garrett to enter into an agreement with Ward David, subject to legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

PERSONNEL: It was moved by Director S. Olson and seconded by Director R. Olson to approve the addition of the Computer Systems Analyst job position and to add Joshua Clark to the payroll. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

The meeting adjourned at 9:58 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

_____ By _____
Martin E. Mueller, Secretary Dudley L. Nelson, President