

MINUTES OF REGULAR BUSINESS MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
SUPER 8 MOTEL  
HOLDREGE, NEBRASKA  
AUGUST 1, 2016 – 9:00 A.M.

This meeting was publicly advertised on July 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 July 25, 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
Robert B. Dahlgren, Treasurer	William E. Knoerzer	Gordon N. Soneson

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

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 R. Hixson, Engineering Services Manager	Jim Brown, Senior Land Administrator
Cory A. Steinke, Civil Engineer	Michael C. Klein, Legal Counsel
Rochelle A. Jurgens, Controller	Jim Lauer, Sr. Information System Analyst
Dave R. Ford, Irrigation Division Mgr.	DeAnna Bartruff, Land Administrator
Mike A. Drain, Natural Resources Mgr.	Tim Anderson, Public Relations Advisor
Devin Brundage, Asst. Gothenburg Division Mgr.	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	John Thorburn, Tri-Basin NRD
Dave Kreutz, on behalf of JLDI	Linda Aust
Chuck Stone	Betty Bricker
Bruce Bricker	Karla Graese
Walter Graese	John Kirby
Marvin Muth	Barbara Muth
Dick Helvey	Dale Romatzke
Deb Jensen	Lin Romatzke

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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: Dave Kreutz reported at the JLDI meeting last week it was discovered that some of the boat ramps may not have liability insurance, so they are taking action to correct that oversight. He handed out copies of several letters he obtained from cabin owners that the Directors may have already received. John Thorburn congratulated Central on the 75<sup>th</sup> anniversary of Kingsley

Dam. The Tri-Basin Board is working on their budget which will include funding for the Platte to Republican Diversion Project and a feasibility study for a possible Sand Creek diversion project.

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 July 5, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held July 22, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held July 22, 2016**
- **Approval of the August Disbursements:**

<i>Hydro Division:</i>	\$1,179,523.26
Check #s 52178 & 52207-VOID; Check #s 52213 through 52417 and 8899227 through 8899241	\$350,206.57
Check #s 9912449 through 9912556 and 9898 through 9907 (Payroll)	
<i>Kingsley Division:</i>	\$67,543.23
Check #s 2863 through 2867 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$77,793.62
Check #s 1221 through 1223 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$935.41
Check #s 8025 through 8028	

- **Approval of Right of Way Transaction:**

**EASEMENT AND RIGHT-OF-WAY:**

<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowner</u>
E#100	SE1/4 28-9-23, Dawson Co	Yellow Brick Road, LLC

- **Approval of Work Order No. 107358 – Replace Jeffrey transformer breaker and two sets of disconnect switches, protection relays and controls (\$160,000.00)**
- **Approval of Work Order No. 107359 – Dodge 4500 Pickup and Service Body (\$77,064.00)**
- **Approval of Darren Samuelson’s Bid to Haul Rip Rap and Fill Dirt to Holdrege and Bertrand Irrigated Areas in the amount of \$14,900.00**
- **Approval of Progress Estimate No. 1 (Final) – Contract No. 0-664 – RDO Truck Centers for 2017 Dump Truck with Dump Body (\$116,545.59)**
- **Approval of Closure of Contract No. 0-664 – RDO Truck Centers for Truck Cab and Chassis with Rear Dump Body (\$116,565.59)**
- **Approval of Medicare Part D Group Plan Proposal from United Healthcare**
- **Approval of the 2016 Budget Amendment - Hydro Division Budget Revision #9 as follows:**

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
McConaughy Area Leases Surveying	\$1,000	\$51,000	\$50,000
Irrigation Adm Supr & Eng Labor & Salary	\$527,000	\$477,000	(\$50,000)
Phelps Irrigation Earthwork & Bank Protection Haul Rock	\$37,500	\$40,000	\$2,500
NET CHANGE			\$2,500

- **Approval of a Variance to permit the customer at 8 Expressway, Bullhead Point, Johnson Lake to construct a pergola sized in such a way that it is no closer than 4’ from the side lot line**
- **Approval of a Variance to permit the customer at 26 Mallard Cove, Johnson Lake to construct a deck within the 30’-50’ shoreline setback with one side elevated**

- **Approval of a Variance to permit the customer at 29 Mallard Cove, Johnson Lake to construct a series of retaining walls and a patio, with the size restrictions in the variance set to match the recommendation that staff may decide upon following their additional consideration of the recommended changes to the Permitting Procedures. During discussion, it was noted that the Board is ceding to staff the authority to set the specific conditions of the variance in this case and these variance restrictions may not be satisfactory to the applicant. The applicant has the option to await the eventual future changes to the Permitting Procedures by the Board. In addition, final Board approval of the new Permitting Procedures may change the language that would apply to similar permits in the future, but would not affect this variance**
  
- **Approval of the use of Lake Improvement Funds for the following purposes:**
  - a. **\$15,000 for the purchase and installation of playground equipment within the Nebraska Game and Parks Commission State Recreation Area (Johnson Lake)**
  - b. **\$1,000 for the purchase and installation of a picnic table along the Hike/Bike Trail at South Crappie Corner (Johnson Lake)**
  - c. **\$20,000 for a sewer connection for the Sanitary Improvement District within the Lakeside Country Club (Johnson Lake), contingent upon the Country Club raising matching funds**
  - d. **\$26,000 for the purchase and installation of boat equipment and other enhancements for the Keystone/Lemoyne Fire and Rescue Departments (Lake McConaughy)**
  
- **Approval of a Time and Materials Contract with JEO Consulting in an amount not-to-exceed \$55,000 to conduct a feasibility study of Bossung Lake enhancement, residential lot creation and commercial opportunities**

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

Director S. Olson entered the meeting at 9:04 a.m.

CONTRACT WITH SRS CRISAFULLI FOR 2016 ROTOMITE DREDGE: Kevin Boyd presented two options for the Board to consider, which were: 1) to keep the dredge from SRS Crisafulli for an additional \$300,000 or 2) go out for bids for a dredge with a 10” discharge line with a rent and lease to own option and send the SRS Crisafulli dredge back after August 12, 2016. He stated after discussions with staff, they believe a dredge with a bigger cutter and a self-cleaning option would be more efficient, and possibly more appropriate for use in the Supply Canal.

**It was moved by Director Rowe and seconded by Director S. Olson to terminate the use of the SRS Crisafulli dredge after August 12, 2016 and return it to its manufacturer and to seek bids for a dredge with a 10” discharge line with a rent and lease to own option. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, S. Olson, Petersen, Rowe, and Soneson. R. Olson voted no. The motion was declared carried.**

NEBRASKA COMMUNITY FOUNDATION AND PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM WATER LEASING PROGRAM-2017: Don Kraus reviewed the proposed program rules which are the same as the 2016 rules, which include: a maximum of 2,000 acres at a payment rate of \$220 per acre. Dave Ford stated there have already been several irrigators who have expressed interest in participating in the program.

**It was moved by Director R. Olson and seconded by Director Mueller to approve the Water Leasing Agreement with the Nebraska Community Foundation and the Platte River Recovery Implementation Program, subject to legal review. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

JOHNSON LAKE LEASES: This was discussed in Closed Session.

J-2 REGULATING RESERVOIR: Don Kraus mentioned a recent press release by the Platte River Recovery Implementation Program which is available on the Board website. Mike Drain stated following the recent Governance Committee meeting, the Program and the State are concerned about the timing of meeting various goals, and have asked Central to cease any further project activities while they explore other programs.

PERSONNEL: Don Kraus requested the Board approve the Employment Agreement with Mark Peyton so he can be consulted as needed after he retires.

**It was moved by Director Fowler and seconded by Director Petersen to approve the Employment Agreement with Mark Peyton. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.**

LEGISLATION: Jeff Buettner had nothing new to report.

DIRECTORS' ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: Director Nelson complimented Jeff Buettner for his work organizing the events to celebrate the 75<sup>th</sup> Anniversary of Kingsley Dam.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported that Lake McConaughy's elevation is at 3,261.7, 94% of capacity and 1,640,800 acre feet. Inflows have increased to 2,100 and outflows are 3,100 cfs. He will continue to work to get the lake elevation to 3,260.0 by October.
- b. Mike Drain stated the Nebraska Game & Parks Commission will hold a public meeting on August 4, 2016 at 7:00 p.m. at the Keith County Fairgrounds regarding the Lake McConaughy shoreline use.
- c. Kevin Boyd informed the Directors of a recent death at Midway Lake which has been reported to FERC. The bid specifications are being drafted for the Morning Glory repairs. Bids will be sought for the Cottonwood Canyon Bridge replacement which would be constructed in 2017.
- d. Rochelle Jurgens stated the new clearing account rates have been posted to the Board website and an Investment Committee meeting will be held today immediately following this meeting.
- e. Jeff Buettner is conducting a tour next week of the E67 Telemetry project and the Johnson Lake hydros.

A break was taken at 9:49 a.m. The meeting resumed at 10:06 a.m.

**At 10:06 AM it was moved by Director Knoerzer and seconded by Director Dahlgren, that the Board enter into Closed Session to protect the public interest and to receive legal advice. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried. President Nelson stated that the item to be discussed in closed session was the following: Johnson Lake Leases.**

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

At 11:33 AM it was moved by Director Rowe and seconded by Director Mueller, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, 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 Leases.

The meeting adjourned at 11:33 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER  
AND IRRIGATION DISTRICT

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Martin E. Mueller, Secretary

By \_\_\_\_\_  
Dudley L. Nelson, President