

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
DECEMBER 4, 2017 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by notices on KRVN (Lexington) and KUVR (Holdrege) radio stations on November 27, 2017, and by legal publication in the Holdrege Daily Citizen and Kearney Hub on November 27, 2017, the North Platte Telegraph on November 28, 2017, and the Lexington Clipper-Herald on November 29, 2017, 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 November 13, 2017.

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
	David G. Nelson	Gordon N. Soneson

The following Director was absent: David L. Rowe.

Also present were:

Don D. Kraus, General Manager	Marcia Trompke, Conservation Director
Rochelle A. Jurgens, Controller	Jeff J. Buettner, Public Relations Coord.
Cory A. Steinke, Civil Engineer	Holly Rahmann, Public Relations Assistant
Michael A. Drain, Natural Resources Mgr.	Duane Cernousek, Purchasing Agent
Dave R. Ford, Irrigation Division Mgr.	Michael C. Klein, Legal Counsel
	Emily J. Anderson, Assistant Secretary

Others present were:

Curtis Scheele, NRCS	Lori Potter, Kearney Hub
Nolan Little, Tri-Basin NRD	Adam Setzler, McCrometer Inc. (via phone)

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The Board 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: None.

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 November 6, 2017**
- **Approval of Minutes of Special Meeting of the Board of Directors held November 22, 2017**

➤ **Approval of Minutes of Committee Meeting of the Board of Directors held November 22, 2017**

➤ **Approval of the December Disbursements:**

<i>Hydro Division:</i>	\$1,737,393.67
Check #s 55780 through 55960 and 8899508 through 8899525 (Accounts Payable)	\$343,273.43
Check #s 9914158 through 9914261 (Payroll)	
 <i>Kingsley Division:</i>	 \$61,920.41
Check #s 2974 through 2982 (Accounts Payable)	
 <i>J-2 Regulating Reservoir Construction Fund:</i>	 NONE
Check # NONE (Accounts Payable)	
 <i>Glendo Division:</i>	 NONE
Check # NONE	
 <i>Flex Spending Account:</i>	 \$1,293.68
Check # 8102 through 8105	

➤ **Approval of the Renewal Rates for the 2018 Property & Casualty Insurance:**

Factory Mutual Insurance Company (FM Global) for Property Damage, Boiler and Machinery, Inland Marine, and Terrorism insurance in the amount of \$170,027.00

Harry A. Koch Co. for General and Management Liability, Excess Liability, Business Automobile, Worker’s Compensation/Employer’s Liability, and Commercial Crime/Public Employee Dishonesty insurance in the amount of \$274,358.00

- **Approval to deny the request for the reclassification of 1 Mallard Cove, Johnson Lake**
- **Approval of renewing the Johnson Lake Airport Lease with Lance Werth for 2018 at \$3,250 and granting staff the ability to extend the lease annually up to four years with any increase in lease rates capped at 3.0% per year**
- **Approval of Special Committee Meetings of the Board (Board Retreat) on February 27-28, 2018 at 8:30 a.m. at the Cornhusker Hotel, Lincoln, NE**
- **Approval of Legal Services Agreement – Anderson, Klein, Brewster & Brandt**
- **Approval of Legal Services Agreement – Robert J. McCormick**
- **Approval of Employment Agreement – Dave Campbell**
- **Approval of Employment Agreement – Leonard France**
- **Approval of Employment Agreement – Glen Bevard**
- **Approval of Employment Agreement – Kevin Boyd**
- **Approval of Agreement for Professional Land Surveying Services – Dickinson Land Surveying, Inc.**
- **Approval of Amendment to Agreement for Professional Land Surveying Services for Surveying and Replatting the K-1 Cabin Area – Dickinson Land Surveying, Inc.**
- **Approval of the following 2017 Budget Revision**

	Current <u>Budget</u>	Proposed <u>Budget</u>	<u>Difference</u>
<u>Hydro-Electric Division Capital Budget</u>			
Land Purchase – North Platte Opportunity Center	0	\$465,000	\$465,000

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

ANNUAL CONSERVATION REPORT: Curtis Scheele, Irrigation Water Management Specialist for the Natural Resources Conservation Service, presented his annual conservation report, summarizing activity related to the federal Environmental Quality Incentives Program (EQIP). A teleconference was initiated with Adam Setzler of McCrometer, Inc., who demonstrated the capabilities available to producers who are a part of the E-67 Telemetry Project to access irrigation, climatic and evapotranspiration data via customers' computers, tablets and smart phones to assist with their irrigation management decisions and improve irrigation efficiency. Marcia Trompke, Conservation Director, then concluded with a summary of several of Central's irrigation construction projects completed over the past year.

A break was taken at 10:03 a.m. The meeting resumed at 10:24 a.m.

2018 IRRIGATION RATES: The proposed 2018 irrigation rates as recommended by the Irrigation Committee were presented as follows:

2018 Irrigation Rates @ 1.5% increase from 2017	\$.51 increase in base rate
Incremental Pricing Program, 9" base fee	\$34.61 per acre
IPP Acre-inch fee from 9" to 18" of use	\$1.21 per inch
Non IPP rate 12" contracts	\$38.24 per acre
Non IPP rate 18" contracts	\$45.50 per acre
Use over 18" rate	\$45.50 per acre-foot

It was moved by Director Fowler and seconded by Director Petersen to approve a 1.5% increase over the 2017 irrigation rates and adopt the 2018 irrigation rates as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Mueller, Dave Nelson, and Petersen. The following Directors abstained from voting: Dahlgren, Knoerzer, Dudley Nelson, R. Olson, S. Olson, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WORK ORDER NO. 107381 – PURCHASE TRACTS OF LAND NEAR DIVERSION DAM IN LINCOLN COUNTY FOR INCREASED DREDGING AND SILT REMOVAL (\$461,096.00): Don Kraus stated this work order is relevant to the recent land purchase from the North Platte Opportunity Center (Peck property).

It was moved by Director Soneson and seconded by Director R. Olson to approve Work Order No. 107381 for the purchase of tracts of land near the Diversion Dam in Lincoln County for increased dredging and silt removal in the amount of \$461,096.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

PROGRESS ESTIMATE NO. 2 (FINAL), CONTRACT NO. 0-669, W.S. BUNCH COMPANY, INC. FOR E-65 SIPHON COATING (\$159,572.35) and CLOSURE OF CONTRACT NO. 0-669, W.S. BUNCH COMPANY, INC. FOR E-65 SIPHON COATING (\$612,251.00): Don Kraus stated the work on the E-65 siphon coating project is complete, the work has been inspected and staff recommends final payment to the contractor.

It was moved by Director Bogle and seconded by Director Knoerzer to approve Progress Estimate No. 2 (Final) for Contract No. 0-669 in the amount of \$159,572.35 and the Closure of Contract No. 0-669 with W.S. Bunch Company, Inc. in the amount of \$612,251.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

2018 BUDGET: Don Kraus presented and reviewed the final 2018 Fiscal Budget Management Letter which highlights major planned expenditures and capital project purchases.

It was moved by Director Mueller and seconded by Director S. Olson to approve the 2018 Fiscal Budget as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WAGE SCALE ADJUSTMENT OF 2.0% FOR SALARIED PERSONNEL, CONFIDENTIAL EMPLOYEES AND HOURLY EMPLOYEES NOT REPRESENTED BY IBEW 2185: It was moved by Director S. Olson and seconded by Director Petersen to approve a 2.0% wage scale increase for salaried personnel, confidential employees and hourly employees not represented by IBEW 2185. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WAGE SCALE ADJUSTMENT OF 2.0% FOR HOURLY EMPLOYEES REPRESENTED BY IBEW 2185: It was moved by Director Dahlgren and seconded by Director Knoerzer to approve a 2.0% wage scale increase for hourly employees represented by IBEW 2185. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

WATER SERVICE AGREEMENT: Dave Ford presented the following Water Service Agreement and explained this account was previously in termination, but to comply with the Tri-Basin NRD's well permit conditions, the acres have been re-signed.

<u>System</u>	<u>Acct. No.</u>	<u>Legal Desc.</u>	<u>Landowner</u>	<u>Contr. Acres</u>	<u>Total Acres Chg'd</u>
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Water Service Agreement:

Phelps	6161803	NE1/4 18-6-16	Marcia F. Dunlay Admin Trust	80 (1)	+80
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Notes: Re-signed account to meet conditions of Tri-Basin NRD well permit

- (1) IPP Amendment to Water Service Agreement for the 2018 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2018 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2017, landowner came-back with new WSA.
- (4) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

It was moved by Director Dave Nelson and seconded by Director Mueller to approve the Water Service Agreement for the Marcia F. Dunlay Administrative Trust as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

LAND NEGOTIATIONS – REED: This was discussed in Closed Session.

UEHRAN V. CNPPID: There was nothing new to report.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner had nothing new to report.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

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

BOARD COMMENTS: Director Dahlgren received a question about the weeds between Johnson Lake and the airport. Director Fowler explained that is a habitat area and it will take a few years for the grass to overtake the weeds.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported Lake McConaughy is at elevation 3,253.3 1.4 million acre feet, 81% capacity. Inflows to Lake McConaughy are at 1,150 cfs, with releases at 600 cfs.
- b. Don Kraus commented that Eric Hixson and Devin Brundage are both working at Jeffrey Hydro with the contractor who is doing the relay testing. The upgrades at Jeffrey should be finished by the end of this week.
- c. Dave Ford stated a letter will be mailed today to all irrigators informing them of the 1.5% rate increase along with a flyer regarding the Water Leasing Program sign-up dates. He displayed photos of crews installing the pipeline at the Funk Lagoon. Pumping into Elwood Reservoir and recharge on the Phelps Canal began last Friday.
- d. Rochelle Jurgens has been busy accepting irrigation payments and about 10% of the bills remain unpaid. She also noted the accounting staff has been busy working on the new payroll system which will be implemented at the end of December.
- e. Jeff Buettner leaves tomorrow with representatives from the UNL Water Center to visit Wyoming and determine the path and accommodations for the 2018 summer tour.

At 10:50 AM it was moved by Director R. Olson and seconded by Director Bogle, that the Board enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried. Board President Nelson stated the items to be discussed in closed session were the following agenda items: Land Negotiations – Reed; and Personnel. The items are being discussed in closed session to protect the public interest and to discuss real estate and contract negotiations.

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

Director R. Olson exited the meeting at 11:17 a.m.

At 11:20 AM it was moved by Director Petersen 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, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, S. Olson, Petersen, and Soneson. Absent: R. Olson and Rowe. None voted no and the motion was declared carried. Board President Nelson stated the items discussed in closed session were the following agenda items: Land Negotiations – Reed; and Personnel. The items were discussed in closed session to protect the public interest and to discuss real estate and contract negotiations.

PERSONNEL: It was moved by Director Knoerzer and seconded by Director Soneson to approve the Personnel Action for Jeff Buettner which includes a change in title from Public

Relations Coordinator to Public Relations Manager and a pay increase, and to approve Don Kraus's salary as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, S. Olson, Petersen, Rowe, and Soneson. Absent: R. Olson and Rowe. None voted no and the motion was declared carried.

The meeting adjourned at 11:22 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President