

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

NOVEMBER 5, 2018 – 9:00 AM

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MINUTES OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
DISTRICT HEADQUARTERS, HOLDREGE, NE
OCTOBER 9, 2018 – 10:00 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 October 5, 2018, and by legal publication in the Holdrege Daily Citizen and the Kearney Hub on October 5, 2018, and the North Platte Telegraph and the Lexington Clipper-Herald on October 6, 2018, 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.

An agenda giving the time, date, and place of this meeting was mailed to the Directors on October 4, 2018.

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	William E. Knoerzer	Robert L. Petersen
Robert B. Dahlgren, Treasurer	David G. Nelson	Gordon N. Soneson

Also present were the following:

Don D. Kraus, General Manager	Michael C. Klein, Legal Counsel
	Emily Anderson, Assistant Secretary

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

At 10:00 A.M., the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

PERSONNEL:

At 10:01 AM it was moved by Director R. Olson and seconded by Director Knoerzer for the Board to 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, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated the item to be discussed in closed session was the following agenda item: Personnel, for discussion about the General Manager position.

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

At 10:47 AM it was moved by Director S. Olson and seconded by Director R. Olson for the Board to exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated that the item discussed in Closed Session was relating to the following agenda item: Personnel.

DIRECTORS' ATTENDANCE: All Directors were present.

The meeting adjourned at 10:47 a.m.

MINUTES OF SPECIAL MEETING OF THE
 BOARD OF DIRECTORS
 THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
 DISTRICT HEADQUARTERS, HOLDREGE, NE
 OCTOBER 26, 2018 – 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 October 22, 2018, and by legal publication in the Holdrege Daily Citizen and the Kearney Hub on October 22, 2018, the North Platte Telegraph on October 23, 2018, and the Lexington Clipper-Herald on October 20, 2018, 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.

An agenda giving the time, date, and place of this meeting was mailed to the Directors on October 18, 2018.

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	William E. Knoerzer	Robert L. Petersen
Robert B. Dahlgren, Treasurer*	David G. Nelson	Gordon N. Soneson

*arrived at 9:03 a.m.

Also present were the following:

Don D. Kraus, General Manager	Tyler Thulin, Civil Engineer
Rochelle A. Jurgens, Controller	Jeff J. Buettner, Public Relations Manager
Devin M. Brundage, Gothenburg Div. Mgr.	Duane Cernousek, Purchasing Agent
Mike A. Drain, Natural Resources Manager	Jim Brown, Land Administrator
David R. Ford, Irrigation Division Mgr.	Michael C. Klein, Legal Counsel
Eric R. Hixson, Engineering Services Mgr.	Emily Anderson, Assistant Secretary

Others present were:

Lori Potter, Kearney Hub

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

PUBLIC INPUT: None.

2018 BUDGET REVISION: Rochelle Jurgens presented the Hydro Division Budget Revision #7 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>E65 Capital Budget</u>			
Structure Addition E65-0.0	\$0	\$46,100	\$46,100
Structure Addition E65-5.9	\$0	\$68,600	\$68,600

E65 O&M – Control Structures	\$255,000	\$140,300	(\$114,700)
<u>Gothenburg Capital Budget</u>			
Lake McConaughy Land Purchase	\$0	\$171,600	\$171,600
		NET CHANGE	\$171,600

It was moved by Director Petersen and seconded by Director Knoerzer to approve Hydro Division Budget Revision #7 with a Net Change of \$171,600 as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. Absent: Dahlgren. None voted no and the motion was declared carried.

Director Dahlgren entered the meeting at 9:03 a.m.

LAND PURCHASE OF LOT 5, BLOCK 4, MAKO-CH-MNI, LAKE MCCONAUGHY: Jim Brown stated the landowner accepted the District's offer of \$165,000.00.

It was moved by Director Soneson and seconded by Director Mueller to approve the purchase of the land located at Lot 5, Block 4, Mako-Ch-Mni, Lake McConaughy for \$165,000.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

WORK ORDER NO. 107393 – LAND PURCHASE OF LOT 5, BLOCK 4, MAKO-CH-MNI, LAKE MCCONAUGHY (\$171,534.14):

It was moved by Director Fowler and seconded by Director R. Olson to approve Work Order No. 107393 for the purchase of Lot 5, Block 4, Mako-Ch-Mni, Lake McConaughy in the amount of \$171,534.14. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

WORK ORDER NO. 186556 – INSTALL COTTONWOOD RANCH PIPELINE (\$977,700.00):

It was moved by Director Knoerzer and seconded by Director Dahlgren to approve Work Order No. 186556 for the installation of the Cottonwood Ranch Pipeline in the amount of \$977,700.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

PROGRESS PAYMENT NO. 1, CONTRACT NO. 0-685 – DIAMOND PLASTICS FOR PIPE FOR WETLANDS PIPELINE PROJECTS (\$165,010.57): Don Kraus stated the reason for placing this progress payment and the next two on this Special Meeting agenda was due to Diamond Plastics offering a 2% discount if the bills were paid within 15 days of receipt of the invoices.

It was moved by Director S. Olson and seconded by Director Knoerzer to approve Progress Payment No. 1 for Contract No. 0-685 with Diamond Plastics for the pipe for the Wetlands Pipeline Projects in the amount of \$165,010.57. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

PROGRESS PAYMENT NO. 1 (\$66,519.85) AND PROGRESS PAYMENT NO. 2 (\$319,295.28), CONTRACT NO. 0-688 – DIAMOND PLASTICS FOR PIPE FOR COTTONWOOD RANCH PROJECT:

It was moved by Director Knoerzer and seconded by Director Mueller to approve Progress Payment No. 1 and No. 2 for Contract No. 0-688 with Diamond Plastics for the pipe for the Cottonwood Ranch Project in the combined amount of \$385,815.13. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer,

Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

PERSONNEL:

At 9:08 AM it was moved by Director Rowe and seconded by Director Bogle for the Board to 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, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated the item to be discussed in closed session was the following agenda item: Personnel, for discussion about the General Manager position.

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

At 9:29 AM it was moved by Director R. Olson and seconded by Director Petersen for the Board to exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated that the item discussed in Closed Session was relating to the following agenda item: Personnel.

PERSONNEL: Board President Dudley Nelson announced that Devin Brundage, the current Gothenburg Division Manager, has been selected by the Board as the General Manager to replace Don Kraus upon Kraus's retirement in January, 2019.

It was moved by Director Rowe and seconded by Director R. Olson to hire Devin Brundage as the General Manager, contingent upon Brundage signing an employment agreement. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

DIRECTORS' ATTENDANCE: All Directors were present.

The meeting adjourned at 9:35 a.m.

MINUTES OF COMMITTEE MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
OCTOBER 26, 2018 – 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 October 22, 2018, and by legal publication in the Kearney Hub and Holdrege Daily Citizen on October 22, 2018, the North Platte Telegraph on October 23, 2018, and the Lexington Clipper-Herald on October 20, 2018, 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 October 18, 2018.

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	William E. Knoerzer	Robert L. Petersen
Robert B. Dahlgren, Treasurer	David G. Nelson	Gordon N. Soneson

Also present were the following:

Don D. Kraus, General Manager	Tyler Thulin, Civil Engineer
Rochelle A. Jurgens, Controller	Jeff J. Buettner, Public Relations Manager
Devin M. Brundage, Gothenburg Div. Mgr.	Duane Cernousek, Purchasing Agent
Mike A. Drain, Natural Resources Manager	Jim Brown, Land Administrator
David R. Ford, Irrigation Division Mgr.	Michael C. Klein, Legal Counsel
Eric R. Hixson, Engineering Services Mgr.	Emily Anderson, Assistant Secretary

Others present were:

Lori Potter, Kearney Hub

Tom Smrdel, Headwaters Corporation

* * * * *

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

At 9:54 A.M., the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM PRESENTATION: Tom Smrdel from Headwaters Corporation was present to provide information concerning the full-scale sediment augmentation work which has been conducted around Jeffrey Island since 2016. He displayed aerial photos comparing the river channels from the 1930s to today, along with recent drone videos showing the results of the sediment augmentation efforts.

CONSENT TO ASSIGNMENT SUMMARY: Two consents at Johnson Lake were approved during the month of October, 2018.

PERMIT TO CONSTRUCT SUMMARY: The following Permits to Construct were approved in the month of October, 2018:

Permits to Construct Approved by General Manager October 26, 2018			
<u>Name</u>	<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
Group VI Water District, Mallard Beach Sections 1-4 and Mallard Cove Sections C & D	NW1/4 6-8-22; Gosper Co.	\$0.00	Install section of dock on and along the shoreline to provide pedestrian access along shoreline between 30 & 31 Mallard Cove

Permits to Construct Approved by Land Administration Department October 26, 2018– Johnson Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Williams, John & Michelle	8 Crappie Corner Dr 5	PTC (ECS)-Protect 49' of shoreline with riprap	September 14, 2018-no application fee
Jurgens, Gary & Rochelle	5 Crappie Corner Dr 5	PTC (ECS)-Protect 56' of shoreline with riprap	September 14, 2018-no application fee
Hoff, Neal & Susan	108 Mallard Beach Dr 22	PTC (ECS)-Protect 63' of shoreline with riprap	September 14, 2018-no application fee
Maloney, Michael & Ronda	42 Bass Bay Dr 16	PTC (ECS)-Protect 52' of shoreline with riprap	September 17, 2018-no application fee
Wambolt, Cindy	3 Mallard Cove Dr 9	PTC for Veg-Plant trees	September 17, 2018-no application fee
Harms, Nancy & Wehrbein, Gerhart	25 Sandy Point Dr 24A	PTC (ECS)-Protect 89' of shoreline with riprap	September 18, 2018-no application fee
Potter, Lee & Linda	19 Northeast Cove Dr 9	PTC (ECS)-Protect 65' of shoreline with riprap	September 18, 2018-no application fee
Jones, Gary & Jeanine	139 Mallard Beach	PTC (DEF)-Excavate lakebed material in front of lot	September 19, 2018-\$50.00 application fee
Applegate, Jerry & Diane	3 Crappie Corner Dr 5	PTC (DEF)-Place fill dirt across width of lot to make lot level with adjacent lots	September 21, 2018-\$50.00 application fee
GH3 Investments	18 North Point Dr 13	PTC (SWAF)-Install on-grade patio with gas fire pit, replace existing sidewalk and dock anchor pad	September 25, 2018-\$50.00 application fee
Knuth, Steven and Janet	87 Mallard Beach Dr 22	PTC (SWAF)-Install shoreline stabilization and construct swimming beach	September 27, 2018-\$50.00 application fee
Roberts, Tempie	3 Perch Bay Addition	PTC for Veg-Plant trees	September 30, 2018-no application fee
GH3 Investments	18 North Point Dr 13	PTC (DEF)-Place fill dirt to level front yard with lot boundary making grade with a gentle slope to shoreline	October 3, 2018-\$50.00 application fee
Corner of Paradise c/o Brian Miller	4 Mallard Beach Dr 19B	PTC (SWAF)-Replace concrete section near shoreline and elevate it to allow for higher clearance of walk way	October 9, 2018-\$50.00 application fee
Burkhalter, Phillip & Sharilyn	2 Perch Bay Addn Dr 7	PTC (ECS)-After-the-fact-Protect 49' of shoreline with riprap	October 9, 2018-\$100.00 application fee
Bellamy, Hill & Pfannenstiel	1 Northeast Bay Dr 4	PTC (SWAF)-Install beach area, construct steps down to sand base and long retaining walls	October 10, 2018-\$50.00 application fee
Fagot, Thomas & Catherine	21 Bass Bay Dr 16	PTC-Pour concrete pad and install chain link fence with gate	October 10, 2018-no application fee

Crappie Corner Association (Zane Malcom)	22 Crappie Corner	PTC for Veg-Remove dead trees, trim branches	October 10, 2018-no application fee
Malcom, Zane & Joscelyn	22 Crappie Corner Dr 5	PTC-Install chain link dog run fence with concrete footings with door into existing garage	October 10, 2018-no application fee
Riedy, Rex & Diane	42 Mallard Beach Dr 20	PTC (DEF)-Remove shed and concrete slab and place fill dirt to bring to grade level	October 11, 2018-\$50.00 application fee
Noble, Jeffrey	99 Mallard Beach Dr 22	PTC (ECS)-Protect 47' of shoreline with riprap	October 11, 2018-no application fee
Bradley, Stephen & Williams, Karen	18 Bass Bay Dr 16	PTC (SWAF)-install boat dock and shore station	October 17, 2018-\$50.00 application fee
Isaacson, Robert & Rona	5 Perch Bay Addn Dr 7	PTC-Construct 2 story family residence with attached garage	October 18, 2018-no application fee
Jurgens, Gary & Rochelle	5 Crappie Corner Dr 5	PTC-Construct residence with basement	October 19, 2018-no application fee
Fagot, Thomas & Catherin	21 Bass Bay	PTC (SWAF)-Install dock anchor pad	October 23, 2018-\$50.00 application fee
Pickel, Ryan & Jenna	50 Lakeview Acres Dr 14A	Amended PTC (SWAF)-Remove old dock and install aluminum dock, install shore station	October 25, 2018-no application fee

Permits to Construct Approved by Land Administration Department October 26, 2018 – Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>

Permits to Construct Approved by Land Administration Department October 26, 2018 – Jeffrey Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Pickel, Ryan & Jenna	50 Lakeview Acres Dr 14A	PTC (SWAF)-Remove old dock and install aluminum dock	August 14, 2018-\$50.00 application fee
Dilley, Timothy & Patricia	55 S Lakeview Rd	PTC-Modify existing well to constant pressure system and install well protection	September 7, 2018-no application fee
Dilley, Timothy & Patricia	55 S Lakeview Rd	PTC-Construct new home, including concrete slab/parking area with gravel driveway, and install septic system	September 24, 2018-no application fee
Peterson, Oscar Blaine	60 S Lakeview Rd	PTC (ECS & DEF)-Protect 25' of shoreline with riprap	October 11, 2018-\$50.00 application fee

Permits to Construct Approved by Land Administration Department October 26, 2018 – Plum Creek/Midway Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Caster, Richard & Elaine	20 Stange Circle	PTC (SWAF)-Install dock section, relocated shore station to side of new dock	August 27, 2018-\$50.00 application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: Dave Ford explained the following work orders relate to modifying the E65 Canal head gate to help minimize icing issues during the winter months and modifying the E-65-5.9 Canal gate to add an overflow structure to address possible icing conditions at this site.

- a. Work Order No. 186640 – E65-0.0 Structure Modification (\$46,100.00)
- b. Work Order No. 186641 – E65-5.9 Overflow Structure (\$68,600.00)

CHANGE ORDER NO. 3 – CONTRACT NO. 0-677 – SEL ENGINEERING SERVICES (\$7,560.00):

Eric Hixson stated this change order is for extra overtime associated with installing the new relays and step-up transformers at Jeffrey, J-1 and J-2.

POWER AND RECREATION COMMITTEE (10/26/18):

a. Modification to Lot Boundaries – 23A and 24 K-1, Lake McConaughy: The septic tank for the house on lot 24 K-1 failed and requires replacement. However, the lot line between lots 24 and 23A runs through the area where the septic tank was located, and a replat is necessary to provide lot 24 with the ability to replace the septic tank and meeting NDEQ standards. In addition, lot 23A was expanded to address the driveway and remove part of the lot to the east. The Committee voted unanimously to recommend Board approval of replatting the boundaries of lots 23A and 24 K-1, Lake McConaughy.

b. Request for Ice Rescue Equipment by Cozad Volunteer Fire/Rescue Department: The Cozad Fire and Rescue Department requested funding to purchase ice rescue equipment. In the past, similar donations of water pumps and ice rescue equipment have been made to local fire, rescue and sheriff departments using Lake Improvement Funds. The Committee voted unanimously to recommend Board approval of the use of \$2,249.26 in Lake Improvement Funds to purchase ice rescue equipment for the Cozad Volunteer Fire/Rescue Department.

AMENDMENT NO. 2 TO WATER SERVICE AGREEMENT DATED OCTOBER 20, 2017 FOR GROUNDWATER RECHARGE (ELWOOD RESERVOIR) – NEBRASKA COMMUNITY FOUNDATION AND THE PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM:

Don Kraus explained that the Platte Program would like to extend the total amount diverted for recharge under the agreement from 12,000 acre feet to 30,000 acre feet which can be accomplished through an amendment to the original agreement which is in effect through December 31, 2019.

MEDICARE SUPPLEMENT RENEWAL: Rochelle Jurgens presented information on the retirees’ Medicare supplement plan which will renew with a 3.8% increase for 2019.

ANNUAL RESERVE FUND REPORT: Rochelle Jurgens presented the annual report showing the fund targets and the actual fund levels.

2019 BUDGET: Rochelle Jurgens gave a brief overview of the highlights of the budget. Each department supervisor presented their budgets by discussing major expenditures and capital purchases.

A break for lunch was taken at 11:30 a.m. The meeting resumed at 12:16 p.m.

There was discussion about scheduling an Irrigation Committee meeting to discuss irrigation rates for 2019.

OUT OF STATE TRAVEL: The following travel was approved for November, 2018:

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Don Kraus	NWRA	San Diego, CA	November 6-9, 2018
Don Kraus	Vacation		November 12-13, 2018
Eric Hixson	KCPL Customer Appreciation Meeting	Kansas City, MO	November 13-14, 2018
Jeff Buettner	Water & Natural Resources Tour	Montana	Dates not yet determined

LEGISLATION: Jeff Buettner had nothing new to report.

BOARD COMMENTS: Director Dave Nelson complimented the new photography hanging in the Board room. Director R. Olson asked for an update on the NPPD arbitration matter. Don Kraus stated the arbitration panel should have a decision by mid-November.

OPERATIONS REPORT:

- a. Devin Brundage reported the dike for the Jeffrey Lake dredging sediment pond was intentionally broken to flood the adjacent landowner's field with the silt, pursuant to the lease agreement with him. The parts to repair Kingsley hydro will arrive tomorrow and he expects it to be back online by the evening of October 30, 2018.
- b. Mike Drain and Cory Steinke have attended several meetings recently with NPPD regarding an annual operating plan.
- c. Tyler Thulin reported on behalf of Cory Steinke that Lake McConaughy is at elevation 3,253.7, 81.4% capacity, and 1,419,400 acre feet. Inflows are between 1,350-1,400 cfs and outflows are nearly equal, with around 900 cfs coming out of the environmental account for the whooping cranes. He expects the environmental account releases to cease on November 7, 2018. Johnson Lake will continue to fluctuate due to J-2 hydrocycling but it should resume normal levels around November 10, 2018.
- d. Dave Ford presented photos of the Elwood pump site and the E-65 head gate that he intends to recommend for the 2019 budget and the equipment will be covered with shelters to minimize the icing issues. He also displayed photos of areas of damaged concrete along the canal which are being repaired. Much of the pipe for the Cottonwood and Wetland Production Area pipeline projects have been delivered and he expects construction to begin mid-November.
- e. Rochelle Jurgens mailed out checks totaling around \$450,000.00 to irrigators who participated in the Water Leasing Program this past season.
- f. Jeff Buettner conducted a tour with UNL law students on October 15-16, 2018. The Natural Resources Conservation Service has a new District Conservationist and Buettner invited her to attend an upcoming meeting. He attended a Nebraska Water Symposium on water resources and met a lady from the USGS in Montana who offered to assist with facilitating the upcoming summer water tour in Montana. Nate Nielsen and Buettner hosted a tour of Kingsley Dam for the USDA Under Secretary, Bill Northey. He reported that Director Dave Nelson suggested coordinating a Board tour to Lake McConaughy to view the Mako-Ch-Mni property.
- g. Eric Hixson reported the generator relaying replacements were completed October 9, 2018. There is one more relay upgrade project in December at Jeffrey for the 34.5kV transformer.
- h. Don Kraus stated Mike Drain was elected Chairman of COHYST at the October 19, 2018 COHYST meeting. He attended a Natural Resources Commission meeting this week to score the Water Sustainability Fund applications. He attended an Adaptive Management meeting associated with the Platte River Recovery Implementation Program in Omaha with Mike Drain and Dave Zorn recently.
- i. Jim Brown reported there will be an annual stakeholder meeting on October 30, 2018 from 6:00-8:00 p.m. at the Gothenburg office.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

PERSONNEL: None.

The meeting adjourned at 12:49 p.m.

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
NOVEMBER 5, 2018 – 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 October 29, 2018, and by legal publication in the Kearney Hub and the Holdrege Daily Citizen on October 29, 2018, the North Platte Telegraph on October 30, 2018, and the Lexington Clipper-Herald on October 31, 2018, 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 October 18, 2018.

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	William E. Knoerzer	Robert L. Petersen
Robert B. Dahlgren, Treasurer	David G. Nelson	Gordon N. Soneson

Also present were:

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

Others present were:

John Thorburn, Tri-Basin NRD

* * * * *

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: John Thorburn reported Tri-Basin will host a Nebraska Natural Resources District meeting at his office next Monday, Tri-Basin's board meeting is November 13, 2018, on November 14, 2018 they will host the Nebraska Department of Natural Resources for the Republican River Basin Water Supplement Forecast, and there will be hearing next week on the Republican River Basin Wide Plan.

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 October 1, 2018**

- **Approval of Minutes of Special Meeting of the Board of Directors held October 9, 2018**
- **Approval of Minutes of Special Meeting of the Board of Directors held October 26, 2018**
- **Approval of Minutes of Committee Meeting of the Board of Directors held October 26, 2018**
- **Approval of the November Disbursements:**

Hydro Division:

Check # 57752-VOID; Check #s 58089 through 58384 and 8899716 through 8899733 (Accounts Payable) \$1,802,891.32

Payroll \$497,220.63

Kingsley Division:

Check #s 3038 through 3048 (Accounts Payable) \$60,304.41

J-2 Regulating Reservoir Construction Fund:

Check #NONE (Accounts Payable) \$NONE

Glendo Division:

Check #NONE \$NONE

Flex Spending Account:

Check #8127 \$264.40

- **Approval of Work Order No. 186640 – E65-0.0 Structure Modification (\$46,100.00)**
- **Approval of Work Order No. 186641 – E65-5.9 Overflow Structure (\$68,600.00)**
- **Approval of Change Order No. 3, Contract No. 0-677 – SEL Engineering Services (\$7,560.00)**
- **Approval of replatting the boundaries of Lots 23A and 24 K-1, Lake McConaughy to allow for a septic tank installation at 24 K-1**
- **Approval of the use of Lake Improvement Funds in the amount of \$2,249.26 to purchase ice rescue equipment for the Cozad Volunteer Fire and Rescue Department**
- **Approval of the 2019 Medicare Supplement renewal at an increase of 3.8% over the 2018 rate**

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, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

PROGRESS PAYMENT NO. 3, CONTRACT NO. 0-688, DIAMOND PLASTICS CO. – COTTONWOOD RANCH PIPELINE: Don Kraus presented the progress payment in the amount of \$279,383.37 for the pvc pipe from Diamond Plastics for the Cottonwood Ranch Pipeline Project.

It was moved by Director Knoerzer and seconded by Director R. Olson to approve the Progress Payment No. 3, Contract No. 0-688 with Diamond Plastics Co. in the amount of \$279,383.37. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

AMENDMENT NO. 2 TO WATER SERVICE AGREEMENT DATED OCTOBER 20, 2017 FOR GROUNDWATER RECHARGE (ELWOOD RESERVOIR) – PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM AND THE NEBRASKA COMMUNITY FOUNDATION: Don Kraus presented the amendment to the water service agreement which increases the Total Amount Diverted from 12,000 acre feet to 30,000 acre feet. Pumping into Elwood Reservoir is expected to begin around November 16, 2018.

It was moved by Director Dave Nelson and seconded by Director R. Olson to approve Amendment No. 2 to the Water Service Agreement dated October 20, 2017 for Groundwater Recharge on Elwood Reservoir with the Platte River Recovery Implementation Program and the Nebraska Community Foundation. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

AMENDMENT NO. 1 TO WATER SERVICE AGREEMENT DATED DECEMBER 15, 2017 FOR GROUNDWATER RECHARGE (ELWOOD RESERVOIR & E65 CANAL) – TRI-BASIN NATURAL RESOURCES DISTRICT AND THE NEBRASKA DEPARTMENT OF NATURAL RESOURCES: Don Kraus presented a proposed amendment to the water service agreement, but the Nebraska Department of Natural Resources has not yet contacted him or Cory Steinke about it. John Thorburn told Kraus this morning that the Tri-Basin NRD was not interested in more recharge in Elwood Reservoir or the E65 Canal and they are more interested in further recharge efforts in the Waterfowl Production Areas. No action was taken on this item.

HILLTOP INN RESTAURANT LEASE AGREEMENT: Don Kraus explained the current restaurant operators requested a new lease to ensure they are able to renew their liquor license. The prior lease was scheduled to end on January 31, 2019, and the new lease will be effective November 1, 2018 and terminate October 31, 2019. The new lease also reduces the rent from \$7,000.00 to \$4,800.00 with \$1,800.00 in credit from prior payments being applied, for a total rent due of \$3,000.00. The reduction in rent was due to the tenant assuming the responsibility of all costs associated with building maintenance and repairs for the term of the lease. Michael C. Klein stated the agreement has been reviewed by him for legal content.

It was moved by Director Rowe and seconded by Director Mueller to approve the Hilltop Inn Restaurant Lease Agreement. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried.

PHARMACY BENEFIT MANAGER - OPTUM: Don Kraus stated the Administration Committee met this morning to review the e-mail communications between Rochelle Jurgens and Hays Companies regarding a change in the pharmacy benefit manager which would result in a savings of around \$62,000.00 per year. The Administration Committee voted to recommend Board approval of using Optum for the management of the pharmacy benefits.

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

LEGISLATION: Jeff Buettner received a draft of a State Clean Energy Act bill proposed by Senator Blood. He will learn more about the bill on a conference call later today and continue to follow how it could affect renewable energy.

WORKSHOPS, SEMINARS AND CONFERENCES: Don Kraus reminded the Directors and staff of the NSIA/NWRA Joint Convention in Kearney on November 18-20, 2018.

PERSONNEL: This was discussed in Closed Session.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported Lake McConaughy is at elevation 3,253.1, 1,403,600 acre feet, and 80.5% capacity. Current inflows are 1,300 cfs and outflows are 1,552 cfs. He expects hydrocycling to end on November 10, 2018. The Environmental Account releases will cease on November 8, 2018, at which time he will start to push water to the Funk Lagoon Waterfowl Production Area pending completion of the Cottonwood Ranch outlet structure in the Phelps Canal.
- b. Devin Brundage presented photos showing the progress of the dredging efforts at Jeffrey Lake where the dike was breached to allow the sediment to flow onto the neighboring field. He also displayed photos of areas of concrete at the inlet to the J-1 Hydro that are needing repair and the recent work completed at Kingsley hydro. He will conduct an Emergency Action Plan meeting in North Platte on Wednesday with area emergency management teams from various counties, and presented an overview of the notification flow chart in the event of a breach at Kingsley Dam. He concluded his presentation with pictures showing the progress of repairs to the Oroville Dam in California following the failure of the emergency spillway in 2017.
- c. Mike Drain attended the Land and Shoreline Management Plan stakeholder meeting in Gothenburg on October 30, 2018 and stated the meeting was publicized in newspapers, notice was posted on the website and e-mails were sent to tenants from their area associations.
- d. Jeff Buettner informed everyone of Kurt Yost's death. Yost did contract lobbyist work for the District for several years and his memorial was last week. Buettner will go on a planning trip to Montana next week with staff from the Nebraska Water Center for the 2019 summer tour.
- e. Dave Ford scheduled an Irrigation Committee meeting for November 15, 2018 at 1:30 p.m. in Holdrege. He displayed photos of the pipe for the Cottonwood Pipeline Project. The concrete work for the head end was conducted last week. Repairs to areas of concrete in the Phelps Canal and the head end of the E65 Canal are being finished. He received information that the Irrigation Leader magazine might do a story on Diamond Plastics and the Cottonwood Ranch Pipeline Project.
- f. Rochelle Jurgens reminded the Directors of the Investment Committee meeting immediately following this meeting.
- g. Jim Brown thought the annual stakeholder meeting on October 30, 2018 was well-received and better attended than in years past. He stated the public will be able to make comments on the FERC Boundary Review through the website and he will be notifying tenants and adjacent landowners through a postcard.
- h. Holly Rahman has been spending most of her time preparing the FERC Boundary Review public comment section on the website.
- i. Don Kraus will attend the NWRA Annual Conference this week and will be on vacation a portion of next week. He has a meeting in late November with the Nebraska Game and Parks Commission regarding invasive species.

At 10:02 AM it was moved by Director Dave Nelson and seconded by Director R. Olson, 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, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated the item to be discussed in closed session was the following agenda item: Personnel.

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

At 10:08 AM it was moved by Director Petersen and seconded by Director S. Olson, 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, R. Olson, S. Olson, Petersen, Rowe, and Soneson. None voted no and the motion was declared carried. Board President Nelson stated that the item discussed in Closed Session was relating to the following agenda item: Personnel.

PERSONNEL: It was moved by Director R. Olson and seconded by Director Bogle to approve the personnel actions as discussed in 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, Rowe, and Soneson. None voted no and the motion was declared carried.

The meeting adjourned at 10:11 a.m.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President