

CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT

HOLDREGE, NEBRASKA

DECEMBER 2, 2019 – 9:00 A.M.

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MINUTES OF SPECIAL MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
NOVEMBER 22, 2019 – 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 18, 2019, by legal publication in the Kearney Hub and Holdrege Daily Citizen on November 18, 2019, and the North Platte Telegraph and the Lexington Clipper-Herald on November 16, 2019, 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 e-mail giving the time, date, and place of this meeting was sent to the Directors on November 13, 2019.

The following Directors were present:

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

The following Director was absent: Robert L. Petersen

Also present were the following:

Devin M. Brundage, General Manager	Jeff J. Buettner, Govt & Public Relations Mgr.
Rochelle Jurgens, Controller & Finance Manager	Holly G. Rahmann, Public Relations Asst.
Eric R. Hixson, Electrical Project Operations Mgr.	Jim Brown, Compliance Coordinator
Mike A. Drain, Nat. Resources & Compliance Mgr.	Tyler A. Thulin, Civil Engineer
David R. Ford, Irrigation Operations Mgr.	Duane Cernousek, Purchasing Agent
Cory A. Steinke, Hydraulic Project Ops. Mgr.	Charles Brewster, Legal Counsel
Anton Hassebrook, Hydroelectric Ops. Super.	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 9:00 a.m. Board President Rowe announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

2019 BUDGET REVISION: Rochelle Jurgens presented Hydro Division Budget Revision #8 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>E65 Control Structures</u>			
Contracted Services – Allen Blasting	\$0	\$66,500	\$66,500
Contracted Services – RJH Consulting	\$0	\$19,000	\$19,000
		NET CHANGE	\$85,500

Dave Ford explained the work Allen Blasting & Coating will perform to repair and coat areas of concrete on the E65 siphon and a study RJH will perform on seepage issues around the Elwood pump stations.

It was moved by Director Bogle and seconded by Director Fowler to approve the Budget Revision as presented with a net change of \$85,500. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried.

ALLEN BLASTING & COATING, INC. CONTRACT: Cory Steinke displayed photos of areas of concrete on the E65 siphon that need repaired and coated, and presented the contract in the amount of \$66,418.00 for coating the inlets and outlets. David Nelson, Chairman of the Interim Irrigation Committee, stated the committee voted to recommend Board approval of the contract at their meeting held on November 13, 2019.

It was moved by Director Fowler and seconded by Director R. Olson to approve the contract with Allen Blasting & Coating, Inc. in the amount of \$66,418.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried.

PERSONNEL: At 9:11 AM it was moved by Director Dahlgren and seconded by Director Knoerzer, to enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item to be discussed in closed session was the following agenda item: Personnel. The purpose of Closed Session was to discuss a personnel matter.

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

At 9:17 AM it was moved by Director R. Olson and seconded by Director Bogle, to exit Closed Session and reconvene in Regular Session Upon voting on the motion, the following Directors voted therefore: Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item discussed in Closed Session was the following agenda item: Personnel.

PERSONNEL: It was moved by Director Dudley Nelson and seconded by Director Fowler to approve the Personnel Action for Dustin Way as presented during Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried.

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

ADJOURNMENT: It was moved by Director Knoerzer and seconded by Director Dudley Nelson to adjourn the meeting at 9:20 a.m Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried.

MINUTES OF COMMITTEE MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
NOVEMBER 22, 2019 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by notices aired on KRVN (Lexington) and KUVR (Holdrege) radio stations on November 18, 2019, and through legal publication in the Kearney Hub and Holdrege Daily Citizen on November 18, 2019, and the North Platte Telegraph and Lexington Clipper-Herald on November 16, 2019, 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.

A postcard giving the time, date, and place of this meeting was mailed to the Directors on November 13, 2019.

The following Directors were present:

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

The following Director was absent: Robert L. Petersen

Also present were the following:

Devin M. Brundage, General Manager	Jeff J. Buettner, Govt & Public Relations Mgr.
Rochelle Jurgens, Controller & Finance Manager	Holly G. Rahmann, Public Relations Asst.
Eric R. Hixson, Electrical Project Operations Mgr.	Jim Brown, Compliance Coordinator
Mike A. Drain, Nat. Resources & Compliance Mgr.	Tyler A. Thulin, Civil Engineer
David R. Ford, Irrigation Operations Mgr.	Duane Cernousek, Purchasing Agent
Cory A. Steinke, Hydraulic Project Ops. Mgr.	Charles Brewster, Legal Counsel
Anton Hassebrook, Hydroelectric Ops. Super.	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 9:21 a.m. Board President Rowe announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: None.

CONSENT TO ASSIGNMENT SUMMARY: Two consents at Johnson Lake were approved during the month of November, 2019.

PERMIT TO CONSTRUCT SUMMARY: The following permits were approved during the month of November, 2019:

Permits to Construct Approved by Land Administration Department November 22, 2019 – Johnson Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Farr, Wayne and Kay	9 Sandy Point Dr. 24	DWEL Permit – Replace boards on existing privacy fence.	10/22/19 No application fee
Soderquist, Linda	31 Bass Bay Dr. 16	ECS Permit – Install 10± feet of riprap along the shoreline.	10/11/19 No application fee
Rye, Kenneth and Rebecca	36 Bass Bay Dr. 16	ECS Permit – Install 53± feet of riprap along the shoreline.	10/10/19 No application fee
Brown, Darin	164 Lakeview Acres Dr. 14B	ECS Permit – Construct six 2"x6"x3' boards 3 on each side of the wing walls to control soil erosion. Place 3'x1"x3" landscaping rock over weed mesh.	10/16/19 No application fee
Clark, Daniel and LuAnn	5 Dry Bay Dr. 15	ECS Permit – Construct a 28"x130' limestone retaining wall.	10/03/19 No application fee
Smith, Shane and Kari	27 Mallard Cove Dr. 19B	ECS Permit – Construct two 3'x30' retaining walls.	09/17/19 No application fee
Clark, Daniel and LuAnn	5 Dry Bay Dr. 15	DEF Permit – Place clean fill material within the lot boundary.	10/31/19 \$50.00
Clark, Daniel and LuAnn	5 Dry Bay Dr. 15	Amended ECS Permit – Construct a 28"x130' limestone retaining wall. (minor change to aerial photo)	11/04/19 No application fee
Fowler, Ronald and Kathleen	29 Mallard Cove Dr. 19A	DWEL Permit – Replace existing patio with 12'x36' paver stone patio to include 5'6"x4" paver stone area to existing sidewalk	11/06/19 No application fee

Permits to Construct Approved by Land Administration Department November 22, 2019 – Lake McConaughy			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Roney, Aneal and Emily	19 K-2 Rd.	After The Fact DWEL Permit – Tenant constructed an 8'x8' wooden landing w/ steps to grade on South side of existing structure.	10/18/2019 \$100.00
Telitz, Gary and Jil	75 K-1 Rd.	DWEL Permit – Install a replacement septic system.	10/31/2019 No application fee
Hartman, Dan and Wolff, Tracy	50 K-1 Rd.	Amended DWEL Permit – Amended to include constructed retaining wall as allowed by variance	11/13/2019 No application fee

Permits to Construct Approved by Land Administration Department November 22, 2019 – Jeffrey Lake			
<u>Name</u>	<u>Description</u>	<u>Permit & Purpose</u>	<u>Date Approved & Fee</u>
Richeson, Joseph and Angela	75 Pelican Dr.	ECS Permit – Install 60± feet of riprap along shoreline.	09/30/2019 No application fee
Rickertsen, Luke and Julie	61 S Lakeview Rd.	ECS Permit – Install 220± feet of riprap along shoreline.	10/10/2019 No application fee

WORK ORDER/PURCHASE REQUISITION SUMMARY: None.

2019 BUDGET REVISION: Eric Hixson explained a budget revision is necessary to replace the annunciators which increased in cost since he originally obtained a quote. He presented Hydro Division Budget Revision #9 as follows:

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Power Plants Capital</u>			
J1 / J2 Annunciators	\$42,000	\$65,000	\$23,000
		NET CHANGE	\$23,000

WORK ORDER/PURCHASE REQUISITION SUMMARY: The following work order was presented:

- a. Work Order No. 107404 – Annunciator Panels for Johnson No. 1 and No. 2 (\$65,000.00)

PROGRESS ESTIMATE NO. 3, CONTRACT NO. 0-693, ALLEN BLASTING & COATING, INC. FOR PREPARATION AND PAINTING OF THE J-2 PENSTOCK AND SURGE TANK (\$348,021.95): Anton Hassebrook reported the project is approximately 90% complete and he expects it to be finalized very soon.

POWER AND RECREATION COMMITTEE MEETINGS (11/22/19): Jim Brown reported on The Dunes at Lake McConaughy which was discussed earlier this morning, where no action was taken and staff was instructed to continue negotiations.

INTERIM IRRIGATION COMMITTEE (11/13/19): Devin Brundage reviewed the minutes of the November 13, 2019 Interim Irrigation Committee. David Nelson provided an overview of the meeting and stated after two failed motions due to a lack of a second, a motion passed to not increase the rates for the 2020 irrigation season. The following table summarizes the rates:

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

ADMINISTRATION COMMITTEE (11/13/19): Devin Brundage presented the minutes from the November 13, 2019 meeting reflecting the committee’s recommendation for Board approval of a 1.5% wage increase for 2020 for all confidential and salaried employees. Rochelle Jurgens discussed Resolution No. 19-04 which includes Amendment No. 1 to the District Employees’ Defined Contribution Plan and Trust and increases the mandatory employee contribution from 2% to 3% pursuant to the Union Contract for 2020-2022. Ron Fowler, Chairman of the Administration Committee, stated the committee voted to recommend Board approval of Resolution No. 19-04.

WATER SERVICE AGREEMENTS: Cory Steinke presented the Water Service Agreements with the North Platte Canal Companies, namely: Keith-Lincoln, Lisco, Paxton-Hershey, Platte Valley, and Suburban. He indicated the cost of \$15.00 per acre-foot of storage water will remain unchanged for 2020, but, as proposed, increases to \$15.25 in 2021 and \$15.50 in 2022.

AMENDMENT NO. 2 TO J-2 REGULATING RESERVOIR WATER SERVICE AGREEMENT: Mike Drain presented a draft of the amendment to the water service agreement with the Nebraska Department of Natural Resources and the Nebraska Community Foundation (acting on behalf of the Platte River Recovery Implementation Program). Drain stated although the J-2 Regulating Reservoir project is on hold and is currently not anticipated to proceed, Central is required to maintain the properties acquired for that purpose.

E-65 CANAL AND ELWOOD RESERVOIR RECHARGE UPDATE: Cory Steinke presented photos of the seepage around the Elwood pump station which are likely due to maintaining higher elevations at Elwood Reservoir. He discussed the contracts with Allen Blasting & Coating to repair

the coating at the entrance and exits of the E65 siphopns and RJH Consultants to perform a study to analyze the seepage. Steinke also presented a proposal from Oak Creek Engineering to provide structural engineering guidance as requested through December 31, 2020 at a not-to-exceed cost of \$10,000.

A break was taken at 10:14 a.m. The meeting resumed at 10:26 a.m.

ANNUAL PROPERTY/CASUALTY INSURANCE COVERAGE EFFECTIVE JANUARY 1, 2020: Duane Cernousek presented a preliminary bid tab for the 2020 property and casualty insurance, and indicated he is still waiting for the broker, Harry A. Koch, to provide final quotes. He intends to present a final bid tab at the December 2, 2019 Regular Business Meeting.

STORAGE WATER DELIVERY RATES: Mike Drain reminded the Directors that for 2019, the Board established a rate of \$150.00/acre-foot for cooling water service from Lake McConaughy. He will present language for adopting a 2020 cooling water rate at the December 2, 2019 Regular Business Meeting.

2020 KINGSLEY HYDRO BUDGET: Eric Hixson presented NPPD’s letter regarding the Kingsley budget and their concerns over legal and FERC safety costs.

2020 BUDGET: Rochelle Jurgens presented and reviewed the final 2020 Fiscal Budget Management Letter which highlights major planned expenditures and capital project purchases. She reviewed the minor changes made to the budget since the last presentation.

OUT OF STATE TRAVEL: The following out of state travel was reported for December, 2019.

<u>Name</u>	<u>Meeting</u>	<u>Location</u>	<u>Date</u>
Devin Brundage	PRRIP	Denver, CO	December 3, 2019
Mike Drain	PRRIP	Denver, CO	December 3, 2019

LEGISLATION: Jeff Buettner learned of some new potential legislation at a recent NPA meeting which he will follow closely. He will attend an NPA legislative workshop on December 17, 2019 and he encouraged the Directors to register for a Board Education Day on February 4, 2019.

BOARD COMMENTS: Director Dahlgren inquired about how the property and casualty insurance premium gets divided between hydro and irrigation. Rochelle Jurgens described an allocation method based on revenues, land values or employee distribution, depending on the type of policy. Director Rowe commented about the new headshots of the Directors that have been displayed in the lobby.

LEGAL UPDATE: Charles Brewster reported on Mike Klein’s condition. He stated there has been no ruling in the TERC case. He has been working with DeAnna Bartruff on a few delinquent lake lease accounts. He has reviewed the proposed legislation to address the NADC’s conflict of interest issue.

MANAGEMENT REPORTS:

- a. Cory Steinke reported on the removal of the dredge from Jeffrey Reservoir and crews working on erosion protection. He stated a citation was issued following an incident of illegal dumping of trash into the Supply Canal. He stated the dumping of trash and drug use/production are becoming more common along the Supply Canal. He intends to implement training and policy for personnel to learn how to safely handle these situations.
- b. Anton Hassebrook expects to make the final inspection of the painting of the J-2 penstock and surge tank following the Thanksgiving holiday.
- c. Mike Drain stated it is unlikely he will reach an agreement with NPPD for an Annual Operating Plan prior to the December 2, 2019 Regular Business Meeting, but he remains hopeful about

achieving an agreement soon. He reported on a recent COHSYT workshop in Lincoln and stated the COHSYT sponsors intend to continue updating and monitoring the use of the model.

- d. Tyler Thulin reported Lake McConaughy is at elevation 3,257.5, 1,521,000 acre feet, and 87.4% capacity. Inflows are at 1,300 cfs and outflows are at 1,550 cfs.
- e. Dave Ford reported the Water Leasing Program sign-up period began on November 18, 2019. The Linder WPA pipeline installation is nearing completion and crews continue working on fall maintenance projects.
- f. Rochelle Jurgens has been busy with retiree and employee meetings this week, all of which have been well-attended.
- g. Jeff Buettner reminded the Directors of the NSIA/NWRA Joint Convention in Kearney on November 25-26, 2019. He will be touring parts of northeast Nebraska on December 9-11 to begin planning for the 2020 Summer Water Tour.
- h. Eric Hixson reported the video surveillance project continues to progress and he will present a demonstration at an upcoming meeting. A draft of the public report for the NERC audit has been released.
- i. Holly Rahmann announced an exhibit by conservation photographer, Michael Forsberg, is on display at the Lake McConaughy Visitor Center through February 2, 2020. The new photographs of the Directors have been posted to the website and she reminded the Directors of the District Christmas party on December 13, 2019.
- j. Duane Cernousek reported on the successful sale of six items this week through Auction Time.
- k. Devin Brundage participated with staff in a training conducted by the Secretary of State's Record Management Division on November 6, 2019 as reported by Emily Anderson. He reported on an effort by the Platte Program and others to create a phragmites endowment fund.

PERSONNEL: None.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

BOARD SUB-COMMITTEE MEETING DATES: The Power and Recreation Committee may need to meet prior to the next Committee Meeting of the Board on December 20, 2019.

PERSONNEL: **At 11:28 AM it was moved by Director Knoerzer and seconded by Director R. Olson, to enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item to be discussed in closed session was the following agenda item: Personnel (Employment Agreements of Bevard, Boyd, France, Kraus, and Ward). The purpose of Closed Session was for discussion of personnel matters.**

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

At 11:43 AM it was moved by Director Mueller and seconded by Director R. Olson, to exit Closed Session and reconvene in Regular Session Upon voting on the motion, the following Directors voted therefore: Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item discussed in Closed Session was the following agenda item: Personnel.

ADJOURNMENT: It was moved by Director Soneson and seconded by Director Dudley Nelson to adjourn the meeting at 11:44 AM. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent was: Petersen. None voted no and the motion was declared carried.

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
DECEMBER 2, 2019 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by notices aired on KRVN (Lexington) and KUVR (Holdrege) radio stations on November 25, 2019, and through legal publication in the Kearney Hub and Holdrege Daily Citizen on November 25, 2019, the North Platte Telegraph on November 26, 2019, and the Lexington Clipper-Herald on November 27, 2019 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, 2019.

The following Directors were present:

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

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

The following Director was absent: Robert L. Petersen

Also present were:

Devin M. Brundage, General Manager	Tyler Thulin, Civil Engineer
Rochelle Jurgens, Controller & Finance Manager	Jeff J. Buettner, Govt & Public Relations Mgr.
Eric R. Hixson, Electrical Project Operations Mgr.	Holly G. Rahmann, Public Relations Assistant
Mike A. Drain, Nat. Resources & Compliance Mgr.	Dusty Way, Irrigation O & M Assistant Super.
David R. Ford, Irrigation Operations Mgr.	Marcia Trompke, Conservation Director
Cory A. Steinke, Hydraulic Project Ops. Mgr.	Charles Brewster, Legal Counsel
Anton Hassebrook, Hydroelectric Ops. Super.	Emily Anderson, Assistant Secretary

Others present were:

Lori Potter, Kearney Hub	John Thorburn, Tri-Basin NRD
Curtis Scheele, NRCS	Dave Melliger
Ron Schmidt	

* * * * *

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, David L. Rowe, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: John Thorburn thanked Holly Rahmann and Jeff Buettner for their help promoting the Water Incentive Conservation Program (WCIP). They are accepting registrations for the WCIP program and taking tree orders. Rod Schmidt and Dave Melliger thanked the Board on

behalf of the Lakeside Golf Course for Central’s contribution of Lake Improvement Funds to help them connect the clubhouse to the Sanitary Improvement District (SID).

CONSENT AGENDA: Devin Brundage gave an overview of the items on the Consent Agenda which were previously presented and discussed at the November 22, 2019 Committee Meeting of the Board.

President Rowe asked the Directors if there were items they wished to be removed from the Consent Agenda to be discussed and voted on individually. Hearing none, the following items were presented for approval:

- **Approval of Minutes of Regular Business Meeting of the Board of Directors held November 4, 2019**
- **Approval of Minutes of Special Meeting of the Board of Directors held November 22, 2019**
- **Approval of Minutes of Committee Meeting of the Board of Directors held November 22, 2019**
- **Approval of the December disbursements:**

<i>Hydro Division:</i>	
Check #s 61092-61280 and 8899945-8899962 (Accounts Payable)	\$1,275,500.24
Payroll	\$533,880.78
<i>Kingsley Division:</i>	
Check #s 3156-3171 (Accounts Payable)	\$112,265.93
<i>J-2 Regulating Reservoir Construction Fund:</i>	
NONE	NONE
<i>Glendo Division:</i>	
NONE	NONE
<i>Flex Spending Account:</i>	
Check #s 8159-8160	\$917.08

- **Approval of Hydro Division Budget Revision #9 as follows:**

	<u>Current Budget</u>	<u>Proposed Budget</u>	<u>Difference</u>
<u>Power Plants Capital</u>			
J1 / J2 Annunciators	\$42,000	\$65,000	\$23,000
		NET CHANGE	\$23,000

- **Approval of Work Order No. 107404 – Annunciator Panels for Johnson No. 1 and No. 2 (\$65,000)**
- **Approval of Progress Estimate No. 3, Contract No. 0-693, Allen Blasting & Coating, Inc. for Painting of J-2 Penstock and Surge Tank (\$348,021.95)**
- **Approval of a 1.5% Wage Increase for Exempt and Confidential Employees for 2020**
- **Approval of Resolution No. 19-04 – Amendment No. 1 to District Employees’ Defined Contribution Retirement Plan and Trust as follows:**

Resolution No. 19-04

WHEREAS, the Board of Directors of the Central Nebraska Public Power and Irrigation District (the “District”) maintains the amended and restated Central Nebraska Public Power and Irrigation District Employees’ Defined Contribution Retirement Plan and Trust, comprised of an Adoption Agreement and Basic Governmental Employees Plan and Trust Agreement dated October 8, 2013 (the “Plan”); and

WHEREAS, pursuant to Section 9.1 of the Plan, the Board of Directors of the District is authorized to amend the Plan; and

WHEREAS, the Board of Directors desires to amend the Plan to increase the mandatory employee contribution from 2% to 3% for all employees; and

WHEREAS, Amendment No. 1 for such purpose is presented with this Resolution as Exhibit A ("Amendment No. 1").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the District hereby adopts and approves the following:

BE IT RESOLVED that Amendment No. 1 as presented with this Resolution as Exhibit A is hereby adopted and approved, subject to review and any modifications as the General Manager or other proper officer of the District or said officer's designee determines necessary or appropriate in consultation with legal counsel.

BE IT FURTHER RESOLVED that the General Manager or other proper officer of the District or said officer's designee is hereby authorized and directed to execute Amendment No. 1 and take any and all further actions as he or she determines necessary or appropriate to carry out the actions adopted and approved herein, obtain a determination from the Internal Revenue Service on the qualified status of the Plan, as amended, under the Internal Revenue Code, and otherwise maintain the qualified status of the Plan, including without limitation Code Sections 401(a) and 501(a).

**EXHIBIT A
(to Resolution No. 19-04)**

Amendment No. 1

**Central Nebraska Public Power and Irrigation District
Employees' Defined Contribution Retirement Plan and Trust**

The amended and restated Central Nebraska Public Power and Irrigation District Employees' Defined Contribution Retirement Plan and Trust, comprised of an Adoption Agreement and Basic Governmental Employees Plan and Trust Agreement dated October 8, 2013, ("Plan") is hereby amended to increase mandatory employee contributions as follows:

- I. Notwithstanding anything in the Plan to the contrary, Section C of the Adoption Agreement shall be deleted and replaced in its entirety as follows, effective on and after the Amendment No. 1 Effective Date defined below:

"C. MANDATORY EMPLOYEE CONTRIBUTIONS

[Section 3.1]

(1) **Amount of Contribution.** The Employee contribution to the Trustee for each Plan Year shall be:

 X (a) Three percent (3 %) of his or her Recognized Compensation.

 (b) *[Reserved]*.

 (c) Other (*specify*): _____

(2) **Employee Contributions:**

 X shall

 shall not

be picked up by the Employer and treated as Employer contributions as permitted under Section 414(h) of the Code."

- II. All applicable provisions of the Plan shall be deemed modified to reflect this Amendment No. 1.
- III. This Amendment No. 1 shall be effective with respect to Recognized Compensation that is payable on or after the first pay period of calendar year 2020 ("Amendment No. 1 Effective Date").

➤ **Approval of the following Water Service Agreements for 2020-2022:**

- **Keith Lincoln**
- **Lisco**
- **Paxton-Hershey**
- **Platte Valley**
- **Suburban**

➤ **Approval of the following Employment Agreements**

- **Glen Bevard**
- **Kevin Boyd**
- **Leonard France**
- **Don Kraus**
- **Dan Ward**

It was moved by Director Dudley Nelson and seconded by Director Knoerzer 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, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

CONTRACT CHANGE ORDER NO. 1, CONTRACT NO. 0-693, ALLEN BLASTING & COATING, INC. FOR PAINTING OF J-2 PENSTOCK AND SURGE TANK (\$6,198.00): It was moved by Director Bogle and seconded by Director R. Olson to approve Contract Change Order No. 1 for Contract No. 0-693 with Allen Blasting & Coating, Inc. in the amount of \$6,198.00. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

BID TAB – ANNUAL PROPERTY/CASUALTY INSURANCE COVERAGE (EFFECTIVE JANUARY 1, 2020): Duane Cernousek will present the final bid tab at a Special Meeting of the Board scheduled for December 20, 2019 at 9:00 a.m.

2020 IRRIGATION RATES: The following rates were proposed for 2020 which reflect no change from 2019:

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 David Nelson and seconded by Director Mueller to approve the 2020 Irrigation Rates as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Fowler, Mueller, David Nelson, and Rowe. Abstaining from voting due to a potential conflict of interest were: Dahlgren, Knoerzer, Dudley Nelson, R. Olson, S. Olson, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

2020 BUDGET: Devin Brundage presented and reviewed the final 2020 Fiscal Budget Management Letter which highlights major planned expenditures and capital project purchases.

It was moved by Director Soneson and seconded by Director Dahlgren to approve the 2020 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, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

AMENDMENT NO. 2 TO J-2 REGULATING RESERVOIR WATER SERVICE AGREEMENT: It was moved by Director R. Olson and seconded by Director Fowler to approve Amendment No. 2 to the J-2 Regulating Reservoir Water Service Agreement with the Nebraska Department of Natural Resources and the Nebraska Community Foundation 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, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

STORAGE WATER DELIVERY RATES FOR POWER PLANT COOLING: Mike Drain stated that management recommends the Board continue a rate for storage water release for cooling water

service at a rate of \$150 per acre-foot released from Lake McConaughy at Kingsley Dam through 2020. Management further proposed that staff be authorized to provide the service subject to Lake McConaughy being at or above one million acre-feet in content.

It was moved by Director Knoerzer and seconded by Director Dahlgren to approve a cooling water service rate at \$150 per acre-foot released from Lake McConaughy for the 2020 calendar year and to authorize staff to develop an agreement with any party requesting that service as needed, subject to Lake McConaughy being at or above one million acre-feet in water content. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

IRRIGATION WATER MANAGEMENT SPECIALIST REPORT: Curtis Scheele, Irrigation Water Management Specialist for the Natural Resources Conservation Service, presented his annual conservation report summarizing activity related to the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CStwP) and UNL's Testing Ag Performance Solutions (TAPS). The results of the TAPS program will be presented at the South Central Water Conference in Holdrege on February 6, 2019.

2019 CONSERVATION REPORT: Dusty Way presented historical data on irrigation canal diversions, deliveries and recharge since 1970, rainfall data from 1957, and reported there are 577 miles of canals in the system, 140 miles of pipeline, and 107,849 irrigated acres in the District. Marcia Trompke provided an update on the E67 Telemetry project. She stated the NET grant terminates on December 31, 2019. The grant provided \$194,100 of funding which Central matched through labor, vehicle use, fencing, and soil probes.

LEGISLATION: Jeff Buettner had nothing new to report.

WORKSHOPS, SEMINARS AND CONFERENCES: None.

PERSONNEL: **At 10:05 AM it was moved by Director Knoerzer and seconded by Director Dudley Nelson, to enter into Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item to be discussed in closed session was the following agenda item: Personnel (General Manager's Employment Agreement). The purpose of Closed Session was for discussion of personnel matters.**

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

At 10:23 AM it was moved by Director Mueller and seconded by Director R. Olson 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, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried. Board President Rowe stated the item discussed in Closed Session was the following agenda item: Personnel.

PERSONNEL: **It was moved by Director Bogle and seconded by Director Dave Nelson to approve the edits to Exhibit A of the Employment Agreement with Devin Brundage and the Personnel Action as discussed in Closed Session. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, Dave Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.**

DIRECTORS' ATTENDANCE: **It was moved by Director Dahlgren and seconded by Director Mueller to excuse the absence of Director Petersen. Upon voting on the motion, the following**

Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, Dudley Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Petersen. None voted no and the motion was declared carried.

BOARD COMMENTS: Director Dahlgren inquired about the sale of the restaurant at Johnson Lake. Director Fowler reported on his attendance of the NWRA/NSIA Joint Convention in Kearney last week and congratulated Jeff Buettner for being elected NSIA's Vice President.

LEGAL UPDATE: Charles Brewster provided an update of Mike Klein's condition.

Director Dudley Nelson exited the meeting at 10:32 a.m.

MANAGEMENT REPORTS: The following operations reports were presented:

- a. Cory Steinke is working on hourly employee evaluations and preparing for the RJH visit for analysis of Elwood seepage.
- b. Jeff Buettner has collected estimates from Firespring on various options to consider on updates for the District's virtual tour video.
- c. Anton Hassebrook reported the painting of the J-2 penstock and surge tank will be completed by next week.
- d. Mike Drain advised the Directors of the District's policy to require a minimum credit score of 600 to enter into a residential lease at the lakes.
- e. Tyler Thulin stated Lake McConaughy is at elevation 3,257.3, 1,517,500 acre feet, and 87.1% capacity. Inflows are 1,150 cfs and outflows are 1,300 cfs.
- f. Dave Ford stated Dusty Way has taken applications for around 1,600 acres to date for the water leasing program. The E-65 siphon coating work by Allen Blasting & Coating will commence this week.
- g. Holly Rahmann is collecting customer e-mail addresses so she can notify them in the future in the event of unusual situations along the project.
- h. Rochelle Jurgens presented information on the number of employees and retirees in the various retirement and healthcare plans.
- i. Devin Brundage stated Jeff Buettner and he have started dissemination of proposed legislation on the conflict of interest issues to various agencies.

ADJOURNMENT: **It was moved by Director R. Olson and seconded by Director Mueller to adjourn the Regular Business Meeting of the Board at 11:03 a.m. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Knoerzer, Mueller, David Nelson, R. Olson, S. Olson, Rowe, and Soneson. Absent: Dudley Nelson and Petersen. None voted no and the motion was declared carried.**

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Robert B. Dahlgren, Secretary

By _____
David L. Rowe, President