

**STAFF MEETING MINUTES
LANCASTER COUNTY BOARD OF COMMISSIONERS
COUNTY-CITY BUILDING
ROOM 113 - BILL LUXFORD STUDIO
THURSDAY, AUGUST 13, 2015
8:30 A.M.**

Commissioners Present: Roma Amundson, Chair
Larry Hudkins, Vice Chair
Deb Schorr
Bill Avery

Commissioner Absent: Todd Wiltgen

Others Present: Kerry Eagan, Chief Administrative Officer
Gwen Thorpe, Deputy Chief Administrative Officer
Dan Nolte, County Clerk
Cori Beattie, Deputy County Clerk
Kelly Lundgren, County Clerk's Office

Advance public notice of the Board of Commissioners Staff Meeting was posted on the County-City Building bulletin board and the Lancaster County, Nebraska, web site and provided to the media on August 12, 2015.

The Chair noted the location of the Open Meetings Act and opened the meeting at 8:33 a.m.

AGENDA ITEM

1 APPROVAL OF MINUTES OF THE AUGUST 6, 2015 STAFF MEETING

MOTION: Hudkins moved and Schorr seconded approval of the minutes of the August 6, 2015 Staff Meeting. Avery, Hudkins, Schorr and Amundson voted aye. Wiltgen was absent. Motion carried 4-0.

2 ADDITIONS TO THE AGENDA

There were no additions to the agenda.

3 HYDROGEN CONVERSION PROJECT AT SHELDON POWER PLANT - Rob Hanson, Monolith Chief Commercial Officer; John Swanson,

Nebraska Public Power District (NPPD) Generation Strategies Manager; John Meacham, NPPD Energy Supply Engineering Manager; Brian Vasa, NPPD Economic Development Consultant

John Swanson, Nebraska Public Power District Generation Strategies Manager and Rob Hanson, Monolith Chief Commercial Officer shared with the Board a video presentation (Exhibit A) that was part of the public announcement made in April regarding the Sheldon Station Transformation Project. Swanson noted that it is a three way partnership that includes Monolith, Nebraska Public Power District and Norris Public Power District. He said Nebraska was picked for the site over competing states such as Texas, New York, Washington and Iowa.

Hanson said Monolith's main focus is Carbon Black which a product that is in most everyday items such as ink, plastics and tires and is a growing market. He noted that Carbon Black has historically been made from oil and can be an environmental hazard. Hanson explained that Monolith starts with natural gas and electricity which makes their process much cleaner. He said NPPD approached Monolith about being interested in the hydrogen part of the process. Hanson explained the process in which Monolith will purchase the electricity from Norris Public Power District and extract the Carbon Black. The hydrogen will then be passed along to Nebraska Public Power District.

Swanson said that the majority of the equipment at Sheldon Station will remain intact and will continue to be utilized well into the future.

Hudkins indicated that there are two energy projects within the County at this time; the hydrogen project and wind power. He said wind power is very controversial amongst the landowners but there is a lot of excitement regarding the hydrogen power project. Hudkins noted that the Norris Public Power District is a great company and complimented Hanson and Swanson on the partnership that they have developed.

Hanson said the first phase of construction is to begin at the end of 2015. He added some initial work has already begun in terms of seeing what the soil looks like and if there is any existing environmental issues.

Swanson discussed the economic impact and presented information that was shared with the local communities directly impacted by the project. He noted the meetings were very well attended. The first phase of the project would provide fifty additional full time jobs with an estimated annual impact over \$30,000,000. As the project continues one hundred direct jobs and eight hundred secondary jobs would be created with an estimated \$600,000,000 annual impact to the State.

Schorr inquired as to the type of questions that were received from Hallam residents.

Hanson said the questions were regarding what is Carbon Black, is it dangerous, does it cause cancer or adverse health effects. He noted another product called Black Carbon has had a lot of controversial publicity and is very highly carcinogenic. Hanson informed the Board that Carbon Black has been produced for a long period of time and been studied extensively for at least sixty years. He said they have found no increased health risk. Hanson told the Board citizens have concerns regarding hydrogen-related catastrophic events but noted that almost no hydrogen will be stored at the Sheldon Plant which reduces the risk. He said the Monolith website has additional information and residents can sign up for a newsletter with project updates and information.

Hudkins inquired if the natural gas would be transported by pipeline or rail. Swanson indicated pipeline would be utilized which is much safer and more economical.

4 GENERAL ASSISTANCE MONITORING COMMITTEE MEMBERSHIP

- Sara Hoyle, Human Services Director

Sara Hoyle, Human Services Director, informed the Board that the General Assistance Monitoring Committee meets quarterly and the Sub-Committee meets every two years to review the guidelines for General Assistance. Hoyle noted a correction in the Monitoring Committee list stating that Andrea Haberman will be representing the Health Department, not the Medical Society.

Hoyle said that she met with Kerry Eagan and reviewed the history of the Monitoring Committee and how people were appointed. She said department directors were contacted to ensure the proper individuals were in place. Hoyle noted that Topher Hansen suggested Dennis Hoffman would be the ideal person to represent Centerpointe on the Committee.

Eagan noted that having someone on the Committee from Centerpointe could help facilitate the process of getting individuals on disability insurance quickly and not require General Assistance from the County.

Hoyle told the Board the Department of Health and Human Services (DHHS) thought a representative from the Medicaid Division would be beneficial. She said Region V is responsible for the behavioral health and medical components and because of that CJ Johnson, Regional Administrator, was appointed.

Hudkins noted there were two committee members from the Health Department.

Eagan stated it was helpful as their focus was in different areas within the Health Department.

Hoyle said an amended membership list will be presented at the Tuesday Board of Commissioners meeting for approval.

ADMINISTRATIVE OFFICER REPORT

- A. Review of Updated Director Job Descriptions
- C. County Board Phone Procedures

Eagan requested a staff meeting be scheduled Tuesday, August 25, 2015 to discuss these items. Upon review, it was decided to begin the meeting at 9:15 a.m.

Eagan exited the meeting at 9:25 a.m.

5 INTERPRETER CONTRACTS - Joe Nigro, Public Defender; Brittany Behrens, Deputy County Attorney; and Sue Eckley, County Risk Manager

Joe Nigro, Public Defender, told the Board the County currently has a contract with Language Link which is used frequently. He said his office does encounter a variety of situations where they need to use someone who might not contract and outlined some of the difficulties encountered such as a less common language, the interpreter knowing the individual (conflict of interest), different dialects and understanding the concepts and terminology being interpreted. He said he does not want to see a contract that would discourage their regular interpreters from contracting with the County but some of the insurance requirements will make it difficult. Nigro asked for the flexibility to use an interpreter that is not contracted in emergency situations.

Sue Eckley, County Risk Manager, said she researched what type of insurance is available to interpreters and found it would be under errors and omissions. She estimated the cost of insurance to be \$2000 per year for every \$1,000,000 of coverage.

Kim Etherton, Community Corrections Director, commented that Community Corrections also has difficulty finding qualified interpreters.

Brittany Behrens, Deputy County Attorney, said it is the Board's decision on whether or not to waive the insurance requirement.

Nigro noted that Public Defender's Office has an ethical obligation to be able to converse with a client, so it is important that there is some flexibility allowed.

MOTION: Schorr moved and Avery seconded to approve the development of a

contract with the designated interpreters while allowing individual departments, elected officials and directors to contract with individuals, as needed, for specialized languages with the understanding that the Board will waive the insurance requirement. Hudkins, Schorr, Avery and Amundson voted aye. Wiltgen was absent. Motion carried 4-0.

6 LABOR NEGOTIATIONS - Doug McDaniel, Human Resources Director; Kristy Bauer, Deputy County Attorney; Nicole Gross and Amy Sadler, Compensation Technicians; Pam Dingman, Lancaster County Engineer; and Sheli Schindler, Youth Services Center (YSC) Director

MOTION: Schorr moved and Avery seconded to enter Executive Session at 9:38 a.m. for the purpose of protecting the public interest with regards to labor negotiations.

The Chair restated the motion for the record.

ROLL CALL: Schorr, Avery, Hudkins and Amundson voted aye. Wiltgen was absent. Motion carried 4-0.

MOTION: Schorr moved and Hudkins seconded to exit Executive Session at 9:58 a.m. Avery, Hudkins, Schorr and Amundson voted aye. Wiltgen was absent. Motion carried 4-0.

ADMINISTRATIVE OFFICER REPORT

E. One and Six-Year Road and Bridge Program Public Hearing Date

Pam Dingman, County Engineer, told the Board that this will go before the Planning Commission on September 30, 2015. The date for the public hearing was tentatively set for October 29, 2015 at 6:30 p.m., pending confirmation next week from the Planning Department.

B. Meeting With State Court Administrator Regarding Juvenile Probation Detention Services

Gwen Thorpe, Deputy Chief Administrative Officer, said Corey Steel, State Court Administrator, had requested to meet with the Board. It was recommended to schedule time with Steel at a future staff meeting.

7 (A) 15¢ ALLOCATION AND (B) BUDGET UPDATE - Dennis Meyer, Fiscal and Budget Officer

(A) Dennis Meyer, Budget and Fiscal Officer, presented the 2015-16 Allocation of Levy (Exhibit B). He said these are preliminary numbers and a resolution will be forthcoming at the August 25, 2015 Board of Commissions meeting. The resolution will state that up to 15 cents can be allocated to the miscellaneous subdivisions.

(B) Meyer said there will be another resolution before the Board on August 25, 2015, regarding the additional 1% for the lid calculation. The State Statutes allows for the lid to grow at 2.5% or by an additional 1% if there is majority vote of the Board. Meyer stated it has always been his recommendation to approve the additional 1% as it cannot be added later. Meyer said the levy will be set at 27.83 cents which will be built into the lid; the additional 1% allows for any issues in the future that may arise. He added this does not mean property taxes will be raised, it just means the lid base amount will grow.

Meyer said he would have the valuation numbers available at the August 20, 2015 Staff meeting to review before the budget hearing meeting on Tuesday, August 25, 2015.

8 CONSENT ITEMS

There were no consent items.

9 ADMINISTRATIVE OFFICER REPORT

- A. Review of Updated Director Job Descriptions
(Item was moved ahead on the agenda)

- B. Meeting With State Court Administrator Regarding Juvenile
 Probation Detention Services
(Item was moved ahead on the agenda)

- C. County Board Phone Procedures
(Item was moved ahead on the agenda)

- D. Southeast Nebraska Association of County Officials (NACO) Fall
 Conference

Minette Genunchi, Administrative Secretary, confirmed that conference will be on Thursday, October 22, 2015 at Mahoney State Park . It was noted that the Staff meeting on that date would be cancelled.

E. One and Six-Year Road and Bridge Program Public Hearing Date
(Item was moved ahead on the agenda)

F. Lancaster County Service Awards

Gwen Thorpe, Deputy Chief Administrative Officer, said two employees were part of a reduction in force and then recalled. Thorpe noted when a person is "recalled" the original date of hire is used to determine their time of service and the two employees were overlooked at the recent service award recognition. She stated both were eligible for 25 years service awards in 2014.

The Board agreed that they should be recognized and receive the appropriate award. Thorpe said she would contact the employees and invite them to a Board of Commissions Tuesday meeting to be recognized.

10 PENDING

There were no pending items.

11 DISCUSSION OF BOARD MEMBER MEETINGS

A. Public Building Commission (PBC) Chair's Meeting with the Mayor - Hudkins

Hudkins said they discussed the acquisition of the block to the west of the County-City Building.

B. Chair/Vice Chair Meeting with the Mayor - Amundson/Hudkins

Amundson said they discussed the acquisition of the TMI building and the Denton bridge area. She noted the Mayor did agree that a box culvert would be a good idea. Amundson added they briefly discussed participating in evaluation of interlocal agency directors and equalizing payments on the Joint Budget Committee (JBC).

C. Public Building Commission (PBC) - Amundson/Hudkins

Hudkins said they discussed with the architects the doors that were felt to be a problem during the tour of the 605 building and that issue was resolved. He said the Mayor requested to place a poster in the hallway on third floor with photos of the history of Lincoln-Lancaster County.

Amundson noted the microphone issue in the Chambers has been resolved. She said they also discussed placing parking meters in front of the County-City Building.

Hudkins added that each parking meter will have a sign stating during certain times of the day no parking is allowed.

Amundson said there will be upgrades to 5 City TV in the Chambers that is no cost to the County or 5 City TV because of proceeds from Time Warner Cable.

D. Board of Health - Amundson

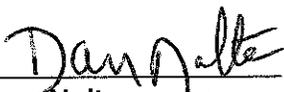
Amundson said Judy Halstead, Health Director, presented information on the accreditation process. She stated the Health Department is revising their schedule for dealing with calls regarding bats in residential areas.

12 EMERGENCY ITEMS AND OTHER BUSINESS

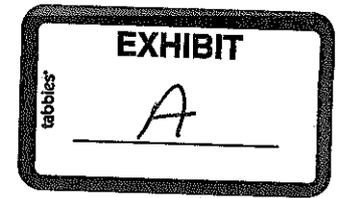
There were no emergency items or other business.

13 ADJOURNMENT

MOTION: Schorr moved and Hudkins seconded to adjourn the meeting at 10:43 a.m. Hudkins, Schorr, Avery and Amundson voted aye. Wiltgen was absent. Motion carried 4-0.


Dan Nolte
Lancaster County Clerk





Monolith Materials and Sheldon Station

Lancaster County Board
Lincoln

August 13, 2015

MONOLITH



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Agenda

- **NPPD Project Introduction**
 - John Swanson - Generation Strategies Manager
- **Monolith Company Introduction**
 - Rob Hanson – Chief Commercial Officer
- **Project Details**
- **Economic Impact**
- **Questions**
- **Entourage**

NPPD PROJECT INTRODUCTION

“THE SHELDON STATION TRANSFORMATION”

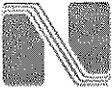
Public Announcement Speakers

Video Clip

- Pat Pope – NPPD CEO
- Rob Hanson – Chief Commercial Officer
Monolith
- Pete Ricketts – Governor of Nebraska
- Mary Harding - NPPD Board of Directors
- Bruce Vitosh – General Manager, Norris PPD

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Introduction – How it Began

- NPPD was introduced to Monolith Materials (formerly Boxer Industries) during a meeting on a carbon capture project in Denver on March 18, 2014
 - It was stated that NPPD had low electricity prices and that Monolith might be interested in locating in Nebraska

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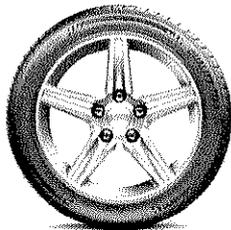
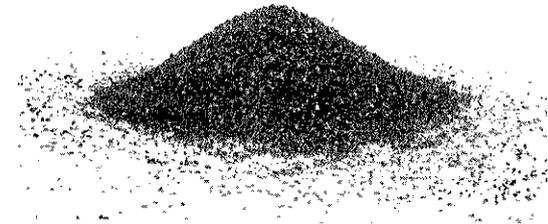
MONOLITH COMPANY INTRODUCTION

The Market for Carbon Black

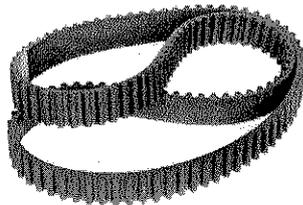
Current Combustion Process



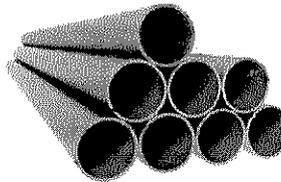
Carbon Black Product



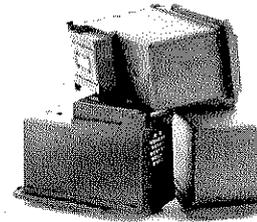
\$11.5 B/yr
Tires



\$2.4 B/yr
Industrial Rubber



\$1.6 B/yr
Plastics



\$0.4 B/yr
Inks



\$0.5 B/yr
Specialty

\$15 Billion in Global Annual Sales

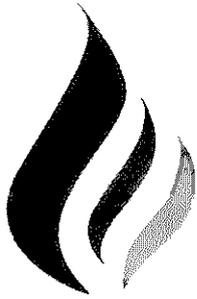
Carbon black is virtually pure elemental carbon. Its physical appearance is a black, finely divided pellet or powder. It is used to reinforce, conduct and color. It is one of the top 50 industrial chemicals manufactured worldwide based on annual tonnage.

MONOLITH

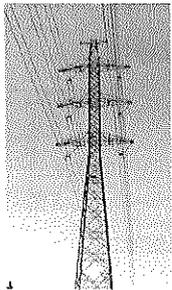



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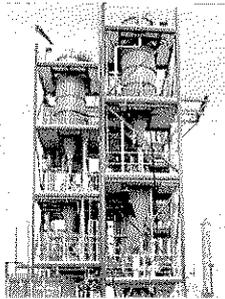
Future Carbon Black Manufacturing - Plasma Monolith's Business is Upgrading Natural Gas



Natural Gas



Electricity



MONOLITH
Protected
Technology
(No combustion)
Significant Value
Uplift



Carbon Black

*\$15 billion
Global Annual Sales*

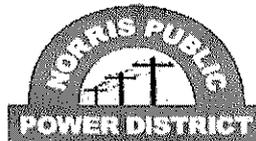


Hydrogen

*\$20 billion
North American
Annual Sales*

Monolith has differentiated, proven and protected technology with the capability to upgrade natural gas into two valuable commodity products.

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Team



Bill Brady, Executive Chairman

Former Executive Vice President at Cabot Corporation, in charge of the \$2B/year leading carbon black business unit. 23 years of experience in carbon black industry including commercialization of two start-up businesses at Cabot in pigment and composite materials. Former CEO, Mascoma Corporation.



Pete Johnson, Co-Founder and Chief Operating Officer

Former Director of Engineering at AREVA Solar / Ausra, built and manage a large multi-national engineering team to develop and commercialize utility scale technology and completed construction projects in North America, Australia, and India. Registered Professional Engineer.



Rob Hanson, Co-Founder and Chief Commercial Officer

Former Director of Products at AREVA Solar / Ausra. Led new product development, market analysis and product strategy, and provided in-market support. MS in Mechanical Engineering from Stanford. Registered Professional Engineer.



Michael Liebelson, Senior Commercial Development Advisor

Former founder and managing director of LS Power, one of largest independent power producers in U.S. Former EVP & CDO for Foster Wheeler, where he was part of a corporate management team responsible for a 12,000 employee, global engineering, construction services and global power business.



Roscoe Taylor, Vice President of Technology and Manufacturing

Former Technology Leader at Cabot Corporation, spent 15+ years developing reactors, plants, carbon black products, and manufacturing systems. Recognized leader in the carbon black industry in technology development.



Jose Bahury, Vice President of Commercial Projects

Former Projects Leader at Cabot. Spent 20 years restructuring and managing operations, commissioning, decommissioning, starting up, and building facilities, including building Cabot's 260 kt carbon black and energy facility located in Tianjin, China completed in 2009.

Strong Investors with Deep Experience in the Sector

WARBURG PINCUS

- New York based Private Equity firm
- 45 year track record
- \$50B invested in over 720 companies
- Operate in 35 countries
- Long term focused with deep experience and relationships in Energy and Chemicals

KEFI
PARTNERS IN VALUE GROWTH

- Calgary based Private Equity firm
- 15 year track record
- \$2.9B invested in over 30 companies
- Lead investor in managements last company with a successful exit
- Long term focused

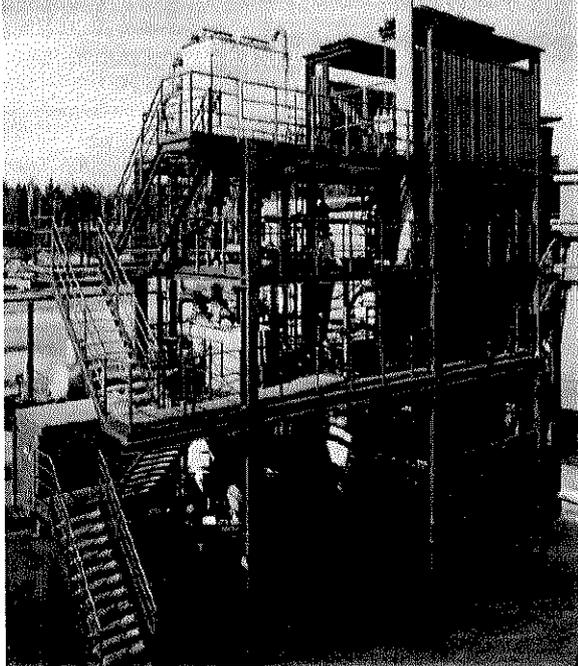
MONOLITH



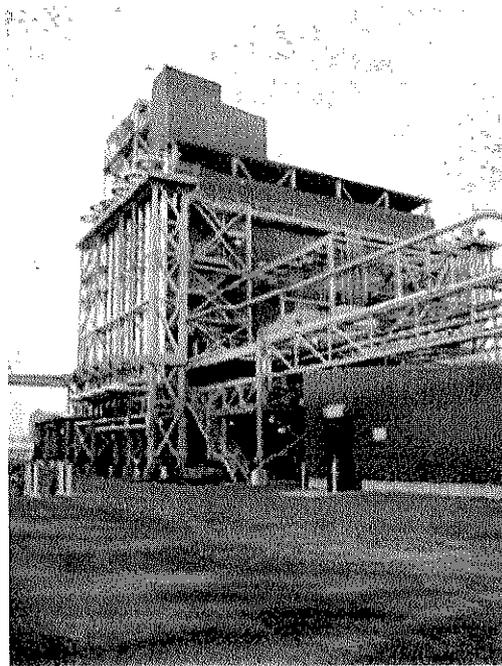

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Technology – Proven at Scale

Hofors Plant – 1,000 T/y



Karbomont Plant – 20,000 T/y



Seaport Plant – 1,000 T/y



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Seaport I Plant - California



Seaport I Plant



- First new carbon black plant permitted and built in the US in over 20 years
- Located 100 yards from the Don Edwards San Francisco Bay National Wildlife Refuge, and within 3 mile of over 100,000 residents of Silicon Valley.
- Began operations in 2014.

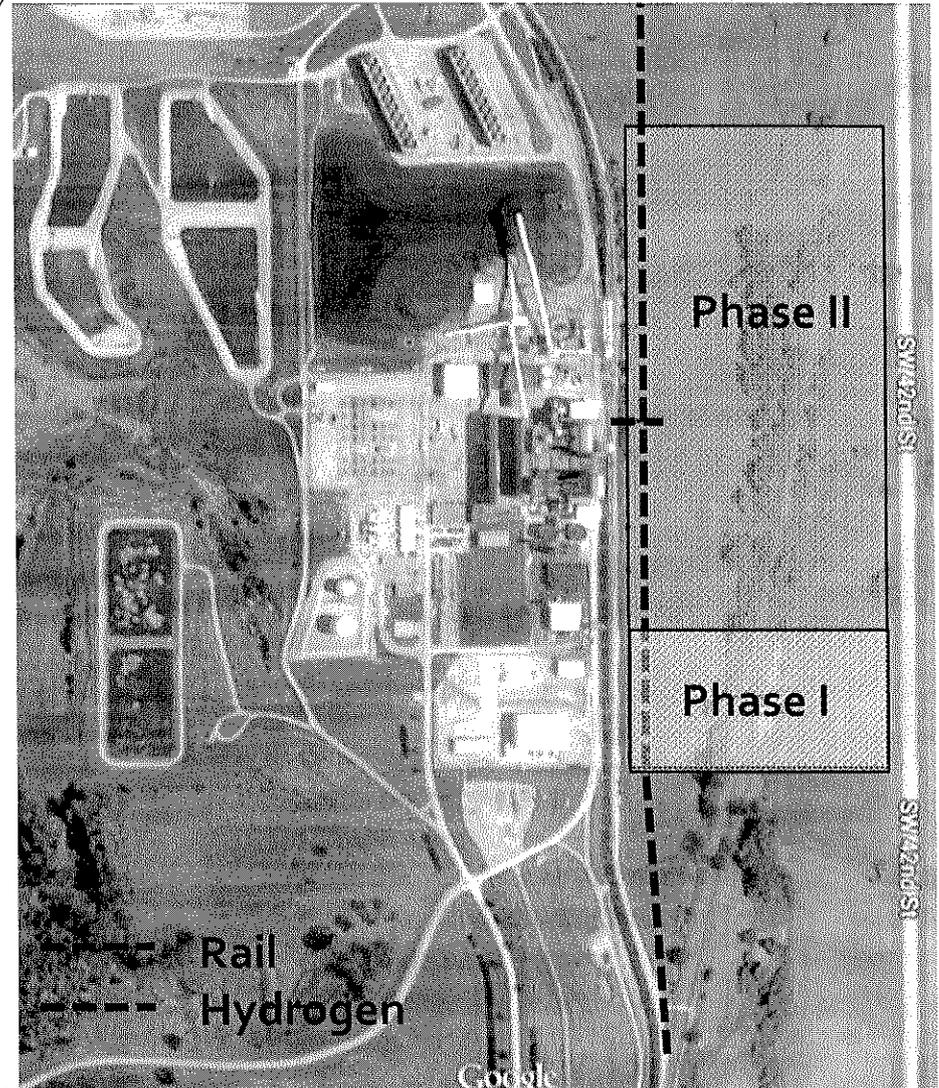
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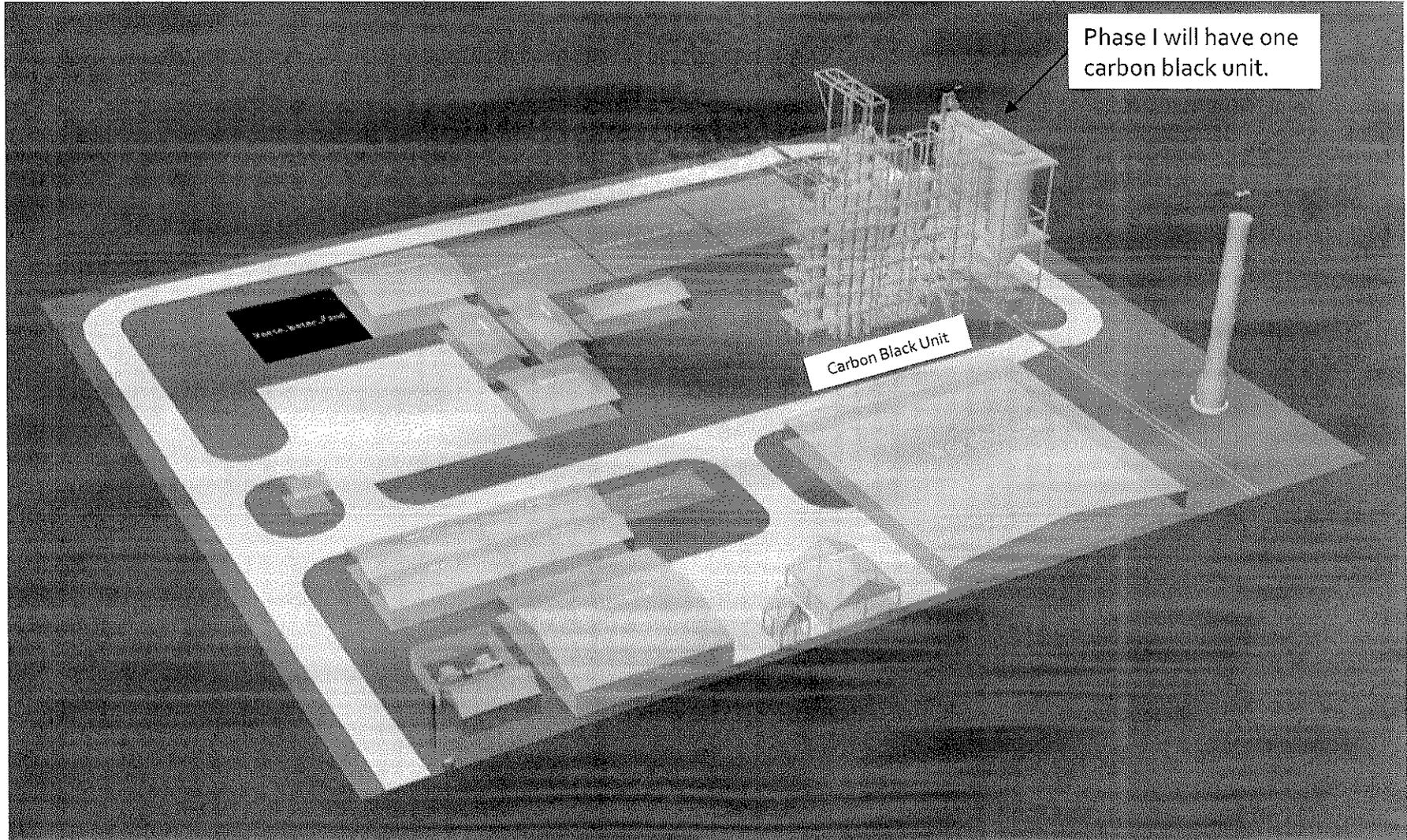
PROJECT DETAILS

Proposed Plant Location

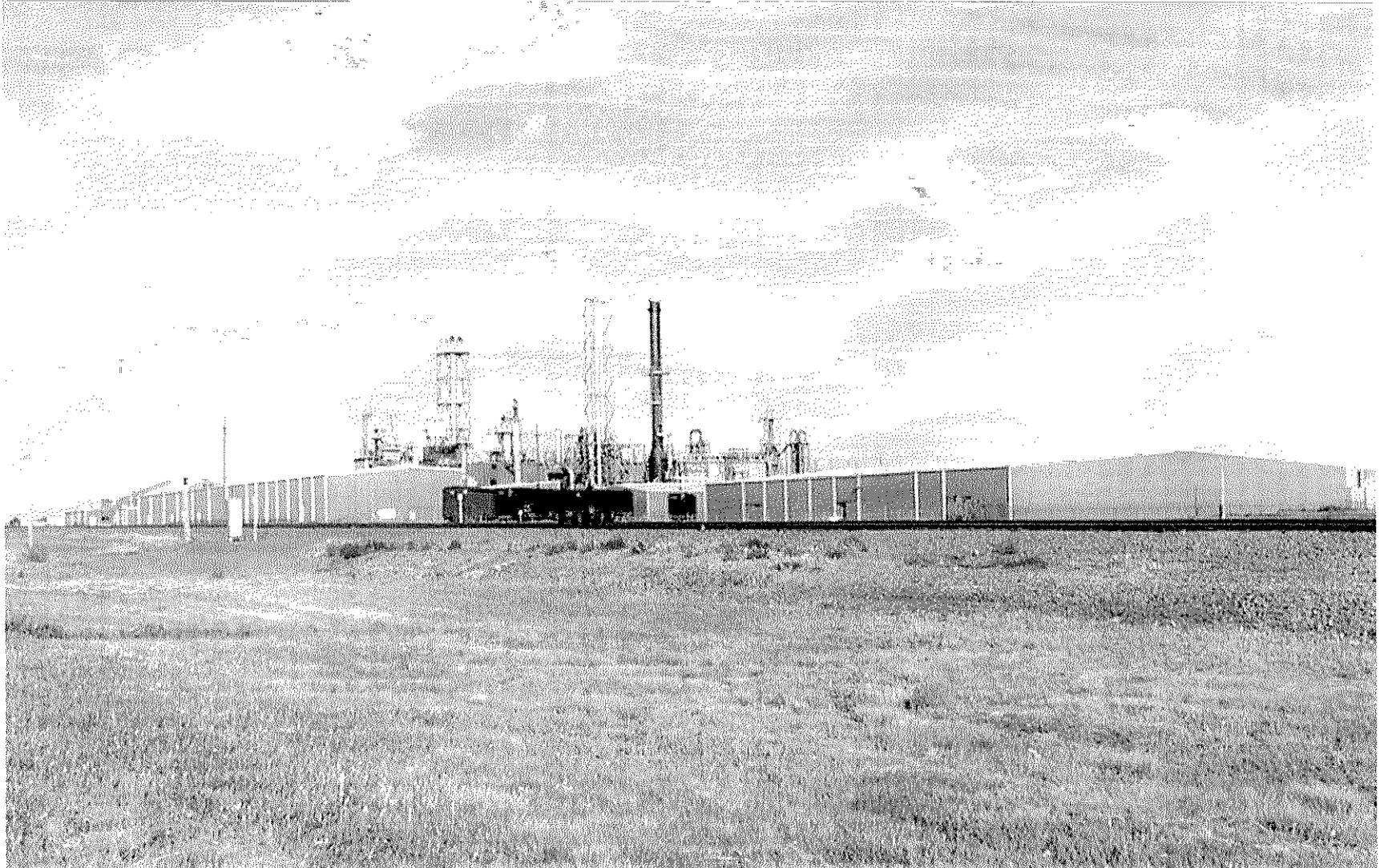


MONOLITH

Phase I – Proposed Plant Layout

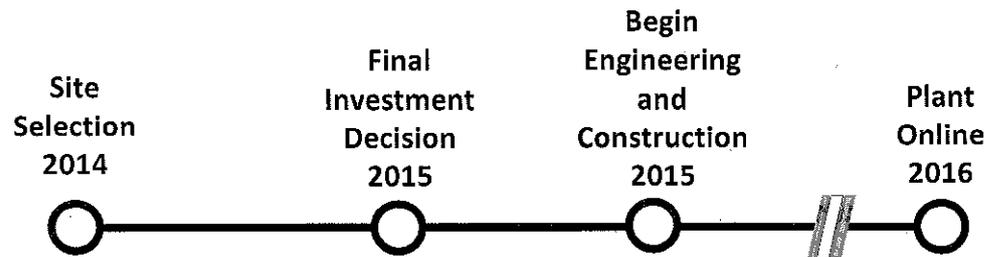


Phase II – Typical Plant Layout

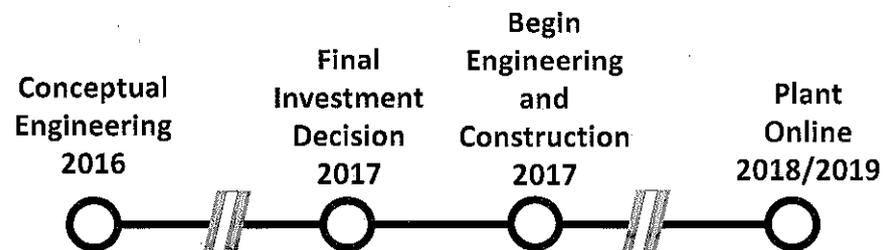


Timeline

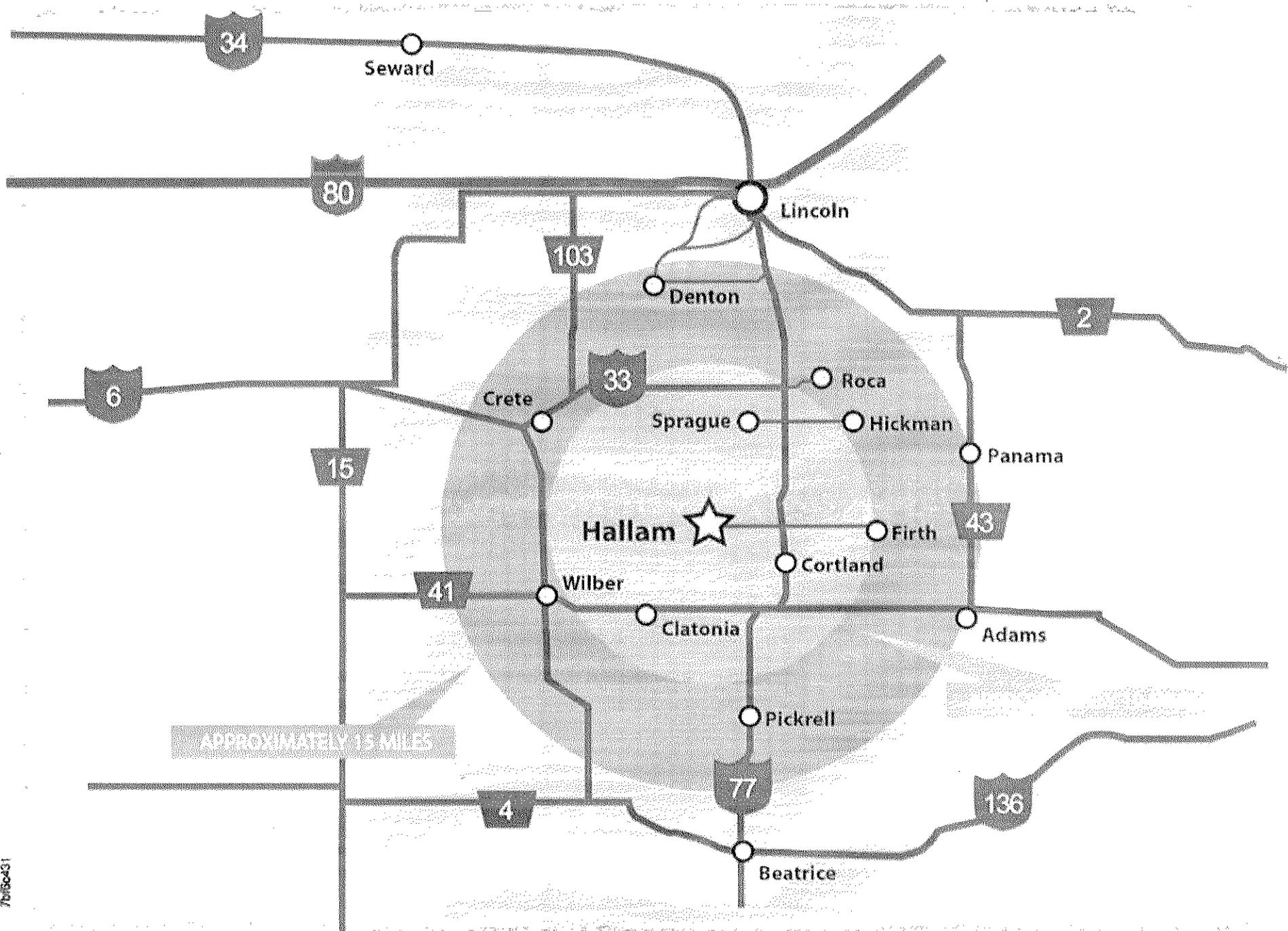
Phase 1 - 10 kT/Y Production Unit @ Olive Creek Site



Full Build Out - 200 kT/Y Plant @ Olive Creek Site



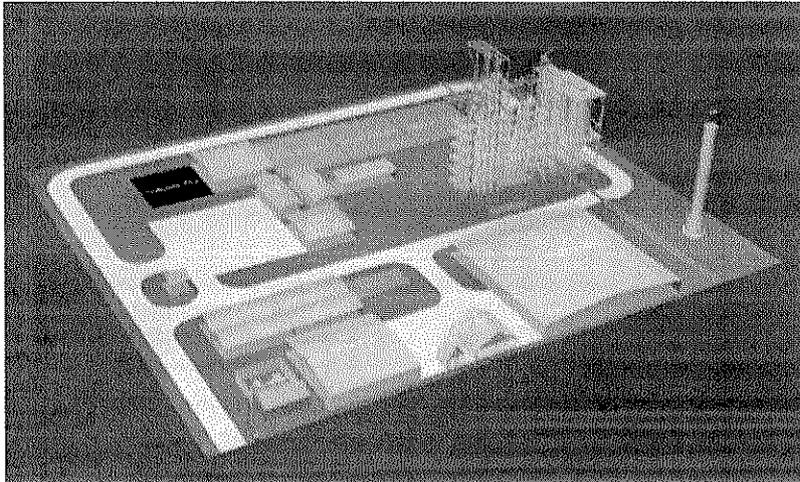
ECONOMIC IMPACT



Economic Impact

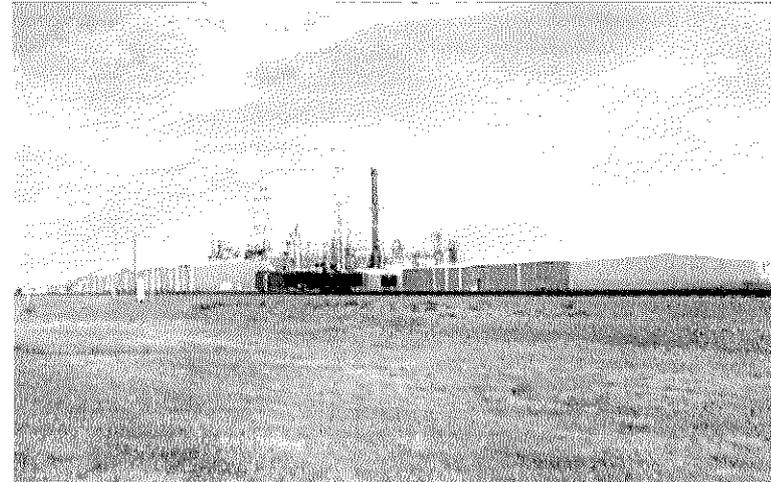
Phase I

- 50 direct and 50 secondary jobs
- \$30M+ total impact



Phase II

- 100 direct and 800 secondary jobs
- \$600M+ total impact



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NPPD/MONOLITH/NORRIS PPD Announcement

April 17, 2015 Sheldon Station Hallam, Nebraska

Questions

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LANCASTER COUNTY
2015-16 ALLOCATION OF LEVY

	<u>Valuation</u>	<u>Dollar Request</u>	<u>Debt Service</u>	<u>Amount Applicable to 15 cents</u>	<u>Tax Rate</u>	<u>Total Tax Rate</u>	<u>Prior Year Request</u>	<u>Difference</u>		
Agricultural Society	22,553,527,714 *	217,437.00	-	217,437.00	0.000964	0.000964	210,084.00	7,353.00	3.50%	
Ag Society Capital	22,553,527,714 *	117,132.00	-	117,132.00	0.000519	0.000519	113,171.00	3,961.00	3.50%	
RRTSD	22,553,527,714 *	3,608,565.00	-	3,608,565.00	0.016000	0.016000	2,772,538.00	836,027.00	30.15%	
Public Building Commission	22,553,527,714	3,834,100.00	3,834,100.00	-	-	0.017000	3,625,626.00	208,474.00	5.75%	
Lancaster Fairgrounds JPA	22,553,527,714	713,767.95	713,767.95	-	-	0.003165	713,767.95	-	0.00%	
Lancaster Correctional Facility JPA - City	18,379,483,640	2,886,600.00	2,886,600.00	-	-	0.015706	2,926,600.00	(40,000.00)	-1.37%	
Lancaster Correctional Facility JPA - County	22,553,527,714	2,000,000.00	2,000,000.00	-	-	0.008868	2,000,000.00	-	0.00%	
Rural Library	4,174,044,080	803,317.00	-	803,317.00	<u>0.019246</u>	0.019246	762,615.00	40,702.00	5.34%	
Total Prior to Fire Districts					0.036729					
Bennet Rural Fire District	434,813,505	137,581.68	-	137,581.68	0.031642	0.031642	137,581.68	-	0.00%	
Firth Rural Fire District	307,229,056 *	207,855.60	92,483.00	115,372.60	0.037553	0.067655	111,612.00	3,760.60	3.37%	
Hallam Rural Fire District	220,925,326 *	107,100.00	-	107,100.00	0.048478	0.048478	100,980.00	6,120.00	6.06%	
Hickman Rural Fire District	448,840,428 *	165,941.00	29,641.00	136,300.00	0.030367	0.036971	128,590.00	7,710.00	6.00%	
Highland Rural Fire District	130,276,045 *	30,000.00	19,674.00	10,326.00	0.007926	0.023028	12,526.00	(2,200.00)	-17.56%	
Malcolm Rural Fire District	244,578,542 *	229,693.00	-	229,693.00	0.093914	0.093914	217,719.00	11,974.00	5.50%	
Raymond Rural Fire District	355,607,670 *	508,102.78	134,913.87	373,188.91	0.104944	0.142883	352,898.00	20,290.91	5.75%	
Southeast Rural Fire District	436,537,095 *	210,000.00	-	210,000.00	0.048106	0.048106	221,300.00	(11,300.00)	-5.11%	
Southwest Rural Fire District	600,819,495 *	387,331.00	84,661.00	302,670.00	0.050376	0.064467	294,430.00	8,240.00	2.80%	
Waverly Rural Fire District	375,044,766 *	55,856.82	-	55,856.82	<u>0.014893</u>	0.014893	55,856.82	-	0.00%	
*** Highest Fire District Levy					<u>0.141673</u>					
Total with Highest Fire District					<u>0.141673</u>					