

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
SEPTEMBER 2, 2014 – 9:00 AM

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on August 25, 2014, 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 August 15, 2014.

The following Directors were present:

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

*arrived at 9:01 a.m.

The following Director was absent: David L. Rowe, Vice President

Also present were the following:

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

Others present:

John Thorburn, Tri-Basin NRD	Joe Jeffrey
James Stubbendieck	Dianne Jeffrey
Cheryl Stubbendieck	

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

At 9:00 AM, the Board President, Dudley L. Nelson, announced that the meeting was open for business and proceeded with roll call.

PUBLIC INPUT: James Stubbendieck addressed the Board with questions concerning the J-2 Regulating Reservoir land appraisal delays and the project timeline. Joe Jeffrey raised concerns about issues with seepage, bridges across the Phelps Canal and erosion, and invited the Gosper County Directors to a tour sometime in November after harvest to view the areas. John Thorburn reported the area had 6.0” of rain in August and 22.95” total for the year. He stated Tri-Basin is preparing for the 8th Grade Rainwater Basin Conservation Days on September 18, 2014.

CONSENT AGENDA: President Nelson asked the Directors if there were items they wished to be removed from the following consent agenda and discussed and voted on individually.

- **Approval of Minutes of Regular Business Meeting of the Board of Directors held August 4, 2014**
- **Approval of Minutes of Committee Meeting of the Board of Directors held August 22, 2014**

➤ **Approval of the September Disbursements:**

Hydro Division:

Check #s 47220 through 47413 and 8800408 through 8800413 (Accounts Payable) \$860,508.97

Check #s 9910029 through 9910134 and 9824 through 9831 (Payroll) \$337,992.28

Kingsley Division:

Check #s 2698 through 2704 (Accounts Payable) \$45,264.67

J-2 Regulating Reservoir Construction Fund:

Check #s 1054 through 1058 (Accounts Payable) \$101,769.09

Glendo Division:

Check #NONE \$NONE

Flex Spending Account:

Check #s 6878 through 6883 \$1,321.76

➤ **Approval of Changes to Agricultural Lease Rental Rates for 2015-2017 as follows:**

Property Type	# of Acres Impacted	2011-2014 Rental Rates	Proposed 2015-2017 Rental Rates
Pasture/Hay	229.7	\$15/Acre	\$20/Acre
Dryland	32.0	\$40/Acre	\$55/Acre
Irrigated - Gravity	1.3	\$85/Acre	\$120/Acre
Irrigated - Pivot	48.8	\$85/Acre	\$170/Acre

➤ **Approval of Agricultural Lease with Brian Mathewson of Maxwell, NE for dryland farm ground in Lincoln County, and to terminate lease with previous tenant, Randall King**

➤ **Approval of Robert Renken’s request to terminate grassland lease of 1.77 acres in Gosper County (will continue leasing 0.8 acre section)**

➤ **Approval of Changes to the Advertising Sign and House Rental Rates for 2015-2017:**

Recommended Rental Rates		January 1, 2015 through December 31, 2017		
Advertising Signs	2011-2014 Rates	2015-2017 Proposed Rates	Payment Schedule	
Sign – Large	\$175	No Change	Annual	
Sign – Small	\$100	No Change	Annual	

Houses & Garage	Tenant	2011-2014 Rates	2015-2017 Proposed Rates	Term	Notes
J-1-1	Non-District	\$380	\$405 ^a	Monthly	^a denotes a 2% / Year Increase from 2011
J-1-2	Non-District	\$380	\$405 ^a	Monthly	
Diversion- 1	Retired District Employee	\$264	No Change	Monthly	80% of \$330
Kingsley - 1	District Employee	\$138	No Change	Monthly	40% of \$345
Kingsley - 2	Vacant				
Kingsley - 3	District Employee	\$138	No Change	Monthly	40% of \$345

➤ **Approval of Closure of Contract No. 0-655.1 – Kroy Industries, Inc.** – On June 2, 2014, Contract No. 0-655.1 was awarded to Kroy Industries, Inc. for 1,440 feet of 24” PVC pipe, for a total contract cost of \$33,496.99. All material has been delivered, inspected and found to be satisfactory. Payment shall be made in the amount of \$33,496.99 and the contract shall be closed.

➤ **Approval of 2014 Budget Amendment** – Reallocate a portion of the expense from Administration to the Hydro and Irrigation Public Relations budgets by \$17,500.00 each and increase the budget by \$5,000.00 for the customer survey prepared by Snitily Carr, for a net change of \$5,000.00.

➤ **Resolution No. 14-01**

2015 Irrigation Season

WHEREAS the drought and groundwater development have depleted the water supply in Lake McConaughy; and

WHEREAS Central District staff has provided information to the Board which indicates that the following irrigation schedule is feasible for 2015:

Irrigation deliveries would begin on June 8th and end on August 31st. Irrigation service may be available prior to June 8th subject to the availability of natural flow and storage water and the schedule for filling the canals and laterals and any such deliveries shall count toward the annual delivery allocation. Deliveries will occur in a 12 week or 8 week season. The 12 week season will occur in 6 two-week runs at a rate of .066 acre-feet per acre first run and .187 acre-feet for per acre for the following 5 runs or occur in 12 one-week runs at a rate of .033 acre-feet per acre for the first 2 runs and .094 acre-feet for per acre for the following 10 runs. The 8 week season will begin July 6th and end on August 31st. The 8 week season will occur in 4 two-week runs at a rate of .25 acre-feet per acre or occur in 8 one-week runs at a rate of .125 acre-feet per acre for all customers except those receiving service from the supply canal. All delivery volumes, including service from the supply canal, would be limited to 1.0 acre-feet per acre or 12 inches per acre; and

WHEREAS due to drought conditions, the Central Nebraska Public Power and Irrigation District Board of Directors anticipates that no extra storage water will be available for any entity that depends on Lake McConaughy for its water supply.

THEREFORE BE IT RESOLVED; the Board of Directors finds that there is a sufficient supply of water available in Lake McConaughy for irrigation in 2015 and approves delivery in accordance with the above description.

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

WATER CONVEYANCE PERMITS: Dave Ford presented one additional Conveyance Permit approved in the month of August, 2014.

ACQUISITION CONTRACT – NEBRASKA DEPARTMENT OF ROADS – GARFIELD STREET PROJECT: Don Kraus and Dave Ford presented a map displaying two driveways that may be affected by a street improvement project beginning in 2015. The project will require the installation of a new barrier curb and sidewalk.

SOUTHWEST POWER POOL MEMBERSHIP: This was discussed in Closed Session.

J-2 REGULATING RESERVOIR: Mike Drain stated the Department of Natural Resources approved the J-2 Regulating Reservoirs Water Rights Application on August 29, 2014. The deadline to file comments on environmental conditions relating to the project is this week. More discussion was held in Closed Session.

PERSONNEL: There were no personnel matters discussed.

LEGISLATION: Jeff Buettner had nothing new to report.

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

BOARD COMMENTS: Director Knoerzer thanked the Stubbendiecks and Jeffreys for coming to the meeting and expressing their concerns about the J-2 Project.

OPERATIONS REPORT: The following operations reports were presented:

- a. Mike Drain explained Kevin Boyd is absent from the meeting due to the FERC inspections occurring today. Drain will attend a portion of the inspection later today.
- b. Jeff Buettner is preparing for the UNL Engineering and Law Student tour which includes 27 participants. He and other Central staff helped with the NPA sponsored public power booth at the State Fair last week.
- c. Dave Ford stated with the fair amount of rain recently the irrigation season is coming to an early end. He and Don Kraus toured the North Platte NRD facilities last week and learned about potential options to retire acres and convert irrigated lands to dryland in an effort to reduce consumptive use.
- d. Holly Rahmann has been working on a mailing to invite customers to ride the Central van to Husker Harvest Days. She is also working on the upcoming newsletter.
- e. Cory Steinke reported that Lake McConaughy is at elevation 3,237.0 and 1,021,000 acre feet. Inflows are 1,700 cfs with outflows of 600 cfs. South Platte flows are improving with 550 cfs coming through Roscoe.
- f. Rochelle Jurgens is in the process of mailing out the Requests for Proposals for Financial Institutions. The RFP is available on the Board website for viewing.
- g. Marcia Trompke gave the Board a brief update on an Environment Trust grant application she is filing which would add telemetry to the E67 canal meters by retrofitting them with UHF radios which would send signals to a website for viewing. There are also plans to create an application for producers to access the information from their phones or devices. The cost to Central would be by in-kind contributions of labor by electricians and patrolmen to set up the system and meters, following training conducted by the meter manufacturer, McCrometer. The cost to maintain the system and the web server would be covered for the first 3 years through the grant. Approval is expected to be received in February with the program starting in April.
- h. Don Kraus will attend the PRRIP Governance Committee meetings in Kearney on September 10-11, 2014. He mentioned several recent articles in the Kearny Hub regarding the J-2 Regulating Reservoir Project and will put links to the articles on the Board website.

At 9:50 AM it was moved by Director Knoerzer, seconded by Director R. Olson, that the Board go into Closed Session to discuss legal matters. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, and Dahlgren. Absent: Rowe. None voted no and the motion was declared carried. President Nelson stated the items to be discussed in Closed Session were: Southwest Power Pool Membership and J-2 Regulating Reservoir.

A break was taken at 9:50 AM. The meeting reconvened at 10:20 AM.

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

At 10:47 AM it was moved by Director Garrett, seconded by Director Petersen, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, and Dahlgren. Absent: Rowe. None voted no and the motion was declared carried. President Nelson stated the items discussed in Closed Session were: Southwest Power Pool Membership and J-2 Regulating Reservoir.

The meeting adjourned at 10:47 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President