

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
NOVEMBER 3, 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 October 27, 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 October 17, 2014.

The following Directors were present:

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

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.	Greg Ham, Purchasing Agent
Kevin M. Boyd, Gothenburg Division Mgr.	Michael C. Klein, Legal Counsel
Jeff J. Buettner, Public Relations Coord.	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Joe Jeffrey
John Thorburn	Dianne Jeffrey

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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: Joe Jeffrey requested an inspection of several bridges owned by Central and stated he was unhappy with the J-2 land appraisal notification process. In addition, he raised concerns about the agreement reached with Kathryn Rittgarn for the sale of her property prior to the public notification process. John Thorburn stated one new director will be elected tomorrow to the Tri-Basin NRD board and they are holding a climate change conference in Holdrege next week.

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 October 6, 2014**
- **Approval of Minutes of Special Meeting of the Board of Directors held October 24, 2014**
- **Approval of Minutes of Committee Meeting of the Board of Directors held October 24, 2014**
- **Approval of the November Disbursements:**

Hydro Division:
Check #s 47634 through 47839 and 8800420 through 8800425

\$810,767.23

(Accounts Payable)	\$324,791.28
Check #s 9910238 through 9910339 (Payroll)	
<i>Kingsley Division:</i>	\$43,325.75
Check #s 2708 through 2710 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$246,232.65
Check #s 1066 through 1077 and 8800001 through 8800002 (Accounts Payable)	
<i>Glendo Division:</i>	NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$2,604.42
Check #s 6892 through 6899	

- **Approval of Lease Purchase Agreement with Caterpillar Financial Services Corporation**
Lease purchase of M316D Excavator with a sales price of \$196,500.00 minus down payment of \$18,000.00 for a total amount financed of \$178,750.00 at an interest rate of 2.25%, and a 3-year/3,000 hours full warranty that includes all parts, labor and travel for an additional \$1,589.00.
- **Approval of Variance Request-12 South Crappie Corner, Johnson Lake, NE-Mitch and Jackie Berke-** Approval of a variance request to allow for the construction of two HVAC units on the area closest to the back lot line, subject to the approval of the neighbors on both sides.
- **Approval of Revisions to the Brian and Dee Isaacson Agricultural Lease as follows:** a) For 2014, reduce the rent from \$118/acre to \$70/ acre on 3.8 acres due to the Hike/Bike Trail expansion, resulting in a rent reduction of \$609.56; and b) For 2015, reduce the rent by \$2,148.28 due to a reduction in rented land by 16.7 acres due to a calculation error in farmable acres.
- **Approval of Lake Improvement Fund Request in the amount of \$12,500.00 for the purchase of four portable water pumps for fire protection**

It was moved by Director S. Olson, seconded by Director Garrett, 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, Rowe, and Soneson. None voted no and the motion was declared carried.

CHANGE ORDER NO. 8 TO WAYNE DOWHOWER CONSTRUCTION, INC. CONTRACT: The change order reflects a decrease in cost of \$5,000.00 to compensate Central for unsatisfactory concrete transitions into the Gothenburg garage and storage area.

It was moved by Director Petersen, seconded by Director Rowe, that the Board approve Change Order No. 8 to Wayne Dowhower Construction, Inc. contract subject to final review of the architect. Upon voting on the motion, the following Directors voted therefore: Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, and Bogle. None voted no and the motion was declared carried.

CLOSURE OF CONTRACT NO. 0-642 – WAYNE DOWHOWER CONSTRUCTION, INC.: On April 9, 2012, Contract No. 0-642 was awarded to Wayne Dowhower Construction, Inc. for the Gothenburg Office/Shop Addition and Renovation at a cost of \$1,986,000.00. Eight change orders were issued for an additional \$23,404.55 for a total contract amount of \$2,009,404.55. Prior payments were made totaling \$1,999,044.44 leaving a balance of \$10,360.11. All work has been completed, inspected and found to be satisfactory. Staff recommends final payment in the amount of \$10,360.11.

It was moved by Director Soneson, seconded by Director Fowler, that the Board approve the Closure of Contract No. 0-642 – Wayne Dowhower Construction, Inc. and pay the final amount of \$10,360.11 subject to legal review. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, and Dahlgren. None voted no and the motion was declared carried.

2014 BUDGET REVISIONS: Kevin Boyd stated in addition to the restroom renovations at Jeffrey Lodge, the roof needs re-shingled. He contacted Roof Pros who submitted two bids to replace the roof and indicated they could start the job this week. The budget amendment would allow for the restroom renovations and roof replacement through a shift of funds from Gothenburg Earthwork & Bank Protection-Labor (\$20,000), Gothenburg Earthwork & Bank Protection-Materials & Supplies (\$5,000), and Gothenburg Roads, Bridges and Crossings (\$11,600) to the Jeffrey Guest House

Expense funds, for a net difference of \$0.00 to the 2014 Budget.

It was moved by Director Knoerzer, seconded by Director Mueller, that the Board approve the 2014 Budget Revisions as presented. Upon voting on the motion, the following Directors voted therefore: Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, and Fowler. None voted no and the motion was declared carried.

J-2 REGULATING RESERVOIR: Mike Drain stated the Rittgarn property purchase was completed quickly due to the Rittgarns waiving notice of the public hearing. Cory Steinke reminded the Directors of the public hearings being held as follows: November 5, 2014 from 6:30 p.m. to 8:30 p.m. at the Phelps County Ag Center in Holdrege; November 6, 2014 from 1:00 p.m. to 3:00 p.m. at the Holiday Inn Express in Lexington; and November 6, 2014 from 6:30 p.m. to 8:30 p.m. at the Elwood Civic Center in Elwood. The landowners received the public hearing notices along with their appraisals. The negotiating agent is required to wait thirty (30) days after the public hearings are completed before contact with landowners can be made to start negotiations.

PERSONNEL: Don Kraus presented information about the number of retirees and projected retirees over the next 10 years. More discussions regarding a succession plan were held in Closed Session.

LEGISLATION: Jeff Buettner stated the following Directors are up for re-election tomorrow: Ronald Fowler, Dudley Nelson, Roger Olson, and Robert Petersen.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Fowler thanked Kevin Boyd and the Gothenburg crews for helping with the Hike/Bike Trail work.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke stated NPPD will begin taking water from the Sutherland Diversion Canal this month. Inflows to Lake McConaughy are at 1,250 cfs and flows in the South Platte are around 450 cfs. Snowpack is low.
- b. Mike Drain stated Jim Brown is working to create a system to evaluate lease hardship and will present it to the Power and Recreation Committee in the coming weeks.
- c. Kevin Boyd stated repairs are underway at Kingsley hydro and the dirt work on the Hike/Bike Trail is done.
- d. Dave Ford stated the flume project is nearly complete and he has plans to begin another project on E65 by the end of this week. By mid-November he will begin work on the 1-year transfer process for 2015.
- e. Jeff Buettner conducted a tour for 22 employees from the Nebraska Department of Natural Resources.
- f. Rochelle Jurgens stated there will be an Investment Committee meeting following the November 21, 2014 Committee Meeting of the Board.
- g. Eric Hixson stated repairs to Kingsley hydro will take approximately two weeks due to water leaks around the Kaplan runner. The Southwest Power Pool filed the revised tariff last week. The SCADA system encountered a problem retrieving historical data, presumably due to the time change.

At 9:31 AM it was moved by Director R. Olson, seconded by Director Dahlgren, that the Board go into Closed Session to discuss legal matters. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, and Garrett. None voted no and the motion was declared carried. President Nelson stated the item to be discussed in Closed Session was: Personnel matters relating to the succession plan.

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

At 9:57 AM it was moved by Director Dahlgren, seconded by Director Rowe, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, and Garrett. None voted no and the motion was declared carried. President Nelson stated the item discussed in Closed Session was: Personnel matters relating to the succession plan.

The meeting adjourned at 9:57 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President