

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA

(meeting held at Super 8 Motel, Holdrege, Nebraska)

MARCH 2, 2015 – 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 February 23, 2015, 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 February 13, 2015.

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
Robert B. Dahlgren, Treasurer	Robert A. Garrett	Robert L. Petersen
Martin E. Mueller, 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	Van D. Fastenau, Customer Service Super.
Jeff J. Buettner, Public Relations Coord.	Jim Lauer, Senior Information System Analyst
Kevin M. Boyd, Gothenburg Division Mgr.	Tim Anderson, Public Relations Advisor
Mike A. Drain, Natural Resources Mgr.	Michael C. Klein, Legal Counsel
	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Sam Sampson
Dennis Florom, LES	Dean Nelson
	James 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 again stated his concerns about discussions held by the Board in Closed Session relating to the J-2 Regulating Reservoir Project, including the lack of an updated project schedule, lack of the board agenda on the web site, lack of responses to five public meeting comments, and concerns about Central land management. Sam Sampson expressed his concern about the project stating it does not make sense as he believes Central has control of Lake McConaughy flows and should use them to meet project goals.

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 February 2, 2015**
- **Approval of Minutes of Committee Meeting of the Board of Directors held February 23, 2015**
- **Approval of the March Disbursements:**

<i>Hydro Division:</i>	\$1,205,825.22
Check #s 48443-VOID; 48479 through 48720 and 8800444 through 8800450(Accounts Payable)	\$324,449.03
Check #s 9910650 through 9910754 (Payroll)	
<i>Kingsley Division:</i>	\$340,234.83
Check #s 2731 through 2736 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$37,334.04
Check #s 1104 through 1109 (Accounts Payable)	
<i>Glendo Division:</i>	\$1,468.85
Check #1104	
<i>Flex Spending Account:</i>	\$4,189.33
Check #s 6921 through 6928	

- **Approval of Work Order No. 107336:** Replace MP 5.6 Bridge on Supply Canal (\$543,340.00)
- **Approval of 2015 Budget Amendment:** 1) an increase of \$31,000.00 to the Gothenburg Capital Budget for the Digital Two-Way Radio System Base Radios and Networking, and 2) decreasing the budgets for Labor and Salaries (decrease of \$6,000) and Material and Supplies (decrease of \$2,000) in the Power Plants Maint of Sta Equipment budget and creating two new accounts in Power Plants Step Up Transformer (Labor and Salaries-\$6,000 and Material and Supplies-\$2,000) for costs relating to the Southwest Power Pool Tariff which created no net change.
- **Approval of Work Order No. 107337:** Digital Two Way Radio Base System (\$89,727.00)
- **Approval to Extend the North Boundary of the Lake McConaughy K-3 Lots and to authorize the expenditure of \$2,000.00 from the Lake Improvement Fund for the purchase of gravel for the relocated road and provide surveying assistance**
- **Approval of Lake McConaughy K-4 Lot Expansion through a creation of “B” Lots**
- **Approval of a Revision to Butch Orr’s Agricultural Lease Rental Rate for 2015 to \$125.00 per acre on 48.8 acres of pivot irrigated land at the west end of Lake McConaughy in Garden County**
- **Approval of Johnson Lake Development Inc.’s Budget in the amount of \$48,153.20 and for Central to continue to assume the cost of mowing the common areas at Johnson Lake**
- **Approval of the Johnson Lake Subleasing Policy as follows:**

Johnson Lake Subleasing Policy

1. Subleasing at Johnson Lake shall be authorized through an amendment to the current Johnson Lake Residential Lease Agreement.
 2. Central staff has the authority to approve an amendment on a case by case basis, taking into account neighbor and association opinions.
 3. Each amendment shall be for a term of one year and include an annual renewal fee.
 4. The amendment shall incorporate strict rules with the ability to terminate the lease immediately at Central staff’s discretion.
- **Approval of Application for Work – Gosper County – Johnson Lake Inlet Bridge**
 - **Approval of Special Committee Meeting of the Board on March 10, 2015 at 8:30 a.m. at the Cornhusker Hotel in Lincoln, Nebraska**
 - **Approval of Special Committee Meeting of the Board on March 11, 2015 at 8:30 a.m. at the Cornhusker Hotel in Lincoln, Nebraska**

➤ **Approval of Agreement for Professional Services – GIS Workshop**

It was moved by Director Knoerzer and seconded by Director Mueller to 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.

WATER SERVICE AGREEMENTS: Dave Ford presented the following Water Service Agreement for consideration:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
<u>WATER SERVICE AGREEMENTS</u>					
Phelps	6150901	NE1/4 9-6-15	Norman P Nelson, Trustee et al ...	145...(1)(3)	

- (1) IPP Amendment to Water Service Agreement for the 2015 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2015 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2014, landowner came-back with new WSA.
- (4) Water Service Agreement in 10-year termination (after 2014), landowner came-back with new WSA.
- (5) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

It was moved by Director Soneson and seconded by Director Dahlgren to approve the Water Service Agreement for Norman P. Nelson as presented. 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.

RIGHT OF WAY TRANSACTION: A Right of Way Transaction for an Application to Close Lateral was discussed at the Irrigation Committee meeting earlier this morning. The Committee unanimously voted to recommend Board approval of the following:

System	Tract No.	Legal Desc.	Landowner
<u>APPLICATION TO CLOSE LATERAL</u>			
Phelps	A29.1#142.....	S½NW¼ of 3-6-17	John Paulson Jr

(Lateral A29.1-4.4-2.0 Milepost 0.4 to 0.5 (end))

It was moved by Director Dahlgren and seconded by Director Garrett to approve the Right of Way Transaction as presented. 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.

ALLOCATION YEAR TRANSFERS: Dave Ford reported no change to the acres since the Committee Meeting of the Board and recommends Board approval of the 2015 Water Transfers totaling 14,044 acres transferred.

It was moved by Director S. Olson and seconded by Director R. Olson to approve the Allocation Year Transfers for 2015 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.

IRRIGATION COMMITTEE (3/2/15):

- a. Water Conveyance Policy: Dave Ford stated the Irrigation Committee unanimously voted to recommend Board approval of a revised Water Conveyance Policy to include language to allow for more than one account on a license agreement when conveying water to a location.

It was moved by Director Petersen and seconded by Director S. Olson to approve the revised Water Conveyance Policy as presented. 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.

- b. E67-0.5 Pipeline 2.8-3.1: Dave Ford explained Terry Rowe offered to purchase this pipe to avoid having to trench new pipe to his pivot point. He offered \$3,000.00 for the purchase of the pipe which Ford believes is fair. The Committee unanimously voted to recommend Board approval of selling the E67-0.5 Pipeline 2.8-3.1 to Terry Rowe for \$3,000.00.

It was moved by Director Dahlgren and seconded by Director Mueller to approve the sale of the E67-0.5 Pipeline 2.8-3.1 to Terry Rowe for \$3,000.00. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, and Knoerzer. None voted no and the motion was declared carried.

POLICY REGARDING ALCOHOL CONSUMPTION AT DISTRICT LAKES AND THE SUPPLY CANAL: Don Kraus reminded the Directors of the Power and Recreation Committee's recommendation from their February 19, 2015 meeting where they recommended Board consideration of an alcohol consumption policy on District lakes and the Supply Canal, excluding Lake McConaughy and Lake Ogallala. Mike Drain recommends notifying the public that the Board is considering allowing alcohol consumption on the lakes and supply canal and ask for their input in support or opposition of such a change. The Board could then take public input into consideration and make a decision at a later date.

BID TAB – SIPHON LINING: Don Kraus presented the Bid Tab reflecting the sole bid received from W.S. Bunch in the amount of \$497,370.00 for the E65-6.9 and E65-10.4 Siphon Lining project.

AWARD OF BID – SIPHON LINING: Don Kraus stated staff recommends accepting the bid from W.S. Bunch in the amount of \$497,370.00.

It was moved by Director R. Olson and seconded by Director Petersen to accept the bid by W.S. Bunch in the amount of \$497,370.00 for the E65-6.9 and E65-10.4 Siphon Lining project. Upon voting on the motion, the following Directors voted therefore: Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, and Mueller. None voted no and the motion was declared carried.

J-2 REGULATING RESERVOIR: Cory Steinke stated he is in the process of having the Jeffrey Island study results posted on the website. Mike Drain reminded the Directors of his recent meeting with the consultants and NDNR regarding flow measurements and dam safety requirements.

PERSONNEL: None.

LEGISLATION: Jeff Buettner gave an update of the bills he is currently following.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Bogle inquired about an agenda for the upcoming retreat in Lincoln and discussions were held regarding transportation.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported that Lake McConaughy is at elevation 3,250.6, 77% capacity and 1,340,000 acre feet. Inflows are approximately 1,000 cfs with NPPD requesting release of 700 cfs from Lake McConaughy. Snowpack is 79% of average in the upper basin, 79% of average in the lower basin, and 108% in the South Platte basin.
- b. Eric Hixson stated the Kingsley blade packing has been ordered, and he hopes to receive the material soon so repairs can be done in April.
- c. Van Fastenau stated the release of water stored in Elwood Reservoir into the E65 canals will begin soon in response to Tri-Basin NRD's request.
- d. Dave Ford stated pumping into Elwood Reservoir will begin April 1, 2015.

- e. Mike Drain stated the recent Order in the Jeffrey/Midway v. Central case is available on the Board website. The judge overruled their motion to alter or amend the judgment on February 25, 2015.
- f. Kevin Boyd stated the Supply Canal is 75% full. He will present options for the Johnson Lake pedestrian bridge at the next Committee meeting. He is working on FERC reports which are due April 1, 2015.
- g. Jeff Buettner discussed travel arrangements to the Board retreat. Anyone needing a ride should meet at the Holdrege office at 2:30 p.m.

A break was taken at 9:48 a.m. The meeting resumed at 10:15 a.m.

SOUTHWEST POWER POOL PRESENTATION: Dennis Florom, P.E., Manager of the Energy and Environmental Operations Power Supply Division from Lincoln Electric Systems was present to give a basic overview of how the Southwest Power Pool functions and its services.

The meeting adjourned at 11:47 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President