

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
MAY 4, 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 April 27, 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 April 27, 2015.

The following Directors were present:

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

The following Directors were absent: William E. Knoerzer and Roger D. Olson

Also present were the following:

Don D. Kraus, General Manager	Eric R. Hixson, Engineering Services Mgr.
Dave R. Ford, Irrigation Division Manager	Van D. Fastenau, Customer Service Super.
Cory A. Steinke, Civil Engineer	Greg Ham, Purchasing Agent
Jeff J. Buettner, Public Relations Coord.	Holly G. Rahmann, Public Relations Asst.
Kevin M. Boyd, Gothenburg Division Mgr.	Tim Anderson, Public Relations Advisor
Mike A. Drain, Natural Resources Mgr.	Michael C. Klein, Legal Counsel
Rochelle A. Jurgens, Controller	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Joe Jeffrey
John Thorburn, Tri-Basin NRD	Dean Nelson
Jim Stubbendieck	Gary Robison
Richard B. Waller	

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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: Jim Stubbendieck provided the Directors with a copy of a letter from FERC to Senator Deb Fischer dated April 3, 2015 and referred again to Public Law 110-229 regarding eminent domain. John Thorburn stated Tri-Basin NRD's water level data collection program was recently completed, the Water Jamboree was a success, many trees were given away on Arbor Day, they are in the process of planting windbreaks, and their chemigation program is underway. Gary Robison stated more transparency with regard to the J-2 Regulating Reservoir project would help clear confusion.

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 April 6, 2015**
- **Approval of Minutes of Special Meeting of the Board of Directors held April 24, 2015**

➤ **Approval of Minutes of Committee Meeting of the Board of Directors held April 24, 2015**

➤ **Approval of the May Disbursements:**

<i>Hydro Division:</i>	\$1,031,715.45
Check #s 46850, 47310, 47921 & 48347-VOID; 48966 through 49185 and 8800458 through 8800464 (Accounts Payable);	
Check #s 9910863 through 9910966 (Payroll)	\$325,447.46
<i>Kingsley Division:</i>	\$61,373.30
Check #s 2744 through 2748 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$74,127.97
Check #s 1116 through 1121 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$2,785.03
Check #s 6936 through 6941	

- **Approval of Work Order No. 107340 – Replace PCB8172, Switches 8171, 8173, relays and controls at Johnson No. 2 Substation and Plant (\$175,000.00)**
- **Approval of Purchase Requisition No. HA6015 – 2-115 kV Disconnect Switches from Pacific Air Switch Corporation PASCOR (\$18,796.00)**
- **Approval of Purchase Requisition No. HA6014 – 115 kV Circuit Breaker from Alstom Grid, Inc. (\$67,385.00)**
- **Approval of Purchase Requisition No. G-3471 – Rexnord Atlas Planetary Speed Reducer from Applied Industrial Technologies (\$45,328.60)**
- **Approval of Work Order No. 186535 – Connect Software Implementation, Irrigation/Accounting Software (\$70,000.00)**
- **Approval of Closure of Contract No. 0-657.2 – Janssen & Sons Ford – 2015 Pickup (\$26,283.00)**
– On February 2, 2015, Contract No. 0-657.2 was awarded to Janssen & Sons Ford for one pickup for a total contract amount of \$26,283.00. All equipment has been delivered, inspected and found to be satisfactory. Payment in the amount of \$26,283.00 shall be made to Janssen & Sons Ford and Contract No. 0-657.2 shall be closed.
- **Approval of Contract Change Order No. 1 – Contract No. 0-656 – KEA Constructors, Inc. – Bridge Replacement at Milepost 5.6, Lincoln County (\$592.74)**
- **Approval of Closure of Contract No. 0-656 – KEA Constructors, Inc. – Bridge Replacement at Milepost 5.6, Lincoln County (\$523,558.14)** – On October 6, 2014, Contract No. 0-656 was awarded to KEA Constructors Inc. for the Bridge Replacement at Milepost 5.6 at a cost of \$522,965.40. One Change Order was issued in the amount of \$592.74 for a total contract amount of \$523,558.14. Previous payments were made amounting to \$492,285.86 leaving a balance due of \$31,272.28. All work has been completed, inspected and found to be satisfactory. Final payment in the amount of \$31,272.28 shall be made to KEA Constructors, Inc. and Contract No. 0-656 shall be closed.
- **Approval of Award of Bid – L & S Electric Inc. – Develop and Test Relay Settings for Kingsley Hydro Generator – Price Not to Exceed \$36,500.00**
- **Approval of the Liljehorn variance request to allow for the construction of a dwelling at 1 Park Lane Dr 28, Johnson Lake no closer than 20’ from the roadway on three sides, subject to no interference with current and/or future utilities**

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

RIGHT OF WAY TRANSACTIONS: The following Right of Way Transactions were presented:

System	Tract No.	Legal Desc.	Landowner	Landowner Easement to	Central Quitclaim
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RIGHT-OF-WAY EXCHANGE

A18.7 A18.7#24.....SE¼NW¼ of 18-T7N-R18W Richard Bergman, Trustee..... 1.68.....3.64

RIGHT-OF-WAY GRANT OF EASEMENT

A10.6 A10.6#4.....SW¼ of 30-T8N-R19W..... D&R Cattle Co..... 0.28
c/o Dean Nelson

RIGHT-OF-WAY – Exchange

E65 E65#368SE1/4 15-7-20..... Robert Jon Dahlstet et al.....1.67
E65 E65#368SE1/4 15-7-20..... Robert Jon Dahlstet et al2.7

E65 E65#368SE1/4SW1/4 15-7-20..... Paul Johnson & Sons Cattle Co.....0.038
E65 E65#368SE1/4SW1/4 15-7-20..... Paul Johnson & Sons Cattle Co.....1.77

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

WATER SERVICE AGREEMENTS: Van Fastenau presented the following Water Service Agreements for consideration, noting the addition of one account since the April 24, 2015 Committee Meeting of the Board:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
<u>WATER SERVICE AGREEMENTS</u>					
Phelps	6172204.....	(NE1/4 & S1/2)NW1/4 22-6-17.....	Herbert S Johnson et al	40.....(1)(3)	+40
<i>(NOTE: 10-yr Termin. Completed – resigned 40 ac)</i>					
E65	6201101.....	Pt SW1/4 11-6-20	Verle Johnsen	81.....(1).....	+16
E65	6201401.....	(N1/2 & SE1/4)NW1/4 14-6-20.....	Verle Johnsen	38.....(1).....	-16
SC	12280802.....	S1/2SE1/4 8-12-28.....	Stacy Jynx Mann	10.....(1).....	+10

- (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 20__), 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 Mueller and seconded by Director Dahlgren to approve the Water Service Agreements as presented. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Mueller, Nelson, S. Olson, Petersen, Rowe, Soneson, Bogle, and Dahlgren. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried.

PROGRESS PAYMENT ESTIMATE NO. 3 (FINAL) CONTRACT NO. 0-657.1 – BLACK MOTOR COMPANY (\$28,319.00): Greg Ham stated the three 2015 pickups have been received and this is the final payment due.

CLOSURE OF CONTRACT NO. 0-657.1 – BLACK MOTOR COMPANY – THREE 2015 PICKUPS (\$71,117.00): Rochelle Jurgens confirmed that previous payments have been made totaling \$42,798.00 leaving a balance due of \$28,319.00. Greg Ham stated all equipment has been delivered, inspected and found to be satisfactory and staff is recommending final payment in the amount of \$28,319.00 and closure of Contract No. 0-657.1.

It was moved by Director Dahlgren and seconded by Director Garrett to approve Progress Payment Estimate No. 3 (Final) Contract No. 0-657.1-Black Motor Company in the amount of \$28,319.00 and Closure of Contract No. 0-657.1-Black Motor Company as presented. Upon voting on the motion, the following Directors voted therefore: Garrett, Mueller, Nelson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, and Fowler. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried.

2015 BUDGET AMENDMENT: Rochelle Jurgens presented Hydro Division Budget Revision #6 to the Gothenburg Capital Budget for the GIS Nest Survey Software Application. The proposed budget of \$12,000 will be obtained through a reduction to the FERC License Conditions-FERC Chicago Budget from \$150,000 to \$138,000, for a total Net Change of \$0.00.

It was moved by Director S. Olson and seconded by Director Rowe to approve Hydro Division Budget Revision #6 to the Gothenburg Capital Budget for the GIS Nest Survey Software Application in the amount of \$12,000 as presented. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, and Garrett. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried.

ALCOHOL POLICY ON DISTRICT LAKES ASSOCIATED WITH SUPPLY CANAL AND SUPPLY CANAL: A letter from Michelle Schultz, Coordinator of the Grand Island Substance Abuse Prevention Coalition, in opposition of lifting the ban on alcohol on District Lakes and the Supply Canal was presented and reviewed by the Directors.

It was moved by Director Rowe and seconded by Director Bogle to approve the removal of the ban of alcohol consumption on District Lakes associated with the Supply Canal and on the Supply Canal. Upon voting on the motion, the following Directors voted therefore: Nelson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, and Mueller. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried.

SMALL HYDRO PROJECTS: This was discussed in Closed Session to protect the public interest.

J-2 REGULATING RESERVOIR: Cory Steinke presented a status update using a power point presentation and discussed the J-2 Regulating Reservoir's purposes; completed tasks to date; in-progress tasks which include: land acquisitions, preliminary design work, agency consultation and environmental studies; and future tasks. He stated a meeting has been scheduled between the consultants and the Nebraska Department of Natural Resources to gather their input and opinions about the design of the dam.

PERSONNEL: None.

LEGISLATION: Jeff Buettner stated he was surprised the Budget Board projected more funding would be available for some NRD projects than previously expected.

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

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford presented the Irrigated Area Observation Well Change in Readings Report reflecting the one year and ten year comparisons of well measurements taken during the spring of each period. The report also included the spring of 1981-1985 averages compared to the 2015 readings. He also presented Observation Well Hydrographs reflecting historical data from five random wells in the core irrigated area.
- b. Cory Steinke reported that Lake McConaughy has decreased to an elevation of 3,250.1, 1,326,100 acre feet, and 76% capacity. Inflows are at 820 cfs with outflows of 400. Kingsley hydro will experience an outage for four days while crews replace the packing on the blades. Releases from the environmental account have ceased. Snowpack has decreased to 62% in upper basin and 39% below Seminole.
- c. Kevin Boyd reported the dredge pontoons have been repaired with styrofoam. He is waiting on clarification from FERC regarding their letter concerning additional flood analysis on the Supply Canal. He continues to prepare for the June 10, 2015 functional exercise.
- d. Mike Drain attended the National Hydropower Association Conference in Washington D.C. last week. He anticipates a new dam initiative coming out later this year regarding

risk informed decision making. He is working with District staff to ensure new reporting requirements on environmental issues are fulfilled.

- e. Jeff Buettner announced Jim Macy, the new director of the Nebraska Department of Environmental Quality, will be touring Kingsley Dam and the Lake McConaughy Visitor and Water Interpretive Center on May 11, 2015.
- f. Van Fastenau stated that 109,152 acres will be irrigated in the District in 2015 which is 653 acres less than 2014. There are currently 4,039 acres on the 10 year termination list.
- g. Rochelle Jurgens reminded the Directors of the Investment Committee meeting following the Regular Business Meeting.

A break was taken at 9:54 a.m. The meeting resumed at 10:11 a.m.

At 10:11 AM it was moved by Director Soneson and seconded by Director Garrett for the Board go into Closed Session to receive legal advice and to protect the public interest. Upon voting on the motion, the following Directors voted therefore: Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Mueller, Nelson, and S. Olson. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried. President Nelson stated that the item to be discussed in closed session was the following agenda item: Small Hydro Projects.

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

At 10:30 AM it was moved by Director Garrett and seconded by Director Fowler for the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Mueller, Nelson, and S. Olson. Absent: Knoerzer and R. Olson. None voted no and the motion was declared carried. President Nelson stated that the item discussed in Closed Session was to receive legal advice and to protect the public interest related to the following agenda item: Small Hydro Projects.

The meeting adjourned at 10:30.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President