

MINUTES OF REGULAR BUSINESS MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
HOLDREGE, NEBRASKA  
MAY 6, 2013 – 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 29, 2013, 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 19, 2013.

The following Directors were present:

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

Also present were the following:

Don D. Kraus, General Manager	Tim W. Anderson, Public Relations Advisor
David R. Ford, Irrigation Division Mgr.	Van Fastenau, Customer Service Super.
Kevin M. Boyd, Gothenburg Div. Mgr.	Cory A. Steinke, Civil Engineer
Eric R. Hixson, Engineering Services Mgr.	Michael A. Drain, Natural Resources Mgr.
Greg F. Ham, Purchasing Agent	Frank C. Vetter, Real Estate Administrator
Holly G. Hiebert, Public Relations Asst.	Michael C. Klein, Legal Counsel
Rochelle A. Jurgens, Controller	Emily J. Anderson, Assistant Secretary

Others present:

John Thorburn, Tri Basin NRD	Ron Fowler, JLDI
*Chase Eilers, Eilers Machine & Welding (*entered the meeting at 9:52 a.m.)	Lori Potter, Kearney Hub

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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: Dave Dahlgren spoke on behalf of the Central District Water Users and expressed satisfaction over the recent joint meeting with CNPPID. The Water Users encourage CNPPID to continue efforts to protect the mound and surface water supplies and thanked CNPPID Board of Directors and staff for keeping the lines of communication open.

John Thorburn gave an update on the success of the Water Jamboree and reported on Tri-Basin water levels.

Ron Fowler provided information about events happening at Johnson Lake. On May 18<sup>th</sup>, the Nebraska Game & Parks is holding their 1<sup>st</sup> Annual Family Day. Memorial weekend will be busy with the annual garage sales, a 5K race, and fireworks. The Chamber of Commerce is sponsoring boater safety classes May 25-26.

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 1, 2013**
- **Approval of Minutes of Special Board Meeting of the Board of Directors held April 2, 2013**
- **Approval of Minutes of Special Board Meeting of the Board of Directors held April 3, 2013**
- **Approval of Minutes of Special Board Meeting of the Board of Directors held April 26, 2013**
- **Approval of Minutes of Committee Meeting of the Board of Directors held April 26, 2013**
- **Approval of the April Disbursements:**

*Hydro Division Vouchers:*

Check # 43599 through 43868 and  
 Check # 99311 through 99315 (Accounts Payable)  
 Check # 9908370 through 9908474 (Payroll) \$1,803,218.32

*Kingsley Division Operations Disbursements:*

Check # 2574 through 2582 \$190,941.83

*Glendo Division Disbursements:*

Check # \$None

*Flex Spending Disbursements:*

Check # 6765 through 6770 \$4,170.29

- **2013 One Year Transfers**

<b>Transfer From: (Transfer Agmt) 2013</b>			<b>Transfer To: (Acceptance Agmt) 2013</b>		
<u>Account</u>	<u>Name</u>	<u>Acres</u>	<u>Account</u>	<u>Name</u>	<u>Acres</u>
<b>VOID (Rescind)</b>			<b>VOID (Rescind)</b>		
7182501-PH	Shirley & Bernard Noreberg	14.0	9054-SC	Diane Amenta	14.0
7172802-PH	Mary & Larry Williams	64.0	9054-SC	Diane Amenta	64.0
7192701-PH	Winsome, Inc.	70.0	8193107-PH	Clarence Davenport	70.0
<b>TOTAL</b>					<b>148.0</b>
<b>CHANGES</b>			<b>CHANGES</b>		
7153307-PH	Michael & Janet Cavanaugh	26.0	6160301-PH	Marsha Reiss TTEE, etal	26.0
		8.0	6162602-PH	Larry & Renee Landstrom	8.0
		46.0	8201904-PH	Douglas Fahrenbruch	46.0
7172802-PH	Mary & Larry Williams	15.0	7181005-PH	Harold & Judith Erickson	15.0
		10.0	6162601-PH	Jean Poole, etal	10.0
		39.0	6162602-PH	Larry & Renee Landstrom	39.0
7182501-PH	Shirley & Bernard Noreberg	14.0	6162602-PH	Larry & Renee Landstrom	14.0
<b>TOTAL</b>					<b>158.0</b>

- **Approval of Right of Way Transaction from the Central Nebraska Public Power District to Clarence Davenport (Landowner)**  
 Adjacent to A10.6-1.0W-0.45 0.0 to 0.25-the right of way being 1,247 feet long by 40 feet wide, in exchange for moving the delivery point

- **Approval of Award of Bid – E-65 Earthwork**  
 Jim Ostgren Const. Co. Holdrege, NE \$99,955.60

- **Closure of Contract 0-647 – Nebraska Machinery Company**  
 On March 4, 2013, Contract No. 0-647 was awarded to Nebraska Machinery Company, for a 2008 Caterpillar 324DL Excavator, at a cost of \$180,075.00, plus \$2,150.00 for option 1 (extended warranty), less \$31,000.00 trade-in, plus \$8,317.38 Nebraska sales tax, for a total contract amount of \$159,542.38.

All equipment has been delivered, inspected and found to be satisfactory. We recommend payment in the amount of \$159,542.38 be made to Nebraska Machinery

Company, and contract 0-647 be closed.

- **Approval of Variance Request – Janette Mooberry**  
Request for a variance to the policy regarding the lowest living elevation for a structure at 14 Park Drive 28, Johnson Lake
- **Approval of 2013 Budget Revision**  
Hydro Division Budget increase in the amount of \$15,900 for replacement of open lateral with pipeline on E65 lateral at 35.0-0.5-2.2
- **Work Order/Purchase Requisition Summary**  
Construction Work Order No. 186612, in the amount of \$14,526.97 for E-65-35.0-0.5-2.2 Pipeline (replace open lateral with pipeline)
- **Resolution No. 13-02 – Corporate Authorization Resolution**

RESOLUTION 13-02

Certificate of Corporate Authorization and Resolution

I, K. Scott Olson, being the duly constituted Secretary of The Central Nebraska Public Power and Irrigation District, a corporation organized and existing under and by virtue of The State of Nebraska (hereinafter called “this Corporation”) do hereby certify that the following is a true and complete copy of resolutions duly adopted at a meeting of the Board of Directors of this Corporation, duly called and held on May 6, 2013, at which a quorum was present and voting; that said resolutions are still in force and effect and have not been rescinded; and that said resolutions are no in conflict with the Charter or By-Laws of the Corporation:

RESOLVED that any of the following officers or administrators (specify name and title), to wit:

Robert B. Dahlgren	Treasurer
Rochelle A. Jurgens	Controller
Don D. Kraus	General Manager

of this Corporation be, and they hereby are, fully authorized and empowered (1) to establish and maintain one or more accounts with Wells Fargo Brokerage Services LLC, of Lincoln, NE, Heritage Bank, Hastings, NE, First Bank and Trust Co. of Minden, NE, Pinnacle Bank of Ogallala, NE, and First National Bank of Holdrege, NE, for the purpose of purchasing, investing in, or otherwise dealing with all forms of cash and securities, (2) to transfer, convert, endorse, buy, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this Corporation, (3) to make, execute and deliver, under the corporate seal of this Corporation, if any, any and all written instruments of assignment and transfer necessary or proper to effectuate such assignment and transfer, and (4) to do any of the aforementioned acts to administer and manage this Corporation’s Certificate of Deposit investments by and through the CDARs Program with any financial institution engaged by this Corporation from time to time for this purpose.

FURTHER RESOLVED that the Secretary or an Assistant Secretary of this Corporation then in office is hereby authorized (1) to execute a certificate from time to time setting forth these resolutions and stating that these resolutions are in full force and effect and certifying that the persons named are then officers of this Corporation, and (2) to annex or cause such certificate to be annexed to an instrument of assignment and transfer executed pursuant to and in accordance with the foregoing resolutions.

FURTHER RESOLVED that any person receiving such certificate shall be entitled to assume and act in reliance on the assumption without further inquiry or investigation and regardless of the date of such certificate, that the shares of stock or other securities named in such instrument were duly and properly transferred, endorsed, sold, assigned, set over and delivered by this Corporation, and that with respect to such shares of stock

or other securities, the authority of these resolutions and such officers is still in full force and effect.

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

WATER SERVICE AGREEMENTS AND TERMINATIONS: The following Water Service Agreements and terminations were presented for approval:

System	Acct. No.	Legal Description	Landowner	Contr. Acres	Total Acre Chg'd.
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**AWEP AGREEMENT**

Phelps 6182302.....Pt S1/2S1/2NW1/4&SW1/4 23-6-18..Don H Holen Farms Ltd

**"14" Yr WATER SERVICE AGREEMENTS (Standard 10-Yr TERM + Add'l 4-Yr TERM due to AWEP)**

Phelps 6182302.....Pt S1/2S1/2NW1/4&SW1/4 23-6-18.....Don H Holen Farms Ltd..... 174.....(1)(5)

**COMBINE ACCOUNTS**

Phelps 6162701.....S1/2NW1/4 & SW1/4 27-6-16.....Marcia V Rost et al ..... 213.....(1)(5)  
*(NOTE: Previously Account 6162701, 138 acres & Account 6162702, 75 acres)*

Phelps 8193107.....N1/2 31-8-19.....Clarence Davenport..... 294.....(1)  
*(NOTE: Previously Account 8193107, 150 acres & Account 8193108, 144 acres)*

E65 8221701.....NE1/4 & N1/2SE1/4 17-8-22.....Marian A & Robert R Berke ..... 157.....(1)  
*(NOTE: Previously Account 8221701, 60 acres & Account 8221703, 97 acres)*

**WATER SERVICE AGREEMENTS**

Phelps 6160301.....Pt S1/2NW1/4&N1/2SW1/4 3-6-16 ...Marsha L Reiss et al ..... 118.....(1)..... +14

Phelps 6171408.....NE1/4SW1/4 14-6-17 .....Cheryl & David Strolberg ..... 35.....(1)

Phelps 7152901.....NE1/4 29-7-15 .....First Nebraska Trust Co ..... 58.....(1)..... +11

E65 7192801.....SE1/4 28-7-19 .....Dorothy J Nelson et al..... 140.....(1)..... +60

**IMMEDIATE TERMINATION**

E65 6202401.....N1/2NE1/4 24-6-20 .....Nancy M Morse..... 54.....(prior to 2013)

E65 7192701.....S1/2 27-7-19 .....Winsome Inc ..... 90.....(prior to 2013)

**3-Yr TERMINATION**

SC 9054.....NE1/4NE1/4 6-10-25 &  
 (S1/2&NW1/4) SE1/4 31-11-25 .....The Girl's Place LLC ..... 98.....(after 2015)

**10-Yr TERMINATION**

E65 7191801.....SE1/4 18-7-19 .....Sunny View Inc ..... 144.....(after 2023)

E65 7201102.....SE1/4 11-7-20 .....Sunny View Inc ..... 146.....(after 2023)

- (1) IPP Amendment to Water Service Agreement for the 2013 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2013 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2012, landowner came-back with new WSA.
- (4) Water Service Agreement in 10-year termination (after 2015), 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 R. Olson, seconded by Director Rowe, that the Board approve the Water Service Agreements and Terminations as presented, including combining the Marcia Rost accounts. Upon voting on the motion, the following Directors voted therefore: Dahlgren, Garrett, Hove, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, and Bogle. None voted no and the motion was declared carried.

LEGISLATION: Tim Anderson gave a brief update on legislative issues affecting the District.

BRIDGE ACROSS THE OUTLET CANAL AT JOHNSON LAKE: Chase Eilers, President of Eilers Machine and Welding, Inc., was present to announce that his company would like to build and donate a bridge to cross the outlet canal at Johnson Lake. He described the skills and certifications of his staff and was confident his company is capable of such a project. He explained how his mother was hit by a vehicle while riding her bike on the trail some time ago which resulted in her being in a coma for four days. It was his mother's idea to construct and

donate the bridge to connect the trails to minimize the possibility of a similar accident in the future. A copy of a letter from Eilers was available for review by the board.

RESOLUTION 13-03 – BRIDGE ACROSS THE OUTLET CANAL AT JOHNSON LAKE: The following resolution was presented for approval:

RESOLUTION 13-03

Whereas, cabin owners at Johnson Lake, organized through a Trails Committee, have made substantial progress in the construction of a hike/bike trail (Trail) around the lake; and

Whereas, the Trails Committee has explored alternatives to connect the Trail across the outlet canal at Johnson Lake including the construction of a new bridge; and

Whereas, the Eilers family from Lexington, Nebraska has offered to provide a bridge across the outlet canal;

Therefore be it Resolved that the Board of Directors of The Central Nebraska Public Power and Irrigation District accepts the generous offer of a bridge across the outlet canal at Johnson Lake from the Eilers family and authorizes staff to work with the Trails Committee to complete the bridge project; and

Therefore be it Further Resolved that the Board of Directors thanks the Eilers family for their contribution of the bridge and members of the Trails Committee for their hard work to complete the Trail.

**It was moved by Director Rowe, seconded by Director Hove, that the Board adopt Resolution 13-03 as presented. Upon voting on the motion, the following Directors voted therefore: Garrett, Hove, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, and Dahlgren. None voted no and the motion was declared carried.**

MILLER & ASSOCIATES' AGREEMENT FOR PROFESSIONAL SERVICES RE: JOHNSON LAKE PEDESTRIAN BRIDGE: A contract was presented for review which would create a project team led by Miller and Associates (M&A) and include R.O. Youker. Youker would discuss the bridge concept with Chase Eilers, make a recommendation of the preferred design concept, complete design drawings, and certify the design meets all standards. M & A would work with all parties to create an acceptable schedule. The agreement also encompasses all surveying, geotechnical analysis, hydraulic studies, obtaining necessary permits for the bridge installation, and providing construction inspection services during the installation. The base bid is \$22,405.00 with an alternative bid for M & A to coordinate the bid process for an additional \$750.00.

**It was moved by Director S. Olson, seconded by Director Rowe, that the Board approve the Agreement for the Provision of Limited Professional Services with Miller & Associates, Consulting Engineers, P.C. for the Johnson Lake Pedestrian Bridge project. Upon voting on the motion, the following Directors voted therefore: Hove, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, and Garrett. None voted no and the motion was declared carried.**

SPRING GROUNDWATER REPORT: Dave Ford presented information about the changes in water levels in District observation wells from 2012 to 2013, along with a 10 year look back analysis. He randomly selected five wells within Central's district for more detailed examination and reported on those results. As anticipated, the wells have seen a decline in levels.

6 MILE CANAL WATER RIGHTS TRANSFER: This was discussed in Closed Session.

PERSONNEL: There was no discussion

OUT OF STATE TRAVEL: There was no discussion.

BOARD COMMENTS: Director S. Olson reiterated some of Dave Dahlgren's

comments from earlier in the meeting regarding the meeting with the Central District Water Users. Director Knoerzer discussed the potential for declines in the water mound to require regulation of ground water wells with John Thorburn.

A break was taken at 10:00 a.m. and the meeting resumed at 10:14 a.m.

OPERATIONS REPORT: The following operations reports were presented:

- a) Cory Steinke gave a presentation entitled “Snow in the Mountains” which reported on the snowpack levels and its effect on Seminoe, Glendo and Pathfinder reservoirs. Even though the snowpack has increased this spring, the runoff estimates still remain low – approximate 55% of normal. He reminded everyone that Lake McConaughy in particular relies on return flows from irrigation, not necessarily run off from the reservoirs in Wyoming;
- b) Kevin Boyd stated Phase II of the Gothenburg office remodel is nearly complete and they are readying for Phase III which will include finishing the concrete in the parking lot, installing a new fence with automatic sliding gate, upgrading the entrance lobby, and adding a media/conference room.
- c) Dave Ford advised they continue to fill canals and repair leaks;
- d) Mike Drain attended the NHA conference in Washington D.C. last week and a FERC meeting on upcoming changes to dam safety regulations;
- e) Eric Hixson had nothing to report;
- f) Holly Hiebert stated she has been busy preparing and printing the spring newsletter and helping Tim Anderson mail postcards about tours; and
- g) Tim Anderson attended the public informational meeting at Lake McConaughy about zebra mussels. He reported the Nebraska Game and Parks are really pushing to set up inspection sites to ensure our lakes remain free of infestation.

WORKSHOPS, SEMINARS AND CONFERENCES: There was no discussion.

**At 10:23 AM, it was moved by Director R. Olson, seconded by Director Hove, that the Board enter into Closed Session to discuss legal issues related to the 6 Mile Canal Water Rights Transfer. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Garrett, and Hove. None voted no and the motion was declared carried. President Nelson stated that the only item to be discussed in Closed Session is the 6 Mile Canal Water Rights Transfer.**

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

**At 10:30 AM, it was moved by Director Knoerzer, seconded by Director Mueller, 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, Garrett, and Hove. None voted no and the motion was declared carried. President Nelson stated that the item discussed in Closed Session was the 6 Mile Canal Water Rights Transfer.**

**It was moved by Director R. Olson, seconded by Director S. Olson, that Central staff proceed as directed during Closed Session with regard to the 6 Mile Canal Water Rights Transfer. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Garrett, Hove, and Knoerzer. None voted no and the motion was declared carried**

The meeting adjourned at 10:32 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER  
AND IRRIGATION DISTRICT

\_\_\_\_\_  
K. Scott Olson, Secretary

By \_\_\_\_\_  
Dudley L. Nelson, President