

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
(SUPER 8 MOTEL, HOLDREGE, NEBRASKA)
MARCH 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 February 24, 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 February 14, 2014.

The following Directors were present:

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

Also present were the following:

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

Others present:

Lori Potter, Kearney Hub	Gary Robison
Dave Dannehl, First State Bank of Loomis	Joe Jeffrey
John Thorburn, Tri-Basin NRD	Dean Nelson

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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: Gary Robison read excerpts from a brochure regarding the J-2 regulating reservoir project and asked several questions which were addressed by staff. John Thorburn explained Tri-Basin's view of and role in the J-2 project. Thorburn also reported over 60 people attended the recent Holdrege Water Conference. Dean Nelson stated he thought there should have been more public input meetings to date on the J-2 regulating reservoir project. Don Kraus explained that public meetings will be held during the permitting process.

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. Director Rowe requested the Minutes of the Regular Business Meeting of the Board of Directors held February 3, 2014 be removed from the consent agenda to be voted on separately.

- **Approval of Minutes of Committee Meeting of the Board of Directors held February 21, 2014**
- **Approval of the February Disbursements:**

Hydro Division Vouchers:

Check #s 45894 through 46112 and #s 99373 through 99378
 (Accounts Payable)
 Check #9909399 through 9909505 \$1,328,932.51
 (Payroll)

Kingsley Division Operations Disbursements:

Check #2661 through 2666 (Accounts Payable) \$43,100.57

J-2 Regulating Reservoir Construction Fund Disbursements:

Check #1017 through 1019 (Accounts Payable) \$9,803.06

Glendo Division Disbursements:

Check #1102 \$2,022.84

Flex Spending Account Disbursements:

Check #6816 through 6827 \$3,040.65

➤ **Approval of Work Order/Purchase Requisition Summary**

- Supplemental Work Order No. 107321 to construct offices for electricians in Gothenburg shop - \$11,390.00

➤ **Approval of Right of Way Transactions**

APPLICATION FOR REMOVAL OF BRIDGE OR CROSSING

E65 E65#129 NW1/4 32-8-20 Rogene A & Paul D Peterson, Trustees
 ▶ Remove a culvert farm crossing located at approximate Milepost 3.5 on the E65-23.7-1.7 canal that is no longer needed or used.

APPLICATION FOR ABANDONMENT OF BRIDGE OR CROSSING

E65 E65#57 NW1/4 31-7-19 Stephen B & Carolyn G Larson
 ▶ Landowner requests that Central abandon bridge and return ownership to the landowner. Landowner will accept any and all liability for future use or maintenance. E65-23.7 Main Canal MP11.9.

➤ **Approval of Progress Estimate No. 16 – Contract No. 0-642**

Wayne Dowhower Construction, Inc. - \$50,360.12 – reduce retainer by 50%

➤ **Approval of Water Service Agreements**

- Suburban Irrigation District
- Lisco Irrigation District

➤ **Approval of Engineering Agreement with Miller & Associates to replace MP 5.6 Supply Canal Bridge - \$15,600.00**

➤ **Approval of Increase of \$3,555.00 in Authorization to Contract with Mead & Hunt, Inc. Contract for Kingsley Dam PMF Study; New Total Authorized Amount of \$134,105**

It was moved by Director Knoerzer, seconded by Director Soneson, that the Board approve the Consent Agenda excluding the Minutes of the Regular Business Meeting of the Board of Directors held February 3, 2014. 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.

MINUTES OF REGULAR BUSINESS MEETING OF THE BOARD OF DIRECTORS HELD FEBRUARY 3, 2014: It was moved by Director S. Olson, seconded by Director Petersen that the Board approve the Minutes of the Regular Business Meeting of the Board of Directors held February 3, 2014 as written. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Rowe abstained. None voted no and the motion was declared carried.

WATER SERVICE AGREEMENTS AND TERMINATIONS: Van Fastenau reviewed the changes since the Committee Meeting of the Board. The following were presented:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
<u>WATER SERVICE AGREEMENTS</u>					
Phelps	6171906.....	Lots 4 & 5 19-6-17.....	Merna Larson	80.....(1).....	+18
E65	7191903.....	SW1/4 19-7-19.....	Joan T Swan et al	101.....(1).....	+7

(NOTE: 7 ac from 7191801)

COMBINE ACCOUNTS

Phelps 7183005.....NW1/4 30-7-18.....Shawn A & Heather S Florell 150.....(1)

(NOTE: Previously Acct. 7183005, 112 ac & Acct. 7183006, 38 ac)

(1) IPP Amendment to Water Service Agreement for the 2014 irrigation season accompanies new WSA.

It was moved by Director Fowler, seconded by Director S. Olson, that the Board approve the Water Service Agreements and Terminations 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.

ALLOCATION ONE YEAR TRANSFERS: Dave Ford stated there was an increase in acres since the Committee Meeting of the Board. An updated list of the 2014 transfers was presented reflecting 28,323.4 transferred acres and 3,533.0 deep well acres.

It was moved by Director S. Olson, seconded by Director R. Olson, that the Board approve the 2014 Allocation One Year Transfers 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.

AMENDMENT NO. 1 TO HYDRO POWER PURCHASE AGREEMENT – KANSAS CITY POWER AND LIGHT: This was discussed in Closed Session.

NPPD SUBSTATION SERVICE AGREEMENT: Eric Hixson sent a revision to NPPD for review and hopes to have an agreement ready for the March 21, 2014 Committee Meeting of the Board.

J-2 REGULATING RESERVOIR: Mike Drain stated FERC designated Central as the non-Federal representative for purposes of consulting with the various agencies involved with the project.

PERSONNEL: There were no personnel issues.

LEGISLATION: Jeff Buettner presented the latest Legislative Watch List and pointed out the addition of information in the last column indicating if Central testified in support or opposition of a bill. He continues to closely monitor LB965, LB985 and LB1098.

A break was taken at 10:02 a.m. The meeting resumed at 10:23 a.m.

DIRECTORS' ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: There were no comments.

OPERATIONS REPORT: The following operations reports were presented:

- a. Devin Brundage continues to work on the SCADA System;
- b. Cory Steinke reported Lake McConaughy's elevation is at 3237.4, 1,025,000 acre feet and 59% capacity. Snowpack is at or above 100%. The South Platte has iced over but flows will resume upon thawing.
- c. Holly Hiebert stated March 2, 2014 was the last day of eagle viewing. The number of eagles was less than last year but attendance was good.
- d. Rochelle Jurgens will provide copies of the completed actuarial report at the March 29, 2014 Committee Meeting of the Board.
- e. Mike Drain placed employment ads in several newspapers seeking a replacement for Frank Vetter who will retire later this year.

At 10:28 AM it was moved by Director Mueller, seconded by Director Knoerzer, 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, Rowe, Soneson, Bogle, and Dahlgren. None voted no and the motion was declared carried. President Nelson stated the item to be discussed in closed session was Amendment No. 1 to Hydro Power Purchase Agreement-Kansas City Power and Light.

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

At 10:31 AM it was moved by Director Petersen, seconded by Director S. Olson, 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, Rowe, Soneson, Bogle, and Dahlgren. None voted no and the motion was declared carried. President Nelson stated the only item discussed in Closed Session was Amendment No. 1 to Hydro Power Purchase Agreement-Kansas City Power and Light.

AMENDMENT NO. 1 TO HYDRO POWER PURCHASE AGREEMENT-KANSAS CITY POWER AND LIGHT: It was moved by Director Knoerzer, seconded by Director S. Olson, to approve Amendment No. 1 to Hydro Power Purchase Agreement-Kansas City Power and Light 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.

The meeting adjourned at 10:34 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President