

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
APRIL 7, 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 March 31, 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 March 21, 2014.

The following Directors were present:

Dudley L. Nelson, President		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

*arrived at 9:08 a.m.

The following Director was absent: Geoffrey K. Bogle

Also present were the following:

Don D. Kraus, General Manager	Greg Ham, Purchasing Agent
Dave R. Ford, Irrigation Division Manager	Rochelle A. Jurgens, Controller
Frank C. Vetter, Real Estate Administrator	Eric R. Hixson, Engineering Services Mgr.
Cory A. Steinke, Civil Engineer	Holly G. Hiebert, Public Relations Asst.
Jeff J. Buettner, Public Relations Coord.	Tim Anderson, Public Relations Advisor
Kevin M. Boyd, Gothenburg Division Mgr.	Michael C. Klein, Legal Counsel
Mike A. Drain, Natural Resources Mgr.	Emily Anderson, Assistant Secretary
Devin M. Brundage, Electrical Superintendent	

Others present:

John Thorburn, Tri-Basin NRD	Lori Potter, Kearney Hub
Dean Nelson	Gary Robison

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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: John Thorburn reported Tri-Basin NRD will begin reading spring water levels this week; trees are available for planting windbreaks; and the Water Jamboree is scheduled for the end of April. Gary Robison asked for clarification on several questions he previously asked at the March Board meeting about the J-2 Regulating Reservoir Project.

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 March**

3, 2014

- Approval of Minutes of Special Committee Meeting of the Board of Directors held March 4, 2014
- Approval of Minutes of Special Committee Meeting of the Board of Directors held March 5, 2014
- Approval of Minutes of Committee Meeting of the Board of Directors held March 28, 2014
- Approval of the March Disbursements:

Hydro Division Vouchers:

Check #s 46048 and 46062 VOID

Check #s 46113 through 46344 and #s 8800379 through 8800383, 8899053 (Accounts Payable) \$915,967.65

Check # 9909506 through 9909607 (Payroll) \$317,347.44

Kingsley Division Operations Disbursements:

Check # 2667 through 2672 (Accounts Payable) \$44,007.22

J-2 Regulating Reservoir Construction Fund Disbursements:

Check #1020 through 1023 (Accounts Payable) \$28,005.93

Glendo Division Disbursements:

Check #NONE \$NONE

Flex Spending Account Disbursements:

Check #6828 through 6837 \$2,240.42

- Approval of Work Order/Purchase Requisition Summary
Work Order No. 186617 – Replacement pump for collapsed E-65 #4 well (\$21,917.39)
- Approval of Closure of Contract No. 0-653 – Platte Valley Auto Mart for four vehicles for a total contract cost of \$88,320.00
All equipment has been delivered, inspected and found to be satisfactory. Payment in the amount of \$88,320.00 is recommended to be paid to Platte Valley Auto Mart, and Contract No. 0-653 shall be closed.
- Approval to Advertise for 2014 Water Right Transfers
- Approval of iPad Usage Policy
- Approval of Transmission Substation Services Agreement between The Central Nebraska Public Power and Irrigation District and Nebraska Public Power District
- Approval of Services Agreement between The Central Nebraska Public Power and Irrigation District and Johnson Lakes Development, Inc.

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

WATER SERVICE AGREEMENTS AND TERMINATIONS: Dave Ford reported no changes to the Water Service Agreements and Terminations list 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>					
E65	7200201S1/2 2-7-20Joseph L Schwartz Jr, et al286(1)
		<i>(NOTE: Ownership correction)</i>			
E65	7201504SE1/4SW1/4 15-7-20Robert P & Connie Johnson et al40(1)
		<i>(NOTE: Ownership correction)</i>			

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

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

ALLOCATION YEAR TRANSFERS: Dave Ford presented the 2014 transfers reflecting 28,283.4 acres and 3,573.0 deep well acres.

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

RIGHT OF WAY TRANSACTIONS: Dave Ford presented an Application to Close Lateral and informed the Directors a small pivot will be installed to cover the corners. Central will retain the right of way.

System	Tract No.	Legal Desc.	Landowner
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APPLICATION TO CLOSE LATERAL

Phelps	A29.1#70 &		
	A29.1#109	Pt S1/2SW1/4NE1/4 &	Morgan Wells et al
		(W1/2 & SE1/4)SE1/4 33-7-16	
		(Lateral A29.1-13-6-2.5 Milepost 0.0 to 0.6 (end)	

BLACK & VEATCH CORPORATION – TASK ORDER: This was discussed in Closed Session.

2014 BUDGET REVISIONS: Three budget revisions were presented:

- a. Increase Irrigation Capital Budget by \$22,000.00 for a revised budget of \$98,000.00 to replace the pump on the #4 well on E-65;
- b. Increase the budget for the Southwest Power Pool Study by \$167,000.000 for a revised budget of \$190,000.00;
- c. Shift \$58,000.00 between accounts for the Kingsley transformer repairs.

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

J-2 REGULATING RESERVOIR: Don Kraus provided follow-up to Director Dahlgren's concerns from the March 28, 2014 Committee of the Board Meeting where he questioned the type of lining used in the Johnson Lake Sanitary Improvement District's lagoons and how it compared to the lining process that would be used in the J-2 project. Kevin Boyd contacted a representative from the SID who indicated the first lagoon was lined with a clay and bentonite mixture (bentonite is typically used when lower quality clay is involved). This lagoon leaked at first, but eventually sealed. The second lagoon also used a mixture of clay and bentonite and it also leaked. Higher quality clay was installed and it sealed. The third lagoon was sealed with local, high quality clay and it sealed fine. The important issue is good engineering on selection of the clay for the liner and proper installation.

PEDESTRIAN BRIDGE – JOHNSON LAKE: Kevin Boyd discussed a recent meeting between Central, Ron Fowler and Chase Eilers. Boyd stated the anticipated cost of the Eilers' bridge has increased significantly due to the requirement to use a heavier gauge steel to meet pedestrian bridge building specifications. Eilers is now considering contracting with a Florida company to construct an aluminum bridge which would require support structures. Miller & Associates will review the design of the support structures and revise their cost estimates. Ron Fowler stated the Trail Committee has no preference whether the bridge is constructed of steel or aluminum. More information will be available for the April Committee Meeting of the Board.

LAKE IMPROVEMENT FUND REQUESTS: Two requests were considered for the Lake Improvement Fund:

- a. Contribute \$5,000.00 to Johnson Lake Development, Inc. for the removal of carp at Johnson Lake;

- b. Contribute \$100,000.00 over the next two to three years for the addition of a meeting room to the Lake McConaughy Visitors Center.

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

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner continues to follow LB1098 which would expand representation on the Natural Resources Commission and provide funding for water issues in Nebraska. He also explained a proposal to merge the Ag and Natural Resource Committees into one committee. The Rules Committee will hold a hearing later this week to consider the proposal. Central has not yet taken a position on this proposed merger as the information was just made available this morning.

DIRECTORS' ATTENDANCE: **It was moved by Director Dahlgren, seconded by Director Rowe, that Director Bogle be excused from the Board meeting. Upon voting on the motion, the following Directors voted therefore: Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Dahlgren, Fowler, Garrett, Knoerzer, and Mueller. Absent: Bogle. None voted no and the motion was declared carried.**

BOARD COMMENTS: Director Rowe asked if anyone knew how the ATV Jamboree at Lake McConaughy turned out. Director Mueller said he was unaware of any negative reports.

OPERATIONS REPORT: The following operations reports were presented:

- a. Kevin Boyd attended a Platte River Basin Coalition meeting last week at Twin Platte NRD and while he was there he spoke to Ann Dimmitt regarding an assessment Central is going to receive. Twin Platte is assessing an occupation tax of \$10 per irrigated acre for its share of the N-CORPE project. Irrigators have already received the notice but Twin Platte inadvertently forgot about surface water users so Central should expect a bill in the amount of \$3,577.00. The 357.7 irrigated acres in the Clear Creek area are managed by Nebraska Game and Parks. Further research will be conducted regarding whether occupation taxes can be assessed to a political subdivision and whether they can be passed on to Nebraska Game and Parks.
- b. Devin Brundage continues to work on the SCADA system. The substation equipment at J-2 was installed last week and the power plants are operating well.
- c. Cory Steinke reported Lake McConaughy's elevation is steady at 3,239.0, 1,067,000 acre feet, with approximately 1,000 cfs coming in and going out. Snowpack is good with most areas 2"-3" above average.
- d. Dave Ford will start the irrigation diversions into the canals beginning April 15. Repairs to a concrete apron at Check Gate 9.7 may need to be done prior to diversion into the Phelps Canal. The lining project north of Holdrege is underway.

A break was taken at 10:13 a.m. The meeting resumed at 10:28 a.m.

At 10:28 AM it was moved by Director Knoerzer, seconded by Director R. Olson, that the Board go into Closed Session to discuss legal matters. Upon voting on the motion, the following Directors voted therefore: R. Olson, S. Olson, Petersen, Rowe, Soneson, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, and Nelson. Absent: Bogle. None voted no and the motion was declared carried. President Nelson stated the items to be discussed in Closed Session were Black & Veatch Corporation-Task Order and Personnel.

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

At 10:41 AM it was moved by Director Soneson, 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: S. Olson, Petersen, Rowe, Soneson, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson. Absent: Bogle. None voted no and the motion was declared carried. President Nelson stated the only items discussed in Closed Session were Black & Veatch Corporation-Task Order and Personnel.

BLACK & VEATCH CORPORATION – TASK ORDER: It was moved by Director Petersen, seconded by Director Dahlgren, to approve the Black & Veatch Corporation – Task Order (Exhibit A-1 to the Consulting Services Agreement) as presented. Upon voting on the motion, the following Directors voted therefore: Petersen, Rowe, Soneson, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, and S. Olson, Absent: Bogle. None voted no and the motion was declared carried.

The meeting adjourned at 10:41 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President