

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
JULY 6, 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 June 29, 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 June 19, 2015.

The following Directors were present:

Dudley L. Nelson, President		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

The following Director was absent: Geoffrey K. Bogle

Also present were the following:

Don D. Kraus, General Manager	Van D. Fastenau, Customer Service Super.
Kevin M. Boyd, Gothenburg Division Mgr.	Greg Ham, Purchasing Agent
Rochelle A. Jurgens, Controller	Tyler Thulin, Civil Engineer
Mike A. Drain, Natural Resources Mgr.	Jim Brown, Land Administrator
Dave R. Ford, Irrigation Division Manager	Holly G. Rahmann, Public Relations Asst.
Cory A. Steinke, Civil Engineer	Michael C. Klein, Legal Counsel
Jeff J. Buettner, Public Relations Coord.	Emily Anderson, Assistant Secretary
Devin M. Brundage, Electrical Super.	

Others present:

James Stubbendieck	Lori Potter, Kearney Hub
Scott Dicke	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: None.

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 June 1, 2015**
- **Approval of Minutes of Special Meeting of the Board of Directors held June 26, 2015**
- **Approval of Minutes of Committee Meeting of the Board of Directors held June 26, 2015**

➤ **Approval of Minutes of Special Meeting of the Board of Directors held July 2, 2015**

➤ **Approval of the July Disbursements:**

<i>Hydro Division:</i>	\$904,017.98
49408 through 49662 and 8800472 through 8800478 (Accounts Payable);	
Check #s 9911073 through 9911181 (Payroll)	\$347,318.99
<i>Kingsley Division:</i>	\$86,608.62
Check #s 2759 through 2768 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$474,597.27
Check #s 1127 through 1134 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$880.07
Check #s 6946 through 6948	

➤ **Approval of revision to May 4, 2015 Regular Business Meeting Minutes to correct error in legal description (Herbert S. Johnson) (Page 19,217):**

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres	Chg'd
<u>WATER SERVICE AGREEMENTS</u>						
Phelps	6172204	(NE1/4 & S1/2) SW1/4 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.

➤ **Approval of the variance request to allow for the construction of a livable basement below a future home at 8 Northeast Bay using the following elevations:**

- i. Lowest Living Elevation will be $\geq 2,618.0$ msl
- ii. Lowest Opening Elevation will be $\geq 2,623.5'$ msl
- iii. Lowest Adjacent Grade Elevation will be $2,622.0'$ msl
- iv. Lowest Openings (egress windows) must meet side lot line setbacks

➤ **Approval of the variance request for the construction of an addition to the north side of the cabin at 37 North Shore, Johnson Lake which would encroach approximate 3' – 5' into the 50' shoreline setback, contingent upon written approval by both neighbors**

➤ **Approval of Progress Estimate No. 1 (Final) – Contract No. 0-657.3 – Janssen Auto Group, 2015 Pickup (\$24,781.00)**

➤ **Closure of Contract No. 0-657.3 – Janssen Auto Group, 2015 Pickup (\$24,781.00)** On February 2, 2015, Contract No. 0-657.3 was awarded to Janssen Auto Group for one vehicle for a total contract amount of \$24,781.00. All equipment has been delivered, inspected and found to be satisfactory. We recommend payment in the amount of \$24,781.00 be made to Janssen Auto Group and Contract No. 0-657.3 shall be closed.

➤ **Progress Estimate No. 1 (Final) Contract No. 0-657.4 – Lee Janssen Motor Company, 2015 Pickup (\$37,104.00)**

➤ **Closure of Contract No. 0-657.4 – Lee Janssen Motor Company, 2015 Pickup (\$37,104.00)** On February 2, 2015, Contract No. 0-657.4 was awarded to Lee Janssen Motor Company for one pickup at a total contract amount of \$37,104.00. All equipment has been delivered, inspected and found to be satisfactory. We recommend payment in the amount of \$37,104.00 be made to Lee Janssen Motor Company and Contract No. 0-657.4 shall be closed.

➤ **Approval of Mead & Hunt Contract Amendment No. 5 to Kingsley Dam PMF Study (\$4,800.00)**

➤ **Approval of Hospital Medical Trust Report**

The report provides the required accruals for 2015 to the Hospital /Medical Trust Fund and the activity in the fund for 2014 as required by State Statute 13 -1620.

➤ **Approval of 2015/2016 Board Meeting Schedule**

Committee and Board meeting dates for 2016 are as follows (2015 meeting dates were previously approved). All meetings will be held in the Board Room of the Holdrege Office (unless changes are made and notices sent at a later date), with Regular Committee meetings and Regular Board Business meetings scheduled to begin at 9:00 AM.

<u>Regular Committee Meeting Date</u>	<u>Regular Business Meeting Date</u>
Friday, July 24, 2015	Monday, August 3, 2015
Friday, August 28, 2015	Tuesday, September 8, 2015
Friday, September 25, 2015	Monday, October 5, 2015
Friday, October 23, 2015	Monday, November 2, 2015
Monday, November 30, 2015	Monday, December 7, 2015
Monday, December 28, 2015	Monday, January 4, 2016
Friday, January 22, 2016	Monday, February 1, 2016
Friday, February 26, 2016	Monday, March 7, 2016
Friday, March 25, 2016	Monday, April 4, 2016
Friday, April 22, 2016	Monday, May 2, 2016
Friday, May 27, 2016	Monday, June 6, 2016
Friday, June 24, 2016	Tuesday, July 5, 2016
Friday, July 22, 2016	Monday, August 1, 2016
Friday, August 26, 2016	Tuesday, September 6, 2016
Friday, September 23, 2016	Monday, October 3, 2016
Friday, October 28, 2016	Monday, November 7, 2016
Monday, November 28, 2016	Monday, December 5, 2016
Friday, December 23, 2016	Thursday, January 5, 2017

Observance of holidays by the District will be as follows:

- 2015 Labor Day, Monday, September 7, 2015
- Thanksgiving Day, Thursday, November 26, 2015
- Christmas Day, Friday, December 25, 2015
- 2016 New Year's Day, Friday, January 1, 2016
- Good Friday, March 25, 2016
- Memorial Day, Monday, May 30, 2016
- Independence Day, Monday, July 4, 2016
- Labor Day, Monday, September 5, 2016
- Thanksgiving Day, Thursday, November 24, 2016
- Christmas Day (observed), Monday, December 26, 2016
- 2 Floating Holidays (Employee's Choice)

It was moved by Director Petersen and seconded by Director Knoerzer to 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: Van Fastenau stated there were two new Water Service Agreements since the June 26, 2015 Committee Meeting of the Board:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
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COMBINE ACCOUNTS

E65	6190801.....	NE1/4 8-6-19	K & D Land Company LLC.....	114.....	(1)
			(NOTE: Previously Account 6190801, 40 ac & Account 6190804, 74 ac)		
E65	6191701.....	SE1/4 17-6-19	R.K. Galaxy, Inc.....	58.....	(1)(5)
			(NOTE: Previously Account 6191701, 48 ac & Account 6191706, 10 ac)		

- (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.

It was moved by Director S. Olson 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, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, and Dahlgren. Absent: Bogle. None voted no and the motion was

declared carried.

RIGHT OF WAY TRANSACTIONS: Dave Ford described a Right of Way Transaction which is necessary due to the retirement of a lateral and installation of a pipeline.

System	Tract No.	Legal Desc.	Landowner	Landowner Easement to Central Acres	Central Quitclaim to Landowner Acres
<u>RIGHT-OF-WAY EXCHANGE</u>					
A18.7	A18.7#12	S½SE¼ of 18-T7N-R18	Richard Bergman et al	1.63	0.51

It was moved by Director Petersen and seconded by Director Mueller to approve the Right of Way Transaction 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.

WATER CONVEYANCE PERMITS: Dave Ford presented the following Water Conveyance Permits that were approved in the month of June, 2015:

Conveyance Permits		
7/6/2015		
Location	Operator	Notes
E67-0.5-0.9-1.3N to E67-0.5-0.9-1.3S-0.3	Tim Rowe	Terry is the only customer on this pipeline and will convey water across the county road to his pivot.
E67-0.9 to 1.1 & 1.5	Bryant Knoerzer	Bryant will convey water in the E67 main canal to two locations on the same account.

L & S ELECTRIC CHANGE ORDER NO. 1 FOR CONTRACT 15D20, KINGSLEY GENERATOR RELAY SETTINGS (\$1,344.00): Devin Brundage explained this contract change order is necessary for the addition of an electrical relay on the generator which will increase the cost by \$1,344.00.

It was moved by Director S. Olson and seconded by Director Knoerzer to approve the L & S Electric Change Order No. 1 for Contract 15D20 for the Kingsley Generator Relay Setting in the amount of \$1,344.00. 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.

2015 IRRIGATION SEASON: Don Kraus presented the Irrigation Committee's recommendation from their June 25, 2015 meeting to extend the 2015 Irrigation Season by two additional weeks.

It was moved by Director Garrett and seconded by Director Soneson to extend the 2015 Irrigation Season by two additional weeks. 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.

HOLDREGE STORAGE YARD RELOCATION: Jim Brown presented information comparing the costs and benefits of purchasing land from Jim Isaacson or the Phelps County Development Corporation to replace the south storage yard if it is sold to Southern Public Power District. More discussions concerning land negotiations were held in Closed Session.

WATER LEASING PROGRAM: Don Kraus presented the Water Leasing Principles document which was discussed by the Irrigation Committee at their meeting on June 25, 2015 and recommended for board approval. He stated the document contains the basic concepts of the program and discussions would need to continue with the Platte Program to further negotiate the specifics of the leasing program.

It was moved by Director Knoerzer and seconded by Director R. Olson to approve the Water Leasing Principles as presented and to continue discussions with the Platte Program. 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.

NDNR RULEMAKING RELATED TO FULLY APPROPRIATED DETERMINATIONS: Mike Drain presented Central's primary concerns with NDNR's Draft Rule, including Central's beliefs that it fails to meet statutory requirements, that it is conceptually flawed and that it is worse than the current rule. Drain and/or Don Kraus plan to attend a hearing tomorrow to provide testimony in opposition of the Draft Rule.

J-2 REGULATING RESERVOIR: Cory Steinke presented a status update and stated efforts to negotiate with landowners will continue. A new project cost should be available by September. Another series of geotechnical and cultural resource investigation studies will commence this fall after harvest is complete. More discussions involving land negotiations were held in Closed Session.

PERSONNEL: None.

LEGISLATION: None.

DIRECTORS' ATTENDANCE: **It was moved by Director Rowe and seconded by Director Petersen to excuse Director Geoffrey K. Bogle's absence from the meeting. 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.**

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Devin Brundage stated 35,000 MWH were generated in June on the Supply Canal, which is the best generation month of the year to date.
- b. Jim Brown commented that he has been busy issuing Permits to Construct.
- c. Cory Steinke reported that Lake McConaughy peaked at 3,263.5, 1,697,400 acre feet and 97% capacity, with inflows around 2,200 cfs. South Platte flows are starting to drop. Irrigation demand is increasing.
- d. Mike Drain informed the Directors that FERC approval was received to modify the project boundary along an area of Plum Creek.
- e. Dave Ford stated the third irrigation run begins today and recharge into Elwood Reservoir resumed last Thursday.
- f. Jeff Buettner is taking a group from the NRCS on tour next week which includes the District Conservationist, and the following week he is giving a presentation to a group of hail insurance adjusters.
- g. Holly Rahmann stated the ET data is now available on the website.
- h. Dave Ford indicated the E67 Telemetry project is operational. Marcia Trompke has been meeting with the irrigators to set up their account and train them on the system.

A break was taken at 9:55 a.m.

Director Dahlgren exited the meeting at 9:55 a.m.

The meeting resumed at 10:11 a.m.

At 10:15 AM it was moved by Director Petersen and seconded by Director Rowe for the Board go into Closed Session to discuss the sale of real estate and land negotiations. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Rowe, Soneson, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson, Absent: Bogle and Dahlgren. None voted no and the motion was declared carried. President Nelson stated that the items to be discussed in Closed Session were the following agenda items: Holdrege Storage Yard Relocation and J-2 Regulating Reservoir.

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

At 11:42 AM it was moved by Director R. Olson and seconded by Director Petersen for the Board to exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Rowe, Soneson, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson, Absent: Bogle and Dahlgren. None voted no and the motion was declared carried. President Nelson stated that the sale of real estate and land negotiations were discussed in Closed Session relating to the following agenda items: Holdrege Storage Yard Relocation and J-2 Regulating Reservoir.

HOLDREGE STORAGE YARD RELOCATION:

It was moved by Director S. Olson and seconded by Director Rowe to authorize the sale of the south storage yard to Southern Public Power District and negotiations with Jim Isaacson for the purchase of property. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Rowe, Soneson, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson, Absent: Bogle and Dahlgren. None voted no and the motion was declared carried.

The meeting adjourned at 11:45 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President