

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
JULY 31, 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 July 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 July 17, 2015.

The following Directors were present:

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

The following Directors were absent: Geoffrey K. Bogle, Ronald E. Fowler and K. Scott Olson.

Also present were the following:

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

Others present:

Jesse Harding, KRVN	Lori Potter, Kearney Hub
Gary Robison	John Thorburn, Tri-Basin NRD
Dean Nelson	Dede Peterson

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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 stated his concerns about the J-2 Regulating Reservoir project and would like to see the Directors participate in more debate and discussion about the topic. He discussed the J-2 flow releases, revenue to Central and relicensing. He stated he believes the Fish and Wildlife Service or the Platte Program should manage the reservoir. John Thorburn stated Tri-Basin has been busy with chemigation inspections, water quality measurements and running a booth at the Phelps County Fair. Tri-Basin's Board will hold their annual tour on August 11, 2015. Dean Nelson complimented Central's irrigation and conservation practices compared to 15-20 years ago and commended the ditch riders for the good job they are doing.

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 July 6, 2015**
- **Approval of Minutes of Committee Meeting of the Board of Directors held July 24, 2015**
- **Approval of the August Disbursements:**

<i>Hydro Division:</i>	\$841,113.54
Check #s 49414, 49424, 49444 and 49613-VOID; Check #s 49663 through 49873 and 8800479 through 8800492 (Accounts Payable);	
Check #s 9911182 through 9911289, 9857-9869 (Payroll)	\$349,606.98
 <i>Kingsley Division:</i>	 \$68,725.01
Check #s 2769 through 2773 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$43,308.03
Check #s 1135 through 1139 (Accounts Payable)	
<i>Glendo Division:</i>	\$7,928.16
Check #1105	
<i>Flex Spending Account:</i>	\$2,489.11
Check #s 6949 through 6952	

- **Approval of Work Order No. 107343 – J2/McCook Protection Relay Upgrade (\$64,000.00)**
- **Approval of Work Order No. 2107170 – Kingsley Hydro Inverter (\$42,000.00)**
- **Approval of Work Order No. 2107171 – Kingsley Generator Relaying (\$60,000.00)**
- **Approval of Work Order No. 107344 – Johnson Lake Pedestrian Bridge (\$189,000.00)**
- **Approval of Supplemental Work Order No. 107341S – GIS Nest Survey Software Application (\$2,269.00)**
- **Approval of revision to July 6, 2015 Regular Business Meeting Minutes to correct dates on the 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	Friday, July 31, 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
Thursday, March 24, 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)

- **Approval of the variance request at 72 K-1 Road, Lake McConaughy for the installation of a septic system and reserve septic system, subject to the following conditions: 1) Provide documentation that demonstrates the soil conditions are favorable to support a septic system drain field; 2) Meet all NDEQ and HHS standards; and 3) Obtain neighboring cabin owners' signatures and provide to Central**
- **Approval of the variance request at 56 North Point, Johnson Lake for the construction and remodeling of a house with a garage which would encroach 2.4 feet on the right side setback and 2 feet on the rear setback, contingent upon written approval by both neighbors**
- **Approval of Award of Bid - Electrorep Energy Prod (\$19,020.00) for the Kingsley Hydro Inverter System**
- **Approval of the Hydro Division Budget Revision #8 to the Gothenburg Capital Budget for the Johnson Lake Pedestrian Bridge - increasing the budget by \$29,000, for a revised budget of \$189,000**

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

CHANGE THE LOCATION AND TIME OF THE OCTOBER 5, 2015 REGULAR BUSINESS MEETING TO THE LAKE MCCONAUGHY VISITOR'S CENTER AT 10:00 A.M. MDT: Don Kraus stated the meeting would be held in the morning with a tour in the afternoon, followed by dinner at the Haythorn Ranch in the evening.

It was moved by Director Dahlgren and seconded by Director Mueller to approve a change in the location and time of the October 5, 2015 Regular Business Meeting to the Lake McConaughy Visitor's Center at 10:00 a.m. MDT. Upon voting on the motion, the following Directors voted therefore: Garrett, Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, Soneson, and Dahlgren. Absent: Bogle, Fowler and S. Olson. None voted no and the motion was declared carried.

BID TAB – PAINT KINGSLEY OVERHEAD CRANE: Eric Hixson stated staff recommends awarding the bid to W.S. Bunch in the amount of \$357,425.00 with the option to paint the logo in two locations on the overhead crane for an additional \$1,950.00, contingent upon NPPD's approval.

It was moved by Director Garrett and seconded by Director Knoerzer to award the Pint Kingsley Overhead Crane bid to W.S. Bunch in the amount of \$357,425.00, including the option to paint the logo in two locations on the overhead crane for an additional \$1,950.00, subject to NPPD's approval. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, Petersen, Rowe, Soneson, Dahlgren, and Garrett. Absent: Bogle, Fowler and S. Olson. None voted no and the motion was declared carried.

NEBRASKA COMMUNITY FOUNDATION AND PLATTE RIVER RECOVERY IMPLEMENTATION PROGRAM WATER LEASING PROGRAM: Don Kraus recommends Board approval of the Water Leasing Agreement as presented. If approved, Dave Ford will schedule a Water Users Meeting and initiate the process to implement the pilot program this fall.

It was moved by Director Knoerzer and seconded by Director Rowe approve the Water Leasing Agreement with the Nebraska Community Foundation and the Platte River Recovery Implementation Program as presented. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, Petersen, Rowe, Soneson, Dahlgren, and Knoerzer. Garrett voted no. Absent: Bogle, Fowler and S. Olson. The motion was declared carried.

J-2 REGULATING RESERVOIR: Cory Steinke presented the project update outlining the tasks completed and those in progress. The wetland and water quality plans have been submitted and the cultural resource plans are in development. He indicated significant geotechnical and cultural resource work will need to be done this fall. Efforts to gain access to properties to conduct the studies are ongoing. The project consultants, RJH, are working on the updated project cost estimate and Steinke hopes they will have that available in late August-early September. More discussions regarding land negotiations were held in Closed Session.

PERSONNEL: None.

LEGISLATION: Jeff Buettner stated he continues to follow several interim study resolutions.

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

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford said the start of the fifth irrigation run will start on Monday, August 3, 2015. He will begin communicating with customers regarding the new water leasing program.
- b. Cory Steinke reported that Lake McConaughy's elevation decreased to 3,262.7, 1,676,000 acre feet and 96.2% capacity, with inflows around 1,100 cfs. Generation continues to be very good. The upstream reservoirs are at good levels.
- c. Kevin Boyd stated they have been unable to replace the counterbalance that was lost in the canal on Check Gate MP 41.1, so he intends to ask FERC for an extension. There has been an increase of sediment at the Diversion Dam due to the excess water. He informed the Directors of a death at a campground at Lake McConaughy.
- d. Mike Drain stated there were no successful nests at Lake McConaughy. He is searching for a consultant to conduct a structural review of the Morning Glory.
- e. Jeff Buettner is conducting a tour on August 18, 2015 with the UNL Water for Food Institute. They will be visiting some pivots and the E67 Telemetry sites.
- f. Rochelle Jurgens stated the first Director payments via direct deposit are complete. There will be an Investment Committee Meeting following the Board Meeting.
- g. Don Kraus stated there is a Natural Resource Commission hearing today on the water sustainability rules.

At 9:36 AM it was moved by Director Mueller and seconded by Director R. Olson for the Board go into Closed Session to discuss confidential attorney/client privileged information regarding land negotiations and legal matters. Upon voting on the motion, the following Directors voted therefore: R. Olson, Petersen, Rowe, Soneson, Dahlgren, Garrett, Knoerzer, Mueller, and Nelson. Absent: Bogle, Fowler and S. Olson. None voted no and the motion was declared carried. President Nelson stated that the agenda item to be discussed in Closed Session was the following: J-2 Regulating Reservoir.

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

At 10:40 AM it was moved by Director Garrett 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: R. Olson, Petersen, Rowe, Soneson, Dahlgren, Garrett, Knoerzer, Mueller, and Nelson. Absent: Bogle, Fowler and S. Olson. None voted no and the motion was declared carried. President Nelson stated that confidential attorney/client privileged information regarding land negotiations was discussed in Closed Session relating to the following agenda item: J-2 Regulating Reservoir.

The meeting adjourned at 10:41 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President