

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
SEPTEMBER 8, 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 September 1, 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 August 24, 2015.

The following Directors were present:

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|--------------------------------|---------------------|--------------------|
| Dudley L. Nelson, President | Geoffrey K. Bogle | 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 |

**arrived at 9:06 a.m.*

Also present were the following:

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| 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. | Jim Brown, Land Administrator |
| Rochelle A. Jurgens, Controller | Charles Brewster, Legal Counsel |
| Dave R. Ford, Irrigation Division Mgr. | Emily Anderson, Assistant Secretary |

Others present:

| | |
|------------------------------|----------------|
| John Thorburn, Tri-Basin NRD | Brian Freeborn |
| Jim Stubbendieck | Dede Peterson |
| 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: John Thorburn stated Tri-Basin will hold a Board meeting tonight where a public hearing is on the agenda to consider an adjustment in groundwater allocations in two townships. He thanked Central for the use of the van for the Tri-Basin Board tour last month. Brian Freeborn asked for reconsideration of a variance application he submitted to construct a small storage shed on his lot at Johnson Lake. Don Kraus stated the variance application was considered by the Power and Recreation Committee on August 26, 2015 but no action was taken. Kraus suggested Freeborn discuss the matter with Jim Brown, Land Administrator.

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 31, 2015**

- **Approval of Minutes of Special Meeting of the Board of Directors held August 28, 2015**
- **Approval of Minutes of Committee Meeting of the Board of Directors held August 28, 2015**
- **Approval of the September Disbursements:**

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|--|-----------------|
| <i>Hydro Division:</i> | \$1,252,223.82 |
| Check #s 49874 through 50075 and 8800493 through 8800509 (Accounts Payable); | |
| Check #s 9911290 through 9911395 (Payroll) | \$339,034.05 |
| <i>Kingsley Division:</i> | \$99,063.79 |
| Check #s 2774 through 2782 (Accounts Payable) | |
| <i>J-2 Regulating Reservoir Construction Fund:</i> | \$961,533.29 |
| Check #s 1140 through 1148, 8800003 (Accounts Payable) | |
| <i>Glendo Division:</i> | \$NONE |
| Check #NONE | |
| <i>Flex Spending Account:</i> | \$1,610.67 |
| Check #s 6953 through 6955 | |

- **Approval of Work Order No. 107345 - Gothenburg Outboard Motor (\$10,300.00)**
- **Approval of Progress Estimate No. 1 (Final) – NMC Caterpillar, Contract No. 0-660 for 2015 Motor Grader (\$222,318.75)**
- **Approval of Closure of Contract No. 0-660 – NMC Caterpillar for 2015 Motor Grader –** On April 6, 2015, Contract No. 0-660 was awarded to NMC Caterpillar for a 2015 Motor Grader at a cost of \$224,750.00, less \$16,000.00 trade-in, plus \$13,568.75 Nebraska and Bertrand sales tax, for a total contract amount of \$222,318.75. All equipment has been delivered, inspected and found to be satisfactory. Payment shall be made to NMC Caterpillar in the amount of \$222,318.75 and Contract No. 0-660 shall be closed.
- **Approval of the variance request at 8 East Shore, Johnson Lake for the construction of a garage which would sit 9.5’ within the 20’ rear setback, contingent upon neighbor approval**
- **Approval of the variance request at 4 East Shore, Johnson Lake for the construction of a livable basement below a future house with a basement elevation of 2620.5’ msl that meets the following criteria: 1) Lowest Living Elevation will be \geq 2,618.0 msl; 2) Lowest Opening Elevation will be \geq 2,623.5’ msl; 3) Lowest Adjacent Grade Elevation will be 2,622.0’ msl; and 4) Lowest Openings (egress windows) must meet side lot line setbacks**
- **Approval of the variance request at 8 Mallard Beach, Johnson Lake for the construction of a cable rail system at a height of 36” around a deck, contingent upon written approval by neighbors on both sides**
- **Approval of the variance request at 8 Mallard Beach, Johnson Lake to replace the steps with a ramp on the south east side of the house, contingent upon neighbor approval**
- **Approval of Lot Line and Road Realignment at Northeast Bay, Johnson Lake which includes: 1) Relocating and constructing a gravel road east of the existing road; 2) Relocating lot boundaries to meet at new road location; and 3) Assisting Lot 7 in obtaining access to their lot through the installation of a culvert, fill, and surfacing**
- **Approval of variance request at 6 Plum Creek Canyon Drive 12A, Plum Creek Lake for the replacement and expansion of the deck attached to the house located as there are no neighbors and it would not block any views of the lake**
- **Approval of 2016 Water Leasing Pilot Program Rules**
- **Approval of Extending the Jeffrey Island Waterfowl Hunting Leases -** Allow the same Jeffrey Island waterfowl hunters to continue to utilize their blinds from 2016 to 2018, at the current rate of \$1,500 per year. Central maintains a list of individuals who have inquired about having a waterfowl hunting blind on the property. If anyone gives up his or her lease, we call the first name on the waiting list and offer that location to that individual. (Presently there are seven waterfowl hunting blinds in use on the property.)
- **Memorandum of Understanding Between USDA Natural Resource Conservation Service, Central Nebraska Public Power and Irrigation District and Tri-Basin Natural Resources District**

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

2015 BUDGET AMENDMENTS: Rochelle Jurgens presented Hydro Division Budget Revision #9 as follows: a revision to the Administration Expense Budget for the Holdrege Office Service & Distribution Panel Replacement reflecting an increase of \$16,800 to the current budget of \$10,000, for a proposed budget of \$26,800; a revision to the Gothenburg Capital Budget for the Outboard Boat Motor reflecting an increase of \$10,300 to the current budget of \$0, for a proposed budget of \$10,300; and revisions to the Morning Glory Study Budget for the Ogallala Maint of Res, Dams Waterways reflecting an increase of \$25,000 to the current budget of \$0, for a proposed budget of \$25,000 and the FERC Chicago (Dam Safety) reflecting a decrease of \$25,000 to the current budget of \$138,000, for a proposed budget of \$113,000. The Hydro Division Budget Revision #9 results in a net change of \$27,100.

It was moved by Director Soneson and seconded by Director Mueller to approve Hydro Division Budget Revision #9 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 Bogle. Absent: Dahlgren. None voted no and the motion was declared carried.

Director Dahlgren entered the meeting at 9:06 a.m.

CONTRACT AMENDMENT NO. 6 WITH MEAD & HUNT FOR KINGSLEY DAM PMF STUDY: Kevin Boyd explained the amendment to the contract provides for the additional services needed for the probable maximum flood studies required by FERC. The estimated fee to conduct the work performed under this amendment is \$154,500.

It was moved by Director S. Olson and seconded by Director Petersen to approve Contract Amendment No. 6 with Mead & Hunt for the Kingsley Dam PMF Study. Upon voting on the motion, the following Directors voted therefore: Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, and Fowler. None voted no and the motion was declared carried.

J-2 REGULATING RESERVOIR: Cory Steinke presented a brief update on the project and stated that land negotiations are currently on hold as the project is re-evaluated.

PERSONNEL: None.

LEGISLATION: None

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: None.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford said information regarding the new water leasing program will be mailed along with the irrigation bills around October 1, 2015.
- b. Cory Steinke reported that Lake McConaughy's elevation decreased to 3,257.8, 1,534,300 acre feet and 88% capacity, with inflows around 900 cfs. Generation continues to be very good.
- c. Kevin Boyd presented photos showing dredging at the Diversion Dam and the completed MP 4.7 Supply Canal Bridge. He explained the few areas along the Supply Canal and Diversion Dam identified as needing repairs during the recent FERC inspection.
- d. Jeff Buettner has been working with Kevin Boyd and Mark Peyton to submit a Nebraska Environmental Trust grant application for the Jeffrey Lake dredging project. The

estimated cost of the three month project is \$276,000 and the amount requested from NET is \$131,000. A decision about whether or not the grant will be awarded will be made sometime in February, 2016.

- e. Rochelle Jurgens stated the software consultants will be present the week of September 21, 2015 to train staff to use the new billing software.
- f. Holly Rahmann is working on a fall issue of The Communicator.

The meeting adjourned at 9:30 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President