

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
JANUARY 4, 2016 – 9:00 A.M.

This meeting was publicly advertised in accordance with Section 84-1411 of the Nebraska Statutes by a notice on Radio Station KUVR on December 28, 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 December 18, 2015.

The following Directors were present:

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

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Coord.
Kevin M. Boyd, Gothenburg Division Mgr.	Holly G. Rahmann, Public Relations Asst.
Eric R. Hixson, Engineering Services Mgr.	Jim Brown, Land Administrator
Rochelle A. Jurgens, Controller	Marcia Trompke, Conservation Director
Dave R. Ford, Irrigation Division Mgr.	Tim Anderson, Public Relations Advisor
Mike A. Drain, Natural Resources Mgr.	Michael C. Klein, Legal Counsel
Cory A. Steinke, Civil Engineer	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	John Thorburn, Tri-Basin NRD
Curtis Scheele, NRCS-Holdrege	Rodney Schwartz
Dean Nelson	Chad Adams
Sam Sampson	Jim Stubbendieck

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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 9:01 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 the Platte River Diversion Group will meet in Alma on January 21, 2016 and the Holdrege Water Conference will be held on February 2, 2016. Sam Sampson presented a letter he wrote dated January 4, 2016 to the Directors urging them to reconsider moving forward with the J-2 Regulating Reservoir Project. Rodney Schwartz, who is retired from the U.S. Army Corps of Engineers, presented a letter to the Directors dated January 4, 2016 and indicated he believes the project will provide no benefit to habitat recovery.

CONSENT AGENDA: President Nelson asked the Directors if there were items they wished to be removed from the following consent agenda, to be discussed and voted on individually. Don Kraus stated after discussions with a Director, he requested the following item be removed from the Consent Agenda so it could be voted on separately: **Approval of the sale of the following leasehold interests for surplus lots at Johnson Lake: Lot 21, North Point; Lot 19, North Point; Lot 15,**

Crappie Corner; and Lot 32, Kirby Point. Director Nelson stated the agenda item was to be removed from the Consent Agenda.

- **Approval of Minutes of Regular Business Meeting of the Board of Directors held December 7, 2015**
- **Approval of Minutes of Special Meeting of the Board of Directors held December 28, 2015**
- **Approval of Minutes of Committee Meeting of the Board of Directors held December 28, 2015**

➤ **Approval of the January Disbursements:**

<i>Hydro Division:</i>	\$3,499,835.85
Check #s 50665 and 50881 and 8899104 through 8899121 (Accounts Payable);	\$342,774.60
Check #s 9911708 through 9911810 and 9870 through 9897 (Payroll)	
<i>Kingsley Division:</i>	\$422,906.37
Check #s 2805 through 2812 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$111,978.08
Check #s 1172 through 1178 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$1,883.42
Check #s 6973, 6974, and 6976; Check # 6975 VOID	

- **Approval of Work Order No. 186626 – E65-19.1-5.8E Pipeline – Replace open lateral with pipeline (\$181,788.01)**
- **Approval of Retirement Work Order No. 186261 – Close E65-19.1-5.8E Canal (\$12,578.93)**
- **Approval of Supplemental Work Order No. 196535 – Connect Software Implementation for Irrigation Administration Office (\$12,700.00)**
- **Approval of Purchase Requisition No. HA6060 – PVC Pipe (\$134,574.20)**
- **Approval of Progress Payment Estimate No. 2 (Final) – W.S. Bunch Company, Inc. – Contract No. 0-658 (\$209,996.18)**
- **Approval of Closure of Contract No. 0-658 – W.S. Bunch Company, Inc. – E65 Siphon Coating** – On March 2, 2015, Contract No. 0-658 was awarded to W.S. Bunch Company, Inc. for the E65 Siphon Coating at a total cost of \$497,370.00. Prior payments were made in the amount of \$287,373.82, leaving a balance of \$209,996.18. All work has been completed, inspected and found to be satisfactory. Payment in the amount of \$209,996.18 shall be made to W.S. Bunch Company, Inc. and Contract No. 0-658 shall be closed.
- **Approval of an Amendment to the Application to Work – NPPD (for the removal of four wooden bridges) to establish a not-to-exceed in the amount of \$34,000 per bridge removed by Central**
- **Approval of 2016 Water Leasing Pilot Program Acres (1,037 acres)**
- **Approval of the following Employment Agreements for 2016:**
 - **Tim Anderson**
 - **Glen Bevard**
 - **William David Campbell**
 - **Leonard France**
- **Approval of Legal Services Agreement – Anderson, Klein, Brewster & Brandt**

- **Approval of Legal Services Agreement – Robert J. McCormick**
- **Approval to Change the Location of the March 7, 2016 Regular Business Meeting of the Board of Directors to the Super 8 Motel in Holdrege, NE at 9:00 a.m.**

It was moved by Director Knoerzer and seconded by Director Soneson to approve the Consent Agenda as presented. 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.

SALE OF LEASEHOLD INTERESTS CONTROLLED BY CENTRAL AT JOHNSON LAKE: Jim Brown displayed an aerial photo of 21 North Point which is vacant lot. Staff recommends reducing the size of the lot at 21 North Point by transferring small portions to adjacent lots and sell the leasehold interest using realtors. In addition, Staff also recommends amending the lot line of 19 North Point.

It was moved by Director S. Olson and seconded by Director Petersen to approve the revision of lot lines, to sell the leasehold interests to the adjacent lessees, and to sell the leasehold interest for 21 North Point. Discussion included: Director Dahlgren inquired about how the value of the property was determined. Jim Brown stated the value will be based on the current assessed value. 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.

LOT EXPANSION AT 15 CRAPPIE CORNER, JOHNSON LAKE: Jim Brown explained 15 Crappie Corner is a very narrow lot and Staff recommends dividing the lot and selling it to the adjacent lessees at 14 and 16 Crappie Corner.

It was moved by Director Rowe and seconded by Director Garrett to approve the sale of the leasehold interest for 15 Crappie Corner to adjacent lessees at 14 Crappie Corner and 16 Crappie Corner. 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.

LOT EXPANSION AT 32 KIRBY POINT, JOHNSON LAKE: Jim Brown explained 32 Kirby Point is a very narrow lot and Staff recommends dividing the lot and selling it to the adjacent lessees at 31 Kirby Point and 1A Kirby Point.

It was moved by Director Mueller and seconded by Director Dahlgren to approve the sale of the leasehold interest at 32 Kirby Point to lessees at 31 Kirby Point and 1A Kirby Point. 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.

LAKE MCCONAUGHY VISITORS CENTER EXPANSION UPDATE – CHAD ADAMS: Chad Adams was present on behalf of the Water Center Foundation to give the Directors an update on the planning for the possible expansion of the Center. He explained the current meeting room accommodates 25-30 people. The addition of a new meeting room to the north side of the building could accommodate up to 275 people. The cost estimate is \$653,000 of which well over half to two-thirds has already been pledged. He is seeking another \$280,000 in pledges before the project will proceed. He thanked Central for its pledge of \$100,000 which he hopes to use in 2016.

CONSERVATION DIRECTOR (CNPPID) AND IRRIGATION WATER MANAGEMENT SPECIALIST REPORT (NRCS): Curtis Scheele from the Holdrege NRCS office and Marcia Trompke presented rainfall data, groundwater level information, and updates on various conservation programs.

A break was taken at 10:08 a.m. The meeting resumed at 10:23 a.m.

2016 BUDGET AMENDMENT: Rochelle Jurgens presented Hydro Division Budget Revision #2 to the Gothenburg Capital Budget reflecting an increase to the Front End Loader budget from \$147,000 to \$169,000, and a decrease to the Dredge Pump budget from \$51,000 to \$29,000, for

a net difference of \$0.00. Kevin Boyd stated the dredge pump was repaired rather than replaced which resulted in a savings of \$22,000.

It was moved by Director Rowe and seconded by Director Petersen to approve Hydro Division Budget Revision #2 to the 2016 Budget as presented. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, and Garrett. None voted no and the motion was declared carried.

GOTHENBURG CAPITAL PURCHASES: Kevin Boyd presented the following Work Orders and Purchase Requisitions, and requested the Directors defer consideration of Work Order No. 107348 and Purchase Requisition No. G-3596 relating to the tractor and mower.

- a. Work Order No. 107347 – Low Boy Trailer for Supply Canal
- b. Work Order No. 107348 – Tractor and Mower for Supply Canal
- c. Work Order No. 107349 – Front End Loader for Supply Canal
- d. Purchase Requisition No. G-3594 – Load King Hydraulic Detachable Gooseneck
- e. Purchase Requisition No. G-3595 – John Deere Loader
- f. Purchase Requisition No. G-3596 – Tractor and Mower

It was moved by Director S. Olson and seconded by Director Dahlgren to approve the following: Work Order No. 107347-Low Boy Trailer for Supply Canal; Work Order No. 107349-Front End Loader for Supply Canal; Purchase Requisition No. G-3594-Load King Hydraulic Detachable Gooseneck Trailer; and Purchase Requisition No. G-3595-John Deere Loader. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, and Knoerzer. None voted no and the motion was declared carried.

AGRICULTURAL AND PASTURE LEASES: The following agricultural and pasture leases were presented for approval:

Name	Type of Lease	Acres	Rent	Term	Location	Tract No
Donald J. Burks	Grassland/Pasture Agricultural Lease	7.4	\$173.00	01/01/16 - 12/31/20	SE¼ of Section 6-T8N-R21W	E_201
Terry D. Evans	Grassland/Pasture Agricultural Lease	10.62	\$237.40	01/01/16 - 12/31/20	SE¼ of Section 24-T8N-R23W and the NE¼ of Section 25-T8N-R23W	E65_1018
Robert Murray	Dryland & Irrigated Agricultural Lease	2.1 & 4.2	\$644.50	01/01/16 - 12/31/20	S½NE¼ & the NW¼NE¼ of Section 4-T8N-R22W	E_198
James H. Orr & Rosalie A. Orr	Irrigated Agricultural Lease	48.81	\$6,126.25	01/01/16 - 12/31/20	Government Lots 6 and 7 -in Section 6, and the NE¼NW¼ and all of the NW¼NE¼ in Section 7 of T15N-R41W	F_054
Clifford D. Johnson & Robyn Johnson	Grassland/Pasture Agricultural Lease	7.1	\$167.00	01/01/16 - 12/31/20	SE¼ of Section 17-T11N-R27W	E_65-1
Brian Matthewson	Dryland Agricultural Lease	3.48	\$216.40	01/01/16 - 12/31/20	NW¼ of Section 16-T12N-R28W	E_60-1
Lance Werth	Johnson Lake Airport Lease	20.51	\$3,182.70	1/01/16 -12/31/16	W½ of Section 4 & the E½ of Section 5-T8N-R22W & SW¼ of Section 33-T9N-R22W	F_3
Jim F. Reed & TeAnne J. Reed	Grassland/Pasture Agricultural Lease	17.1	\$367.00	01/01/16 - 12/31/20	SW¼ of Section 5 and the NW¼ of section 8 in T11N-R27W	E_59 & E_171

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

MALLARD COVE LOT RECLASSIFICATIONS: Jim Brown explained the Power and Recreation Committee vote to reclassify Lots 1-8, Mallard Cove due to a road and boat ramp which impacts the use of the area by the leaseholders. The Committee and Staff recommend the following:

- a. The creation of a new “Tier 1-Road 19” classification of lots to represent Mallard Cove Lots 1, 4, 5, 6, 7 and 8, with a lease rate equivalent to 90% of a Tier 1 lot. If in the future, the road in between the dwellings and the shoreline is removed, the lots would revert to the full Tier 1 status, and
- b. The creation of a “Tier 1-Road 19, Boat Ramp” classification of lots to represent Mallard Cove Lots 2 and 3 with a lease rate equivalent to 80% of a Tier 1 lot. If in the future, the boat ramp is removed, the lots would revert to a “Tier 1-Road 19” status.

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

J-2 REGULATING RESERVOIR: Cory Steinke presented a brief overview of the J-2 Regulating Reservoir’s purposes and reviewed the recent activities, which include working to amend the Water Service Agreement, resuming land acquisition negotiations, and resuming project activities. He recently mailed an updated project map to the landowners and others in the area.

PERSONNEL: None.

LEGISLATION: Jeff Buettner stated the Legislature will resume on January 6, 2016. He expects legislation regarding the transfer of the Spencer Hydro water right.

NWRA / NSIA STATE SENATOR RECEPTION, JANUARY 21, 2016: Jeff Buettner instructed any Director interested in attending the reception at the Nebraska Club to contact Emily Anderson.

DIRECTORS’ ATTENDANCE: All Directors were in attendance.

BOARD COMMENTS: Director Garrett commented that the report by Marcia Trompke was very enlightening.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford stated two pumps at the Elwood Pump Station have been removed and will be refurbished.
- b. Cory Steinke reported that Lake McConaughy’s elevation is at 3,254.9, 83.2% of capacity and 1,451,600 acre feet. Inflows and outflows are around 1,300.
- c. Tim Anderson complimented Doug Viter and the Gothenburg crew for their work on the Johnson Lake Pedestrian Bridge. Anderson stated he has heard many positive comments about the bridge.

The meeting adjourned at 11:26 AM.

ATTEST: THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President