

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
OCTOBER 6, 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 September 29, 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 September 19, 2014.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	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

Also present were the following:

Don D. Kraus, General Manager	Eric R. Hixson, Engineering Services Mgr.
Dave R. Ford, Irrigation Division Manager	Mark Peyton, Senior Biologist
Cory A. Steinke, Civil Engineer	Holly G. Rahmann, Public Relations Asst.
Mike A. Drain, Natural Resources Mgr.	Charles Brewster, Legal Counsel
Devin M. Brundage, Electrical Super.	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Joe Jeffrey
James Stubbendieck	Dianne Jeffrey
Amy Hill	

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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: Dianne Jeffrey inquired whether every Board member received her letter dated September 27, 2014 regarding the J-2 Regulating Reservoirs and requested a response in writing. James Stubbendieck questioned whether the J-2 Regulating Reservoir could be placed on Jeffrey Island.

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 September 2, 2014**
- **Approval of Minutes of Committee Meeting of the Board of Directors held September 26, 2014**
- **Approval of the October Disbursements:**

Hydro Division:

Check #s 42548 and 43841-VOID; 47414 through 47633 and 8800414 through 8800419 (Accounts Payable)	\$914,071.20
Check #s 9910135 through 9910237 (Payroll)	\$329,704.65

Kingsley Division:

Check #s 2705 through 2707 (Accounts Payable) <i>J-2 Regulating Reservoir Construction Fund:</i>	\$107,280.81
Check #s 1059 through 1065 (Accounts Payable) <i>Glendo Division:</i>	\$105,678.11
Check #NONE	\$NONE
<i>Flex Spending Account:</i>	
Check #s 6884 through 6891	\$1,018.60

- **Approval of Closure of Contract No. 0-655 – Diamond Plastics Corporation** – On June 2, 2014, Contract No. 0-655 was awarded to Diamond Plastics Corporation for 2,740 feet of 42” PVC Pipe for a total contract amount of \$242,899.63. A previous payment of \$241,126.64 was made leaving a balance of \$1,772.99. All material has been delivered, inspected and found to be satisfactory. Payment in the amount of \$1,772.99 is approved and Contract No. 0-655 is closed.
- **Approval of Award of Bid to KEA Constructors, LLC, Milford, NE - \$522,965.40 for Milepost 5.6 Bridge on Supply Canal**
- **Approval of 2014 Budget Amendments:**
 - a. Leonard France Agreement – Transfer \$1,850.00 from Power Plants Maint of Elec Plant to Power Plants Maint of Station Equip.
 - b. Jeffrey & J1 Hydro Control Room HVAC – Transfer \$16,500.00 from Digital 2-Way Radio System budget to Jeffrey & J1 Hydro Control Room HVAC.
 - c. Operator & RTU Install E65-19.1 – Increase Irrigation Capital Budget from \$10,000 to \$15,500.
- **Approval of Modification to Employment Agreement – Leonard France**
- **Approval of Modification to Employment Agreement – Tim Anderson**

It was moved by Director Petersen, seconded by Director Garrett, that the Board 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.

2014 BUDGET AMENDMENTS:

- a. Jeffrey Island Aerial Spraying: Transfer \$15,000 from Lane & Shoreline Management to Jeffrey Island & River Lands for new budget of \$23,000;
- b. Southwest Power Pool: Increase Gothenburg Oper Supr Eng budget from \$240,000 to \$390,000; and
- c. COHYST: Increase COHYST Contracted Svcs by \$10,000 and decrease Outside Services Employed-Consultants by \$10,000. Increase Platte River Program Contracted Svcs by \$10,000 and decrease Platte River Program Labor by \$15,000. Budget amendment results in a \$0.00 net change.

It was moved by Director Soneson, seconded by Director S. Olson, that the Board approve the 2014 Budget Amendments as presented. 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.

BLACK & VEATCH – EXHIBIT A-2: Don Kraus explained this exhibit relates to tasks for the Southwest Power Pool post-filing activities regarding FERC in the amount of \$85,000.00.

It was moved by Director Bogle, seconded by Director Knoerzer, that the Board approve Exhibit A-2 to the Consulting Services Agreement Between Central Nebraska Public Power & Irrigation District and Black & Veatch Corporation as presented. 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.

NEBRASKA DEPARTMENT OF ROADS – 4TH AVENUE STREET PROJECT: Don Kraus stated the NDOR made a counter offer on Central’s proposal about the cost to reconstruct the

driveways. More discussions regarding negotiations were held in Closed Session.

SOUTHWEST POWER POOL MEMBERSHIP: Don Kraus stated the Southwest Power Pool Governing Documents Tariff is the standard document signed by all participants.

It was moved by Director S. Olson, seconded by Director Mueller, that the Board approve the Southwest Power Pool Governing Documents Tariff as presented. 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: Mike Drain stated the public hearing dates will be decided on soon and notice will be sent to the landowners and media. He stated RJH is working to provide an analysis of the concept of moving the project to Jeffrey Island. More discussions regarding landowner negotiations were held in Closed Session.

PERSONNEL: There were no personnel matters discussed.

LEGISLATION: No report was given.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Rowe thanked the Jeffreys for attending the meeting. Director Mueller commented on how nice the new concrete slab is at Lake McConaughy. Director Fowler commented that the dirt work along the Trail has ceased temporarily until the beans are cut.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke stated he is applying to FERC for a waiver request to reduce outflows from Lake McConaughy this winter. Lake McConaughy inflows were at 4,000 cfs at the end of last week but slowed to around 2,300 cfs by this morning. He will start the drawdown of Johnson Lake on October 9, 2014 and Jeffrey Lake on October 15, 2014.
- b. Mike Drain briefly discussed the FERC waiver request and his preliminary discussions with Fish & Wildlife Service and the Nebraska Game & Parks Commission regarding their support of the waiver.
- c. Devin Brundage reported that Jeffrey, J-1 and J-2 maintenance was conducted and all five generators are now operating on the new SCADA system. Crews have been doing dirt work on the Hike/Bike Trail, finishing repairs and painting to gate #5 at the Diversion Dam, mowing, spraying, and dredging. The work to change out the bus tie breaker at J-2 will begin tomorrow.
- d. Dave Ford said the work on the flume replacement is progressing. He and Cory Steinke recently inspected some of the coated siphons and found some bubbles which should be repaired by Allen Blasting & Coating in the future. He will also request an estimate to coat two more siphons. He presented a report on the observation wells and plans to start collecting fall data in the coming weeks.
- e. Don Kraus stated the customer service survey is underway. He received a request for a Central representative to participate in the development of a basin wide plan for the Republican River Basin.

At 9:46 AM it was moved by Director S. Olson, 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: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, and Garrett. None voted no and the motion was declared carried. President Nelson stated the items to be discussed in Closed Session were: Nebraska Department of Roads-4th Avenue Street Project and J-2 Regulating Reservoir.

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

At 10:14 AM it was moved by Director Garrett, seconded by Director Petersen, that the Board exit Closed Session and reconvene in Regular Session. 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. President Nelson stated the items discussed in Closed Session were: Nebraska Department of Roads-4th Avenue Street Project and J-2 Regulating Reservoir.

NEBRASKA DEPARTMENT OF ROADS – 4TH AVENUE STREET PROJECT: It was moved by Director Knoerzer, seconded by Director Soneson, that the Board approve an Agreement with the Nebraska Department of Roads regarding the 4th Avenue Street Project pursuant to the terms discussed in Closed Session. 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.

The meeting adjourned at 10:17 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President