

MINUTES OF REGULAR BUSINESS MEETING OF THE
 BOARD OF DIRECTORS
 THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
 HOLDREGE, NEBRASKA
 JULY 1, 2013 – 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 24, 2013, 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 14, 2013.

The following Directors were present:

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

The following Director was absent:

Geoffrey K. Bogle

Also present were the following:

Don D. Kraus, General Manager	Jeff J. Buettner, Public Relations Coord.
David R. Ford, Irrigation Division Mgr.	Rochelle A. Jurgens, Controller
Eric R. Hixson, Engineering Services Mgr.	Holly G. Hiebert, Public Relations Asst.
Michael A. Drain, Natural Resources Mgr.	Michael C. Klein, Legal Counsel
Cory A. Steinke, Civil Engineer	Emily J. Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Tammy Fahrenbruch, Tri-Basin NRD
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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: There was no input from the public.

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 3, 2013**
- **Approval of Minutes of Special Business Meeting of the Board of Directors held June 21, 2013**
- **Approval of Minutes of Committee Meeting of the Board of Directors held June 21, 2013**
- **Approval of the May Disbursements:**
 - Hydro Division Vouchers:*
 - Check # 43652, 43900 & 44046 Void
 - Check # 44103 through 44330 (Accounts Payable)
 - # 99323 through 99328 \$1,017,179.25
 - Check # 9908579 through 9908685 (Payroll) \$323,691.77

<i>Kingsley Division Operations Disbursements:</i>	
Check # 2593 through 2603 (Accounts Payable)	\$127,220.08
<i>Glendo Division Disbursements:</i>	
Check #	\$NONE
<i>Flex Spending Account Disbursements:</i>	
Check # 6777 through 6782	\$1,708.71

- **Approval of Work Order No. 2107167 – Kingsley RTU Replacement**
Replace existing RTU at Kingsley Hydro at a cost of \$25,000.
- **Approval of Variance Request – Verl & Monika Jurjens**
Request for variance to side lot line setbacks for a structure at 25 Northeast Cove Dr 9, Johnson Lake which would permit a new chimney and also permit a four foot wide sidewalk along the house and projecting out as it goes around the chimney.
- **2013 Water Right Transfer**
There are 25 water right transfer requests equaling 838.3 acres in the Phelps, E65, E67 and Supply Canal areas. The water rights from unused or canceled acres used to cover these requests are for the following parcels:

Phelps Canal

Kevin & Sandra Ericson – 72 acres – E1/2SW1/4 33-7-17
 William Dahl – 30 acres – SW1/4 25-7-16
 Neal & Nanci Carlson – 7 acres – W1/2NE1/4 1-6-16
 Milton & Janneke Dahlgren – 29.5 acres – SW1/4 12-6-17
 Don Holen Farms Ltd – 11.5 acres – SE1/4NW1/4 & NE1/4 SW1/4 23-6-18
 Richard & Sherilynn Malcom – 15 acres – N1/2SW1/4 8-6-15
 Clark & Shawna Nelson – 6 acres – NE1/4SW1/4 35-7-17
 Beynon Farm Products Corp – 1.5 acres – NE1/4 18-7-18
 Mark & Amy Mattson – 8.2 acres – SE1/4 11-7-19
 Derek & Ashley Billeter – 139 acres – NE1/4 1-7-19
 Donald & Marilyn Norman – 65 acres – NE1/4 20-6-16

E-65

Virgil Guth – 16 acres – SW1/4 23-7-20
 Reed & Sheila Philips – 22 acres – N1/2NW1/4 9-6-20
 Dennis Sand – 4 acres – NE1/4SW1/4 14-7-20
 Raymond & Ruth Nelson – 3.5 acres – NW1/4SE1/4 14-7-20
 Larry Thomas – 100 acres – Pt of NW1/4 25-8-21
 George & Lori Fong – 123 acres – SE1/4 8-7-21
 Mark & Jodi Nelson – 5.9 acres – E1/2NE1/4 19-7-19
 Clinton Anderson & Sons – 29 acres – Pt SW1/4 22-7-19

E-67

Dennis & Irene Kenning – 6 acres – W1/2 SW1/4 23-8-22
 Donald & Kaylene Lofquist – 77.8 acres – SW1/4 26-8-22
 Robert & Marian Berke – 13.4 acres – SW1/4 16-8-22

Supply Canal

James & Connie Dalrymple – 26 acres – NE1/4NE1/4 9-10-25
 Rose Findlay Trustee – 25 acres – Pt E1/2SE1/4 14-10-25
 Sanders Hill Ranch LLC – 2 acres – NE1/4SW1/4 8-12-28

- **Annual Hospital/Medical Trust Report**
The report provides the required accruals for 2013 to the Hospital/Medical Trust Fund and the activity in the fund for 2012 as required by State Statute 13-1620.

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

PERMIT TO CONVEY WATER: Dave Ford reported there were three additions since the Committee of the Board Meeting held on June 21, 2013. Dave explained he presents this report for information purposes only and no action is necessary. Board members expressed an interest in continuing to receive the report.

RESOLUTION 13-04: Rochelle Jurgens informed the Board of an error in the Defined Contribution Retirement Plan and Trust that required a waiting period for new employees. Rochelle presented Resolution 13-04 which eliminates the waiting period.

Resolution 13-04

WHEREAS, the Board of Directors of the Central Nebraska Public Power and Irrigation District (the "District") maintains the Central Nebraska Public Power and Irrigation District Defined Contribution Retirement Plan and Trust, which was effective April 13, 2013 (the "Plan"); and

WHEREAS, pursuant to Section 9.1 of the Plan, the Board of Directors of the District is authorized to amend the Plan; and

WHEREAS, the Board of Directors desires to amend the Plan in form and content presented with this Resolution as Amendment No. 1 to eliminate any waiting period and provide for immediate participation in the Plan upon commencement of employment, consistent with the Plan's operation since its inception, pursuant to the Self Correction Program ("SCP") described in Internal Revenue Service Rev. Proc. 2013-12 ("Amendment No. 1").

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the District hereby adopts the following:

BE IT RESOLVED that the Plan is hereby amended pursuant to the SCP in form and content presented with this Resolution as Amendment No. 1, effective April 13, 2013.

BE IT FURTHER RESOLVED that a proper officer of the District or said officer's designee is hereby authorized and directed to execute such additional documents and take any and all further actions as he or she determines necessary or appropriate to carry out the actions adopted and approved herein, obtain a determination from the Internal Revenue Service on the qualified status of the Plan, as amended, under the Internal Revenue Code, and otherwise maintain the qualified status of the Plan, including without limitation Code Sections 401(a) and 501(a), and to make and adopt such further amendments and/or take such further actions as are necessary or appropriate to maintain the tax qualified status of the Plan, take any corrective actions, and obtain favorable determinations from the IRS and carry out the amendments and actions approved in this Resolution.

It was moved by Director R. Olson, seconded by Director Knoerzer, that the Board adopt Resolution 13-04 as presented. Upon voting on the motion, the following Directors voted therefore: Garrett, Hove, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, and Dahlgren. None voted no and the motion was declared carried.

SMALL HYDRO OPPORTUNITIES: This was discussed in Closed Session.

J-2 REGULATING RESERVOIR: Don Kraus informed the Board of the Platte River Recovery Implementation Program's Governance Committee's approval of the J-2 Regulating Reservoir project agreement on June 26, 2013. The agreement is for a 50 year term and would also require approval of the Nebraska Department of Natural Resources. Staff recommended approval of the agreement.

It was moved by Director Soneson, seconded by Director Hove, that the Board approve the J-2 Regulating Reservoir agreement. Upon voting on the motion, the following Directors voted therefore: Hove, Knoerzer, Mueller, Nelson, S. Olson, Petersen, Soneson, and Garrett. Those Directors voting no were: Dahlgren and Rowe. R. Olson abstained. The motion was declared carried.

Don Kraus advised the Board that CNPPID staff will begin to plan for the design, permitting, land acquisition, construction, and operation of the project when the notice to proceed was received.

PERSONNEL: Two actions were presented for approval: an Addition to Payroll for Blake Munster and a Change in Title for Matt Ostergard.

It was moved by Director S. Olson, seconded by Director Mueller, that the Board approve the Personnel Action for Hourly Personnel dated July 1, 2013 as presented. Upon voting on the motion, the following Directors voted therefore: Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Dahlgren, Garrett, and Hove. None voted no and the motion was declared carried.

BOARD COMMENTS: Director Knoerzer expressed concern over the recent fire at Johnson Lake and the Fire Department's problem accessing water due to the closeness of the cabins. Mike Drain stated the new construction setback requirements will allow for future improvements to the fire and rescue access issue. Knoerzer encouraged the Board and staff to continue to work towards improving the safety around Johnson Lake.

OPERATIONS REPORT: The following operations reports were presented:

- a) Cory Steinke reported that Lake McConaughy is at 59% capacity and dropped 1.1 feet last week. Irrigation started up strong over the weekend. Lewellen is on its way down. He hopes Johnson Lake will be at a decent level by the weekend.
- b) Jeff Buettner reported on the Water and Natural Resource bus tour last week. The Colorado Foundation for Water Education is touring Nebraska next week and will visit Lake McConaughy. Snitily Carr will start filming the virtual tour next week.
- c) Dave Ford stated the irrigators are in their fourth week of the twelve week season. The number of irrigators is increasing each day.

At 9:25 AM, it was moved by Director Knoerzer, seconded by Director R. Olson that the Board enter into Closed Session to discuss legal issues related to Small Hydro Opportunities. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Dahlgren, Garrett, Hove, and Knoerzer. None voted no and the motion was declared carried. President Nelson stated that the only item to be discussed in Closed Session is Small Hydro Opportunities.

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

At 9:32 AM, it was moved by Director Knoerzer, 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: Nelson, R. Olson, S. Olson, Petersen, Rowe, Soneson, Dahlgren, Garrett, Hove, Knoerzer, and Mueller. None voted no and the motion was declared carried. President Nelson stated that the item discussed in Closed Session was legal issues related with Small Hydro Opportunities.

The meeting adjourned at 9:33 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President