

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
FEBRUARY 3, 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 January 27, 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 January 17, 2014.

The following Directors were present:

Dudley L. Nelson, President	Martin E. Mueller	Roger D. Olson
Robert B. Dahlgren, Treasurer*	Ronald E. Fowler	Robert L. Petersen
K. Scott Olson, Secretary	Robert A. Garrett	Gordon N. Soneson
	William E. Knoerzer	Geoffrey K. Bogle

*arrived at 9:02 a.m.

Absent was: David L. Rowe, Vice President

Also present were the following:

Don D. Kraus, General Manager	Holly G. Hiebert, Public Relations Asst.
David R. Ford, Irrigation Division Mgr.	Rochelle A. Jurgens, Controller
Eric R. Hixson, Engineering Services Mgr.	Mike A. Drain, Natural Resources Mgr.
Jeff J. Buettner, Public Relations Coord.	Van D. Fastenau, Customer Service Super.
Cory A. Steinke, Civil Engineer	Greg Ham, Purchasing Agent
Kevin M. Boyd, Gothenburg Division Mgr.	Charles Brewster, Legal Counsel
	Emily J. Anderson, Assistant Secretary

Others present:

Nolan Little, Tri-Basin NRD	Lori Potter, Kearney Hub
Dale Schlautman, EA Engineering	

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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: Nolan Little reminded everyone of the Holdrege Water Conference on February 4, 2014.

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 January 6, 2014**
- **Approval of Minutes of Committee Meeting of the Board of Directors held January 24, 2014**
- **Approval of Minutes of Special Committee Meeting of the Board of Directors held January 28, 2014**

➤ **Approval of the January Disbursements:**

Hydro Division Vouchers:

Check #s 45687 through 45893 and #s 99366 through 99372

(Accounts Payable)

Check #9909294 through 9909398 and #9822

(Payroll)

\$2,508,696.73

Kingsley Division Operations Disbursements:

Check #2655 through 2660 (Accounts Payable)

\$421,820.46

J-2 Regulating Reservoir Construction Fund Disbursements:

Check #1013 through 1016 (Accounts Payable)

\$23,738.10

Glendo Division Disbursements:

Check #

\$NONE

Flex Spending Account Disbursements:

Check #6808 through 6815

\$2,680.49

➤ **Approval of 2014 Budget Revision**

Hydro Division Budget Revision - Purchase substation equipment from NPPD; purchase mobile crane; additional work on the Southwest Power Pool engineering study and the EA Engineering groundwater mound study. Net change=\$148,000.

➤ **Approval of Vehicle Bids – Contract No. 0-653**

Accept Platte Valley Auto Group's bids for a 2014 Ford Fusion SE-\$18,107.00; two 2014 Ford F150 pickups-\$44,128.00; and a 2014 Ford F250 pickup-\$26,085.00.

➤ **Approval of Chemical Bids**

Accept Van Diest Supply's bid for chemicals in the amount of \$96,444.25.

➤ **Approval of EA Engineering Contract Amendment for Phase IIB for Fee of Not to Exceed \$14,800.00**

➤ **Approval of North Platte Canal Water Right Transfer**

Authorizes filing a transfer application with the Nebraska Department of Natural Resources for the transfer of 71.3 acres.

➤ **Approval of Water Service Agreements**

- Keith and Lincoln Counties Irrigation District
- Paxton-Hershey Water Company
- Platte Valley Irrigation District

➤ **Approval of Agricultural Lease with Lonnie and Tonda Gosnell**

Grass/pasture and dryland lease in the Cottonwood Canyon area with an annual rent of \$658.00.

➤ **Approval of Dryland Farm Leases with Brian and Dee Isaacson**

57.7 acres in Dawson County with an annual rent of \$6,808.60; and 143.41 acres in Dawson and Gosper counties with an annual rent of \$16,922.38.

➤ **Approval of Hilltop Residence Lease Agreement**

Lease applies to the property located at 125 Central District Drive, Ogallala, Nebraska 69153. Lease is for a term of 5 years beginning February 1, 2014 and ending January 31, 2019. For the lease year of February 1, 2014 through January 31, 2015 the rental amount is \$869.46 and increases by 3.0% each year thereafter. Annual rent is due and payable in full on or before February 1 of each year of the term of the lease.

➤ **Approval of Change in Location of the Regular Business Meeting of the Board of Directors on March 3, 2014 to the Super 8 Motel in Holdrege at 9:00 a.m.**

It was moved by Director Petersen, seconded by Director Knoerzer, 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, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

EA ENGINEERING – GROUNDWATER STUDY OF THE MOUND: Dale Schlautman of EA Engineering presented the results of the study of the groundwater mound created by recharge from Central canals. He explained the data was from the Conservation Survey Division. In general, the volume water in the mound increased from 1954 to 2000 with fluctuations since 2000. Schlautman will attend the March 3, 2014 Water Users meeting and the board retreat in March in Lincoln.

A break was taken at 9:59 a.m. The meeting resumed at 10:15 a.m.

WATER SERVICE AGREEMENTS AND TERMINATIONS: Van Fastenau reviewed the changes since the committee meeting of the board. The following were presented:

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
<u>WATER SERVICE AGREEMENTS</u>					
Phelps	6171607	NW1/4SW1/4 1-6-17; N1/2SE1/4 2-6-17; E1/2NE1/4 & S1/2SW1/4 & SE1/4 10-6-17; NE1/4NE1/4 & NE1/4SE1/4 & S1/2SE1/4 16-6-17	US Fish & Wildlife Service	240	(1)(2) +240
Phelps	7153205	NE1/4 32-7-15	Katharine A Kort	135	(1)
<i>(NOTE: Ownership correction)</i>					
Phelps	7163405	NW1/4SW1/4 & SE1/4 SW1/4 34-7-16	Rosalee Nagele	20	(1) +10
SC	9231801	SW1/4 18-9-23	FBM Farms Ltd	80	(1) +80
SC	9232101	NW1/4 & W1/2NE1/4 21-9-23	Brent & Kelly Gengenbach	194	(1) +194

COMBINE ACCOUNTS

Phelps	6180201	N1/2 & Pt NW1/4SE1/4 2-6-18	Vernon C Nelson & Sons Inc	262	(1)
<i>(NOTE: Previously Accts. 6180201, 146 ac & 6180202, 116 ac)</i>					
E65	6192001	Pt S1/2NE1/4 & SE1/4 20-6-19	Linder Stock Farms Inc	125	(1)
<i>(NOTE: Previously Accts. 6192001, 115 ac & 6192007, 10 ac)</i>					

"14" Yr WATER SERVICE AGREEMENTS (Standard 10-Yr Term + Add'l 4-Yr Term due to AWEP)

Phelps	6180103	NE1/4 1-6-18	Dahlgren's Inc	59	(1) +59
E65	7201504	SE1/4SW1/4 15-7-20	Paul Johnson & Sons Cattle Co	40	(1)(3)
E65	7201505	N1/2SW1/4 & SE1/4 15-7-20	Robert Jon Dahlstet et al	207	(1)

AWEP AGREEMENT

Phelps	6172606	NW1/4&N1/2SW1/4 26-6-17	Steve K & Mardell R Larson		
<i>(NOTE: WSA & IPP Amendment to WSA previously approved 10/7/13)</i>					
Phelps	6180103	NE1/4 1-6-18	Dahlgren's Inc		
E65	7201504	SE1/4SW1/4 15-7-20	Paul Johnson & Sons Cattle Co		(3)
E65	7201505	N1/2SW1/4 & SE1/4 15-7-20	Robert Jon Dahlstet et al		

- (1) IPP Amendment to Water Service Agreement for the 2014 irrigation season accompanies new WSA.
- (2) Water Service Agreement terminated after 2013, landowner came-back with new WSA.
- (3) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

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

ALLOCATION ONE YEAR TRANSFERS: Dave Ford stated that there had been no changes since the Committee Meeting of the Board. A list of the 2014 transfers reflecting the 28,064.4 acres requesting additional acres and 3,345.0 deep well acres using the E65 wells was presented.

It was moved by Director Garrett, seconded by Director R. Olson, that the Board approve the 2014 Allocation One Year Transfers as presented. Upon voting on the motion, the following Directors voted therefore: Fowler, Garrett, Knoerzer, Mueller,

Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, and Dahlgren. Absent: Rowe. None voted no and the motion was declared carried.

MOBILE CRANE BIDS – CONTRACT NO. 0-654: One bid was received from Crane Sales & Service for a carrier mounted lattice boom crane for \$762,089.31, including tax. An option to purchase an extended warranty for an additional \$12,800.00 was also included in the bid.

It was moved by Director Mueller, seconded by Director Dahlgren, that the Board approve Crane Sales & Service’s bid for a mobile crane in the amount of \$762,089.31 and to approve Contract No. 0-654. Upon voting on the motion, the following Directors voted therefore: Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, Dahlgren, and Fowler. Absent: Rowe. None voted no and the motion was declared carried.

WORK ORDER/PURCHASE REQUISITION SUMMARY: The following work order/purchase requisition summary was presented:

- a. Work Order No. 107324 – Dredge Pump - \$50,861.00
 - i. Purchase Requisition No. G3271 - Dredge Pump - \$49,380.00
- b. Work Order No. 107325 – Purchase equipment from NPPD that is located at Jeffrey, J1 and J2 - \$122,542.00
- c. Work Order No. 107322 – 30 Ton Mobile Crane - \$784,952.00
- d. Work Order No. 107326 - One new passenger car (2014 Ford Fusion-\$18,107) and one new pickup (2014 Ford F250-\$26,085); Total=\$48,705.00
- e. Work Order No. 186530 - One new pickup (2014 Ford F150-\$22,726.00)
- f. Work Order No. 186616 - One new pickup (2014 Ford F150-\$22,726.00)
- g. Purchase Requisition No. HA5941 – 2014 Chemicals - \$96,444.25
- h. Supplemental Work Order No. 107313S – SCADA System Upgrade-Master Station, 18 RTUs - \$51,799.00
- i. Supplemental Work Order No. 186522S – SCADA System Upgrade-Irrigation’s Portion - \$54,432.00
- j. Supplemental Work Order No. 2107165S – SCADA System Upgrade-Kingsley’s

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

CHANGE ORDER NO. 3 – SURVALENT TECHNOLOGY CORPORATION – CONTRACT NO. 0-643 (\$12,000.00): This change order is necessary for revisions to algorithms for data table look up, computations and anticipated software assistance.

It was moved by Director Bogle, seconded by Director Soneson, that the Board approve Change Order No. 3 to Contract No. 0-643 with Survalent Technology Corporation for the amount of \$12,000.00. Upon voting on the motion, the following Directors voted therefore: Mueller, Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, Dahlgren, Fowler, Garrett, and Knoerzer. Absent: Rowe. None voted no and the motion was declared carried.

ENGINEERING STUDY – SOUTHWEST POWER POOL:

It was moved by Director Dahlgren, seconded by Director Bogle, that the Board approve the Consulting Services Agreement with Black & Veatch Corporation in an amount not to exceed \$46,000.00. Upon voting on the motion, the following Directors voted therefore: Nelson, R. Olson, S. Olson, Petersen, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, and Mueller. Absent: Rowe. None voted no and the motion was declared carried.

NPPD SUBSTATION SERVICE AGREEMENT: Don Kraus had nothing new to report but stated he hopes to have an agreement ready by the February 21, 2014 Committee of the Board meeting.

LEGAL SERVICES AGREEMENT – ROBERT MCCORMICK: This was discussed in Closed Session.

LEGAL SERVICES AGREEMENT – ANDERSON, KLEIN, SWAN AND BREWSTER: This was discussed in Closed Session.

J-2 REGULATING RESERVOIR AUTHORIZATION: Don Kraus recommended the Board authorize staff to spend up to \$5.1 million for project management, permitting, engineering design and land acquisition through December, 2015 for the J-2 Regulating Reservoir. Staff would issue task orders and contracts as appropriate within the cost limit authorized by the Board.

It was moved by Director S. Olson, seconded by Director Soneson, that the Board authorize spending of up to \$5.1 million for the J-2 Regulating Reservoir phases of work through December, 2015. Upon voting on the motion, the following Directors voted therefore: R. Olson, S. Olson, Petersen, Soneson, Fowler, Garrett, Knoerzer, Mueller, and Nelson. Those voting no were: Bogle and Dahlgren. Absent: Rowe. The motion was declared carried.

HARASSMENT COMPLAINT – JOHNSON LAKE: This was discussed in Closed Session.

PERSONNEL: There were no personnel matters to discuss.

LEGISLATION: Jeff Buettner plans to prepare testimony with regard to Senator Lathrop's LB1074 which relates to the regulation of ground water.

DIRECTORS' ATTENDANCE: **It was moved by Director Mueller, seconded by Director Bogle, that Director D. Rowe be excused from the Board meeting. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson. Absent: Rowe. None voted no and the motion was declared carried.**

BOARD COMMENTS: Director Garrett complimented the presentation by Dale Schlautman on the groundwater mound study results.

OPERATIONS REPORT: The following operations reports were presented:

- a. Cory Steinke reported that Lake McConaughy's elevation is at 3,235.5, 989,000 acre feet and 57% capacity. Inflows to McConaughy are between 800-1,000 cfs which has helped reduce NPPD diversions. South Platte flows are between 600-700 cfs.
- b. Kevin Boyd stated the Mile Post 9.0 bridge south of Cozad was reopened to the public. Dowhower is getting closer to finishing the remodeling project on the Gothenburg office/shop renovation and Boyd plans to request the release of 50% of the funds Central owes Dowhower in March.
- c. Dave Ford plans to start on several projects once the weather allows.
- d. Rochelle Jurgens stated BKD will start the 2013 audit next week. An Investment Committee meeting will be held later today following the Board meeting.
- e. Holly Hiebert gave a brief review of the topics to be discussed at the Holdrege Water Conference.

At 10:32 AM it was moved by Director R. Olson, seconded by Director Petersen, that the Board go into Closed Session to discuss legal matters. Upon voting on the motion, the following Directors voted therefore: Petersen, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, and S. Olson. Absent: Rowe. None voted no and the motion was declared carried. President Nelson stated the items to be discussed in closed session were the following: Legal Services Agreement-Anderson, Klein, Swan & Brewster, Legal Services Agreement-Robert McCormick, and Harassment

Complaint-Johnson Lake.

At 10:56 AM it was moved by Director Petersen, seconded by Director Fowler, that the Board exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: Petersen, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, and S. Olson. Absent: Rowe. None voted no and the motion was declared carried. President Nelson stated the only items discussed in Closed Session were the following: Legal Services Agreement-Anderson, Klein, Swan & Brewster, Legal Services Agreement-Robert McCormick, and Harassment Complaint-Johnson Lake.

LEGAL SERVICES AGREEMENT – ROBERT MCCORMICK: It was moved by Director Garrett, seconded by Director Petersen, that the Agreement for Legal Services with Robert McCormick be approved as presented. Upon voting on the motion, the following Directors voted therefore: Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, and Petersen. Absent: Rowe. None voted no and the motion was declared carried.

LEGAL SERVICES AGREEMENT – ANDERSON, KLEIN, SWAN & BREWSTER: It was moved by Director Garrett, seconded by Director Dahlgren, that the Agreement for Legal Services with Anderson, Klein, Swan & Brewster be approved as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, S. Olson, Petersen, and Soneson. Absent: Rowe. None voted no and the motion was declared carried.

The meeting adjourned at 10:59 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

K. Scott Olson, Secretary

By _____
Dudley L. Nelson, President