

MINUTES OF REGULAR BUSINESS MEETING OF THE  
BOARD OF DIRECTORS  
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
HOLDREGE, NEBRASKA  
JANUARY 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 January 2, 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 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	Rochelle A. Jurgens, Controller
Cory A. Steinke, Civil Engineer	Holly G. Rahmann, Public Relations Asst.
Mike A. Drain, Natural Resources Mgr.	Jeff J. Buettner, Public Relations Coord.
Kevin M. Boyd, Gothenburg Division Mgr.	Michael C. Klein, Legal Counsel
	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	Julie Brooker, Senator Deb Fischer's Office
John Thorburn, Tri-Basin NRD	Nancy Norwood
Jim Stubbendieck	Mike Jeffrey
Rocky Petersen	

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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 thanked the Directors for allowing for the diversions into the Phelps Canal, E-65 and Elwood Reservoir. He stated nearly 9,000 acre feet have been diverted to date. He thanked Holly Rahmann for her help with the Water Conference scheduled for February 3, 2015. Jim Stubbendieck asked if there was a deadline established for land negotiations and staff indicated that there was not one. Cory Steinke stated negotiations with landowners have just begun.

**QUALIFICATIONS OF RE-ELECTED DIRECTORS:** The bonds and oaths of office for re-elected Directors Ronald E. Fowler, Dudley L. Nelson, Roger D. Olson, and Robert L. Petersen have been signed and will be mailed to the Secretary of State's office upon obtaining the bond certificate from the insurance agency. Once received by the Office of the Secretary of State, they will remain on official file as a matter of public record.

**APPOINTMENT OF TELLER:** It was moved by Director S. Olson and seconded by Director Dahlgren to appoint Michael C. Klein as teller for the election of officers. 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.

**APPOINTMENT OF TEMPORARY CHAIRMAN: It was moved by Director Bogle and seconded by Director Rowe to appoint Don D. Kraus as temporary chairman during the election of officers. 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.**

**NOMINATION AND ELECTION OF OFFICERS:**

a. President: Secret ballots for nomination of President were cast and tallied. Those nominated for President included Directors Nelson, Rowe and Mueller. A primary vote by secret ballot was then cast with Directors Nelson, Rowe and Mueller again receiving an equal share of votes, thus all moving to the general election ballot. The general election resulted in a majority of the votes being cast for Director Nelson as President.

b. Vice President: Secret ballots for nomination of Vice President were cast and tallied. Those nominated for Vice President included Directors Mueller, Dahlgren, Garrett, and Rowe. A primary vote by secret ballot was then cast with Directors Mueller, Rowe and Dahlgren moving to the general election ballot. The general election resulted in a majority of votes being cast for Director Rowe as Vice President.

c. Treasurer: Secret ballots for nomination of Treasurer were cast and tallied. Those nominated for Treasurer included Directors Garrett, Bogle, Mueller, and Dahlgren. A primary vote by secret ballot was then cast with Directors Mueller, Garrett and Dahlgren moving to the general election ballot. The general election resulted in a majority of votes being cast for Director Dahlgren as Treasurer.

d. Secretary: Secret ballots for nomination of Secretary were cast and tallied. Those nominated for Secretary included Directors Knoerzer, Mueller, S. Olson, and Petersen. A primary vote by secret ballot was then cast with Directors S. Olson and Mueller moving to the general election ballot. The general election resulted in a tie vote between Directors S. Olson and Mueller and a second general election ballot was conducted. The second general election resulted in a majority of votes being cast for Director Mueller as Secretary.

**ASSISTANT TREASURER: It was moved by Director Petersen and seconded by Director Knoerzer to reappoint Rochelle A. Jurgens as Assistant Treasurer. 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.**

**ASSISTANT SECRETARY: It was moved by Director Bogle and seconded by Director R. Olson to reappoint Emily J. Anderson as Assistant Secretary. 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.**

**AUTHORIZATION TO SIGN CHECKS: It was moved by Director Knoerzer and seconded by Director Garrett that the following persons be authorized to sign District checks:**

**Robert B. Dahlgren, Treasurer  
Rochelle A. Jurgens, Controller  
Don D. Kraus, General Manager**

**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.**

**COMMITTEE APPOINTMENTS: President Nelson asked anyone desiring a change to the current committee appointments to contact him, and committee members will be announced later.**

**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 December 1, 2014**
- **Approval of Minutes of Special Meeting of the Board of Directors held December 10, 2014**
- **Approval of Minutes of Special Meeting of the Board of Directors held December 29, 2014**
- **Approval of Minutes of Committee Meeting of the Board of Directors held December 29, 2014**
- **Approval of the January Disbursements:**

*Hydro Division:*

Check # 47478-VOID; Check #s 48052 through 48288 and 8800432 through 8800437(Accounts Payable) \$756,020.12  
 Check #s 9910443 through 9910543 and 9832 through 9849 (Payroll) \$325,991.00

*Kingsley Division:*

Check #s 2721 through 2729 (Accounts Payable) \$88,339.15

*J-2 Regulating Reservoir Construction Fund:*

Check #s 1091 through 1097 (Accounts Payable) \$186,531.81

*Glendo Division:*

Check #NONE NONE

*Flex Spending Account:*

Check #s 6907 through 6914 \$3,751.18

- **Approval of 2015 Budget Revision #1** (Holdrege Irrigation Capital Budget – \$0.00 net change; Gothenburg Capital Budget - \$37,000.00 net change; Administrative Expense – \$10,400.00 net change)
- **Approval of Construction Work Order No. 186803 – GIS System Upgrade & Functional Expansion (\$71,500.00)**
- **Approval of Supplemental Work Order No. 107329 – Kingsley Warehouse Bathroom (\$3,240.00)**
- **Approval of Supplemental Work Order No. 186531 – Replace A29.1-12.7 Flume with 42” 80psi PVC Pipe (\$56,713.01)**
- **Approval of Retirement Work Order No. 186248 – Close ½ mile of lateral at A18.7-2.2-0.4-0.7 (\$3,426.55)**
- **Approval of Construction Work Order No. 186532 – Replace open lateral with pipeline at A18.7-2.2-0.4-0.7 (\$7,249.45)**
- **Approval of Water Service Agreements**

System	Acct. No.	Legal Desc.	Landowner	Contr. Acres	Total Acres Chg'd
<b><u>WATER SERVICE AGREEMENTS</u></b>					
Phelps.....	7163406.....	S1/2SE1/4 34-7-16 .....	Roland C Nyquist, Trustee .....	67.....(1).....	+27

(1)IPP Amendment to Water Service Agreement for the 2015 irrigation season accompanies new WSA.

- **Approval of Right of Way Transactions**

System	Tract No.	Legal Desc.	Landowner	Landowner Easement to Central Acres	Central Quitclaim to Landowner Acres
<b><u>RIGHT-OF-WAY EXCHANGE</u></b>					
E65	E65#110	SW¼ of 17-T7N-R19W	Lloyd G. Berquist	1.34.....	2.54
E65	E65#100	NW¼ of 20-T7N-R19W	Marilyn Winkler	4.22.....	4.73
E65	E65#128	SE¼ of 20-T7N-R19W	Gregory A. Linder, Trustee	3.97.....	5.42

➤ **Approval of Agricultural and Pasture Lease Renewals**

<b>Name</b>	<b>Type of Lease</b>	<b>Acres</b>	<b>Rent</b>	<b>Term</b>	<b>Location</b>	<b>Tract No</b>
Chris Erickson	Irrigated -Gravity Agricultural Lease	1.3	\$130.00	03/1/15-12/31/15	SE¼ of Section 24-T6N-R18W	A_14
Bryant & Lori Knoerzer	Grassland/Pasture Agricultural Lease	1.88	\$83.33	03/1/15-12/31/15	NE¼ and a portion of the SE¼ of Section 6-T7N-R22W	E65_1010
Jeff & Bertina J. Carlson	Dryland Agricultural Lease	1.7	\$83.33	03/1/15-12/31/15	NW¼ of Section 23-T8N-R20W	A_70
Jeff Wilken	Grassland/Pasture Agricultural Lease	11	\$183.33	03/1/15-12/31/15	Parcel # 1: the SW¼ of Section 15-T8N-R20W and parts of the N½ and NE¼NE¼ of Section 22-T8N-R20W. Parcel # 2: the SE¼ of Section 7-T8N-R20W	A_103, A_106, & A_111
Roger Renken	Grassland/Pasture Agricultural Lease	0.81	\$83.33	03/1/15-12/31/15	SE¼ of NE¼ of Section 11-T8N-R21W	A_128, A_129, & A_137
Terry D. Evans	Grassland/Pasture Agricultural Lease	10.62	\$177.00	03/1/15-12/31/15	SE¼ of Section 24-T8N-R23W and the NE¼ of Section 25-T8N-R23W	E65_1018
Brian Matthewson	Dryland Agricultural Lease	3.48	\$159.50	03/1/15-12/31/15	NW¼ of Section 16-T12N-R28W	E_60-1

- **Approval of Johnson Lake Airport Lease Renewal**
- **Approval of Jeffrey Island Grazing Lease Renewal to include additional 300 acres in 2015**
- **Employment Agreement – Tim Anderson**
- **Employment Agreement – Leonard France**
- **Employment Agreement – William David Campbell**
- **Legal Services Agreement – Robert J. McCormick**
- **Legal Services Agreement – Anderson, Klein, Swan & Brewster**

**It was moved by Director Mueller and seconded by Director R. Olson to approve the Consent Agenda as presented. 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.**

RESOLUTION NO. 15-01 – CORPORATE AUTHORIZATION:

RESOLUTION 15-01  
Certificate of Corporate Authorization and Resolution

I, Martin E. Mueller, being the duly constituted Secretary of The Central Nebraska Public Power and Irrigation District, a corporation organized and existing under and by virtue of The State of Nebraska (hereinafter called “this Corporation”) do hereby certify that the following is a true and complete copy of resolutions duly adopted at a meeting of the Board of Directors of this Corporation, duly called and held on January 8, 2015, at which a quorum was present and voting; that said resolutions are still in force and effect and have not been rescinded; and that said resolutions are no in conflict with the Charter or By-Laws of the Corporation:

RESOLVED that any of the following officers or administrators (specify name and title), to wit:

Robert B. Dahlgren	Treasurer
Rochelle A. Jurgens	Controller
Don D. Kraus	General Manager

of this Corporation be, and they hereby are, fully authorized and empowered (1) to establish and maintain one or more accounts with NebraskaLand National Bank of North Platte, NE, Bruning State Bank, Holdrege, NE, First National Capital Markets, Omaha, NE, Pinnacle Bank of Ogallala, NE, Wells Fargo Brokerage Services LLC of Lincoln, NE, and Gothenburg State Bank, Gothenburg, NE, for the purpose of purchasing, investing in, or otherwise dealing with all forms of cash and securities, (2) to transfer, convert, endorse, buy, sell, assign, set over and deliver any and all shares of stock, bonds, debentures, notes, subscription warrants, stock purchase warrants, evidences of indebtedness or other securities now or hereafter standing in the name of or owned by this Corporation, (3) to make, execute and deliver, under the corporate seal of this Corporation, if any, any and all written instruments of assignment and transfer necessary or proper to effectuate such assignment and transfer, and (4) to do any of the aforementioned acts to administer and manage this Corporation's Certificate of Deposit investments by and through the CDARs Program with any financial institution engaged by this Corporation from time to time for this purpose.

FURTHER RESOLVED that the Secretary or an Assistant Secretary of this Corporation then in office is hereby authorized (1) to execute a certificate from time to time setting forth these resolutions and stating that these resolutions are in full force and effect and certifying that the persons named are then officers of this Corporation, and (2) to annex or cause such certificate to be annexed to an instrument of assignment and transfer executed pursuant to and in accordance with the foregoing resolutions.

FURTHER RESOLVED that any person receiving such certificate shall be entitled to assume and act in reliance on the assumption without further inquiry or investigation and regardless of the date of such certificate, that the shares of stock or other securities named in such instrument were duly and properly transferred, endorsed, sold, assigned, set over and delivered by this Corporation, and that with respect to such shares of stock or other securities, the authority of these resolutions and such officers is still in full force and effect.

**It was moved by Director Soneson and seconded by Director Petersen to approve Resolution No. 15-01 - Corporate Authorization with the insertion of Robert B. Dahlgren as Treasurer and Martin E. Mueller as Secretary. 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.**

KEARNEY COUNTY BRIDGE REPLACEMENT – A29.1-12.2: Cory Steinke stated Kearney County plans to replace a bridge number C005000110 with an arched culvert. He presented copies of a Letter of Understanding and Letter of Consent which were mailed to the Kearney County Highway Superintendent on January 7, 2015 for signatures.

**It was moved by Director S. Olson and seconded by Director Dahlgren to approve the Kearney County Bridge Replacement at A29.1-12.2 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: Mike Drain reminded the Directors of the meetings next week with the Nebraska Game and Parks Commission and U.S. Fish & Wildlife Services concerning the study plans on rare and endangered species, wetlands and water quality, and upcoming meetings

with the Nebraska Department of Natural Resources and the State Historical Society for the archaeological studies. More discussions regarding landowner negotiations were held in Closed Session.

SOUTHWEST POWER POOL TARIFF: Don Kraus stated a FERC settlement judge has been appointed to the case and a settlement conference has been scheduled for January 20, 2015 at 10:00 a.m. in Washington, D.C. More discussions regarding settlement negotiations were held in Closed Session.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner discussed the results of the first day of the Legislative session. There were no bills introduced, but Legislative Committees were formed. The Natural Resources Committee will have three new members with Senator Ken Schilz being the Chairman.

DIRECTORS' ATTENDANCE: All Directors were present.

BOARD COMMENTS: Director Nelson thanked the Directors for re-electing him as President of the Board and thanked Director S. Olson for his service as Secretary.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford stated the transfer process continues with just under 13,000 acres transferred to date. He is also working to schedule a meeting at the Super 8 in Holdrege with the Central District Water Users following the March 2, 2015 Board meeting.
- b. Cory Steinke reported that Lake McConaughy is at elevation 3,247.7, 73% capacity and 1,026,000 acre feet. The inflows have decreased due to icing and NPPD is taking about 500 cfs. Snowpack is below average.
- c. Kevin Boyd stated work on the MP 5.6 bridge in Lincoln County will commence next week.
- d. Jeff Buettner informed the Directors of a NPA Legislative Subcommittee meeting at noon on January 13, 2015 in Lincoln, and requested the attendance by two Directors. Directors Nelson and Bogle will attend the meeting.
- e. Rochelle Jurgens received a favorable decision letter from the IRS letter regarding the defined contribution plan. She moved the retired life insurance fund into the employee benefit trust which will provide a larger variety of investment options.
- f. Holly Rahmann reported 30 eagles were sighted at J-2 over the weekend, 15 eagles at Lake McConaughy, and there were a good number of visitors at the viewing centers. A new issue of The Communicator is being sent out this week. She plans to post an agenda for the February 3, 2015 Holdrege Water Conference on the board website.

WORKSHOPS, SEMINARS AND CONFERENCES: Jeff Buettner reminded the Directors of the NSIA/NWRA Legislative Reception on January 28, 2015 from 5:00-6:30 p.m. at the Nebraska Club in Lincoln and instructed those interested in attending to contact Emily Anderson for registration.

A break was taken at 9:55 a.m. The meeting resumed at 10:25 a.m.

**At 10:25 AM it was moved by Director Garrett, seconded by Director Petersen, to go into Closed Session to protect the public interest and to discuss legal matters and land negotiations. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson. None voted no and the motion was declared carried. President Nelson stated the items to be discussed in Closed Session were: J-2 Regulating Reservoir; Southwest Power Pool Tariff; and Personnel.**

C L O S E D   S E S S I O N

At 11:00 AM it was moved by Director Fowler, seconded by Director Mueller, to exit Closed Session and reconvene in Regular Session. Upon voting on the motion, the following Directors voted therefore: S. Olson, Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, and R. Olson. None voted no and the motion was declared carried. President Nelson stated the items discussed in Closed Session were: J-2 Regulating Reservoir; Southwest Power Pool Tariff; and Personnel.

PERSONNEL: It was moved by Director Knoerzer and seconded by Director Soneson to approve the Personnel Action for the change in rate of pay and bonus for Don Kraus as presented. Upon voting on the motion, the following Directors voted therefore: Petersen, Rowe, Soneson, Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, R. Olson, and S. Olson. None voted no and the motion was declared carried.

The meeting adjourned at 11:02 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER  
AND IRRIGATION DISTRICT

\_\_\_\_\_  
Martin E. Mueller, Secretary

By \_\_\_\_\_  
Dudley L. Nelson, President