

MINUTES OF REGULAR BUSINESS MEETING OF THE
BOARD OF DIRECTORS
THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
HOLDREGE, NEBRASKA
FEBRUARY 1, 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 January 25, 2016, 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 15, 2015.

The following Directors were present:

Dudley L. Nelson, President	Geoffrey K. Bogle	Robert L. Petersen
David L. Rowe, Vice President	Ronald E. Fowler	Gordon N. Soneson
Robert B. Dahlgren, Treasurer	Robert A. Garrett	
Martin E. Mueller, Secretary	William E. Knoerzer	

The following Directors were absent: K. Scott Olson and Roger D. Olson

Also present were the following:

Don D. Kraus, General Manager	Cory A. Steinke, Civil Engineer
Kevin M. Boyd, Gothenburg Division Mgr.	Jeff J. Buettner, Public Relations Coord.
Eric R. Hixson, Engineering Services Mgr.	Holly G. Rahmann, Public Relations Asst.
Rochelle A. Jurgens, Controller	Greg Ham, Purchasing Agent
Dave R. Ford, Irrigation Division Mgr.	Michael C. Klein, Legal Counsel
Mike A. Drain, Natural Resources Mgr.	Emily Anderson, Assistant Secretary

Others present:

Lori Potter, Kearney Hub	John Thorburn, 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 9:02 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 Holly Rahmann and Jeff Buettner for their help organizing the Holdrege Water Conference scheduled for February 2, 2016, but due to the coming snow storm the conference has been cancelled and will not be rescheduled.

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.

- **Approval of Minutes of Regular Business Meeting of the Board of Directors held January 4, 2016**
- **Approval of Minutes of Special Meeting of the Board of Directors held January 22, 2016**
- **Approval of Minutes of Committee Meeting of the Board of Directors held January 22, 2016**

➤ **Approval of the February Disbursements:**

<i>Hydro Division:</i>	\$1,488,154.47
Check # 50134-VOID; Check #s 50882 and 51099 and 8899122 through 8899140 (Accounts Payable);	\$336,766.54
Check #s 9911811 through 9911916 (Payroll)	
<i>Kingsley Division:</i>	\$379,668.36
Check # 2803-VOID; Check #s 2813 through 2821 (Accounts Payable)	
<i>J-2 Regulating Reservoir Construction Fund:</i>	\$102,798.36
Check #s 1179 through 1190 (Accounts Payable)	
<i>Glendo Division:</i>	\$NONE
Check #NONE	
<i>Flex Spending Account:</i>	\$NONE
Check #NONE	

➤ **Approval of Progress Payment Estimate No. 2 (Final) – W.S. Bunch Company, Inc. – Contract No. 0-661 for Kingsley Crane & Hatch Cover Painting (\$17,968.75)**

➤ **Approval of the following Agricultural and Pasture Leases:**

Name	Type of Lease	Acres	Rent	Term	Location	Tract No
Travis Kuenning	Dryland Agricultural Lease	8	\$465.00	01/01/16 - 12/31/20	SE¼ of Section 1-T12N-R29W and NE¼ of Section 12-T12N-R29W	E_68
Knoerzer Farms, Inc.	Grassland/Pasture Agricultural Lease	28.3	\$591.00	01/01/16 - 12/31/20	NW¼NE¼ of Section 32-T8N-R22W and E½NE¼ of Section 32-T8N-R22W	E65_1008, E65_132 & E65_157

➤ **Approval of the 2016 Vehicle Bids as follows:**

- a. Janssen Dodge Ram, Holdrege, NE: Five ½ ton regular cab pickups (2-Holdrege, 2-Bertrand, 1-Gothenburg) - \$131,075.00;
- b. Gene Steffy Chrysler, Fremont, NE: One ½ ton extended cab pickup for Gothenburg - \$27,376.00;
- c. Janssen & Sons Ford, Holdrege, NE: One 1-ton diesel truck, regular cab and chassis for Holdrege - \$36,363.00; and
- d. Pony Express Chevrolet, Gothenburg, NE: One 1+ ton diesel truck, crew cab and chassis for Gothenburg - \$49,429.00

➤ **Approval of the 2016 Chemical Bids as follows:**

- a. Van Diest Supply Co (\$111,620.35)
- b. Creston Fertilizer (\$405.90)

➤ **Approval of Dump Truck Bid – RDO Truck Center - 2017 Mack truck with a 2016 Henderson dump body for the amount of \$116,565.59**

➤ **Approval of Dredge Bid - SRS Crisafulli, Inc. – 2016 SRS Crisafulli Rotomite Dredge for the amount of \$480,750.00**

➤ **Approval of Hydro Division Budget Revision #3 to the Gothenburg Capital Budget for the Tractor, Side Arm Mower and Back Mower by an increase to the current budget from \$115,000 to \$149,300, for a net difference of \$34,300**

➤ **Approval of the Gosper County Sheriff Department’s request for a monetary contribution in the amount of \$1,052.00 plus tax for ice rescue equipment for five vehicles and for Staff to develop a plan to support emergency and rescue agencies in counties within the District**

➤ **Approval of Special Committee Meeting of the Board on March 1, 2016 from 8:15 a.m. to 5:00 p.m. at the Cornhusker Hotel in Lincoln, Nebraska and Special Committee Meeting of the Board on March 2, 2016 from 8:15 a.m. to 2:00 p.m. at the Cornhusker Hotel in Lincoln, Nebraska**

It was moved by Director Fowler and seconded by Director Rowe to approve the Consent Agenda as presented. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and

Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried.

BID TAB – GOTHENBURG CONTROL CENTER BATTERY BANK: Eric Hixson stated of the two bids received only one met the specifications. Staff recommends accepting Electrorep Energy Production’s bid in the amount of \$19,109.00.

It was moved by Director Soneson and seconded by Director Petersen to approve Electrorep Energy Production’s bid in the amount of \$19,109.00 for the Gothenburg Control Center Battery Bank. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried.

WORK ORDER/PURCHASE REQUISITION SUMMARY:

- a. Work Order No. 107348 – Tractor with side and rear mower for Supply Canal (\$149,300.00)
- b. Work Order No. 107350 – Three new pickups and one utility body for Gothenburg Hydro Division (\$138,439.00)
- c. Work Order No. 186537 – Three new pickups for Holdrege Irrigation (\$91,457.00)
- d. Work Order No. 186627 – Two new pickups for Bertrand Irrigation (\$54,003.00)
- e. Work Order No. 107351 – 2017 Dump Truck for Gothenburg Hydro Division (\$128,468.00)
- f. Supplemental Work Order No. 107346 – Jeffrey Forebay Barrier (\$3,314.00)
- g. Purchase Requisition HA6067 – 2016 Chemicals (\$111,486.70)
- h. Purchase Requisition No. HA6069 – Battery Bank for Gothenburg Control Center (\$20,953.00)

The above work orders and purchase requisitions were presented for Board consideration. Don Kraus stated Work Order No. 107348 needs to be removed from the list since Kevin Boyd is seeking bids for the tractor/mower and costs are not known at this time.

It was moved by Director Dahlgren and seconded by Director Mueller to approve the following work orders and purchase requisitions:

- **Work Order No. 107350 – Three new pickups and one utility body for Gothenburg Hydro Division (\$138,439.00)**
- **Work Order No. 186537 – Three new pickups for Holdrege Irrigation (\$91,457.00)**
- **Work Order No. 186627 – Two new pickups for Bertrand Irrigation (\$54,003.00)**
- **Work Order No. 107351 – 2017 Dump Truck for Gothenburg Hydro Division (\$128,468.00)**
- **Supplemental Work Order No. 107346 – Jeffrey Forebay Barrier (\$3,314.00)**
- **Purchase Requisition HA6067 – 2016 Chemicals (\$111,486.70)**
- **Purchase Requisition No. HA6069 – Battery Bank for Gothenburg Control Center (\$20,953.00)**

Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried.

RIGHT OF WAY TRANSACTIONS: Dave Ford presented the following Right of Way Transactions for consideration:

APPLICATION FOR REMOVAL OF BRIDGE OR CROSSING

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowner</u>
Phelps	A38.6 #147.....	SW¼ of 11-6-16	Ellery Peterson, Trustee

(Remove timber bridge at approx. mp 0.1 on A38.6-4.1)

APPLICATION TO CLOSE LATERAL

<u>System</u>	<u>Tract No.</u>	<u>Legal Description</u>	<u>Landowner</u>
Phelps	A29.1#137	SW½NW¼ of 9-6-17	Kent E. & Sylvia M. Person

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

WATER SERVICE AGREEMENTS: Dave Ford presented the following Water Service Agreements for consideration:

<u>System</u>	<u>Acct. No.</u>	<u>Legal Desc.</u>	<u>Landowner</u>	<u>Contr. Acres</u>	<u>Total Acre</u>	<u>Chg'd</u>
<u>WATER SERVICE AGREEMENTS</u>						
E65	6191901	.... (N1/2 & SW1/4)NE1/4 19-6-19	....Stephen B & Carolyn G Larson	24	.... (1)	..... -16
Phelps	7162905	.... SE1/4 29-7-16	.....Kelly J Rapp	18	.... (1)(3)	..... +18
<i>(NOTE: 10-yr Termin. Completed – re-signed 18 ac)</i>						
Phelps	7192501	.... SE1/4 25-7-19	.....Stephen A & Randi L Bohr et al	95	.... (1)	..... +45
E65	7193101	.... SW1/4 31-7-19	.....Stephen B & Carolyn G Larson	145	.... (1)	..... +16

10-Yr TERMINATION

Phelps	6170104	.... NE1/4 1-6-17	.....Kelly J & Lauren D Rapp	145	.... (after 2025)
Phelps	7163201	.... NE1/4 32-7-16	.....Kelly J Rapp, Trustee	150	.... (after 2025)
Phelps	7173003	.... SE1/4 30-7-17	.....Black Velvet Inc	70	.... (after 2025)
E65	7192001	.... NW1/4 20-7-19	.....Marilyn M Winkler	75	.... (after 2025)
E65	7192004	.... SW1/4 20-7-19	.....David D & Marilyn M Winkler	120	.... (after 2025)

- (1) IPP Amendment to Water Service Agreement for the 2016 irrigation season accompanies new WSA.
- (2) IPP Amendment to Water Service Agreement for the 2016 irrigation season to accompany existing WSA.
- (3) Water Service Agreement terminated after 2015, landowner came-back with new WSA.
- (4) Water Service Agreement in 10-year termination (after 2015), landowner came-back with new WSA.
- (5) Documents are currently being reviewed with landowners and/or are being signed by the landowners.

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

CLOSURE OF CONTRACT NO. 0-661 – W.S. BUNCH COMPANY, INC. – KINGSLEY CRANE & HATCH COVER PAINTING: On July 31, 2015 Contract No. 0-661 was awarded to W.S. Bunch Company, Inc. for painting the Kingsley crane and hatch cover at a total cost of \$357,425.00. One change order was issued increasing the contract amount by \$1,950.00 for a total contract amount of \$359,375.00. Prior payments amounting to \$341,406.25 were made, leaving a balance of \$17,968.75. All work has been completed, inspected and found to be satisfactory. We recommend payment in the amount of \$17,968.75 be made to W.S. Bunch Company, Inc. and contract 0-661 be closed.

It was moved by Director Petersen and seconded by Director Garrett to approve the Closure of Contract No. 0-661 – W.S. Bunch Company, Inc. for the Kingsley Crane and Hatch Cover Painting. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried.

REPUBLICAN BASIN DIVERSION PROJECT: This was discussed in Closed Session.

J-2 REGULATING RESERVOIR: Cory Steinke stated RJH is continuing with soil testing to be used in evaluation of the curtain wall construction concept. The Rittgarn property has been cleaned up and Jim Brown will proceed with listing the buildings for sale. More discussions were held in Closed Session.

PERSONNEL: This was discussed in Closed Session.

LEGISLATION: Jeff Buettner presented a brief update of the legislative bills he is following.

DIRECTORS' ATTENDANCE: **It was moved by Director Bogle and seconded by Director Mueller to excuse the absences of Directors Roger D. Olson and K. Scott Olson from this meeting. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried.**

BOARD COMMENTS: Director Dahlgren inquired about the Platte Program drilling a well near the river. John Thorburn explained it is a streamflow augmentation well which they will use to pump into a drainage ditch using Phelps Canal recharge as the water source.

OPERATIONS REPORT: The following operations reports were presented:

- a. Dave Ford stated water scheduling starts today for the 2016 season. The first irrigation run will be on June 6, 2016 and the last will be August 28, 2016.
- b. Cory Steinke reported that Lake McConaughy's elevation is at 3,255.1, 84% of capacity and 1,457,000 acre feet. The South Platte is flowing at 1,400 cfs at the state line.
- c. Kevin Boyd stated crews have been preparing for the coming snow storm and ensuring snow removal equipment is near the hydros. They also plan to burn tree piles later this week.
- d. Mike Drain stated Mead & Hunt is 60% complete with the design phase of the Kingsley Morning Glory repairs.
- e. Jeff Buettner discussed the need to confirm hotel reservations for the Board Retreat on March 1-2, 2016. Travel to Lincoln for retreat will occur on February 29, 2016.
- f. Holly Rahmann has been working on new materials and a handbook for the summer tour. She plans to mail Save the Date cards next week.
- g. Rochelle Jurgens informed the Directors that the auditing firm, BKD, will be in the office this week. She reminded the Investment Committee of the meeting following the Board meeting.
- h. Eric Hixson conducted another interview this week for the IT department position and he plans for Central to attend some upcoming job fairs to recruit potential candidates.

At 9:30 AM it was moved by Director Knoerzer and seconded by Director Dahlgren, that the Board enter into Closed Session to protect the public interest, to discuss personnel matters and contract and land negotiations, and to receive legal advice. Upon voting on the motion, the following Directors voted therefore: Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried. President Nelson stated that the items to be discussed in closed session were the following agenda items: Republican River Diversion Project; J-2 Regulating Reservoir; and Personnel.

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

At 9:54 AM it was moved by Director Fowler and seconded by Director Mueller, that the Board exit Closed Session and reconvene in Regular Session. Bogle, Dahlgren, Fowler, Garrett, Knoerzer, Mueller, Nelson, Petersen, Rowe, and Soneson. Absent: R. Olson and S. Olson. None voted no and the motion was declared carried. President Nelson stated that the items discussed in Closed Session were of a legal nature relating to the following agenda items: Republican River Diversion Project; J-2 Regulating Reservoir; and Personnel.

The meeting adjourned at 9:54 AM.

ATTEST:

THE CENTRAL NEBRASKA PUBLIC POWER
AND IRRIGATION DISTRICT

Martin E. Mueller, Secretary

By _____
Dudley L. Nelson, President