

MINUTES OF THE MEETING OF THE BOARD OF PUBLIC WORKS
OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA
HELD MARCH 13, 2006

THE BOARD OF PUBLIC WORKS OF THE CITY OF AUBURN, NEMAHA COUNTY, NEBRASKA (BPW), met in regular session on the 13th day of March 2006 at the regular meeting place of the Board at the hour of 12:00 Noon. Said meeting being held in open session as required by Chapter 84, Article 14 of Nebraska Statutes.

Chairman Grant called the meeting to order and requested roll call: Members present - Glenn, Grant, Hamilton, Humphrey, Schneider; members absent - none.

General Manager (GM) Dietz informed the Board that he would be submitting his resignation and taking another position with a rural public power district. Chairman Grant thanked Dietz for all he has done for the Board and voiced his regret that Dietz was leaving. Since this was not an agenda item, no action was taken.

The Board reviewed the *Disclosure of Interest Statement* as filed with the City of Auburn by BPW Board Member Richard L. Schneider in regards to his being a Board Member and stockholder of E Energy Auburn, LLC. General Manager Dietz reviewed City Attorney Bert Fuller's recommendation that Schneider follow the guidelines found in Auburn Municipal Code 1-902 regarding BPW action concerning E Energy Auburn LLC.

Chairman Grant noted all Board Members have received a copy of the Agenda for this meeting and asked for any objections or exceptions to the General Consent Items listed under Agenda Item #3. There being no objections or exceptions, motion was moved by Member Glenn, seconded by Member Schneider, the Board approve the General Consent Items listed below:

Agenda Item #3

- a) Approve the previous meeting's minutes and dispense with reading of same,
- b) Approve monthly compensation of Officers, management and employees as previously fixed by the Board,
- c) Approve, ratify and allow the following checks written/transfers during the month:

Electric, Water & Wastewater Departments:

Internal Revenue - fwh & fica (efpts)	\$18,505.93
Department of Revenue - swl (efpts)	2,594.26
Petty Cash: Meals-linecrew & meter reader, address corrects & postage, Metering School @York-expenses (King), recognition coffee expenses, safety meeting refreshments, groundwater atlas, wellfield expenses	442.48
Alltel – long distance	82.78
BC-BS - health insurance	22,311.46
Standard - life premium	480.71
Jefferson Pilot Financial - disability premium	949.87
Ameritas - pension (efpts)	10,396.63
Payroll - transfer	52,312.70
Customer Deposits #2 - refund or apply	1,496.00

approve and pay the following claims:

Action Technology	\$2,136.20
Auburn Newspapers	254.47
Auburn Postmaster	959.00
Beard's Salvage	121.81
BPW	4,615.28
Bulldog Auto Parts	26.17
Cleaners, The	195.96
Concrete Industries	106.83
Dettmer Farm	23.43
Eggers Bros.	369.77
Farmers Co-op	778.34
Mellage Truck/Tractor	92.58
Orscheln	262.63
Sack Lumber	189.38
Shell Fleet	1,104.60
Sunmart	129.21
Tri State Office	3,359.19
Alltel	948.76
Alltel	83.67
Altec Direct	380.35
American Recycle/Sanitation	50.00
APPA	780.81
Baird-Holm LLP	2,003.64
Brownville Concert Series	50.00
Cellular One	86.61
Chromalox	208.29
Crown Graphics	105.00
Crown-Line Plastics	654.77
Dugan Business	26.50
Environmental Analysis South	36.76
Factual Data-Midwest	26.11
First Bankcard	451.97
First National Bank	10.00
Grainger W. W.	447.30
Great Plains One Call	48.77
Hawkins Water Treatment	256.89
HHS-Lab	234.00
Husker Electric	104.84
Kelly Supply	292.40
Kistler Equipment	5,519.47
Kriz-Davis	6,238.17
Lawson Products	559.71
League of NE Municipalities	135.00

Lincoln Electric Supply	609.71
McMaster-Carr	28.02
Mid Con Systems	374.76
Mid-Continent Sales	3,793.86
Midwest Labs	62.95
Municipal Service/Supply	497.61
National Water Works	324.36
Nebtech Calibration	103.31
Pay Flex	74.25
PDS	3,626.57
Scantron Service	179.58
Standard Insurance	565.08
Universal Revenue	151.67
Water Engineering	639.00
Water Products	167.21
REBATES:	
American Legion Building	1,842.60
Jeremy & Jana Gerdes	572.40
Tony & Rebecca Johnson	689.82
Bob & Joyce Knipe	50.00
Chris & Jennifer McCullough	55.00
Bob Mayer	559.20
PURCHASED POWER:	
NPPD (estimate)	170,000.00
WAPA	21,019.32
OPPD	3,987.76
KBR	15.17
POWER PLANT:	
Aquila	57.41
Cornerstone	2,771.48
efpts: Dept. of Revenue	14,957.06

and transfer the following sums to the Electric Revenue account - \$75,685.20 from Electric Revenue GMM plus the actual amount of NPPD when received, \$42,462.90 from Water Revenue GMM and \$7,201.45 from WW Revenue GMM (amounts include routine transfers to T&D);

- (d) Noted that ASB#14898 & 14897 were reinvested for twelve months, not six months as recommended, due to the maturity dates; and
- (e) Approve Free Service Report as follows: BPW has furnished utilities, materials and labor equal to \$3,814.79 to the City free of charge and paid in lieu of tax payments of \$8,861.73 to the City for the month of February 2006.

Roll call: those voting aye - Glenn, Hamilton, Humphrey, Schneider, Grant. Chairman Grant declared the motion carried.

Motion was moved by Member Schneider, seconded by Member Humphrey, the Board approve the claim of Glenn's Corner Market - \$13.29. Roll call: those voting aye - Hamilton, Humphrey, Schneider, Grant; abstaining - Glenn. Chairman Grant declared the motion carried.

Motion was moved by Member Glenn, seconded by Member Schneider, the Board approve the claim of Humphrey Motor - \$77.83. Roll call: those voting aye - Glenn, Grant, Hamilton, Schneider; abstaining - Humphrey. Chairman Grant declared the motion carried.

Motion was moved by Member Glenn, seconded by Member Humphrey, the Board approve the claims of Layne-Christensen - \$22,302.70, Quad State Services - \$7,751.25 and RVW - \$314.68. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Grant; abstaining - Schneider. Chairman Grant declared the motion carried.

The Board received the 2005 Audit of the Electric, Water & Wastewater Departments at the last meeting. One page reflecting number of electrical customers was corrected and given to Board Members. Motion was moved by Member Schneider, seconded by Member Humphrey, the Board accept the Audit as presented, with the addition of the corrected page #22. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Schneider, Grant. Chairman Grant declared the motion carried.

Under Customer Presentation, Robert Eichelberger appeared before the Board and offered suggestions for improving technology which might allow customers to choose their own meter reading dates. The Board thanked Mr. Eichelberger for his comments. No action was taken at this time.

GM Dietz reviewed LB1249, which amends the State Natural Gas Regulation Act to provide boundaries for exclusive service areas of natural gas utilities regardless of a franchise being in place. Motion was moved by Member Humphrey, seconded by Member Hamilton, the Board go on record in opposition to LB1249, that Chairman Grant be authorized to sign a letter to Senator Lavon Heidemann explaining the Board's opposition and that GM Dietz contact the Mayor and City Council concerning the issue. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Schneider, Grant. Chairman Grant declared the motion carried.

The Board received the Motor Starting Analysis as prepared by RVW Inc. and dated February 13, 2006 in regards to the Ethanol Plant Project. The study showed the motor will start from either distribution circuit feed (primary or backup) and should not cause any problems with the plant systems or problems for any of BPW's other customers. Motion was moved by Member Humphrey, seconded by Member Glenn, the Board approve the analysis as submitted. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Grant; abstaining - Schneider. Chairman Grant declared the motion carried.

Under Water Supply Considerations:

a. The Board discussed legal considerations and strategy including a two-year moratorium on well drilling being proposed by Nemaha Natural Resource District (NRD) and scheduled for a public hearing at 7:00 p.m. on April 6 in Tecumseh.

b. GM Dietz, Accounting & Finance Manager Filbrandt and a representative from Rural Water District No. 1 met with Senator Lavon Heidemann, representatives of the Nebraska Department of Natural Resources and the NRD recently to discuss issues.

c. *Notice of Intent to Consider Wellfield* was withdrawn for one area and filed for another area and proper notification was given to the irrigator.

d. Actual water used by an Ethanol Plant from Central City for calendar year 2005 was reviewed.

e. Information on North Dakota's South Central Regional Water District's use of angle wells was reviewed.

f. Notice given to the owner of two irrigation well permits in the Board's Wellhead Protection Area was reviewed. Construction of wells is restricted until the required permit has been obtained from BPW.

g. Motion was moved by Member Humphrey, seconded by Member Glenn, the Board pursue, through legal channels, restricting wells in the zoning limits of the City of Auburn. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Grant; abstaining - Schneider. Chairman Grant declared the motion carried.

Work will continue on finalizing plans for the wellfield for the City of Auburn. Present at the meeting were Jane Andrew and Mike Hall of Nemaha. Their input was received.

Specifications for one new or demonstrator trencher/backhoe with trailer were reviewed by the Board. Motion was moved by Member Glenn, seconded by Member Schneider, the Board approve the specifications as presented and advertise for bids, with bids to be received no later than April 7, 2006 at 1:00 p.m. CDT at the office of the Board. Roll call: those voting aye - Glenn, Hamilton, Humphrey, Schneider, Grant. Chairman Grant declared the motion carried.

The Water Management Contract for Power Plant water was not received; therefore, no action was taken on this agenda item.

GM Dietz provided information on the following: Reports-Priority: a) HVAC Meeting 3/21/06; b) Personnel; c) Armstrong Cabinet - permit; d) LB840 presentation; e) Industrial customer expansion; f) Intervent Wellness Program; Reports-General: a) Crude oil refund final payment received; b) LARM Board Meeting; c) Job shadowing; d) Johnson circuit regulators; e) Clearwell Reservoirs - warranty issues; f) Thank you; g) Power Plant.

There being no further business to come before the Board, motion was moved by Member Schneider the Board adjourn to an emergency special meeting of the Board for the purpose of discussing personnel issues and accepting the resignation of the General Manager to be held March 17, 2006 at the hour of 12:00 Noon, at the regular meeting place of the Board. Member Glenn seconded the motion. Roll call: those voting aye: Glenn, Hamilton, Humphrey, Schneider, Grant. Chairman Grant declared the meeting adjourned. Agenda items will be posted.

James W. Grant III, Chairman

ATTEST: _____
Jack W. Humphrey, Secretary

CERTIFICATE

I, Betty J. Filbrandt, Notary Public for the State of Nebraska, do hereby certify the attached and foregoing minutes is a true, correct and conformed copy of proceedings had and done by the Board of Public Works at their March 13, 2006 meeting; all of the subjects acted upon in the foregoing proceedings were contained in the agenda for the meeting, kept continually current and available for public inspection at the Office of the Board; such subjects were contained in the agenda for at least twenty-four hours prior to said meeting; at least one copy of all reproducible material discussed at the meeting was available at the meeting for examination and copying by members of the public; the said minutes were in written form and available for public inspection within ten working days and prior to the next convened meeting of said body, all in accordance with Chapter 84, Article 14 of Nebraska Statutes.

Betty J. Filbrandt, Notary Public in and for the State of Nebraska.

My Commission Expires January 12, 2009.