

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes April 19, 2017 Curtis Community Center, 201 Garlick, Curtis, NE

Agendas were sent to board members and others requesting agendas, Agendas were posted at www.ncorpe.org and in the following offices: Twin Platte NRD; Lower Republican NRD, Middle Republican NRD; and Upper Republican NRD.

Board Members Present: Terry Martin (Upper Republican NRD); Jerry Weaver (Twin Platte NRD) Benjie Loomis (Middle Republican NRD); Nelson F. Trambly (Lower Republican NRD)

Others Present: Kyle Shepherd (NCORPE); Jasper Fanning (Upper Republican NRD); Dean Large (Upper Republican NRD); Mike Clements (Lower Republican NRD); Jim Meismer (Twin Platte NRD); Jack Russell (Middle Republican NRD); Scott Dicke (Lower Republican NRD); Kent O. Miller (Twin Platte NRD); Nate Jenkins (Upper Republican NRD); Robert E Peterson; Gretchen Dolson (HDR, Lincoln, Ne); Srip Marland (North Platte); Mike Kelly (North Platte); Marvin Henry (Maywood); Job Viril (North Platte Telegraph)

Information Sent to Board Members: Agenda; Minutes from March 22, 2017 meeting; Bills paid up to April 18, 2017; HDR Owner's Engineer Description; HDR Proposal.

Information Available at meeting: Agenda; Minutes from March 22, 2017 meeting; Bills paid up to April 18, 2017; HDR Owner's Engineer Description; HDR Proposal; NCORPE bonds article; Law Suit Against NCORPE article; Water legislation would open a Pandora's box article.

Terry Martin called the meeting to order at 10:05 a.m. and designated NCORPE General Manager Kyle Shepherd to chair the meeting. Shepherd pointed out that there were copies of the Open Meeting Act posted in the back of the room.

Roll call was taken. Voting representatives from the Upper Republican NRD (Terry Martin); Middle Republican NRD (Benjie Loomis); Twin Platte NRD (Jerry Weaver); Lower Republican NRD (Nelson F. Trambly) were represent.

Minutes of March 22, 2017 Meeting:

Jerry Weaver moved to approve the minutes of March 22, 2017 meeting as presented and was seconded by Benjie Loomis.

Roll Call, Upper Republican- Yes; Middle Republican- Yes; Twin Platte- Yes; Lower Republican- Yes. Vote: 4-Yes, 0-No. Motion Approved

Financial Report

Payables – Shepherd presented the payables to the board and opened the floor to questions. Jerry Weaver asked about stock well expenses and Shepherd explained that it included electrical installations as well as floats. Weaver said that he thought that the insurance was billed to Upper Republican NRD and Jasper Fanner replied that there is a separate policy for NCORPE.

Jerry Weaver moved the motion to accept the payables as presented and was seconded by Terry Martin.

Roll Call, Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4- Yes, 0 – No – Motion Approved.

Bond Updates

Shepherd advised the board that the bond closes on May 1, 2017 and that there were documents that required signatures with the presence of a notary that would need to be signed after the meeting.

Shepherd gave an overview on an article that featured Senator Dan Hues speaking on the importance of NCORPE. Shepherd also presented articles on the NCORPE's law suit and an article on how the reissuance of the bonds saved over \$13 million.

Project Update

Managers' Report

Bill Sellers (Range Manager) has been working with producers with spring grazing since spring grazing has already begun. Sellers worked on preparation for summer assistance, did several tours, repairs on fencing for spring grazing, completed year-end augmentation billing, and some of these tasks were assisted by hourly employees.

Mike Keller (Operations Manager) operated the wellfields and shut them down once the Republican River obligation had been met. Keller addressed some blockage issues at the lake inspected the crossings and determined that there doesn't seem to be any work that needs to be done by NCORPE. Keller completed maintenance and repairs on equipment and addressed Scada issues, worked on pivots, and used hourly employees to assist with some of these tasks.

Kyle Shepherd (General Manager) has been working on Bond issuance, In Kind, budget, audit, wind development, has attended several meetings and public relations.

Property Management / Operations

Consultation with HDR on wind proposals – Gretchen Dolson

Kyle Shepherd said that the managers met last week with Dolson and there were some questions. Shepherd then opened the floor for Dolson to address the board. Dolson gave some background on HDR stating that it employs about 10,000 employees globally. She's responsible for wind, solar and energy storage projects. They've worked in power generation, traditional fossil generation, transmission and substation work, as well as hydro power work. HDR has a strong background in the wind industry. HDR had initially worked with NCORPE in the resources phase and were referred again to assist with this project. Dolson says that they do strategic consulting / independent engineering. Even though they've worked in most areas of projects, they would never work for more than one party at the same time.

Jerry Weaver moved the motion to proceed with phase 1 and 1A of services offered by HDR seconded by Nelson F. Trambly.

Roll call; Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – Yes; Lower Republican NRD – Yes; Vote 4 – Yes 0- No Motion approved.

Alternate Power Generation Presentation

Shepherd advised the board that the groups that were supposed to do presentations were not able to present today.

Pumping Update

Shepherd advised the board that pumping has been completed and NCORPE has pumped a little over 10,800 acre feet of water. Shepherd said that the power bill is divided between three power companies as the wells used for pumping are located in three power districts and a bill from Dawson's Power is received twice per year. He said that the managers met and decided that NCORPE would pay the demand portion of the bill which is approximately about \$200,000 of the approximate \$700,000 and the remainder which is for usage is to be divided between three NRDs.

Land Trade Options – Update

Shepherd said that we're still working with Pipers on the land trade and the appraisers had estimated completion by the first week in May 2017 but completion may be delayed until the end of May or first week in June.

Legislative Update

LB218 is still in committee and there were no further updates the time.

Summer Help

Shepherd told the board that Bill Sellers has brokered a deal to have some summer help from the correctional facility in McCook. This would aid in the attempt to control noxious weeds during the summer.

Third Party Audit

Shepherd advised that he has submitted lots of information to the auditors, the lawyers, accountants, Upper Republican's office, NCORPE's Banks all have submitted information to the auditors. Shepherd feels that the progress seems to be going a lot slower than the given schedule. He wanted to ensure that the auditors are aware that the dead line of July 1, 2017 remains the same and he was assured that it'll be met.

Cash Reserve Budget

Shepherd said that he'd be starting to prepare the budget for the next fiscal year. Shepherd asked the board for an amount that would be adequate for a cash reserve balance. Shepherd felt that about \$650,000 - \$750,000 would be adequate to assist with augmentation expenses as they arise. Mike Clements said that he would prefer to see more details from the budget to make a fair assessment of what the cash reserve should be.

Open Forum

Marvin Henry asked what does it cost to run the wells to pump water into the creek. Shepherd responded that the electrical cost is \$51.75 per acre feet. Mr. Henry asked what was the total cost to pump water in 2016, and Shepherd responded \$1.2 million. Mr. Henry then asked who paid for the water to be pumped and Jasper Fanning replied that the irrigated farmer paid. Mr. Henry said that that the project (NCORPE) has deprived the land owners who sold it of the ability to make a living. Fanning asked him if he was aware the property was owned by a hedge fund out of Greenwich Connecticut. Fanning continued that the hedge fund that owned the land offered it for sale on the open market. Jerry weaver explained that the individuals that had owned it sold it about 30 years ago.

Terry Martin moved to go into executive session to discuss threatening and pending litigation. To be included were NCORPE and NRD staff and board members. The motion was seconded by Benjie Loomis.

Roll call; Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4 – Yes, 0 – No motion Approved. The board entered executive session at 11:45 a.m.

Terry Martin moved to go into open session. The motion was seconded by Benjie Loomis.

Roll call; Twin Platte – Yes; Upper Republican – Yes; Middle Republican – Yes; Lower Republican – Yes. Vote 4 – Yes, 0 – No. Motion Approved. The board exited executive session at 12:27 p.m.

The meeting was adjourned at 12:30 pm as there were no further matters to discuss.

Benjie Loomis, Board Secretary

Date