

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes

May 21, 2014, 9 a.m.

McMillen Hall, McCook Community College, 1205 E. Third, McCook, Neb.

Agendas were sent to all Board Members and all others requesting agendas. Agendas were posted in the following offices: Twin Platte NRD; Lower Republican NRD; Middle Republican NRD; and Upper Republican NRD.

Board Members Present: Bill Bose (Lower Republican NRD Alternate); Brad Randel (Middle Republican NRD); Dean Large (Upper Republican NRD); and Jerry Weaver (Twin Platte NRD).

Others Present: Lee Christensen, Benjie Loomis, Mike Keller, Kent Miller, Chelsea Erickson; Bob Merrigan; Sylvia Johnson; Jack Russell; Jim Meisner; Kevin Fornoff; John Thorburn.

Information Sent to Board Members: Agenda

Information Available at Board Meeting: Agenda; minutes of the April 16, 2014 meeting; financial report; profit and loss statement; revised resolution authorizing the sale of potato facility near Wallace; revised resolution authorizing sale of potato facility referred to as "Kason"; website design and hosting proposal; communication from Wellfleet community; tractor and mower bids; court order regarding Daniel Estermann.

Chairman Dean Large, acting as chairman in the absence of Terry Martin, called the meeting to order at 9:10 a.m. He turned the meeting over to Jasper Fanning, manager of the Upper Republican NRD. Fanning announced that a copy of the Open Meetings Act was posted in the meeting room. Roll call was taken. Voting representatives from URNRD (Dean Large); LRNRD (Bill Bose); Middle Republican NRD (Brad Randel); and Twin Platte NRD (Jerry Weaver) were present.

Minutes:

- Large moved to approve the minutes of the May 21, 2014 meeting as presented. Seconded by Bose. Roll call vote: 4-yes. 0-no. 1-abstain (MRNRD). Motion approved.

Financial Report: Fanning reviewed the financial report and May payables and profit and loss. There were questions about fencing costs Fanning said were related to easement negotiations and would be paid by the Republican NRDs. Fanning explained recent conversations with an accountant who is reviewing NCORPE financials. Fanning explained the bond and interest payment schedule. Miller asked if Twin Platte expenses are being tracked separately; Fanning said they were. Easements and culvert replacement, for example, have been split out so that they are only Republican NRD expenses. Miller said Miller and Associates had begun billing Twin Platte directly. The Twin Platte is seeking a loan from the Clean Water State Revolving Fund and Miller said the loan would likely have to be made to Twin Platte, not NCORPE. Miller said the earliest funding would be available is late this year or early next; construction may start in early 2015. Easement discussions have been ongoing; the design is completed. Seven of the 10 miles of pipe may be installed in county road right of way. Clements asked how the first bond payment would be made; funds will be wired directly to Union Bank from the NRDs. Loomis asked where the proceeds of sales are directed. Fanning said any land or structure sales proceeds go to pay off bonds. The estimated electric bill to the Middle and Lower Republican NRDs will be more than \$2 million. Fanning suggested a substantial number of pivots could be sold

- Large moved to approve financial report and payables as presented. Seconded by Randel. Roll call vote: 4-yes. 0-no. Motion approved.

Project Status/Progress: Fanning said bugs in the system were being worked out and touch up work on crossings was ongoing. Some of the A/C units have had issues. The amount of water being pumped is approximately 82 cfs-85 cfs. An arbitrator recently ruled that Nebraska should get 100% credit for augmentation water; the ruling is non-binding. The Bureau of Reclamation has acknowledged that augmentation water is reaching Harry Strunk Reservoir, evidence that Kansas' argument that the augmentation water would not make it downstream is false. Loomis asked if Colorado was pumping water; they finished in April.

Property Management/Operations

- a.) Potato Facility Purchase Agreements:** Jenkins said the number of surveyed acres associated with the sales of the Wallace and Kason potato facilities that would be reflected in the deeds had varied slightly from the number of acres stated in the purchase contracts. He presented resolutions authorizing the sales of both properties with the revised number of acres based on the surveys.
 - Bose moved to approve the resolutions. Seconded by Randel. Roll call vote: 4-yes. 0-no. Motion approved.
- b.) Website Design Proposal:** Sylvia Johnson gave an overview of a proposal from Pickering Creative Services to design an NCORPE website and provide web hosting services. The proposal for design was \$3,500; yearly website hosting \$600.
 - Bose moved to approve the proposal from Pickering. Seconded by Large. Roll call vote: 4-yes. 0-no. Motion approved.
- c.) Wellfleet Dam Improvements:** Bob Merrigan said the village of Wellfleet had requested assistance removing trees from the face of the Wellfleet Lake dam. Merrigan said the NRDs involved in NCORPE could help. Merrigan had had a discussion with DNR about the best way to remove trees from the dam. There was a discussion about installing a gate to replace the board system now at the spillway. The planks on top of the structure need to be replaced. Merrigan had talked to a contractor about modifying improvements to the spillway.
 - Randel moved to approve making the repairs as Merrigan discussed. Seconded by Bose. Roll call vote: 4-yes. 0-no. Motion approved.
- d.) Vehicle/Equipment Needs/Purchases:** Quotes had been received on service trucks. Clements reviewed Blue Book value of a truck owned by the Lower Republican NRD that could be sold to NCORPE. It was agreed that if available it would be sold at trade-in value. There was a discussion of quotes that had been received for the purchase of two tractors and two mowers.
 - Randel moved to authorize the purchase of two John Deere tractors and two mowers, with one of the tractors equipped with a loader contingent upon being able to receive the equipment in a timely manner. Seconded by Weaver. Roll call vote: 4-yes. 0-no. Motion approved.
The board discussed the need for a bale processor and crimping disc.
 - Randel moved to authorize the purchase of a bale processor and crimping disc. Seconded by Bose. Roll call vote: 4-yes. 0-no. Motion approved.
- e.) Employee Housing:** Jenkins and Keller discussed the need to repair the floor in the house Keller uses and replace cabinets. It was agreed that Keller would seek quotes.
- f.) Occupation Taxes:** Russell asked what the resolution would be to paying the Middle Republican NRD for the reduction of occupation taxes caused by the NCORPE land no longer being irrigated. There was discussion of giving the Middle Republican NRD a credit on the operations budget of NCORPE equal to the amount of occupation taxes no longer paid. It was agreed legal counsel would be asked about the issue.
 - Randel moved to instruct legal counsel to analyze NCORPE's authorization to offset the loss of occupation tax revenue. Roll call vote: 4-yes. 0-no. Motion approved.
- g.) Management:** There was discussion of whether there was a need for a manager of NCORPE. Fanning reviewed responsibilities of existing employees and work that needed to be done at NCORPE moving forward. The state will establish how much water will need to be pumped and once the decision is made it will be known how many

wells to operate. Part-time employees will be hired to operate tractors and do clean-up work.. It was agreed that the managers would discuss over the next couple months whether an additional full-time employee would be needed. Clements suggested the Upper Republican NRD should be reimbursed for time spent on the NCORPE project.

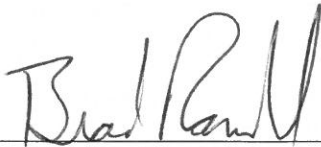
Open Forum: Clements said there should be discussion of interbasin transfers. The Board agreed it could be considered during the basin-wide planning process required by recent legislation.

Executive Session: Bose moved to enter executive session with NCORPE board members and NRD board members and staff potential litigation regarding the well field and easements and downstream structures.

Seconded by Randel. Roll call vote: 4-yes. 0-no. Motion approved. The Board entered executive session at 11:30 a.m.

- Bose moved to exit executive session at 12:13 p.m. Seconded by Large. Roll call vote: 4-yes. 0-no. Motion approved.
- Bose moved to enter executive session to include NCORPE board members and NRD staff for salary discussions related to personnel. Seconded by Large. Roll call vote: 4-yes. 0-no. Motion approved. The Board entered executive session at 12:13 p.m.
- Large moved to exit executive session at 12:36 p.m. Seconded by Bose. Roll call vote: 4-yes. 0-no. Motion approved.

Next Meeting: The next meeting was scheduled for 9 a.m. CT June 18 at the same location.



Brad Randel, Board Secretary



Date