

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes

June 18, 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: Marlin Murdoch (Lower Republican NRD Alternate); Brad Randel (Middle Republican NRD); Terry Martin (Upper Republican NRD); and Jerry Weaver (Twin Platte NRD).

Others Present: Jasper Fanning, Nate Jenkins, Bob Merrigan, Jim Meismer, Kent Miller, Mike Clements, Dean Large, Mike Keller, Sylvia Johnson

Information Sent to Board Members: Agenda

Information Available at Board Meeting: Agenda; minutes of May 21, 2014 meeting; June payables; May profit and loss statement and balance sheet; time and expense report; draft budget; and financial statements for period ending June 30, 2013.

Chairman Terry Martin, called the meeting to order at 9:15 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 (Terry Martin); LRNRD (Marlin Murdoch); Middle Republican NRD (Brad Randel); and Twin Platte NRD (Jerry Weaver) were present.

Minutes:

- Weaver moved to approve the minutes of the May 21, 2014 meeting as presented. Seconded by Bose. Roll call vote: 3-yes. 0-no. 1-abstain (URNRD). Motion approved.

Financial Report: Fanning reviewed the financial report, June payables, profit and loss and financial statement done by the NCORPE accountant for the period ending June 30, 2013. Field work on the McDermott property was discussed. Property insurance will be collected on the wheat ground and no wheat will be harvested because much of it was drilled to oats to provide cover. It could be drilled to sorghum or grass next year, but likely sorghum. Augmentation pumping electrical costs will be approximately \$2 million this year. The balance sheet was reviewed and the fact that property sales proceeds have been used to pay down bonds was reviewed. The money will be set aside to retire higher interest, taxable bonds.

The Board reviewed the financial statement prepared by the NCORPE accountant that covered the period ending June 30, 2013. The accountant had taken NCORPE financial information and compiled financial statements based on generally accepted accounting standards.

Board members discussed progress seeding the project land and the availability of seed, which will be better known in coming months. The need for a reserved was discussed and it was generally agreed the member NRDs should hold their respective portions of the reserve. Fanning provided an overview of a draft budget for NCORPE for the coming fiscal year. It was agreed the managers would discuss the issue.

- Martin moved to pay the June payables and approve the financial report as presented. Seconded by Randel. Roll call vote: 4-yes. 0-no. Motion approved.
- Murdoch moved to approve the draft budget as presented. Seconded by Martin. Roll call vote: 4-yes. 0-no. Motion approved.

There was a discussion of expenses the URNRD has had starting and operating the project. Fanning explained the figure was arrived at by estimating staff time, including benefits, spent on the project and mileage over the last 20 months. The total amount was \$520,390.14. Fanning suggested the MRNRD should estimate their expenses. The amount of time spent on the project should be decreasing.

Project Update

- a.) **Construction Status/Progress:** Bob Merrigan said work on downstream crossings is ongoing and three remain. Cleanup work needs to be done on some of the completed crossings. He estimated remaining costs would be \$400,000. Fanning said crossing work and related work along the channel done by Merryman would be approximately \$500,000. It was noted that wells have been being shut off during rainfalls in the area. Work on the face of Wellfleet Lake dam was discussed. Merrigan said NRD employees would be able to do the work. There will be discussions with a contractor about work on the secondary spillway at the dam. The Board talked about protocols for turning wells off during rain events. Weaver asked that the NCORPE website being developed contain updates on wells being operated. Fanning mentioned that work on some of the wells to optimize flows was ongoing and that settling issues at the well pads and issues with the air conditioners would be addressed.

Property Management/Operations

- a.) **Vehicle and Equipment Needs:** Mike Clements said the LRNRD Board had agreed to sell its 2004 ¾ ton truck to NCORPE at retail price established by Kelley Blue Book. Fanning said the URNRD would do the same with a 2008 ¾ ton that has been being used at NCORPE.
 - Martin moved to have NCORPE buy trucks owned by LRNRD and URNRD at Kelley Blue Book retail value. Seconded by Weaver. Roll call vote: 4-yes. 0-no. Motion approved.

Fanning said John Deere was not able to deliver tractors soon so there was a discussion of what other, previously received bids for two tractors and two mowers should be accepted. It was agreed McCormick tractors and Bush Hog mowers from Miller Repair in Maxwell should be purchased.

- Weaver moved to accept the bid for two McCormick tractors and two Bush Hog mowers from Miller Equipment. Seconded by Martin. Roll call vote: 4-yes. 0-no. Motion approved.
- b.) **Occupation Taxes:** Fanning said legal counsel had advised that occupation tax losses to the MRNRD due to retiring the irrigated acres at NCORPE can be a credit in the operating budget. Legal counsel had advised the interlocal agreement be changed because it apportions the costs of operating the project to each NRD. Miller asked if occupation taxes could be considered an operational expense so the interlocal agreement wouldn't have to be changed. Fanning said he would ask legal counsel.

Open Forum: There were no speakers.

Executive Session:

- Martin moved to go into executive session to discuss landowner agreements and negotiations, to include NRD board members and staff. Seconded by Murdoch. Roll call vote: 4-yes. 0-no.

The Board entered executive session at 11:26 a.m.

- Randel moved to exit executive session at 12:48 p.m. Seconded by Martin. Roll call vote: 4-yes. 0-no. Motion approved.

Next Meeting: The next meeting was scheduled for 9 a.m. CT July 16 at the same location.

The meeting was adjourned at 12:50 p.m.

Brad Randel, Board Secretary

Date