

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes

July 16, 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: Dave Bartels (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, Mike Clements, Dean Large, Mike Keller, Sylvia Johnson, Dan Estermann, John Engel, Tim Kahrs, Benjie Loomis, Ron Bourne, Eli Nutt.

Information Sent to Board Members: Agenda

Information Available at Board Meeting: Agenda; minutes of June 18, 2014 meeting; July payables; balance sheet as of June 30, 2014, profit and loss statement; expense breakdown by NRD; Irrigation Leader article.

Chairman Terry Martin, called the meeting to order at 9:07 a.m. and noted a copy of the Open Meetings Act was in the back of the room. 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 (Dave Bartels); Middle Republican NRD (Brad Randel); and Twin Platte NRD (Jerry Weaver) were present.

Minutes:

- Martin moved to approve the minutes of the June 18, 2014 meeting as presented. Seconded by Weaver. Roll call vote: 4-yes. 0-no. Motion approved.

Financial Report:

- a.) Payables:** Randel asked how much was still owed to Merryman Excavation. Fanning said the approximately \$691,000 in the payables was for the last segment of time and materials and crossing work. Weaver asked about insurance and Fanning said a temporary policy change had been made. Randel asked about pivot repair costs; Jenkins said they were related to pivots being leased. There was a discussion of when to sell pivots. Fanning said he was leaning towards selling all of them because there would probably not be a need to drill a cover crop again. He said he would be more comfortable selling the rest if NCORPE was able to obtain a lot of grass seed this fall. There was a discussion of when to sell grain bins and fence repair costs. The Board discussed the split of construction and related costs between the NRDs in NCORPE. There are about \$750,000 in expenses for land remediation that are reimbursable. There is a \$15.7 million loan with the banks. There is a question of whether to keep the loan or do a bond issue to finance the construction cost. Fanning said a bond would allow to NCORPE to lock in an interest rate for the life of the debt. Each NRD needs to decide how much in bonds they want to issue.
- Bartels moved to pay the payables and approve the treasurer's report. Seconded by Randel. Roll call vote: 4-yes. 0-no. Motion approved.

- b.) Member Contributions:** Fanning said the managers had discussed NRD reimbursement for time spent on NCORPE. Comparable services to provide project oversight may have cost approximately \$1.2 million-\$2 million. The managers didn't have a specific recommendation on reimbursement. There was discussion of having an onsite NCORPE manager. It was decided that a job description should be developed. The onsite person would likely work with existing staff as much as manage them. Martin agreed a manager was needed so URNRD staff could spend more time on the URNRD. Weaver said the board still needs to define the long term objective for the property – e.g. sell or retain the property. He wants interviews to occur in the fall and have someone hired by winter. There was more discussion of reimbursement for time spent on NCORPE. Fanning mentioned that a \$700,000 grant for NCORPE had been obtained.

Project Update:

- a.) Construction Status/Progress:** Communication issues within the wellfield were being worked on and most of the air conditioners had been fixed. Settling issues at the well pads are being resolved by elevating the panel boxes. The settling had made it difficult to open some of the doors. There has been discussion between the engineer and contractors about responsibility for rectifying the settling issues. Work remains to be done on parts of McDermott's property the channel traverses. The railroad has a bridge where some minor erosion is occurring because of a lack of riprap that will be addressed.
- b.) Medicine Creek Structures/Agreements:** Ron Bourne from North Platte discussed with the Board properties he said are being damaged by the project. He said flooding has occurred on two pieces of property. The amount of land involved is about 1 ½ mile of creek area, about 30-35 acres halfway between Wellfleet and Maywood. The two tracts of land have different ownership and Bourne said he was speaking on behalf of all the owners. He said the MRNRD had responded rapidly to his request to observe the problem. Bourne said he had been told that the amount of water being transmitted through the stream exceeded the channel capacity. He said NCORPE had been negligent. Bourne said about 60 ton of hay per cutting was produced on the land. There are usually one to two cuttings per year. Bourne said the property owners don't want money or in-kind such as hay because they are in a high tax bracket. Instead they want 2 inches additional allocation on 8 wells in the MRNRD. He said they don't want to litigate, unless they have to. Merrigan said there are about 1,300 irrigated acres tied to the 8 wells. Bourne said they want 2 additional inches allocation in each year the project was operated. Board members and NRD staff asked Bourne questions about the extent of the problem.

Property Management/Operations

- a.) Superintendent/Manager:** Already discussed
- b.) Modeling Progress:** The managers have met with the modeler and are making progress. The drawdown at some wells was discussed. Observation wells have been implemented.

Open Forum: Eli Nutt who farms near Medicine Creek said portions of the land he started farming this year are always wet but there are areas now that are wet that previously haven't been. He said he has observed de-nitrification of corn in one field. He suggested the board pay him the difference in yield between the wet field and one nearby that is not.

Dan Estermann from Wellfleet said he missed the meeting the previous month and asked that NCORPE member NRDs post meeting notices on their websites. He said the meeting notice in one newspaper was published the day before the meeting. Jenkins said that when he sends the legal notices to newspapers he asks the notices be published in a manner that allows the public to see them approximately three days before the NCORPE meetings.

Executive Session

- Randel moved to enter executive session at 10:57 a.m. to discuss land rights, litigation and negotiations to include NRD staff and NCORPE board members and NCORPE consultants. Seconded by Martin. Roll call vote: 4-yes. 0-no. Motion approved.

- Randel moved to exit executive session at 11:49 a.m.. Seconded by Bartels. Roll call vote: 4-yes. 0-no. Motion approved.

Next Meeting: The next meeting was scheduled for 9 a.m. CT August 28 at the TPNRD office.

The meeting was adjourned at 12:09 p.m.

Brad Randel, Board Secretary

Date