

# N-CORPE

## *Nebraska Cooperative Republican Platte Enhancement Project*

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### **Board of Directors Meeting Minutes April 18, 2018 Curtis Community Center, 201 Garlick, Curtis, NE**

Agendas were sent to board members and others requesting agendas, Agendas were posted at [www.ncorpe.org](http://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); Kent O. Miller (Twin Platte NRD); Jim Meismer (Twin Platte NRD); Dean Large (Upper Republican NRD); Jasper Fanning (Upper Republican NRD); Jack Russell (Middle Republican NRD); Kevin Fornoff (Middle Republican NRD); Scott Dicke (Lower Republican NRD); Todd Siel (Lower Republican NRD); Pierre Dean (NCORPE); Nate Jenkins (Upper Republican NRD); Kent O. Miller (Twin Platte NRD); Silvia Johnson (Middle Republican NRD); Marlene Estermann (Wellfleet); Dan Estermann (Wellfleet); Henry K. Vogt (Lincoln County Appraiser); Julie Stenger (Lincoln County Assessor); Randy Robinson (LCP Group); Lynn Fredricks (North Platte); Marvin Knoll (LCP Group); Robert Meyer, R. J. (Meyer and Associates);

**Information Sent to Board Members:** Agenda; Minutes from January 31, 2018 Board Meeting; UNL Economic Study; Accounts Payable up to 4-12-2018; Accounts Payable up to 4-12-2018 totals; 2017 Fiscal Audit; Scope of services; Fee Estimate for AEM Inc.; Ground Water Level Report 2017;

Terry Martin called the meeting to order at 10:01 a.m. and designated NCORPE's 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 present.

#### **Open Forum**

Randy Robinson addressed the board on his concern about the way the release was prepared. Robinson believes that the release should be in his name only and he feels it should be specifically for the corn crop that was affected and not a blanket release. Mr.

Robinson submitted a copy of a revised release that he had prepared to the board. Jasper Fanning asked if there were any other claims that he has not brought forward as yet. Robinson replied that he hopes that there are no other claims. He Continued to say that they normally take great pride in their fences but haven't gotten around to checking them as yet. Kyle Shepherd reminded Mr. Robinson that the amount on the release was not correct and Mr. Robinson agreed. Terry Martin asked Mr. Robinson if he wants to check and see if everything was included before the amount was finalized. Mr. Robinson responded he just wants the release to read that it's specifically for the damages to the corn crop. Kyle Shepherd suggested that the release be reviewed by NCORPE's attorney and discussed during executive session if the board is willing to accept a change in the release. Benjie Loomis says that he can see where Mr. Robinson is coming from with the adjustments and Jasper Fanning agreed and added that normally in settlements there is usually blanket language that the parties understands that all of the issues that are identifiable at that time are covered and there are not additional claims that they are sitting on. Jerry Weave asked if there are any anticipated claims for herbicides or anything of that nature and Robinson responded that he doesn't think there is any. Jerry Weaver said that the reason for the blanket release is to ensure that there are no other issues relating to the corn crop. Shepherd advised Mr. Robinson that should he have any fencing issues to let NCORPE know.

Dan Estermann commented on his hay claim. Estermann said that his attorney was advised by Mr. Blankeneau that if they continue to try and claim for hay loss when water is being pumped then NCORPE would have to take a total interest in the easement area. Estermann said that under interment domain NCORPE is not supposed to do that as there would be years when no water would be pumped. Estermann said that should that happen he would simply move his cows out the area and would have to be purchasing corn anymore.

### **Minutes of January 31, 2018 Meeting**

Jerry Weaver moved to approve the minutes of the January 31, 2018 meeting as presented. The motion was seconded by Benjie Loomis.

Rolle Call, Upper Republican NRD – Yes; Middle Republican NRD – Yes; Lower Republican NRD – Yes; Twin Platte NRD – Yes. Vote 4 – Yes, 0 – No, Motion approved.

### **Payables**

Kyle Shepherd presented the payables to the board and opened the floor to questions. Benjie Loomis asked about the payroll information for employees and Shepherd advised that payroll is billed through the Upper Republican NRD and they are reimbursed by NCORPE. Jasper Fanning advised that Upper Republican NRD pays NCORPE salaries bi-weekly and in tern bills NCORPE quarterly for salaries. Jerry Weaver asked about the Dawson's Power fixed horse power billing. Jasper Fanning responded that the fixed horse power is billed in the spring and there's another bill in the fall for usage. Jim Meismer asked how many solar pumps were purchased for \$14,800. Shepherd responded that there were pumps, installation of pumps and solar panel trailers and he thinks that it was three.

Nelson F. Trambly moved to approve the payables as presented and was seconded by Terry Martin.

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

### **Standby Saving**

Kyle Shepherd advised the board that the amount of savings by going in stand by for the wells savings are not significant enough to warrant using. The board decided to leave the power on at the wells.

### **2017 Audit Report**

Robert Meyer from R.J. Meyer and Associated presented his findings from the audit to the board. He said there were no unusual findings and everything seems to be order. He's noted that there were some losses with some investments but there were also some gains. He also mentioned the there was a \$12,000,000 savings on the bonds. Meyer said that he noticed that there a is good check and balance in place for NCORPE.

### **Managers Reports**

Bill Sellers – Sellers continued to evaluate 2014 seedings and will have a presentation in June on some reseeding that may need to be done; installed pumps, tanks and pipeline to prepare for this year's grazing; worked with the neighbors to get cattle on the thistles this summer; working on a spraying plan and mowing plan; worked on demand saving; presented a presentation to the Middle Republican NRD board; worked on prescribed burning plan; cut cedar trees; fixed fences; monitoring grazing; worked with Olson's Associates to identify additional area for monitoring wells.

Mike Keller- Keller worked with the pipeline team trying to get the South Pipeline to work with the North Pipeline; The south PSV is finally working but the North is not working as yet and they will continue to work on it; Flow test were done yesterday; Installed a mile and a half stock well pipeline (which cost significantly less); Keller tore down the Kason house and cleaned up the area; Assisted Sellers with preparation for the grazing; performed maintenance on equipment; Moved snow.

Kyle Shepherd – Shepherd has been busy with the agenda items, Public Relations, public information requests, worked with managers on the budget and in-kind issues, worked with Robert Meyers and Associated on the audit; graduated LEAD program; attended meetings, and legislation items.

### **Third Party Audit Update**

Kyle Shepherd said that he spoke with Robert from RMS and was assured that the third-party audit would be done by the end of May. He said that there would be another round of questions on the materials that had been submitted and they should be received next week.

### **Economic Report – Eric Thompson**

Eric Thompson presented the economic study to the board. Thompson stated that NCORPE is one of the vehicles used to meet the Republican River Compact demand that

protects the agriculture economy. Thompson stated that NCORPE is an interesting project as it could use water from wet years stored in the ground and use it in dry years, adding it directly to the stream flow avoiding regulatory activities. Thompson also said that the integrated management plans that he's reviewed is that if NCORPE or other entities like it were in place said that it was possible for about 177,000 acres in the Republican NRD and about 50,000 plus acres in the Twin Platte NRD might have to be moved out of irrigation during call years. Thompson noted that when the land that NCORPE owns was taken out of irrigated production the value of the land has decreased and property taxes on the land has also decreased. When compared to the cost of periodic shutdown of the mentioned acres during call years without the NCORPE project, it would have been significantly more. Nelson F. Trambly asked how often are the call years? Thompson responded about every other year even though there have been several years of pumping then one or two years off it works out to be one in three. Thompson explained how it effects property value taxes and jobs. Thompson said almost 20,000 acres have been taken out of irrigated production and is now range land thus reducing property value and property tax revenue. Then a comparison was made on the saving of having NCORPE for property tax revenue. The 177,000 acres in the Republican NRD and the 50,000 acres in the Twin Platte NRD would decrease in value during the call years resulting in drastically reduced tax revenue for those acres. Thus, NCORPE actually raises the property value of the 127,000 acres during those call years. Mr. Thompson noted that NCORPE is not the only project that helps meet the compact agreement as there are other projects like the Rock Creek project for example. Thompson said that the benefits from NCORPE can be up to \$2,000,000 a year across all four NRDs and local governments that benefits from property taxes. Thompson says that NCORPE does cost some jobs as irrigated acres usually employ more people than non-irrigated acres in rural areas. However, during call years there are lots of jobs saved by projects like NCORPE as irrigated acres would not have to shutdown due to regulations. Thus, saving jobs (20-80 per year) and businesses would be protected with benefits between \$8,000,000 and \$35,000,000 per year.

### **Pivot Repair Needs**

Kyle Shepherd informed the board that the Piepers wanted to do some repair work on the pivots and wanted NCORPE to pay for the entire cost. Shepherd said that he's requested written quotes and has not received them. Due to not having quotes, the mater would be moved to the next meeting for discussion.

### **Property Tax Resolution**

Kyle Shepherd said that Don Blankenau has been working with Joe Wright from the County Attorney's office and they've requested the board to have a new motion. Once the motion is passed the county will agree to drop their appeal to the Supreme Court and NCORPE will agree to pay in-lieu of taxes. Kent O. Miller asked if this was recommended by both NCORPE's attorney and the county attorneys. Shepherd said that is correct. Jasper Fanning asked if the motion is not approved if they won't dismiss their appeal and Shepherd responded that is correct.

Jerry Weaver moved the motion that the NCORPE board approves joining the Lincoln County Board of Equalization in moving the Nebraska Supreme Court to Dismiss its pending appeal S-17-0915, from the Nebraska Tax Equalization and Review Commission for the 2014 and 2015 tax assessments;

And that NCORPE allow each political subdivision who received monies from NCORPE's payments to the Lincoln County Treasurer for the 2014 and 2015 tax assessments to retain such monies based on the authorities granted by the Nebraska Legislature with the passage of LB 758 permitting the payment of in lieu of property tax, i.e., NCORPE designates such monies as a voluntary in lieu of tax payment for the 2014 and 2015 tax assessments under the authority of LB 758.

The motion was seconded by Benjie Loomis. Roll call Lower Republican NRD – Yes; Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – Yes; Vote 4 – Yes, 0- No, motion Approved.

### **UNL Water Level Report**

Nate Jenkins said that the UNL Water Level Report of water levels are inaccurate as it relates to NCORPEs static water levels as their levels are taken during the operation of the augmentation wells. Shepherd said that he attended a meeting with UNL about 2 years ago to discuss the reports that are taken and there were supposed to be adjustments made to accommodate augmentation periods. Nate Jenkins said that there doesn't seem to be difference between draw down and static water levels for that year. Kent O. Miller suggested meeting with UNL again.

### **Model Update**

Kyle Shepherd advised the board the model is completed as well as the computer interface. He asked if the board wanted to add the AEM data that Twin Platte NRD had collected into the model. Shepherd said that he was told by Jim Snyder of Olson's Associates that the cost of adding the data would be \$150,000. He added that since they were considering doing it for Central Platte NRD and Twin Platte NRD that it could be cost shared between the three entities. Thus, the cost to NCORPE would be \$50,000. Kent O. Miller advised that Central Platte NRD no longer wanted to add the data to their models so it would only be Twin Platte NRD and NCORPE should Twin Platte NRD want to move forward with the addition. Miller Suggested that NCORPE wait a couple months before deciding if they are going to use the data. Dean Large said that he agrees that NCORPE should wait before making the decision to proceed with the addition.

### **Legislative Update**

Kyle Shepherd told the board about the legislative study 463 that studies statues related to NCORPE. Kent O. Miller presented Twin Platte NRD's Policy for the Conditions of the Sale of NCORPE's Property.

### **2018 Prescribed Burn**

Kyle Shepherd talked about a quarter section on K9 that had a quite a few weeds and Canada Thistles. Burning the quarter section was an option given to the board. Early June was considered for the burn with the approval of the board.

Terry Martin made a motion to add burning as one of the potential source of controlling weeds and problems that exists in the Kason area and leave it to the experts to decide if, and when it is feasible to do so. Seconded by Jerry Weaver.

Roll Call, Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – No; Lower Republican NRD – Yes. Vote, 3 – yes, 1-No. Motion approved.

**Fencing**

Kyle Shepherd advised the board that the majority of the fencing was completed last season. There is about 2.5 mile of fence that was not replaced due to proposed land trade and a quarter mile that had cattle in at the time.

**Draft Budget/Management Plan**

Kyle Shepherd said that he has been meeting with the NRD managers in this regard and they have plans to meet again around June. He said that they have been working on the budget and In Kind relative items. Shepherd also mentioned that he’s been working on a management plan. Shepherd said that there should be more information on In Kind and the budget in the June meeting.

Terry Martin moved a motion to go into executive session at 12:12 pm and was seconded by Nelson Trambly.

Roll Call, Upper Republican NRD – Yes; Lower Republican NRD – Yes; Middle Republican NRD – Yes; Twin Platte NRD – Yes; Vote 4-Yes, 0 – No, motion was approved.

Terry Martin moved the motion to exit executive session at 12:53 pm and was seconded by Benjie Loomis.

Roll Call, Upper Republican NRD– Yes; Middle Republican NRD – Yes; Lower Republican NRD – Yes; Twin Platte NRD – Yes. Vote 4-Yes, 0-No, motion approved.

Terry Martin moved a motion to go into executive session at 12:55 pm to discuss personel. The motion was seconded by Nelson F. Trambly.

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

The Board exited executive session at 1:25 pm and the meeting was immediately adjourned as there was no further matters to be discussed.

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Benjie Loomis, Board Secretary

Date