

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes

June 21, 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); Scott Dicke (Lower Republican NRD); Kent O. Miller (Twin Platte NRD); Nate Jenkins (Upper Republican NRD); Kevin Fornoff (Middle Republican NRD); Robert Merrigan (Middle Republican NRD); Silvia Johnson (Middle Republican NRD); Bill Sellers (NCORPE); Hunter Spady (NCORPE); Bruce Lefler (Ameritas); Dan Estermann (Wellfleet)

Information Sent to Board Members: Agenda; Minutes from April 19, 2017 meeting; Bills paid up to June 15, 2017; Financial Statement ending March 31, 2017; Water pipeline article; NCORPE well field Operation policy; NCORPE Budget 2018 draft

Information Available at meeting: Agenda; Minutes from April 19, 2017 meeting; Bills paid up to June 15, 2017; Financial Statement ending March 31, 2017; Water pipeline article; NCORPE well field Operation policy; NCORPE Budget 2018 draft

Terry Martin called the meeting to order at 10:03 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.

Open Forum

Shepherd opened the floor to comments or questions. There were not comments or questions at the time.

Minutes of April 19, 2017 Meeting:

Terry Martin moved to approve the minutes of April 19, 2017 meeting as presented and was seconded by Nelson F. Trambly.

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

Financial Report

Payables – Jerry Weaver asked about mileage and reimbursement and Shepherd responded that all of the necessary procedures have been followed. Jerry Weaver asked about the billing for February and March labor and Shepherd advised that it's just now being paid. Weaver asked about the payments to Olson and Associates and Shepherd responded that they were for the ground water model. Terry Martin asked if the dam was completed and Robert Merrigan responded that it was and the dam was purchased. Jasper Fanning asked how much was paid for the dam and Merrigan answered about \$280,000.

Jerry Weaver moved the motion to accept the payables as presented and 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.

Bond Updates

Bruce Lefler updated the board on the status of the bonds. Lefler said that the net saving for NCORPE was about \$12,700,000. Lefler advised that there is no action required by NCORPE at the time as he's simply updating the board on the bonds status.

Financial Statements - Shepherd presented the Financial Statements to the board and opened the floor to questions. Jasper Fanning gave a list to the board of items to be addressed during the financial report.

The pipeline inventory used on the North Pipeline should be charged to Twin Platte NRD; The cost split by Miller Associated were only accounted for in Republican only; Credit for straw to be moved to joint and inventory purchase to be moved to joint; This will result in construction cost to be adjusted to reflect these changes. In June or July of 2015 during the transition of the book keeping to MMS that there was an entry for In-kind for the Upper Republican NRD for \$191,000 and an Entry for \$15,000 that appears to be an error and should be removed. It was also noticed that the In-Kind contribution for Twin Platte NRD occupation tax credit was \$10,000 and Should have been \$40,000. That needs to be looked into and corrected with the actual amount. Upper Republican has not received an In-Kind credit or payment for a road grader the NCORPE has. There was no submission for In-Kind for the last six months before hiring a general manager and the transition to the NCORPE's General Manager by the Upper Republican NRD. Fanning also stated that the By-Laws needs to be updated to provide an

amendment for disproportionate contributions. He also mentioned that a value for the 40 acres that was traded for easement was never established and needs to be set.

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

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

Project Update

Managers' Report

Bill Sellers (Range Manager) has an intern from UNK (Hunter Spady). Sellers worked with producers on summer grazing, did several tours, completed yearend augmentation, billing noxious weed removal (inmates assisted in this task), and was assisted by hourly employees.

Mike Keller (Operations Manager) completed maintenance on equipment, currently working with Midwest meter issue, completed some work on the creek, assisted with north pipeline logistics, and was assisted by hourly employees.

Kyle Shepherd (General Manager) has been working on Bond reissuance, budget, audit, wind development, basin tours and public relations.

Property Management / Operations

HDR updates on wind proposals

Kyle Shepherd said that HDR is at the point that they're prepared to release a RFP today or tomorrow. They meet with NPPD to gauge their support on the project and they agreed to publically support the project. They requested that a portion be added to the RFP that would encourage a developer to bring industry into the area most likely a server type facility. This would give them more business and may make our purchase power agreement more sellable and attractive to developers said Shepherd. The deadline for RFPs is July 14, 2017.

Public Hunting Option

Bill Sellers did a presentation to the board for a proposed increase in available land for public hunting. Sellers said that the turnouts during hunting seasons were really good and the hunters wanted more land to use for hunting. He said that a portion of the western end of NCORPE's property near the Hershey Dickens road and a eastern portion near Somerset could be opened for public hunting.

Terry Martin moved the motion to approve the proposed additional hunting grounds as presented by Bill Sellers and was seconded by Benjie Loomis.

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

North Pipeline Update

Shepherd said that the superintendent told him that they are about 2/3 completed laying pipe and that relations with the neighbors are going good. He also said that the UNL water tour will stop at the north pipeline and he will do a short presentation.

Land Trade Options – Update

Shepherd said that we're waiting on the appraisers who were under the impression that the appraisal was not needed until this fall. Shepherd corrected them and let them know that it's needed by July.

Legislative Update

Shepherd advised that there is a legislative study and commission on NCORPE by senator Hughes and the Natural Resources committee and that hearing should be the first or second week in October. Shepherd advised that an economic study that would be done by UNL would cost an estimated \$18,000. This study would show the economic impact of having NCOPRE and not having NCORPE.

Nelson F. Trambly moved the motion to approve the economic study at an estimated cost of \$18,000 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.

Third Party Audit Update

Shepherd advised that there was an initial delay as the person that wrote the proposal had resigned and the company had to start from scratch. They are currently a few weeks out and thus a meeting should be scheduled in late July to ensure that all information requested is provided.

2018 Budget Draft

Shepherd presented the proposed budget to the board and opened the floor to questions.

Terry Martin moved to go into executive session to discuss pending legal actions. To be included were NCORPE and NRD staff and board members. The motion was seconded by Nelson F. Trambly.

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 1:32 pm.

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 1:37 p.m.

Terry Martin moved to go into executive session to discuss manager's employee review. To be included were NCORPE board members and NCORPE General Manager. 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 1:40 pm.

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 2:10 p.m. Meeting was immediately adjourned as there was no further matters to be discussed.

Benjie Loomis, Board Secretary

Date