

# N-CORPE

## *Nebraska Cooperative Republican Platte Enhancement Project*

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### **Board of Directors Meeting Minutes January 31, 2018 30 N John Street, Alma, 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); Jim Meismer (Twin Platte NRD); Dean Large (Upper Republican NRD); Jack Russell (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); Jasper Fanning (Upper Republican NRD); Tim Khars (Lower Republican NRD); Dave Bartels (Lower Republican NRD); Don Blankenau (Counsel); Silvia Johnson (Middle Republican NRD); Kurt Pieper (North Platte); David Pieper (North Platte); Marlene Estermann (Wellfleet); Dan Estermann (Wellfleet); Henry K. Vogt (Lincoln County Appraiser); Julie Stenger (Lincoln County Assessor); Steve Mossman (Landowner for a Common Purpose); Ken Anderson (North Platte); John Laux (NGPC); Adam Kester (NGPC); Bill Sellers (NCORPE); Brian Cummins (McChesney Martin Sagehorn PC); Kirt Olson (LCP Group); Andy Olson (LCP Group); Randy Robinson (LCP Group); Dewey Schafer (North Platte); Marvin Knoll (LCP Group).

**Information Sent to Board Members:** Agenda; Minutes from January 24, 2018 Board Meeting; UNL Economic Study; Accounts Payable up to 1-26-2018; Accounts Payable up to 1-26-2018 totals; Middle Republican NRD Allocation notice; Middle Republican NRD Information Request; Twin Platte NRD Allocation Notice.

Terry Martin called the meeting to order at 10:56 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**

Adam Kester from Nebraska Game and Parks spoke about how the public lands available on NCORPE's land has been very beneficial to both local and non-local hunters. Kester continued that the available land assists them in some of their goals.

## **Minutes of January 24, 2018 Meeting**

Terry Martin moved to approve the minutes of the January 24, 2018 meeting as presented. The motion was seconded by Benjie Loomis.

Rolle Call, Middle Republican NRD – Yes; Lower Republican NRD – Yes; Upper 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. Julie Stenger asked what were the engineering fees for since the pipeline were completed already. Shepherd explained that the fees are for the model that's being completed along with other work. Benjie Loomis asked why are there still engineering fees to Olsson Associates as he thought that the work was completed. Shepherd explained that it's mostly complete and he will meet with them in the morning. He further explained that the last set of bills were for further customization making it more interactive for NCORPE's use. Kent O. Miller also added that Twin Platte NRD has the GET program and it makes the model more user friendly and eliminates having a modeler on staff. Miller said that Twin Platte initially had a modeler on staff but after the modeler left they had no need to replace them after having the GET program.

Benjie Loomis pointed out that there was a bill on page 19 that seem to appear on page 23 of the payables and may possibly be a duplicate. Shepherd said that he will investigate and make adjustments if necessary.

Jerry Weaver asked if the power bills were basically demand charges as there shouldn't be any more pumping. Shepherd responded that there were testing done and there are computers and air conditioners that are running. Jerry Weaver asked if NCORPE could go on stand-by during the time the wells are not pumping and Shepherd responded that he has checked with the power companies and due to the fact that the computers are running it is not possible. Shepherd told the board that 2 years ago NCORPE tried turning the power off completely and it took about a month to get the computers back up and running when they were turned on in November of that year. Shepherd said that the process it took to get them back up may be the same as just leaving them on.

Benjie Loomis asks why there were no salaries in the payables and Shepherd replied that the salaries are done through the Upper Republican NRD who then bills NCORPE. Jerry Weaver asked if the Farm Bureau insurance was an annual bill and if it was for all the equipment, housing and pivots. Shepherd responded that it is billed annually and all mentioned are included.

Benjie Loomis asked why there was nothing in the payables to pay for the operation of NCORPE and Shepherd replied that there was enough in the account to pay for operation of NCORPE so no funds were requested. Shepherd continued that he is awaiting the completion of the third-party audit.

Jerry Weaver asked if the Bob Lemon's bill was the final bill in terms of the harvesting and Shepherd responded that it was. Benjie Loomis concurred and said that he was told by Mr. Lemon that it was the final bill.

Jerry Weaver moved to approve the payables as presented and was seconded by Nelson F. 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 approved.

### **Financial Statement**

There were none available at the meeting.

### **Managers Reports**

Bill Sellers – Sellers worked on grazing plan and bids for 2018, preformed grass surveys across the property to see what was ready and what the different paddocks can take, gave a presentation at the Chadron grazing conference, worked with thistle harvest issues and monitoring, worked on a long-term management plan for the property, and gave several tours to NRCS, Smithsonian, Middle Republican NRD and State officials.

Mike Keller- Keller worked with the IT install on the north pipelines and wellfields, performed maintenance on equipment, mowed thistles and moved snow.

Kyle Shepherd – Shepherd has been busy with the agenda items, Public Relations, public information requests, LEAD, meetings, and legislation items.

### **Third Party Audit**

Kyle Shepherd said that the Upper Republican NRD, NCORPE, Union Bank and McChesney Martin Sagehorn PC has submitted all of the documents requested and the auditors still need some in-kind verifications. Shepherd says that he doesn't think they will be completed until the end of tax season (April-May).

Shepherd said that Brian Cummins from McChesney Martin Sagehorn PC is available to answer any questions pertaining to in-kind contributions.

Jerry Weaver asked for a general description of how in-kind contributions are handled.

Brain Cummins said the bond payments made by the NRDs are considered contributions and if the NRDs does work and a bill is submitted then an entry is also entered as a contribution credit. Cummings also said that if a NRD does work and submits a bill for payment then all the other NRDs would contribute to pay the bill. Cummings said that it's not currently being done that way, as it's booked as an in-kind contribution.

Jerry Weaver asks if there is a summary that is kept with each of the NRDs contributions.

Cumming Responded that there is a spreadsheet that contributions are updated on after they have received the information from NCORPE. Benjie Loomis requested a copy of that summary and Cummings said that he'll get it to the NRDS. Jerry Weaver asked about the rent, land use and easements that Twin Platte had never benefited from. Jasper Fanning responded that it has been discussed in a meeting and they're waiting until third party audit was completed to address it.

Jasper Fanning suggested setting up a meeting with the managers along with Brian Cummins to bring the in-kind matter to completion then bring it back to the board for approval after completion.

**Loss of yield claim – Marvin Knoll, Ben Wineder, Roger Merritt**

Randy Robinson presented a claim for the Knoll Ranch to the board regarding loss of yield due to Russian thistles. He submitted a claim in the amount of \$22,467.06 for 6419.16 BU loss of yield. An addition \$5,016.64 was submitted for damage and repair to the combine and extra man hours.

Shepherd advised that there were three producers that have had problems with the tumble weeds. A total of about 86 acres and an average of about 60-70 bushels were picked by harvesters hired by NCORPE. Shepherd said that a claim had been submitted to the insurance company but it was denied. Jerry Weaver asked if there was an appeal for the denied claim, Shepherd said that he will follow up on it. Jerry Weaver brought it to the boards attention that a neighbor has also experienced similar issues but are not seeking damages. Jasper Fanning said that this is a learning experience as previously NCORPE was criticized about having too many people simply mowing. The choice was made to cut back on the staffing and mowing and after the August rains the thistles came. Fanning said that it would have cost more to have prevented the issue from happening that what the claims are even though its not the best way to manage the issue. Jim Meismer said that he agrees with Jerry Weaver that it should be better managed even if it means mowing while they are still green. Shepherd advised that Roger Merritt also wants NCORPE to pay for 2 applications of herbicide.

Terry Martin said that he would like to see all the claims before the board takes action. Don Balnkenau recommended that there be a release signed before any checks are issued.

**Advisement to sell land- Kirk Olson**

Kirk Olson represented the Landowners for a Common Purpose addressed the board asking for the sale of NCORPE's property and have the surface land separated from the water. This would allow the land to go back into private ownership and pay its taxes. Olson stated that Senator Dan Hughes did a good job with LB 758 which would eliminate the paying of back taxes. He Said that the Landowners for a Common Purpose was there and did not contest the bill. Olson continued that Senator Groene has introduced the LB 1123 bill which would allow the land to be separated from the water only on augmentation projects in the state of Nebraska. Mr. Olson asked the board to support the LB 1123 bill. Mr. Olson said that they would like to have a meeting with the board and have Mr. Jeff Fasset in attendance. Olson continued that they would like the meeting to be under open meeting law and parliamentary procedures. Olson added that he's read the documents from Amerittas and has seen no documentation about the land as it said sole payment is from occupation tax.

Steve Mossman mentioned a memo dated October 11, 2017 where he expressed his legal opinion that NCORPE could sell the surface land and retain the ground water for the augmentation project. He continued that he and Ryan McIntosh an associate from his

office went to the four NRD board meetings to answer related questions. He mentioned that not only is the sale allowed within the law, but NCORPE had already done it with a previous sale. Mossman said that he was challenged at the Upper Republican board meeting stating that the mentioned deed for the property had been changed. Mossman said that they researched and found that the deed is still current for that transaction. Mossman mentioned the Springer vs. Khons case, and he thinks that the Nebraska Law would clearly allow the land to be separated from the water. Mossman continued that Senator Groene has introduced the LB 1123 that would make it even clearer for the sale of the land to be possible. Nelson F. Trambly asked why should NCORPE sell the land if NCORPE has agreed to pay the taxes on it. Mr. Mossman replied that Mr. Olson or Mr. Robinson would be better suited to respond. Mr. Robinson replied that if it was privately owned there would more than likely be multiple owners with multiple management techniques using the land for multiple purposes. Mr. Robinson also said that the weed problem this year was more than likely a result of a perfect storm but there's a possibility that with multiple management and usage the effects would be reduced. Robinson continues that it could bring more money into the economy and the operating budget could be dramatically reduced.

#### **Hay Damages – Dan Estermann**

Dan Estermann requested to meet with the board members in a closed session to discuss his claim. Don Blankenau asked if it was in relation to something he had presented before through his attorney. Estermann responded that it was similar as he has noticed some mistakes in the previously presented claim. Mr. Blankenau said that he was a little uncomfortable going into executive session with someone that is not associated with the board itself. Mr. Estermann presented then his claim to the board for the lost of yield in open meeting. Terry Martin asked why is Mr. Estermann just submitting his claim from 2014 and Estermann replied that he did so because he had an ongoing case in court at the time. Jack Russell said that the board will take Mr. Estermann's claim under advisement before taking any action.

#### **Land Trade – Kurt Pieper**

Kurt Pieper introduced himself to the board and pointed out that he is a licensed Real Estate broker in the state of Nebraska. Mr. Pieper pointed out that they have one section that they would like to trade for NCORPE's two sections and pay a difference of \$2,152,352.00. Mr. Pieper said that there are some elevation differences in the 2 properties. He also mentioned that the soil types were pretty much the same. However, he did note that the static water levels on NCORPE's property appears to be about 54 feet lower than that on their property. Mr. Pieper wanted to know if the trade was still being considered and when could he expect an answer to the proposal. Terry Martin advised that it would be discussed in executive session and he would be advised as soon as possible.

#### **Economic Study Update**

Kyle Shepherd presented the economic study to the board and advised that Eric Thompson from the University of Nebraska can attend a future meeting to do a presentation on his findings if needed.

### **Grazing Update – Bill Sellers**

Bill Sellers presented a grazing update to the board. Sellers said that he had initially split the property into seven units, with each unit having four sections with two section paddocks to prioritize areas. Sellers continued that during 2017 there was a utilization of about 7/10 AUM per acre. There were two participants who participated since the spring grazing began on the NCORPE property. Sellers believes that the results were fair to poor, as larger paddocks were used to limit the use of temporary fencing. The same duration and stocking rate remained the same which lowered the density and the paddocks were not covered as well as he had hoped.

Sellers explained that there was virtually no moisture in April and it did not start raining until May when the yearlings were taken out. Sellers said that there was good income earned from the spring grazing over the past couple years. He said that about 85% of the summer grazing income was made in the spring. This not only controls invasive species but also grazes outside of the summer window. Sellers showed the areas that were grazed to control the invasive species.

Sellers took a moment out to explain that red cedars were cut during the winter and he showed pictures of how the yearlings got the cut cedars to bare branches. Therefore, removing them was not necessary as they had minimum effect on the canopy and grasses. Sellers pointed out that there were three participants for summer grazing out of four bids that utilized a little over a tenth of an AUM per acre. It was a light utilization but still managed to get the warm season grass seeds in the ground.

Sellers showed several pictures of the established grasses and some that were not so established. A description was given on how the areas were assessed which included aerial photos, annual tours with NRCS staff, game and parks staff, and university staff to tour the property. This resulted in good feedback as good areas and bad areas are all viewed and discussed. Land status data collection was utilized to determine vigor and species composition of circles that were seeded in the same year. The forage of random circles were also quantified. Sellers explained that having a good plan is good but it is important to keep records and showed an example of records that were being kept.

Sellers spoke about opportunities that were available for grazing. He also spoke on the pasture deferment program and noted that there is one participant this year.

A seedling update was also given and Sellers showed some of the techniques used to evaluate the progress. He mentioned that NCORPE is now assessing the 2014 seeded acres based on NRCS's standards. Sellers also said that fifty samples are being used rather than the normal twenty-five used arbitrarily picked by GPS to ensure that there is no bias. He also noted that areas with soil erosion concerns will be reseeded with the seed in stock. He continued that by this fall evaluation should begin on the 2015 circles thus, giving an idea of how many seed would need to be purchased. After 2015 is completed then evaluation will be done on 2016.

A summary was given on the evaluation results of seeded circles from 2014; 17 were successful, 3 failed and 10 are still incomplete. The ones not completed will be done in the fall or winter after the growing season. Pictures of successful areas were presented, and Sellers said that focus would be on plant health and giving them the competitive edge over invasive and noxious weeds. Sellers pointed out that species diversity is important to

range land health as each plant plays a roll. Photos were also displayed of areas that were considered unsuccessful that would more than likely be drilled again, to suppress the weeds and have a nurse crop planted.

Sellers said that it will take some time to have a fully restored range land and explained that you can not go from row crop to range land in just a few seasons.

### **NRD Allocations**

Kyle Shepherd told the board that he had received allocation letters from both Twin Platte NRD and Middle Republican NRD. Terry Martin asked how is it determined how much water is taken against Twin Platte NRD and Middle Republican NRD allocation when pumping commences. Kyle Shepherd and Jack Russell answered that the water would be pooled.

### **Middle Republican NRD board information request**

Kyle Shepherd said that the Middle Republican NRD requested a formal plan on how NCORPE plans to effectively manage the land. Jack Russell commented that most of the questions that they had were covered in Bill Sellers' presentation. Mr. Russell continued that a summary of Mr. Sellers' presentation should be close to what they had requested. Kyle Shepherd added that it would not be difficult to convert the presentation into a report form if needed. It was asked if it would be possible to have Bill Sellers present the presentation to the Middle Republican NRD's board. Shepherd replied yes Bill Sellers can present it to their board. Jack Russell said they he'd still like to see a summary as well as have the presentation done. Shepherd said that the NCORPE board should review the report before it is presented to the Middle Republican NRD Board.

### **Legislative Update**

Kyle Shepherd said that LB1123 will have a hearing on Wednesday, February 7, 2018 and Terry Martin will testify on behalf of NCORPE. He continued that he does not know of a hearing date for LB1124 yet as it may come after the LB1123. Shepherd said that the LB758 bill had advanced yesterday after it was voted on.

### **Draft Budget**

Kyle Shepherd said that he will setup a meeting with the managers to continue to work on the budget.

### **DC Meeting**

Kyle Shepherd asked the board on their opinion on him attending the NARD meeting in Washington DC. Shepherd was advised that the meeting is a little board and it wouldn't be beneficial for him to attend.

Terry Martin moved a motion to go into executive session at 1:40 pm and was seconded by Jerry Weaver.

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 2:30 pm and was seconded by Nelson Trambly.

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 advise the Piepers that NCORPE does not want to do a land trade at the current time. 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 meeting was adjourned at 2:32 pm as there were no further matters to be discuss.

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Benjie Loomis, Board Secretary

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Date