

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes Thursday, September 22, 2016 NCORPE Head Office, 24871 S Lone Star Road, North Platte, 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); Dave Bartels (Lower Republican NRD)

Others Present: Jim Meisner (Twin Platte NRD); Dean Large (Upper Republican NRD); Kyle Shepherd (NCORPE); Pierre Dean (NCORPE); Mike Keller (NCORPE); Nate Jenkins (Upper Republican NRD); Kent O. Miller (Twin Platte NRD); Bill Sellers (NCORPE); Mrs. Estermann (WellFleet); Mr. Dan Estermann (WellFleet); Scott Dicke (Lower Republican NRD); Tim Kahrs (Lower Republican NRD); Bruce Leffler (Ameritas); Bob Peterson (North Platte); Sylvia Johnson (Middle Republican NRD); Alex Boyce (Middle Republican NRD)

Information Sent to Board Members: Agenda; Minutes from August 17, 2016 meeting; Bills and expenditures August 17, 2016 through September 21, 2016; Bond Option Purchase Agreement; Tax Compliance Agreement; Supplemental Real Estate Mortgage and Security Agreement; Third Supplemental Trust Indenture and Security Agreement; Resolution to authorize the call for redemption of all or a portion of the Series 2013A/B bonds; A Resolution to authorize the insurance of bonds in an amount not to exceed \$95,000,000 and approval of related documents for the purpose of advance refunding all or a portion of the outstanding Series 2013A/B bonds.

Information Available at Board Meeting: Agenda; Minutes from August 17, 2016 meeting; Bills and expenditures August 17, 2016 through September 21, 2016; Bond Option Purchase Agreement; Tax Compliance Agreement; Supplemental Real Estate Mortgage and Security Agreement; Third Supplemental Trust Indenture and Security Agreement; Resolution to authorize the call for redemption of all or a portion of the Series 2013A/B bonds; A Resolution to authorize the insurance of bonds in an amount not to exceed \$95,000,000 and approval of related documents for the purpose of advance refunding all or a portion of the outstanding Series 2013A/B bonds; Policy Statement for Grass Lease Bids

Terry Martin called the meeting to order at 10:10 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); and Lower Republican NRD (Dave Bartels) were present.

Minutes:

- Terry Martin moved to approve the minutes of August 17, 2016 meeting as presented and was seconded by Jerry Weaver. Roll Call: Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – Yes; Lower Republican NRD – Yes. 4-Yes, 0-No. Motion Approved

Financial Report:

- a.) **Payables:** Shepherd presented the payables and noted that an item would be adjusted that had been listed as a shared Twin Platte NRD expense. Shepherd then opened the floor to questions.

Terry Martin moved to approve the Financial Report Payables as presented and was seconded by Jerry Weaver.
Roll Call: Twin Platte NRD – Yes; Upper Republican NRD – Yes; Middle Republican NRD – Yes; Lower Republican NRD – Yes. 4-Yes, 0-No. Motion Approved.

- b.) **Financial Statements:** Shepherd advised that there were no Financial Statements to be presented as they were not ready as yet.

c.) **Bond Options**

- i.) Bruce Leffler presented bond options to the board including consideration of a resolution to authorize the call for redemption of all or portion of the Series 2013A/B bonds.

Terry Martin moved to authorize the call for redemption of all or portion of the Series 2013A/B bonds and was seconded by Jerry Weaver.

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

- ii.) Bruce Leffler presented bond options to the board including consideration of a resolution to authorize the issuance of refunding bonds in an amount not to exceed \$95,000,000 and approval of related documents for the purpose of advance refunding all or a portion of the outstanding Series 2013A/B bonds,

Terry Martin moved to authorize the issuance of refunding bonds in an amount not to exceed \$95,000,000 and approval of related documents for the purpose of advance refunding all or a portion of the outstanding Series 2013A/B bonds and was seconded by Jerry Weaver.

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

Project Update:

Managers Reports:

Bill Sellers – Made a presentation at the State Fair, attended grassland restoration conference and tour, assisted with Husker Harvest Days, did a presentation at the University of Nebraska at Lincoln 4 H expo and was assisted by part time employees.

Mike Keller – Worked on finalizing the telemetry project, coordinated work on the creek, has completed the bridge work, the Campbell crossing is near completion, completed maintenance on equipment and worked with Miller and Associates on bid documents and planning for the north pipeline which will begin in October. Part-time employees were utilized to completed some of these tasks.

Kyle Shepherd – Worked on bond options, made a presentation at the state fair, worked with Huskers Harvest Days, met with UNL, currently preparing for next week’s conference, and did public relations duties.

Property Management / Operations

a.) Flatwater excess flows study.

Update on this matter were postponed for another meeting as there were no updates at this time.

b.) Kason House

Shepherd advised the board that the house on the Kason property is currently unoccupied and has been broken into several times. It had been vandalized, harbors vagrants and stripped of copper wiring and pipes. He also suggested that the house is a liability in its current state and wanted the board to advise on which actions to take. It was decided that NCORPE’s management will make the decision regarding the property.

c.) Grazing bid policies

Bill Sellers presented a proposed grazing policies which included grounds for disqualification of bids. Sellers advised that bids for spring grazing will open Mid October until January 31, 2017 and that leases would initially be annually. Dean Large asked if there would be summer grazing and Sellers responded that there would be

summer grazing. It was suggested that there be an option allowing some bids to be rejected based on discretion. Jerry Weaver recommended that the proposed policies should be expanded on.

Nate Jenkins Spoke briefly on the recent agreement with Kansas, Nebraska and Colorado. This agreement was made in August, 2016 and may result in Nebraska having to pump less water than what was previously being pumped. Previously water was pumped to Kansas that was not utilized and therefore if water is not needed NCORPE does not have to pump during those years. However, Kansas would be able to bank the water for up to 5 years and call for it when needed.

North Pipeline Update – Updates on the North Pipeline were requested and Shepherd advised that a portion of the North Pipeline was currently up for bid. Currently the structure that discharges into the canal is open for bidding until Tuesday, September 27, 2016. The work would have to be done during the month of October due to decreasing water levels. The main pipeline bids should be open during the month of November.

Kyle Shepherd opened the floor to the audience. Bob Peterson asked when was the last appraisal done on NCORPEs property and was advised that the last one was done when the property was being purchased. Dan Estermann had questions on interest rates on bonds offered that were answered by Bruce Leffler. Mr. Esterman also had concerns that water levels were not as high as they usually are in the fall but also stated since it's the beginning of fall and hopefully it may reach normal levels by the end of fall.

There was a tour of the property and one of the circles (circle 19) visited seemed to have a poor vegetation compared to other circles that were also planted in 2014. A soil sample was tested from that circle and others and no anomalies were found. It was determined that the condition may be due to drilling failures at most. The next circle visited (19-3) had severe soil erosion and about 30 acres was drilled with cover crop along with native mixture. The tour continued to a PSV valve that was drilled in November, 2013 (frost seeding) and a part of the pipeline. All seeded species were present. Comparisons were made on section 21 between spring grazed circles and circles that were not grazed. It was very obvious that all brome species were severely suppressed on the circles that had been spring grazed. This opened the canopy for more native seedlings to thrive, thus the grass coverage was more impressive.

The meeting was adjourned at the end of the tour at 2:13 pm.

Brad Randel, Board Secretary

Date