

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes September 27, 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); Jim Meismer (Twin Platte NRD); Jasper Fanning (Upper Republican NRD); Dean Large (Upper Republican NRD); Jack Russell (Middle Republican NRD); Scott Dicke (Lower Republican NRD); Silvia Johnson (Middle Republican NRD); Todd Siel (Lower Republican NRD); Kevin Fornoff (Middle Republican NRD); Pierre Dean (NCORPE); Lynn Frederick (Dickens); Landon Frederick (Dickens); Julie Stenger (Lincoln County Assessor); Ken Anderson (North Platte); Marvin Knoll (North Platte); Ryan Sellers (North Platte); Dan Estermann (Wellfleet); Joe Estermann (Wellfleet); Kirk Olson (North Platte); Andrew Olson (Hershey); Brian Reynolds (Agri Affiliates); Henry K. Voyt (Lincoln County)

Information Sent to Board Members: Agenda; Minutes from August 16, 2017 meeting; Bills paid August 15, 2017 through September 20, 2017; Yearend Financial Statements; NCORPE Policy – Land Ownership; NCORPE Policy – Trespassing; NCORPE Position Policy – LB 218; NCOPRE Policy – Payment of Property Taxes;

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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 represent.

Open Forum

Mr. Olson asked how is the consideration of the sale of the property is coming along and requested a round table discussion to discuss options. Shepherd agreed to schedule a round table discussion. Mr. Olson further stated that he heard Mr. Blankenau's opinion on common law and he has an opinion letter from an attorney that says that common law is a thing of the pass. They think it's a good thing to sell the property and would like more transparency about how much water that being pumped. He said that the public just needs more information and maybe they will settle down a bit. If they knew where the water is going and how it's getting there and what the end goal was it might be better. He also asked what's the maximum to be pumped per year. Jim Meismer responded that it's a maximum of 120 inches over 10 years and usually 12 inches per year but if it's a water short year it could go up to 24 inches that year. He further said that if 120 inches has been met in 5 years or 10 years then pumping would stop. NCORPE's trying to maintain 12 inches over the 10-year period so in water short year can pump more if need be. NCORPE is trying to stabilize the aquifer to reduce the decline that has been seen. Nelson F. Trambly stated that he's from the Lower Republican and they have an estimated 330,000 acres of irrigated land. He continued that during the year when it was very dry and they pumped the Lower Republican went 17,000-acre feet in the red in money owed to Kansas. Trambly continued that if every well on that 330,000 was shut off they'd had to keep them off for 2 years to make up the money. He asked what we think would have happened to the economy if those wells were shut off for 2 years. He continued that if it wasn't for NCORPE that is what would have happened. Jim Meismer said that there is no need to discuss this now as there are other items on the agenda to address as it appears that it has been forgotten what the NRDs are charged with. He said that a time could be arranged to sit and discuss this further. Marvin Knoll said they he's not really concerned about the water but he's worried about the herds of deer in his corn fields with the game and parks involved. He said that NCORPE did over pump during the first year but since then they have got a well that is coming back. Jim Meismer replied that game and parks are not directly involved and as NCORPE was trying to be good neighbors they opened land for hunting as the public expressed an interest in hunting there. Jasper Fanning asked what if the land was sold and it resulted in NCORPE not being able to pump the water and Marvin Knoll ask what reason would NCORPE not be able to pump the water as the water is not attached to the land. Fanning said that is the misunderstanding of the Nebraska water law. Even with the separation with transfer permits that happens from municipalities, there is a risk that an adjoining land owner can seek an injunction to stop NCORPE from pumping water. He said that risk is too big to a project of this size to take on. Thus, the only reason why owning the land is so important.

Minutes of August 16, 2017 Meeting:

Terry Martin moved to approve the minutes of August 16, 2017 meeting as presented and was seconded by Benjie Loomis.

Roll Call, Upper Republican- Yes; Middle Republican- Yes; Lower Republican- Yes; Twin Platte- Abstained. Vote: 3-Yes, 0-No. 1- Abstained. Motion Approved

Financial Report

Payables – Shepherd presented the payables to the board and opened the floor to questions. Shepherd noted that the HDR billing was related to some 404- permitting follow-up done on the Estermann’s property, Jerry Weaver asked how would the billing be divided. Shepherd responded that it should be divided 3 ways and he will make the necessary adjustments removing Twin Platte NRD.

Jerry Weaver moved to approve the payables with the corrections and seconded by Nelson F. Trambly.

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

Financial Statements

Shepherd presented the financial statement to the board and opened the floor to questions. Jerry Weaver requested that the accounts have a representative present to give highlights of the statements.

Terry Martin moved the motion to accept the Financial Statements as presented and was seconded by Nelson F. Trambly.

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

Audit Update – additional items.

Kyle Shepherd told the board that there were some changes to the audit requested by the Middle Republican NRD. These changes would incur an addition \$3,500 to \$5,500 expense added to the audit cost and pushing the completion of the audit to December 2017.

Terry Martin moved to approve the modified changes to the audit and was seconded by Benjie Loomis.

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

Property Management / Operations

Appraisal Billing Complaint – Brian Reynolds

Brian Reynolds told the board that the company that he represents (MTC Properties) requests that the billing be changed as they think it should be calculated differently. They wanted it to be divided by the amount of pivots that each party owned.

Benjie Loomis moved the motion to have the billing for the appraisals revised, seconded by Nelson F. Trambly.

Roll Call, Upper Republican- Yes; Middle Republican- Yes; Lower Republican- Yes; Twin Platte- Abstained. Vote: 3-Yes, 0-No. 1- Abstained. Motion Approved

Board Positions

Kyle Shepherd said that the managers met with the DNR and it was concluded the NCORPE should have some policies in place.

Property Ownership

Shepherd presented the Ownership policy to the board and opened the floor to questions. Wording revisions were made to the policy by the board.

The Policy Currently reads as:

NCORPE Policy – Land Ownership

The NCORPE Board at this time is not in support of selling NCORPE lands due to common law principles linking land ownership to the ability to access the underlying groundwater, and the desire to maintain the lowest cost of financing for the benefit of irrigated landowners funding the project. Selling NCORPE lands absent clear legal separation between land ownership and groundwater access jeopardizes project operations and would breach a mortgage on NCORPE land that exists to provide additional security to bond holders, therefore reducing financing costs.

Terry Martin moved the motion to approve NCORPE's Land Ownership Policy with the revisions, seconded by Nelson Trambly.

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

LB218

Shepherd presented NCORPE's LB218 Policy to the board and opened the floor to questions. Wording revisions were made to the policy by the board.

The Policy Currently reads as:

NCORPE Position Policy – LB 218

NCORPE opposes LB218 pending in the Nebraska Legislature at this time for the same reasons stated in its policy position on land ownership.

Jerry Weaver moved the motion to approve NCORPE's LB218 Policy with the revisions, seconded by Terry Martin.

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

Property Taxes

Shepherd presented NCORPE's Property Taxes Policy to the board and opened the floor to questions.

The Policy Currently reads as:

NCOPRE Policy – Payment of Property Taxes

NCORPE acknowledges its obligation to pay all taxes levied against it. However, NCORPE will continue to protest the levying of property taxes against portions of the NCORPE property being used for a public purpose so long as Nebraska law dictates such a position, which has been affirmed by the Nebraska Tax Equalization and Review Commission.

Terry Martin moved the motion to approve NCORPE's Property Taxes Policy, seconded by Jerry Weaver.

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

Trespassing

Shepherd presented NCORPE's Trespassing Policy to the board and opened the floor to questions.

The Policy Currently reads as:

NCORPE Policy – Trespassing

The NCORPE Board takes property security seriously for the following reasons:

- *NCORPE has a substantial investment in infrastructure on the property where damage would hinder the operation of the project.*
- *NCORPE has property agreements with individuals who own and manage livestock on NCORPE property. The protection and security of animals is of utmost importance.*
- *Wildfire is a worry for not only NCOPRE but also our neighbors and trespassing increases the potential for wildfires.*
- *There has been a history of vandalism and theft on the NCORPE property. Preventing trespassing limits these activities.*

NCORPE is committed to working with its neighbors to access the property for their livestock needs. Trespassing is also prohibited on NCORPE property that is open to public walk in access. The public may use the public lands only as permitted by regulations posted at parking areas and also online at ncorpe.org. Any prohibited use will be considered trespassing.

NCORPE management will take steps it deems appropriate to prevent trespassing and report violators.

Terry Martin moved the motion to approve Trespassing Policy, seconded by Jerry Weaver.

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

Terry Martin moved to go into executive session to discuss legal matters. To be included were NCORPE, staff and board members. 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 11:30 a.m.

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 12:44 p.m.

The meeting was adjourned at 12:45 pm as there were no further matters to discuss.

Benjie Loomis, Board Secretary

Date