

N-CORPE

Nebraska Cooperative Republican Platte Enhancement Project

Board of Directors Meeting Minutes Wednesday, September 4, 2019 at 10am Central Time at NCOPRE Office at 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); Nelson F. Trambly (Lower Republican NRD)

Others Present: Kyle Shepherd (NCORPE); Kent O. Miller (Twin Platte NRD); Scott Dicke (Lower Republican NRD); Jasper Fanning (Upper Republican NRD); Dean Large (Upper Republican NRD); Jack Russell (Middle Republican NRD); Jay Schilling (Middle Republican NRD); Todd Siel (Lower Republican NRD); Jim Meisner (Twin Platte NRD); Bill Sellers (NCORPE); Mike Keller (NCORPE); Pierre Dean (NCORPE); Austin Deidle (NCORPE); Dustin Wilcox (NARD); Senator Dan Hughes (District 44); Don Blankenau (Blankenau Wilmoth); Amanda Vlasin (MMS); Brian Commins (MMS); Jack Colelli (Invenergy); Ken Anderson (North Platte); Lynn Fredericks (North Platte)

Information Sent to Board Members: Agenda; Minutes from July 19, 2019 Board Meeting; Balance Sheet 8-28-19; Accounts Payable up to August 28, 2019; 2020 Budget Draft; NCORPE Financial Statements June 2019.

Terry Martin called the meeting to order at 9:59 am. 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

The floor was opened for questions from the audience and there were none. The open forum was then closed as there were no comments or matters to be discussed.

Minutes of July 19, 2019 Meeting

Kyle Shepherd presented the minutes to the board and opened the floor to questions. Benjie Loomis requested a correction on a roll call stating a board member absent. Jack Russell requested to have the Annual Report as an agenda item on the next meeting.

Terry Martin moved to approve the minutes of the July 19, 2019 meeting with the correction of the roll call. The motion 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.

Payables

Kyle Shepherd presented the payables to the board and opened the floor to questions. Benjie Loomis asked about why reimbursements were showing up on since they were done back in April, 2019. Kyle Shepherd replied that they were reimbursements for the Upper Republican due to payroll and credit card payments that were billed on June 9th, 2019. Benjie Loomis wanted to have the items itemized with details of who they were paid to and of purchases or services. Jasper Fanning responded that full details are on the purchase orders which are always submitted and recorded. Fanning said that the Upper Republican will try and have it more details added to the Payables Report. Jay Schilling asked if there is a way to have vendors bill NCORPE instead of using the credit cards. Kyle Shepherd answered that there are items that require immediate payment to vendors like Menards for pipe fittings that may be needed for a stock well. Jerry Weaver asked if the HOA charges that were billed for the software updates included all the wells or just the ones for the demand charges. Shepherd replied that they were done on the wells associated with Dawson Power and Mike Keller added that a radio had to be replaced on one well that was on Midwest Power. Jay Schilling said that the approved amount to complete the load control was \$14,000 and asked if the work was completed. Shepherd responded that they were completed, although there wasn't any testing done.

Jerry Weaver moved to approve the payables as presented and was seconded by Benjie Loomis.

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.

Financial Statement

Kyle Shepherd invited Brian Commins and Amanda Vlasin from MMS to present the Financial Statements to the board and point out any significant changes that were made. Brian Commins said that long term debt was added under current liability and accrued interest was also added. Mr. Commins pointed out additional changes that were done to the Financial Report. Kent O. Miller asked how the checking account breakdown was calculated and Brian Commins explained that the figures were just given numbers for the

report. Jerry Weaver asked for confirmation that the 2 million dollars that was in an escrow account was actually from the land trade / sale reserved for the purchase of land. Amanda Vlasin confirmed that the funds were from the land trade / sale. Todd Siel asked if the operating totals were inclusive of the electrical bills. Kyle Shepherd responded that it might be included but NCORPE did not bill for power charges last year. Shepherd continued to say that it may have included NRD reimbursements from in-kind contributions.

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

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.

Project Update

Managers Reports

Bill Sellers – Sellers worked on fencing issues with the assistance of Mike Keller, evaluations of circles to be reseeded, and Musk Thistles.

Kyle Shepherd – Shepherd worked on the budget, and meeting preparation.

Mike Keller – Assisted with an after-hour fire due to a transformer blow out, worked with the power company on well issues and worked on the creek.

Austin Deidle – Deidle worked with NCORPE during the summer as a result of the partnership between NCORPE and North Platte Public Schools. Deidle helped with mowing, assisted with work on the creek, and assisted with road maintenance.

Lease Options

Kyle Shepherd advised the board that the Kason property will be available for five-year leases starting next year. Kyle Shepherd asked if the bids should be done differently as there were some requests for a live auction. Jasper Fanning asks what's the bond council's opinion on the five-year lease as only 180-day leases are permitted. Kyle Shepherd responded that the lease would typically be 180-day leases that would be renewable for up to 5 years. Jay Schilling said that there should be a copy of the lease that stipulates all of the husbandry and responsibilities to the potential bidders / leasers so that they are aware of the liability of their cattle. Shepherd responded that these concerns are covered in the lease. Dean Large asked if the five-year lease would yield more money based on the complexity of the lease. Shepherd responded that the lease would indeed be more profitable. Jerry Weaver Suggested keeping the bidding process the way it currently is. Kyle Shepherd asked the board if they felt that a committee would be good to have when it comes to opening sealed bids. Terry Martin appointed Benjie Loomis and himself to be on the committee to open the sealed bids. Terry Martin suggested that the FFA program be added to the agenda for the next meeting.

Kyle Shepherd advised the board that Senator Groene accused NCORPE of giving a sweetheart deal on a grass lease to a member of the Twin Platte board. Shepherd said that there were no special deals offered to the board member. He stated that the member had the highest bid and his bid was placed the same time as the other bidders. Further before

offering the lease to him it was discussed with Twin Platte and legal counsel to ensure there were not conflicts of interest.

Alternative Power

Scott Dicke said that he has met with Invenergy (a company based out of Chicago) and they came out the surveyed NCORPE's property and provided some lease options to NCORPE. Dicke introduced Jack Colelli, a project developer with Invenergy to the board to do a presentation. Mr. Colelli said that Invenergy has completed almost 23 gigawatts of energy production with about 30 billion dollars in completed transactions. He stated that the majority of their projects have been with wind energy but their solar energy production has been growing. They have partnerships with utility companies as well as customers like Google, and Facebook but public utilities are their preferred customers. Community benefits would include revenue to land owner, employment, local and state taxes, donations by the company, and they have a good neighbor policy and make their presence known in the community. Mr. Colelli said that they currently have four projects in Nebraska and are also partnered with the FFA. They are interested in both solar and wind opportunities with NCORPE. He Stated that the lease would be initially 5 years which would be the development phase.

Legislative Update

Senator Dan Hughes said that there will be an interim study in McCook Nebraska on September 19, 2019. He said that this is a response to another Senator's continued efforts to force the sale of the NCORPE's land or at least in that direction. He said that he would like to have members of the Natural Resource committee present to hear from some of the local people about wither they like or dislike what has NCORPE done for the local irrigated economy and the economy on the Republican River basin, also the benefit of it to Twin Platte. Senator Hughes continued that he believes that if something is working then leave it alone. He said that the Supreme Court's opinion is that what NCORPE is doing is working and he does not want to disturb that. He says that as a farmer that currently pays the occupation tax it is working as it allows him to continue his operation. Senator Hughes says that he thinks that the risk is too great to pass a law that could be challenged. He encourages persons that can appreciate what NCORPE has done to come to the hearing and voice their opinions. Senator Hughes said that NCORPE has had their challenges with the land as there would be challenges on any farm. Jasper asked the Senator if it would be beneficial to have someone that represents the board present to make a statement. Senator Hughes responded that it would be good if someone represents the board at the hearing to share the boards opinion. Terry Martin was selected to represent the board at the upcoming hearing in McCook.

Electrical and Operation Billing

Kyle Shepherd said that he had met with the managers in regards to the electrical bills. It was decided to bill the NRDs monthly for the normal electrical bills and quarterly for operations electricity.

Creek update

Kyle Shepherd showed a picture presentation to the board of work that had been done on the creek. He stated that Mike Keller along with hourly workers and subcontractors spent about a month to complete work on about 4 crossings. Shepherd said the roads were rebuilt and riprap was installed to correct erosion and new ditches were dug. Trees were also removed that caused over flows.

Potential Sale of pivots

Kyle Shepherd said the Bill Sellers had suggested keeping the pivots for a year as a backup to water the newly planted grass seeds. Jasper Fanning said the it would be too conducive for weed growth as they would respond to the irrigation better than the native grass would. Jay Schilling suggested putting the grass seeds into wheat stalks. He continued that delaying selling the pivots would not affect the sale price so it wouldn't make a difference when the pivots are sold. Terry martin suggested tabling the sale of the pivots for one year. Jerry Weaver agreed as it may be useful if cover crops are needed.

Nebraska National Guard

Kyle Shepherd said the National Guard wanted to use the property to do convoy training. He said that they may also want to do night training using night vision. The board agreed to allow them to use the property for that purpose.

Conference attendance – Fall Conference, Renewable Conference

Kyle Shepherd wanted the boards permission to attend several conferences. The conferences are the NRD fall conference, the Nebraska Wind and Solar conference, and the hearing in McCook Nebraska. The board agreed that Shepherd should attend all events.

2020 Budget

Kyle Shepherd presented the draft budget to the board and opened the floor to questions. The following changes were made to the budget;
Page 5, Line 5, Usage charge reduce to \$47,000
Page 7, Line 8, Engineering increase by \$51,000
Page 10, Line 2, Demand Charge reduce to \$125,000
Page 10, Line 7, Wellfield Repair reduce to \$20,000
Page 12, Line 6, Maintainer reduce to \$0

Benjie Loomis moved the motion to approve the 2020 budget as amended and was seconded by Terry Martin.

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

Terry Martin moved to go into Executive session to discuss possible contractual negotiation at 1:55 pm and was seconded by Benjie Loomis.

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

Nelson F. Trambly moved to exit Executive session at 2:52 pm and was seconded by Jerry Weaver.

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

Meeting was immediately adjourned as there were not further matters to be discussed.

Benjie Loomis, Board Secretary

Date