

MINUTES
LOWER REPUBLICAN NATURAL RESOURCES DISTRICT
Lower Republican NRD Meeting Room, 30 North John Street, Alma, NE

December 15, 2016 at 2:00 pm immediately following the conclusion of the Public Hearings

Board of Directors Meeting

A notice of the meeting was published in the local newspapers within the District and on the District Website at www.lmrnd.org.

Informational Material Mailed out Prior to the Meeting

1. Agenda, 12/16
2. Minutes, Public Hearing Minutes, Index of Decision, 11/16
3. LRNRD/RWP Treasurer's Report, 11/16
4. NRCS and Staff Reports

Materials Handed out at the Meeting:

1. Letter to DNR Director Jeff Fassett, P.E.

Chairperson Marlin Murdoch called the meeting of the Lower Republican NRD Board of Directors to order at 4:46 p.m. Marlin Murdoch noted that guests should sign the attendance roster and noted the location of a current copy of the statutes dealing with public meetings laws.

Directors present: Clark Andrews, Dave Bartels, Matt Harrison, Terry Hoit, Tim Kahrs, Marlin Murdoch, Roger Nelson, Nelson Trambly, Brad Wulf.

Absent: Bill Bose, Toby tenBensel.

Others present: Katie Spohn, Mary Jacobson, Bruning Law Group, Jerry Kovarik, NRCS, John Thorburn, TBNRD, Lori Potter, Kearney Hub, Andy Raun, Hasting Tribune, Don Tegtman, Stamford, Allan McCoy, Arapahoe, David and Jamie Harbour, Lee Fintel, Superior/Lincoln, Leslie Bruntz, Oxford/Elkhorn, Kyle Shepard, NCORPE, Wade Jensen, Axtell. Staff present: Mike Clements, Scott Dicke, Shirlee Poyser and Kristen Heft, Mary Goebel, Franklin, Lynetta Snelling, Red Cloud, Jennifer Helms, Beaver City.

Motion #1 by Roger Nelson seconded by Tim Kahrs to approve the board minutes and public hearing minutes from the November board meeting. Motion carried. Ayes 9, Nays 0, Absent 2.

Motion #2 by Nelson Trambly seconded by Matt Harrison to approve the LRNRD and RWP Treasurer's Report as presented. Motion carried. Ayes 9, Nays 0, Absent 2.

Jerry Kovarik gave the NRCS report. Jerry discussed the EQIP, RCPP and CSTwP programs. A copy of the NRCS report is in the minute book.

Mike Clements gave the Manager's report. Mike wrote a letter to DNR Director Jeff Fassett concerning legal expenses. The Natural Resources Commission Water Sustainability Grant funding's were presented. The LRNRD Management Opportunities Project was not funded. Mike did ask permission to close the office at noon on December 23rd and 30th. The board agreed. A detailed copy of his report is in the minute book.

Scott Dicke, highlighted the Republican River Compact, the Platte-Republican Diversion Project and the Management Action Opportunities Project. Scott attended the Kansas Republican River meeting in Concordia, KS. A detailed copy of his report is in the minute book.

Kyle Shepard, gave the NCORPE update. They started pumping the wells the first week of December. NCORPE was approached to have a wind study done, on the property, as a potential sight for a wind farm in Lincoln County. This could potentially get some additional tax dollars and to help create revenue and offset some operating expenses. There will be another Wind investment group presentation at January meeting.

There is an opportunity for a land trade on leased land on the east side for NCORPE.

The Bond issue was discussed as parameters were set on savings and interest rates. Due to the parameters, not being met, and the increase in interest rates, there will not be the expected savings and lower interest rate. Ameritas has suggested that we wait till January to see if rates will go down. If rates do not decrease, we might have to table for opposition. Mike Clements added that our debt service savings at the current interest rate is \$7.5 million. Originally, the interest rate was a 3.5% with a saving of \$10 – \$11 million. The Board voiced concern on why this was not completed. Kyle explained the process and that two of the NRD's did not get their information to the bond counsel in a timely manner. The Board directed Clements to prepare a letter to the two NRD's expressing the feelings of the Board.

Mike Clements requested that the board move the January meeting from the 12th to the 19th. Counsel is unavailable.

Motion #3 by Clark Andrews seconded by Terry Hoit to change the January board meeting date to January 19th, 2017, the board meeting will immediately follow the conclusion of the 8:30am Cease and Desist Hearing for John Davis. Motion carried. Ayes 9, Nays 0, Absent 2.

Mike Clements explained the amendment to the bond resolution. A couple of the NRD's want the flexibility to pay down on the bonds.

Motion #4 by Brad Wulf seconded by Tim Kahrs to Amend the Prior Resolution authorizing the issuance of Limited Obligation Occupation Tax Supported River Flow Enhancement Refunding Bonds in the maximum principal amount not to exceed \$23,750,000 for the purpose of refunding some or all of the outstanding Series 2013 Limited Obligation Occupation Tax Supported River Flow Enhancement Refunding Bonds previously issued by the NRD to NCORPE. Motion carried. Ayes 9, Nays 0, Absent 2.

Leslie Bruntz and Lee Fintel presented Magnation, Water Technologies. A copy of this presentation is in the minute book.

Motion #5 by Nelson Trambly seconded by Terry Hoit to approve Variance Requests #254 for Gottsch Feeding Corp and Variance Request #255 for Vade Jensen. Motion carried. Ayes 9, Nays 0, Absent 2.

Mike presented a newsletter appearance update by adding color.

Motion #6 by Brad Wulf seconded by Clark Andrews to approve updating the newsletter appearance by adding color. Motion carried. Ayes 6, Nays 3, Absent 2.

There were no comments from the public.

Motion #7 by Clark Andrews seconded by Nelson Trambly to move that the Board go into Executive session at 5:59 p.m. to for the protection of the public interest and the prevention of needless injury to the reputation of John and Carman Davis, for purposes of a strategy session with respect to litigation which is imminent based upon the Lower Republican NRD Issuance of a Notice of Intent to Issue a Cease and Desist Order and Impose Penalties and to discuss personnel. Motion carried. Ayes 9, Nays 0, Absent 2.

Motion #8 by Terry Hoit seconded by Dave Bartels to move that the Board come out of Executive Session at 6:45 p.m. and declare that no actions of the board, official or unofficial, were taken during said Closed Session. Motion carried. Ayes 9, Nays 0, Absent 2.

The next regularly scheduled board meeting will be January 19th, 2017 immediately following the conclusion of the 8:30 am public hearing.

The meeting was adjourned at 6:47PM.

Secretary

Date