

## **NCORPE bonds will save \$13.2M for landowners**

Apr 5, 2017

By Job Vigil [jvigil@nptelegraph.com](mailto:jvigil@nptelegraph.com)

*Bond rating improvement may have led to interest rate decrease of 1.5 percent*

Bonds issued late last month by the Nebraska Cooperative Republican Platte Enhancement Project will save \$13.2 million, about an 11 percent reduction in debt.

“When the NCORPE board went and marketed their bonds, the interest rates were a little bit higher,” said Kyle Shepherd, NCORPE general manager. “We were a new organization at the time and we got a good rating, but the not the best rating.”

The organization recently revisited its bonding.

“What we did was an advance refunding of the bonds, which is just a different way of refinancing it,” Shepherd said. “We were able to take advantage of a lower interest rate and bring our debt down.”

In a press release, NCORPE stated the bonds have a combined average interest rate of a little more than 3.7 percent, compared to a little more than 5.2 percent on the bonds issued in 2013. One likely reason for the reduction in the average interest rate of the bonds issued is an improvement in NCORPE’s bond rating to AA from the previous A1, according to the press release.

“The savings will be realized by irrigated landowners and their respective natural resource districts that make up NCORPE — Upper Republican, Middle Republican, Lower Republican and Twin Platte NRDs,” Shepherd said. “The bonds issued by NCORPE are paid from revenues from four separate bonds issued by each of the NRDs that comprise NCORPE.”

Shepherd added that the principal and interest on those NRD bonds are paid by the occupation tax on irrigated land.

The NCORPE augmentation project enhances Republican River stream flow when needed to comply with the Republican River Compact. Construction has begun on the north pipeline that will increase Platte River flows to aid Twin Platte NRD's efforts to meet obligations in its integrated management plan, Shepherd wrote in a press release.

In addition, "the board has been exploring wind generation," Shepherd said. "The board really likes it because it would be another source of revenue, a large source of revenue."

He said it could potentially operate the project and help the NRDs rely less on occupation tax.

"It could possibly reduce the occupation tax or eliminate it," Shepherd said. "I don't think we're ready for it, but the board has heard two different proposals." The NCORPE board will hear a third proposal at its April 19 meeting at the Curtis Community Hall at 10 a.m.