



News Release

(HOLDREGE, Neb.) - The Central Nebraska Public Power and Irrigation District's board of directors approved a set of lease-related draft information at Monday's December board meeting for the purpose of gathering public comments during the process of establishing new leases for homes and cabins at Johnson Lake and Plum Creek Canyon Lake.

The current leases date to 1995 and the fee is set at 5% of the average appraised fair market value of the lots, a value that is adjusted every ten years after new appraisals.

However, due to escalating property values at the lakes, Central recognized that lease fees are likely to increase significantly in 2018 under the current lease. Last year Central initiated a process to provide for alternate leases with smaller increases in rent.

The draft alternate lease presented Monday contains changes to the lease format itself and how the lease fee is calculated. There were also drafts for a more generous hardship clause and a revised lease transfer policy.

Central's board, on an 8-4 vote, approved the draft fee schedule and lease draft alternate lease, which will be used as a starting point for discussions and public input over the next several months.

Central intends to hold an open house in January to discuss the proposals with lessees and to seek public comment and input. A second public hearing to gather additional input will be held in May or June 2017.

In addition, Central personnel will be meeting with members with a lease committee composed of lake residents later this month and again next spring.

Under the draft proposal released at Monday's meeting, the appraisal process and setting the lease fee at 5% of fair market value would be replaced by a process through which an initial lot value based on the lot's area and shoreline frontage would be established and then reductions to the value could be made after consideration of other factors, such as whether the lot is in a bay or cove, or if there is adequate water depth in front of the lot, or other factors deemed appropriate by the board.

The lease fee would be set at only 3.5% of the adjusted value. The draft proposal also calls for an incremental annual increase of 3.5%.

Gosper County Director Ron Fowler, who lives at Johnson Lake, said that approval of the draft fee schedule and draft alternate lease is just a starting point for future discussions.

"It's unlikely that this draft will be adopted as presented, but for purposes of staying on schedule and arriving at a satisfactory conclusion, I think we need to use this as a starting point for continued discussions," Fowler said.

A draft of the proposal will be posted on Central's web site at www.cnppid.com/jpccomment/ and mailed to lessees this week.

Also at Monday's meeting:

- The board approved an operating budget for the 2017 fiscal year. The budget, which goes into effect on Jan. 1, anticipates total revenues of \$24.3 million, including \$16.9 million from the sale of hydroelectric power, \$3.7 million from irrigation delivery service, and \$3.7 million from other sources.
- The board approved irrigation rates for the 2017 season, setting the base price for nine inches of delivery at \$34.10. Under the Central's Incremental Pricing Program, the cost for each additional acre-inch above the base delivery (between nine and 18 acre-inches) will be \$1.19/inch.
- Conservation Director Marcia Trompke reported on water conservation activities over the past year. Trompke noted that there were 582 pivots delivering water from Central's system last season to more than 63,000 acres. The increasing number of pivots is a significant factor in a trend toward lower diversions into Central's canal system and higher delivery efficiencies to the field.

She also reported that the second of a three-year E-67 Telemetry Project has been completed. The third year will see completion of the project to equip all E-67 turnouts with telemetry equipment to gather water use and climatic data to achieve improved water management, conservation and water quality by irrigation customers in the E-67 area.

The equipment employs an automated communications process to gather data from remote points and transmit the data to receivers for monitoring. The system also includes two automated weather stations in the E-67 area that measure climatic data necessary to determine crop-water use.

- Curtis Scheele, irrigation water management specialist at the Natural Resources Conservation Service, presented his annual conservation report, summarizing activity related to the federal Environmental Quality Incentives Program (EQIP). Two contracts for pivot installations were approved during 2016, said Scheele, a notable reduction from past years as less money is available for such programs in this area.

Scheele also presented information from an inventory of pivots in the Phelps/Kearney/Gosper county area. According to the latest data from 2014, there were 3,745 pivots in the area, providing irrigation to 444,340 acres, a significant increase from as recently as 2010 when the numbers were 3,110 pivots covering 388,314 acres.

- The board approved a landowner's application for removal of a bridge over a lateral northeast of Smithfield.

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