

Central sues lake property owners—again

Written by Elizabeth Barrett
Wednesday, 21 July 2010 21:57 -

Lessees taken to court in 1994, 2002.

Property owners at Jeffrey and Midway Lakes recently received certified letters from Central Nebraska Public Power & Irrigation District stating that their leases have been terminated.

The letter goes on to state that Central filed an action in district court regarding the termination notice and lease.

Jeffrey and Midway lakes are on Central's supply canal that provides irrigation and power.

Central leases land next to the two lakes to the two corporations—Jeffrey Lake Development Inc. and Midway Wildlife and Recreation Club—on which property owners have built cabins and homes.

The corporations in turn sublease to property owners who pay a yearly fee.

Central's board of directors approved the sending of the termination notice at their July 6 meeting.

The district's public relations manager, Tim Anderson, said in a news release that Central officials hope that property owners will enter into new leases with them.

A draft of a proposed lease agreement, between Central and each individual property owner, was included in the mailing.

Anderson said the action is intended to resolve litigation over charging lease fees at both lakes.

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He described the litigation as ongoing since 1995 when property owners sued to prevent Central from the collection of proposed lease fees at the lakes.

In that case, the Nebraska Supreme Court upheld a Lincoln County District Court ruling which prevented Central from collecting lease fees from property owners at the two lakes.

Gothenburg attorney Steve Windrum, who represents the Jeffrey and Midway Lake corporations, said the ruling prevented Central from collecting rent under the existing leases written decades ago.

In the most recent development, Windrum said the bottom line is that Central wants to end the lease agreements with the lake associations—agreed to in 1980 with Jeffrey and 1981 with Midway—and put a new one in place between Central and each of the individual sublessees.

The agreement would allow Central to charge rent—starting at \$500 per lot in 2010 for Jeffrey leaseholders and \$250 per lot for leaseholders at Midway.

The proposed lease would also spell out new rules for lessees including such things as how the lease could be terminated, maintenance of leased property including shoreline and structure requirements.

Property owners at Johnson Lake and Lake McConaughy are charged a fee which is determined by a percentage of the appraised values of their lots.

The two lakes are also part of Central's water supply.

On behalf of the Jeffrey and Midway corporations, Windrum said he plans to ask the judge to dismiss Central's case.

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In addition, he said he plans to include a claim that Central breached a civil law so the lake corporations can sue for interference with a contractual relationship.

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