

MINUTES

The Board met Tuesday April 3, 2007 at 8:00 am, with Gary Housholder, Brad Peterson, Monty Dahl, and Kenny Nelson present.

The Minutes and Financial Report were approved as mailed.

The first order of business was a meeting with Steve Ronshaugen and Marv Swanda of the Bureau of Reclamation. The following three items were the topics of discussion and action: Amendment #3 to the Districts Contract; Possible water supply for 2007; and Harlan County O&M charges. The Board signed a Resolution accepting the Amendment to the Contract and then signed the Amendment. Reclamation has a 60-day notification process to go through and will then sign and return the Amendment to us. Next a lengthy discussion was held regarding “deals” in Nebraska to assign water from Frenchman Cambridge to Kansas Bostwick and a share of Nebraska Bostwick’s storage in Harlan County plus the natural flows of the river to Kansas Bostwick. These deals will take some time to be finalized while an assurance of them occurring needs to be given within a few days. Steve will get back to Kenny within a few days regarding the Natural Resource Districts involvement and commitment to the Frenchman Cambridge deal. The last topic of discussion was regarding Harlan County O&M charges and the proposed legislation for relief from those charges. The merits of moving forward with an effort at this time were discussed. Steve had presented Kenny with information on how to request bill drafting service from Reclamation if we wish to proceed.

Correspondence for the month consisting of letters from Marvin Swanda regarding 2007 estimated supply, Steve Ronshaugen to Ann Bleed regarding water from Harry Strunk to Kansas, Lee Orton regard Amendment to Contract and Steve Ronshaugen letter with Amendment were read and discussed.

At this time further discussion was held on the Harlan County O&M proposed legislation. It was decided to discuss the matter with Nebraska Bostwick and to continue to pursue the legislation.

Kenny presented the Board with a proposed operating plan based upon the “deals” with Nebraska Bostwick and Frenchman Cambridge both being finalized as we understand them and the current estimated supply for Kansas Bostwick in Harlan County. After much discussion, it was decided to start the season with an 8” restriction above Lovewell and a 6” restriction below Lovewell. The possibility of raising the restriction in both areas exists under certain conditions. The possibility of some carry over water for the 08 season also exists. A letter to the irrigators explaining this was drafted by the Board to be sent upon assurances the “deals” will move forward. Water transfers

between landowners and tenants will once again be allowed this year. Kenny explained his plans to hire additional help or possibly get by without additional help.

A discussion was held regarding SB 89 in the State Legislature. Kenny explained changes made by the House of Representatives and the amendment attached to the bill. Clay Aurand will keep us informed as to the progress of the bill.

Kenny explained the rate increase for Blue Cross – Blue Shield group health insurance. This met with Board approval.

A transfer acre request for Jeff Strnad in the SE 36-3-5 for pivot irrigation was approved and signed. This was an even acre trade.

Kenny informed the Board that Miller Later 8.3 has been buried and at Curtis and Roger Lindberg's request 5.7R will be buried if arrangements can be made with Dloyd Strnad and Russ Henriksen. It is possible to accomplish this spring if our regular spring work is accomplished timely.

A report was given on water supply at the reservoirs.

With no further business, the meeting adjourned at 11:15 am.

Secretary

With no further business, the meeting adjourned at 10:30 am.

Secretary