

J-2 Regulating Reservoirs Project

Quarterly Report No. 02

Report Period: March, April, and May, 2014

The purpose of this Quarterly Report is to provide a general summary of the work performed for the J-2 Regulating Reservoirs Project between March and May, 2014. This does not include details of all the subtasks performed. The summary of work is organized into the following general categories of work:

- General Project Management and Implementation Tasks
- Permitting Activities
- Land Purchase Activities
- Water Rights Petition Filing
- Engineering Tasks

General Project Management and Project Implementation Tasks

- Central Nebraska Public Power and Irrigation District (Central) retained the following individuals to assist the project team in advancing the project:
 - Dave Malone, Appraiser
 - Tom Luhrs, Appraisal Reviewer
 - Dr. Steve Holen, Cultural Resources Consultant.
- Central continued to manage the contracts and approve new task orders for the consultant team.
- Kleinschmidt had a change in permitting leads from Kelly Schaeffer to Kelly Larimer.
- RJH led project personnel from Central, Kleinschmidt, Midwest Right of Way, and Rembolt|Ludtke in periodic teleconferences. The teleconferences were used to coordinate, direct, and track task assignments. These call typically occurred every other week.
- RJH established a file-share site for use by the Implementation Team to share and store project information.
- RJH developed monthly reports and began setting up the systems to track team expenditures.
- Central established a public website to disseminate information about the Project.
- Changed the names of the reservoirs from “Area 1 Reservoir” and “Area 2 Reservoir” to “Reservoir No. 1” and “Reservoir No. 2”, respectively.
- Central presented J-2 Project to Holdrege Museum Board and Holdrege Rotary

Permitting Activities

- The Team developed a purpose and need statement for the FERC License Amendment Application.
- Met with FERC in Washington DC to introduce Project, coordinate the general submittal schedule and process, and explain our intended approach to file the amendment application.
- Identified potential agencies that would need to receive the Initial Consultation Document (ICD)
- Selected agencies with whom to meet for informal consultations. The objective of the meetings would be to introduce the project and discuss key concerns and potential resource issues prior to finalizing and issuing the ICD. The selected agencies were: Nebraska State Historical Preservation Office, Nebraska Game and Parks Commission, and the US Fish and Wildlife Service.
- Continued preparation of the ICD and revised the submittal date to mid-June to allow time for preliminary discussions with agencies regarding key resource issues.
- Began developing study plans to be issued with the ICD.
- Scheduled the Joint Agency Meeting (JAM) for July 1, 2014.
- Scheduled and participated in a meeting in late May with the Gosper and Phelps County roads departments to present alternative road realignments. During this meeting, the counties narrowed the alternatives from 6 to 2 alignments. RJH and Central are continuing to coordinate with the road departments for the counties. Scheduled a meeting on June 30 with Gosper County commissioners to discuss road alternatives.
- Coordinated with local gas utilities to identify potential conflicts between existing infrastructure and the proposed Project.

Land Purchase Activities

- Notified landowners within the footprint of the Project of the need to purchase their land.
- Prepared for and held a landowner meeting to explain the Project and the process that would be used to purchase land for the Project.
- Contacted land owners to schedule property visits for the appraiser.
- Began property visits and appraisals.
- Began contacting land owners to schedule property visits for the appraisal reviewer.
- Clarified and interpreted State statutes regarding land purchases for public processes.

- Developed an approach for purchasing lands needed for the Project, that are beyond the Reservoir Footprints and where the Project components are not currently well defined.
- Tentatively scheduled public hearings related to purchasing lands for late August to Early September. This is a significant change from the General Implementation Schedule and the change is primarily a result of difficulties in coordinating property access and meetings with land owners during the appraisal process.
- Began process to obtain temporary rights of entry for private property to perform environmental studies and geotechnical exploration within reservoir areas.

Water Rights Petition Filing

- Completed preparation of a draft of the water rights petition.
- Completed preparation of a draft of the supplement to the water rights petition.
- Central and RJH reviewed the first draft of the water rights petition and supplement.
- Performed legal research and analysis regarding petition process, appropriation statutes, and preferred language to use in the petition.
- Prepared second draft of water rights petition and supplement.
- Completed independent review of water rights petition and supplement.
- Met with the Central Platte Natural Resource District (CPNRD) to discuss potential impacts of changing the return flow point from the existing J-2 Return to the Proposed Reservoir Outlets.
- Received letter from CPNRD stating that the change in discharge location was amenable to CPNRD provided outflow measurements from the reservoir were recorded daily and shared on an annual basis.
- Finalized the water rights petition and supplement, including figures, and prepared for submittal.
- Filed the water rights petition with the Nebraska Department of Water Resources on May 7, 2014

Engineering Tasks

- Completed the installation of 22 groundwater monitoring wells along the Phelps Canal and around the proposed reservoir areas. These wells will provide data needed for engineering and design of the reservoirs.
- Began recording groundwater levels within 22 monitoring wells.
- Revised the configuration of Reservoir No. 1 to provide the required reservoir volume, allow for future design adjustments to the embankment and reservoir footprint, and to effectively utilize the lands north of the currently-cultivated areas.

- Met with FERC Division of Dam Safety and Inspections in Chicago to present the dam concept and initiate coordination with this regulatory division.
- Continued to advance development of road realignment alternatives following second meeting with county road departments.
- Continued a hydraulic evaluation to support a Conditional Letter of Map Revision (CLOMR) because this Project will be within the currently-mapped 100-year flood plain.
- Completed an evaluation of the feasibility for adding hydropower generation to the Reservoir No. 1 and Reservoir No. 2 outlets. Central concluded that hydropower generation would not be included in the Project.
- Began evaluation of the benefit of including facilities that would simplify the addition of hydropower generation at the Reservoir No. 1 outlet in the future.
- Completed a field survey of the canal that provided data needed to begin hydraulic analysis of the canal.
- Began hydraulic analysis of the canal.
- Began construction impact analysis.

Tasks Anticipated for the next quarter

- Complete the Initial Consultation Document and submit to FERC.
- Advertise for, and have the Joint Agency Meeting.
- Obtain temporary rights of entry to private properties for environmental and geotechnical studies.
- Receive agency comments on ICD and study requests.
- Begin consultations with regulatory agencies.
- Begin environmental field studies.
- Begin geotechnical evaluations of potential borrow areas.
- Begin preparation of Draft License Application.
- Complete appraisals and appraisal reviews.
- Schedule and advertise for the Public Hearing for land purchasing.
- Begin negotiations with landowners for purchasing property.
- Continue hydraulic evaluations of canal and floodplains.
- Begin developing a hydraulic model of the canal and regulating reservoir system to support final design.