

**CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT  
MEMORANDUM**

To: Jerry Kenny, PH.D., Executive Director - PRRIP  
Jim Schneider, Acting Director - Nebraska Department of Natural Resources  
Diane Wilson, COO/CFO - Nebraska Community Foundation

From: Don Kraus, PE, General Manager - CNPPID

Subject: Quarterly J-2 Regulating Reservoir Report – September 2015

Date: August 28, 2015

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**Progress Report**

The RJH J-2 Project quarterly progress report is attached.

**Financial Report**

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|-----------------------------------------------------|-----------------|
| • Funds received to date                            | \$20,475,000.00 |
| • J-2 Operating Fund                                | \$12,507,719.07 |
| Construction Phase Decommissioning Fund             | \$2,252,443.50  |
| Construction Phase Reserve Fund                     | \$2,653,158.21  |
| Construction Phase Project Fee                      | \$413,566.36    |
| Total                                               | \$17,826,887.14 |
| • J2 Project Expenses 1st quarter 2015              | \$237,374.10    |
| • J2 Project Expenses 2nd Quarter 2015              | \$762,942.12    |
| • J2 Project expenses 2013                          | \$77,400.79     |
| • J2 Project expenses 2014                          | \$1,570,395.85  |
| • Total J-2 Project expenses paid through Mar 2015: | \$2,648,112.86  |

**Annual Financial Report**

The annual reports are attached.

### **J-2 Regulating Reservoirs Project**

**Report Period:** June, July, August 2015

The purpose of this Quarterly Report is to provide a general summary of the work performed for the J-2 Regulating Reservoirs Project (Project) during June, July, and August of 2015. 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**

- The team continued to coordinate through recurring teleconferences.
- Central maintained a Project website to provide information to the public.
- The Team continued to hold topic-specific coordination meetings to support various aspects of land purchasing, permitting, and engineering.
- RJH identified that it would benefit the Project to update the concepts and cost opinion as soon as feasible because of the likely significant changes since 2013.
- RJH continued to update overall Project schedule based on changes to land acquisition, access, and permitting progress.
- Central established contracts for cultural resource survey work.
- Central established a contract with a Nebraska wetland specialist to perform wetland delineation and stream assessments.
- Presented initial results of the Concept Update and updated cost opinion to the Platte River Recovery and Implementation Program (Program), State of Wyoming, Bureau of Reclamation, State of Nebraska, and State of Colorado.
- Prepared to present the concept and cost update to the Governance Committee of the Program in early September.

#### **Permitting Activities**

- Refined and completed draft and final study plans for wetlands & water quality. Based on preliminary consultations with USFWS and Nebraska Game and Parks, concluded that a study plan was not needed to identify the presence of rare,

threatened, or endangered species. Central's previous and ongoing work is sufficient to identify species that are likely present.

- Hosted a Study Plan comment meeting for various agencies. The meeting was on June 3, 2015 in Lincoln, NE.
- Wetland consultant met with USACE to coordinate on final wetland study methods.
- Submitted final study plans for Wetlands and Water Quality to FERC.
- Began wetland delineation and functional assessment of streams in accordance with study plans.
- Began water quality sampling and testing in accordance with final study plan.
- Continued to compile previously-studied project alternatives in response to meeting with USACE regarding the Section 404 permit. USACE noted that the application will need to demonstrate that the preferred alternative is the least damaging practicable alternative (LDPA) for USACE to issue a 404 permit.
- Separate from above study plans, continued development of both Phase I and Phase II Cultural Resource Study Plans.
- Completed Phase I cultural resource field survey (walking surveys) and developed a draft report to document this work.
- Completed Phase II cultural resource field survey (excavations) concurrent with geotechnical explorations and developed a draft report to document this work.
- Completed development of reports for on-site buildings to enable SHPO evaluation of eligibility for the national register of historic buildings. The reports will not be filed until Central owns the properties.
- Met with Oregon-California Trail Association representative to discuss Project's potential impacts to Oregon Trail ruts.

### **Land Purchase Activities**

- Continued to advance negotiations for property acquisition.
- Met with multiple landowners as part of advancing negotiations.
- Developed temporary access agreements for additional landowners.
- Continued to request temporary access for cultural resource studies, wetland studies, and geotechnical data collection.
- Evaluated counter-offers and provided requested information to continue negotiations.
- Estimated potential schedule impacts related to lack of land access and land acquisition. Presented this information to Central's Board.
- Considered use of eminent domain for property acquisition and based on a board vote and comments, concluded that additional negotiation was warranted.

## **Water Rights Petition Filing**

- No work was performed on this task.

## **Engineering Tasks**

- Continued to monitor the groundwater levels at 22 monitoring well locations along the Phelps Canal and around the proposed reservoir areas.
- Collected new groundwater data sets from the Tri-Basin Natural Resource District with records spanning the past 20 years.
- Based on newly collected groundwater data, updated our interpretation of the groundwater conditions at the Project site.
- Based on the proposed water level in the extended supply canal, estimated the likely groundwater levels at the reservoirs for a lined canal condition and an unlined canal condition. Concluded that the canal needed to be lined to avoid potential damage to the reservoir liners.
- Continued to refine the site geology including an expert review.
- Completed the field work for a first phase of geotechnical exploration.
- Continued laboratory testing and compilation of results for geotechnical data.
- Continued to advance the hydrologic and hydraulic analysis for the Unnamed Tributary and Plum Creek. Identified a significant increase in the PMF hydrology for the Unnamed Tributary.
- Continued to research case histories and published data for clay-lined reservoirs, frost depth, and desiccation depths. Identified the need to increase the thicknesses of the liner and liner cover.
- Developed a revised concept for a Plum Creek flood channel and base flow diversion based on the updated hydrologic analyses, USACE permitting information, and FERC dam safety requirements.
- Continued hydraulic evaluation to support design and a Conditional Letter of Map Revision (CLOMR) for the Platte River Floodplain and Unnamed Tributary.
- Continued to refine hydraulic modeling of the canal including development of an operations model for the Project.
- Continued to research and evaluate appropriate design requirements for canal freeboard.
- Completed topographic survey of Site using LiDAR techniques.
- Continued to update cost items, quantities, and development of an updated opinion of probable Project costs (OPPC) for the updated concepts.
- Prepared a draft memorandum to explain the Concept Update and updated OPPC.



## Tasks Anticipated for the Next Quarter

- Complete compilation of the collected geotechnical data.
- Complete documentation of the collected wetland data.
- Continue to collect water quality data in accordance with the approved study plan.
- Complete and file with FERC the final study plan for Phase I cultural Resource work.
- Complete and file with the Nebraska SHPO the reports from the Phase I and initial Phase II Cultural Resource studies.
- Complete development of a Phase II study plan for cultural resources.

## Potential Issues:

- As reported in various meetings with Central, the Program, and other signatories to the Program, RJH is working on a draft OPPC.

# **Annual J2 Project Fund Balance Report** **July, 2014 thru June, 2015**

## Contributions from the Parties

Wire from Foundation-PRRIP 9-30-13	\$14,606,250.00
Wire from CNPP&ID 10-2-13	\$1,000,000.00
Wire from Foundation-State 10-15-13	\$4,868,750.00
	<u>\$20,475,000.00</u>

<b>Project Accounts</b>	<b>Initial Balance</b>	<b>Remaining Funds Available 6-30-14</b>	<b>Balance 6-30-15</b>	<b>Remaining Funds Available 6-30-15</b>
J2 Operating Fund (Construction Phase Fund)	\$15,094,398.29	\$14,374,626.44	\$12,976,892.82 *	\$12,507,719.07
Construction Phase Decommissioning Fund	\$2,252,443.50	\$2,252,443.50	\$2,252,443.50	\$2,252,443.50
Construction Phase Reserve Fund	\$2,653,158.21	\$2,653,158.21	\$2,653,158.21	\$2,653,158.21
Project Construction Fee Fund	\$475,000.00	\$457,905.38	\$424,709.24 *	\$413,566.36
<b>Total</b>	<b>\$20,475,000.00</b>	<b>\$19,738,133.53</b>	<b>\$18,307,203.77</b>	<b>\$17,826,887.14</b>

\*June expenses and July transfers occurring after the July Board Meeting are not included

## Annual J2 Project Expense Report

July, 2014 thru June, 2015

	3196001 Land Acquisition	3196002 Engineering	3196003 Permitting	3196004 Project Outreach	3196005 Construction-Gen	Total
Ace Hardware	9.43					9.43
Alfred Benesch			1,496.70			1,496.70
Anderson Klein	70.00		630.00			700.00
Archeology Lab			28,942.77			28,942.77
Davis Wright Tremaine	1,600.00		200.00			1,800.00
Evans & Dixon	32,084.30					32,084.30
FurGo Inc					59.35	59.35
Gosper County Ag Society	135.00					135.00
Holdrege Citizen					67.55	67.55
Holiday Inn Express	175.00					175.00
Investment Property Exchange	23,750.00					23,750.00
Kearney Hub					67.50	67.50
Kleinschmidt			101,914.60			101,914.60
Lexington Clipper Herald					76.51	76.51
Mammoth Archaeology Cons			10,939.49			10,939.49
Midwest Right of Way	50,061.64					50,061.64
Nebraska Prairie Museum				2,500.00		2,500.00
Phelps County Ag Center	140.00					140.00
Phelps County Title Company	130,057.65					130,057.65
Phelps County Treasurer	22.96					22.96
ReadyTalk-Conference Calls	116.70		80.40			197.10
Rembolt Ludtke			1,638.65			1,638.65
Rittgard, Kathryn	1,691.36					1,691.36
RJH Consultants		1,340,800.69				1,340,800.69
United Farm Management	23,700.00					23,700.00
Payroll	46,152.77	6,375.83	29,263.94	6,643.77	18,945.75	107,382.06
Vehicle Use	623.00	98.68	1,561.48	121.92	375.32	2,780.40
Petty Cash	5.00					5.00

**Annual J2 Project Expense Report**  
July, 2014 thru June, 2015

	3196001 Land Acquisition	3196002 Engineering	3196003 Permitting	3196004 Project Outreach	3196005 Construction-Gen	Total
Brown Expense Voucher					544.70	544.70
Daily Expense Voucher	24.36					24.36
Drain Expense Voucher	329.19		936.86	118.62	750.18	2,134.85
Kraus Expense Voucher				127.12		127.12
Peyton Expense Voucher		36.95	243.24			280.19
Steinke Expense Voucher	184.19	36.00	380.25			600.44
Project Construction Fee	7,383.69	31,999.50	4,232.93	225.91	496.99	44,339.02
<b>Total</b>	<b>318,316.24</b>	<b>1,379,347.65</b>	<b>182,461.31</b>	<b>9,737.34</b>	<b>21,383.85</b>	<b>1,911,246.39</b>