

THE CENTRAL NEBRASKA PUBLIC POWER AND IRRIGATION DISTRICT
MEMORANDUM

To: Jerry Kenny, PH.D., Executive Director - PRRIP
Jeff Fassett, 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 2016

Date: August 30, 2016

Progress Report

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

Financial Report

Funds received to date	\$ 20,475,000.00
J-2 Operating Fund	\$ 10,326,289.19
Construction Phase Decommissioning Fund	2,252,443.50
Construction Phase Reserve Fund	2,653,158.21
Construction Phase Project Fee	363,454.31
Total	\$ 15,595,345.21
June Expenses not Reflected in Bank Balance	78,138.15
Adjusted Quarterly Balance as of June 30	\$ 15,517,207.06
 J2 Project Expense 1st Quarter 2016	 346,926.31
J2 Project Expense 2nd Quarter 2016	247,970.64
 J2 Project Expenses 2013	 77,400.79
J2 Project Expenses 2014	1,570,395.85
J2 Project Expenses 2015	2,715,099.35
 Total J-2 Project Expenses Paid Through June 2016	 \$ 4,957,792.94

Annual Financial Report

The annual expense and fund reports are attached.



Quarterly Report No. 11

J-2 Regulating Reservoirs Project

Report Period: June to August, 2016

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, 2016. This report 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

In July of 2016, RJH was notified that the Program was going to put the J-2 Project on hiatus.

General Project Management and Project Implementation Tasks

- Continued to coordinate as a team through recurring teleconferences.
- Maintained a Project website to provide information to the public.
- Continued to manage specialized sub consultants related to environmental and cultural resource permitting.
- Began developing an updated Project schedule and approach considering potential changes in project concept; but then paused this work at the time of the Project hiatus.
- Continued working to revise the agreement between Central and the Program to reflect a single reservoir concept.
- Developed a hiatus checklist of work tasks to continue and to complete prior to the hiatus on the J-2 Project.

Permitting Activities

- Continued preparation of the Phase I archeological reports.
- Continued report preparation for the wetland and stream data collection and functional assessment.
- Continued to develop strategies for pursuing a USACE 404 permit until notice of the Project hiatus.
- Continued planning for the 2016 data collection for water quality, but then stopped the data collection at the time of the Project hiatus.



- Began preparation of a letter to notify stakeholders the hiatus in the Project schedule.
- Continued to evaluate and discuss the changes (if any) to the general permitting approach for a single reservoir concept, and then paused the permitting activities at the hiatus.
- Continued development of the Phase II CRSP, and then paused development at the hiatus.

Land Purchase Activities

- Notified the landowners that the Project would enter into a hiatus and land would not be purchased.

Water Rights Petition Filing

- No work was performed on this task.

Engineering Tasks

- Began reading seven new monitoring wells, to assist in evaluating the feasibility of the seepage barrier wall.
- Continued to monitor the groundwater levels at 28 (total including the new seven) monitoring well locations along the Phelps Canal and around the proposed reservoir areas.
- Continued evaluation of geotechnical data related to feasibility of the barrier wall concept, and then paused further evaluation at the hiatus
- Continued laboratory testing and compilation of geotechnical data.
- Continued evaluation of the Unnamed Tributary Structure to evaluate options for reducing Project costs.
- Continued evaluating a VE concept proposed by the special advisor to the Program.
- Continued development of a hydrology report for the Unnamed Tributary.

Tasks Anticipated for the Next Quarter

- Complete various near-complete permitting and engineering tasks as agreed-upon with Central and the Program. These are listed on the hiatus checklist that was developed and delivered to the Program.
- Continue maintenance activities such as website maintenance, monitoring well data collection and reduction, etc. (as noted on the hiatus checklist).

Potential Issues:

- N/A

Annual J2 Project Fund Balance Report
July, 2015 thru June, 2016

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>

Project Accounts	Initial Balance	Remaining Funds Available 6-30-15	Balance 6-30-16	Remaining Funds Available 6-30-16
J2 Operating Fund (Construction Phase Fund)	\$15,094,398.29	\$12,507,719.07	\$10,326,289.19 *	\$10,249,962.32
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	\$413,566.36	\$363,454.31 *	\$361,643.03
Total	\$20,475,000.00	\$17,826,887.14	\$15,595,345.21	\$15,517,207.06

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

Quarterly J2 Project Expense Report

July, 2015 thru June, 2016

	3196001 Land Acquisition	3196002 Engineering	3196003 Permitting	3196004 Project Outreach	3196005 Construction- General	Total
Ace Hardware			6.90			6.90
Alfred Benesch			45,780.14			45,780.14
Anderson Klein	1,377.00					1,377.00
Archeology Lab			5,960.13			5,960.13
Brown Expense Voucher			275.16			275.16
CHS Agri Svc Center			4.89			4.89
Cole-Parmer			353.75			353.75
Davis Tremaine			500.00			500.00
Don Shafer Display			394.42			394.42
Drain Expense Voucher			129.98		459.99	589.97
Equipment Use	495.00	90.00				585.00
Evans & Dixon	9,069.60					9,069.60
FedEx			348.08			348.08
First National Bank-Mastercard			221.18			221.18
Forestry Suppliers			4,140.90			4,140.90
Fraser Stryker	3,075.30					3,075.30
Hach Company			1,286.99			1,286.99
IPEX Appraisal	2,000.00					2,000.00
Kleinschmidt			112,724.94			112,724.94
Kraus Expense Voucher	157.12		298.06		1,494.13	1,949.31
Mammoth Archaeology Cons			3,028.96			3,028.96
McCormick, Robert	43.75					43.75
Midwest Laboratories			2,354.73			2,354.73
Midwest Right of Way	15,362.24					15,362.24
Nebr Dept of Nat Res		20.00				20.00
Nebr Dept of Rev-Use Tax			323.96			323.96
Payroll	29,632.80	4,972.46	11,167.27	960.06	33,841.76	80,574.35
Peyton Expense Voucher			24.19			24.19
Phelps County Title Co	624,799.52					624,799.52
Phelps County Treasurer	2,089.36					2,089.36
Prairie Hill Landfill	634.40					634.40
RB Partnership & Joan Brand	5,000.00					5,000.00
ReadyTalk-Conference Calls	97.87		16.06			113.93
Rittgard, Kathryn	909.50					909.50
RJH Consultants		1,311,004.10				1,311,004.10
S & W Auto Parts			7.99			7.99
SGS North America			450.00			450.00
Spartan Stores/Sunmart			2.10			2.10
Steinke Expense Voucher	166.52		402.73		536.62	1,105.87
Steven Dominguez			15,659.00			15,659.00
Thulin Expense Voucher					60.12	60.12
Trompke Expense Voucher			27.12			27.12
U-Line			207.41			207.41
Vehicle Use	1,589.54	30.02	420.63	24.70	729.60	2,794.49
Ward Laboratories			516.00			516.00
Project Construction Fee	16,541.86	29,557.02	4,910.51	23.39	890.55	51,923.33
Total	713,041.38	1,345,673.60	211,944.18	1,008.15	38,012.77	2,309,680.08