

**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 – through September 2015

Date: November 23, 2015

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	\$11,544,510.91
Construction Phase Decommissioning Fund	\$2,252,443.50
Construction Phase Reserve Fund	\$2,653,158.21
Construction Phase Project Fee	\$389,714.39
Total	\$16,839,827.01
September Expenses not Reflected in Bank Balance	\$291,889.17
Adjusted Quarterly Balance as of October 5	\$16,547,937.84
• J2 Project Expenses 1st quarter 2015	\$237,374.10
• J2 Project Expenses 2nd Quarter 2015	\$762,942.12
• J2 Project Expenses 3rd Quarter 2015	\$1,278,949.30
• J2 Project expenses 2013	\$77,400.79
• J2 Project expenses 2014	\$1,570,395.85
• Total J-2 Project expenses paid through Sept 2015:	\$3,927,062.16

Annual Financial Report

The annual reports are attached.



Quarterly Report No. 08

J-2 Regulating Reservoirs Project

Report Period: September, October, November 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 September, October, and November 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 permitting and engineering.
- RJH managed specialized sub consultants related to environmental and cultural resource permitting.
- Presented the Concept Update and updated cost opinion to the Governance Committee of the Platte River Recovery and Implementation Program (Program).
- Developed an approach for preparing a cost curve and value engineering alternatives for the Project.
- Provided interim updates to the Program's director and staff on development of the cost curve and value engineering alternatives.
- Presented the cost curve and results of the value engineering studies to a subcommittee of the Program.
- Coordinated with the Program's special advisor for dams regarding value engineering alternatives.

Permitting Activities

- Developed a draft Phase I cultural resource study plan and published the draft plan for review and comment.
- Continued the wetland delineation and functional assessment of streams in accordance with the final study plan.



- Continued 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. Work on this task was paused following a discussion with USACE in early October in which we explained to USACE that the project concept might change.
- Continued development of the Phase II cultural resource study plan.
- Filed two reports for on-site buildings to enable SHPO evaluation of eligibility for the national register of historic buildings. Reports for other structures will not be filed until Central owns the properties.

Land Purchase Activities

- Completed acquisition of a second property at the Project site (Neben).
- Paused negotiations with remaining landowners for property acquisition.
- Purchased option on about 540 acres of potential trade lands.

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.
- Continued laboratory testing and compilation of geotechnical data.
- Completed the hydrologic and hydraulic analysis for the Probable Maximum Flood on the Unnamed Tributary.
- Completed updating the concepts and prepared a draft memorandum to explain the Concept Update and updated opinion of probable project costs (OPPC).
- Began to identify which design criteria could be adjusted to help reduce costs.
- Began preparing a cost curve by developing concepts for multiple reservoir sizes of Reservoir 1 (as presented in the Concept Update memorandum).
- Began evaluation of potential canal modifications to reduce costs.
- Began identifying and evaluating potential value engineering (VE) concepts for a single reservoir Project.
- Developed a cost curve and potential value engineering concepts.
- Began evaluating a VE concept proposed by the special advisor to the Program.
- Prepared to present the cost curve and results of a VE evaluation to the Program GC in December.



Tasks Anticipated for the Next Quarter

- Continue to collect water quality data in accordance with the approved study plan.
- Address public comments 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 Cultural Resource studies.
- Continue to develop the Phase II study plan for cultural resources.
- Complete the wetlands survey and stream functional assessment. Evaluate potential changes resulting from a revised Project Concept.
- Provide technical assistance for selecting an approach to advancing Project development.
- Potentially revise the Project scope and schedule based on direction received from Program.
- Potentially resume negotiations to access land for continued geotechnical and cultural resource studies.

Potential Issues:

- The key issue for the Project at this time is to define project requirements, goals, and constraints and select one or more concepts to advance towards design.