



## News Release

(HOLDREGE, Neb.) -- The Central Nebraska Public Power and Irrigation District's board of directors voted at Monday's monthly meeting to approve a water service agreement for the design, permitting, construction and operation of two regulating reservoirs in association with the Platte River Recovery Implementation Program and the Nebraska Department of Natural Resources.

Known as the J-2 Regulating Reservoirs because of their proximity to Central's J-2 hydroplant and the J-2 river return, the two shallow reservoirs will be located on Central's Phelps Canal south of the Platte River between Overton and Lexington. The reservoirs will have a surface area of about 1,000 acres and a capacity to hold about 15,000 acre-feet of water.

The regulating reservoirs will re-time returns of water from Central's system to help offset shortages to U.S. Fish and Wildlife Service target flows in the Platte River and benefit threatened and endangered species habitat along the river. The reservoirs are expected to yield about 40,000 acre-feet per year through retiming and will also be used to enhance periodic short-duration, high-flow events to help maintain the river's braided characteristic. Additionally, Central will be able to use the reservoirs to increase generation efficiency at its J-2 hydropower plant while limiting impacts to irrigation operations and river flows.

The Program will be assigned 75 percent of the yield from the operation of the reservoirs to offset shortages to target flows, while the State of Nebraska will be credited with 25 percent of the yield to help offset depletions to the river.

The agreement includes Central, the Platte River Program through the Nebraska Community Foundation, and the State of Nebraska through the Department of Natural Resources. The cost to construct the facilities, including improvements to the Phelps Canal, is estimated at \$75 million. The Program, through the federal government, will provide most of the funding for the project while DNR will provide approximately 25 percent of the costs associated with the construction. Central's share of construction costs will be capped at \$2.5 million.

Since the project is so closely tied to Central's hydro-irrigation system, Central was the logical entity to own and operate the reservoirs. It was also preferred that any water projects associated with the Platte River Program have a local sponsor/owner.

"The J-2 Regulation Reservoirs have been studied extensively and many alternatives were considered during the process," said Don Kraus, Central's general manager.

"The project was determined to be the best alternative to address issues associated with several interests, including Central, the Program and the State of Nebraska. The proximity to critical habitat areas and Central's system, the high yield in terms of retimed flows, and hydraulic considerations were essential to determining the prospective site for the reservoirs."

The agreement is for 50 years with an option to extend it for another 20 years after the initial term expires.

The next phase of the project will include initiating final project design, acquiring the necessary state and federal permits, and starting negotiations for land acquisition. It is anticipated that the reservoirs could be in operation by late 2015 or early 2016.

Central's board approved the agreement on an 8-2 vote with one abstention and one director absent.

Also at Monday's meeting:

- Civil engineer Cory Steinke reported that Lake McConaughy's elevation as of Monday morning was 3237.6 feet with about 1.03 million feet in storage (59 percent of capacity). Releases for irrigation deliveries are beginning to increase, while inflows have fallen to about 225 cubic feet per second, which is about 30 percent of normal for this time of year.

Steinke also reported that flows into the E65 Canal will be supplemented at a higher rate by Elwood Reservoir to help raise Johnson Lake's level for the July 4 holiday weekend.

- Irrigation Division Manager Dave Ford said the irrigation system is running at about 80 percent capacity now, but higher demands are expected as customers begin to irrigate soybeans.

FOR IMMEDIATE RELEASE  
July 1, 2013

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