

The meeting was held at 1:00 p.m. on Tuesday, January 11, 2011, at the Clark County Commission's Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Vice Chairwoman	Marybel Batjer
Commissioner	Tom Collins
Commissioner	Duncan R. McCoy
Commissioner	Berlyn D. Miller
Commissioner	Lois Tarkanian

COMMISSIONERS NOT IN ATTENDANCE

Commissioner	Mark Amodei
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DEPUTY ATTORNEYS GENERAL

Senior Deputy Attorney General	Jennifer T. Crandell
Senior Deputy Attorney General	Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director	George M. Caan
Deputy Executive Director	James D. Salo
Chief, Finance and Administration	Douglas N. Beatty
Assistant Director of Engineering and Operations	Robert Reese
Hydropower Program Manager	Craig N. Pyper
Manager, Natural Resources Group	McClain L. Peterson
Natural Resources Analyst	Nicole Everett
Natural Resources Analyst	Jason Thiriot
Senior Energy Accountant	Gail L. Benton
Senior Energy Accountant	Rich Sanders
Energy Accountant	Kalora E. Snyder
Office Manager	Judy K. Atwood
Administrative Assistant IV	Brenda Haymore
Administrative Assistant II	Donna Banks

OTHERS PRESENT; REPRESENTING

Consultant	Sara Price
Piercy, Bowler, Taylor & Kern	Richard Bowler

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF JANUARY 11, 2011**

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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:00 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Executive Director George Caan confirmed that the meeting was in compliance with the Open Meeting Law.

B. Approval of minutes of the November 9, 2010 meeting.

Commissioner Tarkanian moved for approval of the minutes of the November 9, 2010 meetings as written. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote.

C. Selection of Vice Chairman.

NRS 538.11 provides that “at the first meeting of the commission is each calendar year, the commission shall elect the vice chairman for the ensuing calendar year.”

Commissioner Collins moved for approval the reappointment of Vice Chairwoman Batjer. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

D. Consideration of and possible action to ratify a six-month extension to an existing agreement with Ecoplan Associates, Inc. to provide environmental and economic consulting services.

Commissioner Collins moved for approval of the ratification of the six-month extension of the Ecoplan Associates, Inc. agreement. The motion was seconded by Commissioner Miller and approved by a unanimous vote.

E. Consideration of and possible action to approve Amendment No. 3 to the contract with Electric Utility Consultants, Inc. for Electrical System and Transmission and Power Supply Consultation Services.

Assistant Director of Engineering and Operations Robert Reese gave a brief review of the purpose of the extension.

Mr. Reese stated that David Luttrell, as principal consultant and president of Electric Utility Consultants, Inc. (EUC), has been providing electric system consulting services to the Commission since 1989. Services have included engineering consultation on hydroelectric power matters, transmission service, power supply, the development of the Power Delivery Project and Basic Substation Project, and most recently, support of the Commission’s electric facility operation and maintenance staff. Staff anticipates utilizing

EUC's services on upcoming projects. Services under the contract are provided only as requested by, and under the direction of, Commission staff.

The Commission's current contract with EUC will terminate on March 31, 2011, unless it is extended. Staff desires to extend the contract with EUC for an additional term of five years. Mr. Luttrell has served the Commission well throughout the term of the contract. He has extensive work experience with Commission projects and projects of other agencies, and excellent working relationships with the Staff of the Commission and with the personnel at other agencies and firms with which the Commission does business.

Staff proposes to increase the not-to-exceed cost of the contract by \$200,000.00 to a total not-to-exceed amount of \$750,000.00, to increase Mr. Luttrell's billing rate from \$98.00 per hour to \$105.00 per hour, and to provide that the Executive Director of the Commission be authorized to allow payment at an hourly rate different from the one shown herein, provided that the total amount paid is less than the maximum aggregate cost of services approved by the Board of Examiners.

Commissioner Collins asked why there is a request for a wage increase.

Mr. Reese replied that Mr. Luttrell has not increased his hourly rate since 2006 and a typical hourly rate for a person with his expertise would be between \$150.00 and \$185.00 per hour.

Commissioner Collins asked what the \$200,000.00 increase would cover.

Mr. Reese replied the increase would allow enough funds for upcoming projects in the event Mr. Luttrell's services are required in the next five years.

Commissioner Miller asked how much of the prior amount of \$550,000.00 has been spent.

Mr. Reese replied that approximately \$300,000.00 has been spent.

Commissioner Miller questioned the need to increase the contract by \$200,000.00 if there are still funds left.

Mr. Reese replied that a project requiring engineering services could feasibly use \$200,000.00 rather quickly.

Mr. Caan further explained that this is an authorizing contract and therefore staff would not have to bring it back to the Commission each time additional funds were required. Staff would have enough authority so staff would not have to bring this contract back to the Commission unless there was a request for an increase in an hourly rate that exceeds 10 percent.

Vice Chairwoman Batjer moved for approval of Amendment No. 3. The motion was seconded by Commissioner Tarkanian and approved by a unanimous vote.

F. Presentation of Colorado River Commission of Nevada's Annual Financial Report for Year ended June 30, 2010.

Richard Bowler, the Commission's external auditor, reported that the audit of the financial statement of the Colorado River Commission of Nevada for the year ended June 30, 2010, was complete. The audit did not produce any comments or findings that need to be reported to the Commission. Mr. Bowler said he would be happy to answer any questions.

Commissioner McCoy asked for a brief explanation of the change in fund balance; how did the fund balance grow.

Chief, Finance and Administration Douglas N. Beatty explained that the revenues to the Commission come in two different ways. The revenues related to the sale of hydropower are dependent on the amount of purchases of the customers. The revenues from the water side are expenditure driven. We are not reimbursed by the Southern Nevada Water Authority (SNWA) because they provide funds up front. We have working capital requirements that we try to maintain at about \$300,000.00 to \$400,000.00 on both the water side and the power side.

When the budget was put together, we anticipated that the revenues particularly from the power side would dip substantially due to hydrologic conditions. That did not happen. We had additional revenue come in due to the sale of hydropower which increased the fund balance. The portion of fund balance which is reported in the audit in terms of the water revenues we collect from the SNWA depends on the cutoff. At that particular time it was high. The next billing for the SNWA in 2011 had a reduction for that. We built up enough of a fund balance on the hydropower side that we were able to refund some monies to our customers.

We monitor the fund balance which varies depending on the cutoff period that is used. At the end of each year we evaluate it and decide whether to give a refund or reduce the billings to the SNWA.

Commissioner Miller asked if there have been discussions with the 2011 legislature concerning the Commission's funds and putting them to use.

Mr. Caan replied there have been some discussions over the Commission's funds, but none of the funds can be used for State General Fund purposes.

Chairman Ogilvie and Commissioner McCoy offered their congratulations on a job well done with financial recording.

G. Status update on the hydrologic conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

Natural Resource Analyst Nicole Everett provided a report on the following:

- Storage Conditions
- Unregulated Inflow into Lake Powell
- Lake Powell End of Month Elevation Projections
- Lake Mead End of Month Elevation Projections
- Hoover Dam Rating and Lake Mead Elevations
- Monthly Max and Min Temperature Deviation for December 2010
- Monthly Precipitation for November and December 2010
- Snowpack January 1, 2010
- Snowpack January 1, 2011
- U.S. Drought Monitor - November 2, 2010
- U.S. Drought Monitor – January 4, 2011
- U.S. Seasonal Drought Outlook
- Record of Precipitation at McCarran International Airport, Las Vegas, NV
- Water Use in Southern Nevada

A copy of the report is attached and made a part of the minutes. (See Attachment A.)

Mr. Caan provided two updates on the Colorado River System.

In December of 2010 the United States and Mexico signed Minute 318 which is a temporary measure designed to help Mexico store up to 260,000 acre-feet in the United States while Mexico repairs damages to the Mexican infrastructure that occurred during last year's earthquake. Mexico will be allowed to take the water once the repairs are made. The measure also provides that no water will be delivered to Mexico if a water shortage occurs.

The United States and Mexico are now in the process of starting discussions to provide an agreement to provide water on a longer term basis to mitigate shortage issues.

The Hoover Bill did not progress beyond the Senate. We are working to get the bill re-introduced.

H. Comments and questions from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)

Chairman Ogilvie asked if there were any comments or questions from the public. There were none.

I. Comments and questions from the Commission members.

Chairman Ogilvie asked if there were any comments or questions from the Commission members. There were none.

J. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, February 8, 2011, at the Clark County Government Center in the Commission Chambers.

K. Adjournment.

The meeting adjourned at 1:32 p.m.

George M. Caan, Executive Director

APPROVED:

George F. Ogilvie III, Chairman