

The meeting was held at 1:00 p.m. on Tuesday, November 10, 2009, at the Grant Sawyer Building, Suite 4412 Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Vice Chairman	Ace I. Robison
Commissioner	Marybel Batjer
Commissioner	Tom Collins
Commissioner	Duncan R. McCoy
Commissioner	Berlyn D. Miller

COMMISSIONERS NOT IN ATTENDANCE

Commissioner	Lois Tarkanian
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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
Manager, Energy Services	Gail A. Bates
Chief, Finance and Administration	Douglas N. Beatty
Assistant Director of Engineering and Operations	Robert Reese
Hydropower Program Manager	Craig N. Pyper
Assistant Hydropower Program Manager	Lisa M. Ray
Hydropower Program Specialist	Michael Harris
Manager, Natural Resources Group	McClain L. Peterson
Natural Resources Analyst	Nicole Everett
Senior Energy Accountant	Gail L. Benton
Energy Accountant	Kalora Snyder
Office Manager	Judy K. Atwood
Administrative Assistant IV	Brenda Haymore
Administrative Assistant II	Gina L. Goodman

OTHERS PRESENT; REPRESENTING

American Pacific Corporation	Jack Stonehocker
City of Boulder City	Rory Dwyer
City of Boulder City	Ned Shamo
Overton Power District #5	Mendis Cooper
Overton Power District #5	Delmar Leatham
Overton Power District #5	Larry Moses
Self	Jacob Bingham
Self	Jay D. Bingham
Southern Nevada Water Authority	Kathy Flanagan

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF NOVEMBER 10, 2009**

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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 September 8, 2009 meeting.

Commissioner Batjer moved for approval of the minutes of the September 8, 2009 meetings as written. The motion was seconded by Vice Chairman Robison and approved by a unanimous vote.

C. Consideration of and possible action to adopt Colorado River Commission Resolution 2009-05, commending Jacob D. “Jay” Bingham for his service to the Commission.

Mr. Caan read into the record Colorado River Commission Resolution 2009-05 commending Mr. Jacob D. “Jay” Bingham for his service to the Commission.

The Commission members expressed their appreciation and gratitude for his great service as a community and civic leader, as well as his service to his family.

Commissioner Collins moved to approve the resolution. Commissioner Batjer seconded the motion, and the motion was approved by unanimous vote.

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

D. Consideration of and possible action to set the amount of collateral the Commission’s retail industrial customers are required to post for calendar year 2010 pursuant to their contracts with the Commission.

Commissioner Miller stated for the record as a member of the board of directors for American Pacific Corporation he would abstain from the vote on item D.

Assistant Hydropower Program Manager Lisa Ray stated that the Commission is required by Nevada Revised Statutes (NRS) 538.181(2) and Nevada Administrative Code (NAC) 538.744 to conduct an annual review of the creditworthiness of its industrial customers. Staff has reviewed its industrial customers’ gross annual purchases for 2009 and looked at their future requirements for 2010.

Staff has determined the collateral requirements for 2010 to be \$6,937,343.80. This represents a decrease of \$3.5 million from 2009, when \$10.5 million collateral was required. The main reason for this decrease is that our industrial customers’ load dropped

about 20 percent last year. In addition, there was a 53 percent reduction in market power prices in 2009 compared to 2008.

The calculations are as follows:

	Adjusted Gross	Proposed Collateral	Present	Increase or Decrease
Customer	Annual Purchases*	25%	Collateral	Of Present Collateral
	10/1/08 through 9/30/09	of previous column		
America Pacific Corporation*	\$3,783,266.09	\$945,816.52	\$1,085,224.18	(\$139,407.66)
Basic Water Company	\$806,562.25	\$201,640.56	\$337,066.18	(\$135,425.62)
Chemical Lime Company of Arizona	\$64,126.82	\$16,031.71	\$21,185.91	(\$5,154.20)
Tronox, LLC	\$1,624,859.76	\$406,214.94	\$431,841.90	(\$25,626.96)
Olin Chlor Alkaline Products*	\$13,552,210.98	\$3,388,052.75	\$4,701,867.77	(\$1,313,815.02)
Titanium Metals Corporation	\$7,918,349.27	\$1,979,587.32	\$3,945,963.30	(\$1,966,375.98)
Total	\$27,749,375.17	\$6,937,343.80	\$10,523,149.24	(\$3,585,805.44)

*The "Gross Annual Purchase" is based on the total Monthly Invoices plus the total Parker-Davis Advance Fund Invoices and then adjusting for the following: (1) Adjustments to Olin and American Pacific Gross Annual Purchases to reflect their unusually low purchases for FY 2009 and their higher estimated requirements for FY 2010, and (2) Reversed credits to Olin of \$67,248.83 for interest accrued on cash collateral of \$3,000,000.

Based on that review, the Commission established the amount and prescribed the manner in which the customer is required to furnish collateral pursuant to its contracts with the Commission. Our industrial customers have been briefed and are prepared to adjust their collateral requirements upon approval by the Commission.

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

Commissioner McCoy moved to approve. Vice Chairman Robison seconded the motion which was approved by a unanimous vote, with Commissioner Miller abstaining.

E. Consideration of and possible action to approve a letter from the Commission urging the members of Nevada's Congressional delegation to support the Hoover Power Allocation legislation to retain the Hoover Dam power allocation for southern Nevada.

Mr. Caan explained that in the Commission meeting held on September 8, 2009, staff presented the principles that are incorporated in this draft legislation currently being marketed in Congress.

Mr. Caan stated that since that meeting he has had the opportunity to confer with Nevada's Congressional delegation to discuss the proposed Hoover Power Allocation legislation and to seek their support in both the Senate and the House. Nevada's Congressional delegation is supportive and understands the benefits to Nevada for continuing the allocation. The Commission is currently seeking sponsors for the

legislation in the House. Senator Reid has agreed to sponsor the legislation in the Senate. It is our hope to get legislation introduced in the Senate this calendar year.

Letters in support of the legislation have been sent to Congress by the Southern Nevada Water Authority, NV Energy, and Overton Power District. In addition, staff is expecting that the Commission's other retail and wholesale customers will send letters of support.

The proposed legislation provides for a continuation of 95 percent of existing allocations to current Hoover contractors for 50 years, with the remaining 5 percent to be placed into a pool that will be distributed to new allottees within the marketing area.

Staff asked the Commission to authorize the chairman to send a letter on behalf of the Commission in support of the proposed legislation.

Commissioner Collins moved to approve. Vice Chairman Robison seconded the motion which was approved by a unanimous vote.

F. Presentation on the Commission's Mission and Value Statements.
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Energy Services Manager Gail Bates presented the Colorado River Commission of Nevada's mission and values, and the process called "2010 Good Beginning, Great Future". It is an interactive ongoing process that will help the Commission establish an overall corporate identity, increase common understanding of the Commission staff regarding the purpose and workings of each part of the agency, and enhance customer service by creating opportunities to act more collaboratively and utilize resources across the different departments, allowing staff to take advantage of opportunities to be more productive and increase work satisfaction.

Our mission statement is "The Colorado River Commission of Nevada serves the communities of the State by responsibly managing and protecting our Colorado River water and power resources." The values of the agency are excellence, integrity, and positive work environment.

The Commission will keep its mission and values alive by celebrating its 75th anniversary, developing an intranet site, publishing our mission in written and electronic form, creating a pamphlet containing history and facts about the agency, and engaging in continued facilitation and teambuilding by Oasis Consulting Services (OASIS), and other activities being evaluated by the agency's communications team.

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

G. Consideration of and possible action to approve Amendment No. 2 to the Contract with Oasis Consulting Services.

Oasis provides expert consulting services for optimizing organizational effectiveness and improving communication skills. In the past, Oasis has assisted the Commission staff with assessing current and future objectives, improving work performance, and enhancing communication within the Commission and between staff and stakeholders.

Mr. Caan stated that the Oasis contract will expire on December 31, 2009. Staff is asking for an extension of one year to the term of this contract. No increase in expenditures is requested.

Chairman Ogilvie asked what remains to be done.

Mr. Caan responded that management is seeking the continue the services of Oasis to develop future team building exercises and ideas that will continue to enhance communication, and to use the firm's expertise to keep life in our mission statement and values.

Vice Chairman Robison asked how you make this a working part of everything that we do within this economic and climate-changing environment.

Mr. Caan responded that management is committed to this process and will not let the Commission's mission and values become just written words. We want to keep life in our mission and values. Even with the constraints of budgets and travel restrictions, we are determined to move forward with our mission. Therefore, when we have exhausted all of our internal thoughts and ideas we will look for the external expertise of Oasis to assist in our continued growth and success.

Vice Chairman Robison moved for approval. Commissioner Batjer seconded the motion which was approved by a unanimous vote.

H. 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
- Precipitation – Colorado River Basin
- Unregulated Inflow into Lake Powell
- Lake Powell Elevation Projections
- Hoover Dam Rating and Lake Mead Elevations
- Monthly Max and Min Temperature Deviation for September 2009
- September 2009 Statewide Ranks
- Monthly Precipitation for September 2009

- Seasonal Precipitation, October 2008 – September 2009
- Monthly Max and Min Temperature Deviation for October 2009
- Monthly Precipitation for October 2009
- U.S. Drought Monitor - September 2009
- U.S. Drought Monitor – November 2009
- U.S. Seasonal Drought Outlook
- Record of Precipitation – Las Vegas, Nevada
- Water Use in Southern Nevada

I. Comments and questions from the public and discussion. (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.

J. Comments and questions from the Commission members.

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

K. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, December 8, 2009, at the Clark County Government Center in the Clark County Commission Chambers.

L. Adjournment.

The meeting adjourned at 2:05 p.m.

George M. Caan, Executive Director

APPROVED:

George F. Ogilvie III, Chairman