

The meeting was held at 1:30 p.m. on Tuesday, March 14, 2017, at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairwoman	Puoy K. Premsrirut
Vice Chairwoman	Kara J. Kelley
Commissioner	Duncan R. McCoy
Commissioner	Steve Sisolak
Commissioner	Dan H. Stewart
Commissioner	Cody T. Winterton

COMMISSIONERS NOT IN ATTENDANCE

Commissioner	Marilyn Kirkpatrick
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DEPUTY ATTORNEY GENERAL

Special Counsel, Attorney General	Christine Guerci-Nyhus
Special Counsel, Attorney General	Jennifer Crandell

COMMISSION STAFF IN ATTENDANCE

Executive Director	Jayne Harkins, P.E.
Chief of Finance and Administration	Douglas N. Beatty
Assistant Director of Energy Services	Gail A. Bates
Assistant Director of Engineering and Operations	Robert D. Reese
Manager, Natural Resources	Angela Slaughter
Natural Resource Analyst	Peggy Roefer
Natural Resource Analyst	Warren Turkett, Ph.D.
Senior Accountant	Gail L. Benton
Administrative Assistant IV	Kathryn Aguilar-Logan
Administrative Assistant IV	Gina Goodman
Administrative Assistant III	Kristina Perry
Administrative Assistant II	Kenna Barrett
Administrative Assistant II	Alison M. Otero

OTHERS PRESENT; REPRESENTING

SNWA	Jordan Bunker
Self	Judy Atwood and family

OTHERS PRESENT; REPRESENTING VIA TELEPHONE

Stinson Leonard Street, LLP	Craig Silverstein
Duncan, Weinberg, Genzer & Pembroke, PC	Peter J. Scanlon

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF MARCH 14, 2017**

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The Colorado River Commission meeting was called to order by Chairwoman Premsrirut at 1:30 p.m. followed by the Pledge of Allegiance.

A. Conformance to Open Meeting Law.

Executive Director Jayne Harkins, P.E., confirmed that the meeting was in compliance with the Open Meeting Law.

B. Comments 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 may be taken.)

Chairwoman Premsrirut asked if there were any comments from the public. There were none.

C. For Possible Action: Approval of minutes of the March 14, 2017 meeting.

Commissioner Sisolak moved for approval of the minutes. The motion was seconded by Commissioner McCoy, and approved by a unanimous vote.

D. For Possible Action: Consideration of and possible action to adopt Colorado River Commission of Nevada Resolution 2017-2 commending Judith K. Atwood for her service to the Colorado River Commission of Nevada (Commission).

Ms. Harkins read Colorado River Commission of Nevada Resolution 2017-2 into the record commending Judith K. Atwood for her service to the Commission. A copy of the resolution is attached and made a part of the minutes. (See Attachment A.)

Chairwoman Premsrirut, Commissioner Kelley, Commissioner McCoy, Commissioner Sisolak, Commissioner Stewart, and Commissioner Winterton thanked Ms. Atwood for her years of service to the Commission and her community. They all wished her well in her future endeavors.

Commissioner McCoy made a motion to approve Colorado River Commission of Nevada Resolution 2017-2. This was seconded by Commissioner Kelley and approved by a unanimous vote.

Ms. Atwood received a round of applause thanking her for her service to the Commission.

E. For Possible Action: Consideration of and possible action to approve Amendment #2 to Contract for Personal Services of Independent Contractor Between the Colorado River Commission of Nevada and Stinson Leonard Street, LLP.

Ms. Harkins stated that the Commission has utilized the services of Stinson Leonard Street, LLP, (Stinson Leonard) since June of 2012 to provide needed outside legal services on issues relating to: (1) Federal Energy Regulatory Commission (FERC) proceedings; (2) compliance with

mandatory electric reliability standards promulgated by the North American Reliability Corporation (NERC), market manipulation and other related matters; (3) electric and natural gas supply issues; and (4) other matters as directed in writing by the Executive Director.

Amendment #2 will: (1) extend the term of the Contract for 4 years with a new expiration date of June 30, 2021; and (2) increase the total consideration allowed under the contract to \$350,000 (an addition of \$150,000). This is an area of legal specialization not available to the Commission through the Attorney General's office. Due to the State-mandated approval process for outside services contracts, it can be extremely difficult to enter into a new contract for outside legal services on short notice when the need is immediate.

It is staff's recommendation that this contract be extended beyond its present termination date of June 30, 2017 and an additional \$150,000 be added to this contract, to allow for the use of Stinson Leonard's services in FERC and other energy matters on an as-needed basis. It is important to note that the Stinson Leonard contract is enabling in nature only, and that further services from this law firm will be provided only upon the specific authorization of the Executive Director. There is no minimum payment or retainer required; the Commission retains full control over the level of expenditures to be incurred under the contract.

Commissioner Kelley requested confirmation that Stinson Leonard Street, LLP is the law firm also hired by the Southern Nevada Water Authority (SNWA).

Ms. Harkins confirmed Commissioner Kelley's statement. Additionally, if there is ever a conflict where they could not utilize Stinson Leonard Street, LLP, they would use the Duncan Weinberg contract.

Commissioner Kelly requested confirmation that this is an example of the Commission and SNWA partnering to save fees on issues they have in common.

Ms. Harkins confirmed Commissioner Kelly's statement. Additionally, with FERC if they had a common interest the Commission and SNWA would jointly file.

Chairwoman Prensirut requested confirmation that the original 4-year contract was for \$200,000, and this is an increase of \$150,000 for an additional 4-years.

Ms. Harkins confirmed Chairwoman Prensirut's statement, adding that in total the total amount would not exceed \$350,000.

Commissioner Sisolak asked how much of the initial \$200,000 was utilized in the first 4-years.

Ms. Harkins stated that we currently have \$37,355 left, with an outstanding bill in the office of approx. \$20,000.

Commissioner Sisolak inquired as to the SNWA's rate with Stinson Leonard Street, LLP.

Christine Guerci-Nyhus, Special Counsel, Attorney General, stated the rate is similar for both entities. With joint projects, the Commission would be billed, and SNWA would pay their portion of the bill to the Commission.

Commissioner Sisolak inquired if SNWA has a “not to exceed” contract, and is the rate the same.

Craig Silverstein, Attorney for Stinson Leonard Street, LLP responded that he does have a contract with SNWA that is similar to the Commission. The rate is also similar, but not the same. The Commission has a lower rate due to activity over the years, so that contract is slightly lagging. Because of that, they utilize the Commission contract for joint ventures to save funds for both parties.

Commissioner Sisolak inquired that there is a contract with Commission that has a cap, and a contract with SNWA that has a cap, so with the joint billing is it double the cap?

Mr. Silverstein stated there are two separate caps; however, he is unaware of the billing procedures between the Commission and SNWA.

Commissioner Kelley interjected to confirm Commissioner Sisolak’s inquiry, that yes it would be double the cap when you combine both the Commission and SNWA contracts. However, the Commission can only bill within the limitations of their specific contract.

Mr. Silverstein stated the agreement with SNWA has been in place since about 2003. They have never exceeded the cap.

Chairwoman Premsrirut inquired with Mr. Silverstein, that there would be times that the Commission would be billed independently without any overlap with SNWA and vice-versa.

Mr. Silverstein stated that was correct.

Commissioner Kelley made a motion to approve. This was seconded by Commissioner Sisolak and approved by a unanimous vote.

F. *For Possible Action: Consideration of and possible action to approve Amendment #9 to Contract for Personal Services of Independent Contractor Between the Colorado River Commission of Nevada and Duncan, Weinberg, Genzer & Pembroke, PC.*

Ms. Harkins stated that the Commission has utilized the services of Duncan, Weinberg, Genzer & Pembroke, P.C., of Washington, D.C. (Duncan Weinberg) since August of 2003 to provide needed outside legal services and representation before the Federal Energy Regulatory Commission (FERC) and to provide legal advice/review on highly specialized topics.

Experience has shown that the Commission may be required to be actively represented before FERC with very short notice, and that potential conflicts or other causes may preclude the Commission from utilizing the services of Stinson Leonard Street LLP, its primary legal counsel in matters before FERC.

This is an area of legal specialization not available to the Commission through the Attorney General's office. Due to the State-mandated approval process for outside services contracts, it can be extremely difficult to enter into a new contract for outside legal services on short notice when the need is immediate.

Currently, the maximum aggregate limit on compensation under the Duncan Weinberg contract already approved by the Board of Examiners is sufficient to cover any reasonably anticipated costs for legal services from that firm for the foreseeable future.

It is staff's recommendation that this contract be extended beyond its present termination date of June 30, 2017, to allow for the use of Duncan Weinberg's services in FERC-related matters on an as-needed basis. It is important to note that the Duncan Weinberg contract is enabling in nature only, and that further services from this law firm will be provided only upon the specific authorization of the Executive Director. There is no minimum payment or retainer required; the Commission retains full control over the level of expenditures to be incurred under the contract.

Ms. Harkins stated that this contract is similar to the previous contract just approved. However; this is just a term extension. There is still \$346,899.00 available to draw from on the contract over the next 4-years.

Chairwoman Premsrirut inquired regarding the rates. Are the attorney rates the same as was quoted in Amendment #8, which states the top counsel receiving \$330 per hour.

Ms. Harkins stated we have a new rate as of February 2017, which has Peter J. Scanlon at \$360 per hour.

Chairwoman Premsrirut inquired that due to the increased rate, that there are still sufficient funds for the next 4-years.

Ms. Harkins stated yes.

Commissioner Kelley made a motion to approve. This was seconded by Commissioner Winterton and approved by a unanimous vote.

G. *For Information Only:* Consideration of and possible action to approve filing a Petition for Leave to Intervene ("PLTI") with the Public Utilities Commission of Nevada ("PUCN") to participate in the PUCN proceedings concerning the deferred energy filing made by Nevada Power Company d/b/a NV Energy ("NVE") on March 1, 2017.

Gail Bates, Assistant Director of Energy Services stated that in 2016, the PUCN approved a Hoover D tariff rider to facilitate the ability of the Commission's Hoover Schedule D contractors to utilize their post-2017 Hoover allocations.

Under the terms of the Hoover D tariff rider, the Commission's Hoover Schedule D Contractors will allow NVE to use their Hoover power allocations and they will receive a credit from NVE reflecting the value of this power. The credits received by the contractors are determined, in

part, from NVE's marginal energy costs that are filed with the PUCN annually in NPC's deferred energy filings. On March 1, 2017, NVE made such a filing.

In order for the Commission to validate the credits received by the Hoover Schedule D Contractors, the Commission must have the underlying data and assumptions that went into the calculations. Such data is filed by NVE under confidential seal and cannot be obtained without intervening in the filing. Additionally, should the Commission determine that the calculations were not made in accordance with the provisions of the tariff rider or otherwise dispute the underlying data, an intervention by the Commission would allow it to present its case before the PUCN.

Under the rules of the PUCN, the Commission must submit a PLTI in order to have the opportunity to participate in the PUCN's proceeding which will consider the Hoover D tariff rates proposed by NVE. As required by the rules of the PUCN, the Commission has a direct and substantial interest in these proceedings which cannot be protected adequately by any other party. Accordingly, the Commission staff requests that the Commission approve its request to file a PLTI in this proceeding.

Staff is recommends filing a Petition for Leave to Intervene on docket number 17-03001 for the purpose to get the data needed for calculations. This is the only way to have access to the data and protect our interests.

Chairwoman Premsrirut inquired as to whether there is no other way to obtain the information aside from the Petition for Leave to Intervene.

Ms. Bates responded that she had been discussing with Nevada Energy (NVE) as to how it may be possible to receive the information without the Petition for Leave to Intervene. There has been no solution as of yet.

Commissioner Sisolak stated that there have been a number of Petitions for Leave to Intervene, what is the cost associated with this?

Ms. Bates stated that the Commission utilizes internal counsel.

Commissioner McCoy made a motion for approval. The motion was seconded by Commissioner Winterton and approved by a unanimous vote.

H. <i>For Information Only: Status Update on 2017 Legislative Session.</i>

Ms. Harkins announced that the Commission's Budget Hearing regarding Account 4490 was held on February 17, 2017 before the Joint Senate and Assembly Subcommittee on Public Safety, Natural Resources and Transportation. Written testimony was provided in advance, at the hearing a short presentation was provided and then Commission staff responded to questions. The Commission has four accounts that require legislative approval.

Subsequent to the hearing, LCB fiscal staff forwarded three questions that Commission staff responded to in writing. Budget closings begin on April 4, 2017.

The Hearing for AB11 before the Assembly Transportation Committee was held on Thursday, March 9, 2017. There were no amendments offered at time of the meeting, and none have been brought to the Commission's attention since then. No one spoke for, against, or neutral towards the bill.

The Executive Director testified before the Assembly Committee on Commerce and Labor, Subcommittee on Energy on Monday, February 20, 2017. Ms. Harkins gave an overview of the agency with details for the Committee on the Hydropower contracts and particularly the Hydropower contracts to five utilities. Staff continues to monitor the meetings of this Subcommittee.

Staff is monitoring the meetings of the Senate Committee on Commerce, Labor and Energy, Subcommittee on Energy.

Staff also continues to monitor bills related to energy and water resources.

Chairwoman Premsrirut asked what the three questions were during the budget hearings.

Douglas N. Beatty, Chief of Finance and Administration stated the first question was to detail Commission's billing procedures, including a listing of all billings, including frequency, that are sent out from the various departments. The second question was with our involvement in the non-hydro market, and how the Commission interacts with the non-hydro market. The final question dealt with the provision of the Commission's hydropower contract related to penalties and interest. That question was deferred, as the specifics are still being brought to the Commission.

I. Comments 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 may be taken.)

Chairwoman Premsrirut asked if there were any comments from the public. There were none.

This item was re-opened, and the time limit was waived. Warren Turkett, PhD. Natural Resource Analyst provided an overview of the current hydrology report.

- Unregulated Inflow & Storage as of March 13, 2017
- Lake Powell Projections based on February 2017 24-Month Study
- Lake Mead Projections based on February 2017 24-Month Study
- Precipitation – Monthly for February, Seasonal October 2016 - February 2016
- Colorado Basin River Forecast Center
- Water Use in Southern Nevada as of January 2017
- Hydropower Capacity

J. Comments and questions from the Commission members.

Chairwoman Premsrirut 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 1:30 p.m. on Tuesday, April 11, 2017, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

L. Adjournment.

The meeting adjourned at 2:06 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

Puoy K. Premsrirut, Chairwoman