

The meeting was held at 1:00 p.m. on Tuesday, January 13, 2015 at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

**COMMISSIONERS IN ATTENDANCE**

Chairman	George F. Ogilvie III
Commissioner	Bob Coffin
Commissioner	Duncan R. McCoy
Commissioner	Steve Sisolak

**COMMISSIONER IN ATTENDANCE VIA TELECONFERENCE**

Commissioner	Puoy K. Premsrirut
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**COMMISSIONERS NOT IN ATTENDANCE**

Vice Chairman	Berlyn D. Miller
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**DEPUTY ATTORNEYS GENERAL**

Special Counsel, Attorney General	Jennifer T. Crandell
Special Counsel, Attorney General	Ann C. Pongracz

**COMMISSION STAFF IN ATTENDANCE**

Executive Director	Jayne Harkins, P.E.
Deputy Executive Director	James D. Salo
Chief of Finance and Administration	Douglas N. Beatty
Assistant Director of Engineering and Operations	Robert D. Reese
Hydropower Program Manager	Craig N. Pyper
Hydropower Program Specialist	Sarah Ritchie
Natural Resource Analyst	Warren Turkett
Senior Accountant	Gail L. Benton
Senior Energy Accountant	Richard M. Sanders
Administrative Assistant IV	Brenda Haymore
Administrative Assistant II	Gina L. Goodman

**OTHERS PRESENT; REPRESENTING**

Congressman Heck's Office	Andrew Turcaz
Congressman Heck's Office (Intern)	Michael Kores
Consultant	Sara A. Price, Esq.
NV Energy	Chelsie Campbell
Overton Power District No. 5	Mendis Cooper
Overton Power District No. 5	Terry Romero
Piercy, Bowler, Taylor & Kern	Reas Allen
Piercy, Bowler, Taylor & Kern	Martha Ford
Senator Reid's Office	Vinny Spotleson
Silver State Energy Association	Rick Schmalz
Southern Nevada Water Authority	Jordan Bunker

**COLORADO RIVER COMMISSION  
OF NEVADA  
MEETING OF JANUARY 13, 2015**

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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:15 p.m. followed by the pledge of allegiance.

**A. Conformance to Open Meeting Law.**

Executive Director Jayne Harkins 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.)**

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

**C. For Possible Action: Approval of minutes of the December 9, 2014 meeting.**

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

**D. For Possible Action: Selection of Vice Chairman.**

Nevada Revised Statutes 538.111 provides that at the first meeting of the Commission in each calendar year, the Commission shall elect a Vice Chair for the ensuing calendar year.

**Commissioner McCoy moved to retain Commissioner Berlyn D. Miller as the Vice Chairman for the Commission. The motion was seconded by Commissioner Coffin and approved by a unanimous vote.**

**E. For Possible Action: Consideration of and possible action on award of Contract No. CRCPDP-300/PWP-CL-2015-12 for Transmission Line Construction for the Boulder City Bypass T-Line Modifications Project.**

Robert Reese, Assistant Director of Engineering and Operations, provided background for the Commission's consideration of the possible award of Contract No. CRCPDP-300/PWP-CL-2015-12 for Transmission Line Construction for the Boulder City Bypass T-Line Modifications Project, to PAR Electrical Contractors, Inc. (PAR).

Mr. Reese stated that the Nevada Department of Transportation initiated a highway improvement project identified as the Boulder City Bypass Project. Phase 1 of the project was on State Highway 93/95 in the Railroad Pass area. Phase 2 of this project is on Highway 93 near the Hoover Dam Lodge (formerly the Hacienda Hotel). Phase 2 is being administered by the Regional Transportation Commission of Southern Nevada (RTC). Phase 2 requires that certain adjustments, removals and replacements be made to existing utility facilities owned by the Commission; specifically, that the Commission

shall adjust and/or relocate the overhead Mead-Eastside/Equestrian #2 Electric Transmission Line between existing structure 6/3 and existing structure 7/3, remove existing Commission facilities within these limits, and replace the facilities outside these limits within a new right-of-way provided by the RTC.

On May 20, 2014, the Commission and the RTC entered into "Agreement for the Adjustment of Utility Facilities for the I-11 Boulder City Bypass Design-Build Project - Phase 2" in which the RTC agreed to reimburse the Commission for costs associated with the construction and administrative engineering support for the relocation project. On October 8, 2014, Contract No. CRCPDP-300/PWP-CL-2015-12 for Transmission Line Construction was released for bid. By bid closing on December 4, 2014, the Commission had received three bids. The bid amounts are shown below.

Bidder Name	Bid Amount
PAR Electrical Contractors, Inc./Las Vegas, Nevada	\$4,293,522.83
Summit Line Construction/Heber City, Utah	\$4,335,721.36
Brink Constructors, Inc./Rapid City, South Dakota	\$7,080,200.00

The Commission's staff and engineers evaluated the bids. The evaluation involved a two-step process. The first step included a review of each bid to ensure compliance with the requirements of the technical specifications and contract documents. The second step involved an evaluation of each proposal to consider factors such as price, schedule, quality, and service.

Staff's evaluation also included compliance with Nevada Revised Statutes (NRS) 338.147 under which bidder preference is given to a bidder who is a Nevada licensed contractor who provides proof of payment of taxes to the State of Nevada and a certificate of eligibility from the State Contractors' Board. Staff determined that the bid from PAR is eligible for bid preference under NRS 338.147.

Staff's evaluation determined that the bid from PAR was the lowest responsive bid. Therefore, Staff recommended the award of Contract No. CRCPDP-300 to PAR Electrical Contractors, Inc. for Transmission Line Construction for Phase 2 of the Boulder City Bypass Project, and asked the Commission to authorize the Executive Director to sign the contract on behalf of the Commission.

Chairman Ogilvie asked if PAR's bid amount was net of the 5 percent bidder preference.

Mr Reese stated that bid amount shown is PAR's actual bid price. Staff did not have to include the 5 percent bidder preference discount because PAR had the lowest price of the three evaluated bidders. Mr. Reese also stated that PAR is the most qualified bidder.

Chairman Ogilvie asked whether PAR was the lowest bidder irrespective of bidder preference.

Mr. Reese answered that is correct.

Staff requested contract authority of \$4,722,875.11 which included a 10 percent contingency for quantity adjustments and change orders.

Commissioner Coffin asked what the contingencies have been amounting to upon final settlement of contracts and how many times the Commission has had to pay over 10 percent of the bid amount for quantity adjustments and change orders.

Mr. Reese stated there have been none to his knowledge during his tenure with the Commission.

Commissioner Coffin clarified that all contracts have been settled within the bid and the contingencies despite change orders.

Mr. Reese answered yes, that is correct.

Commissioner Sisolak asked how many jobs will be employed with PAR for this contract.

Mr. Reese gave an estimate of 10 to 25 employees. He added that during the early stages of the project there will be fewer employees but the number is likely to increase during the heavy construction part of the project.

**Commissioner McCoy moved for approval to award Contract No. CRCPDP-300/PWP-CL-2015-12 for Transmission Line Construction for the Boulder City Bypass T-Line Modifications Project. The motion was seconded by Commissioner Coffin and approved by a unanimous vote.**

**F. *For Information Only:* Presentation of the Colorado River Commission of Nevada's Annual Financial Report for the Fiscal Year Ended June 30, 2014.**

Ms. Harkins introduced Mr. Reas Allen from Piercy, Bowler, Taylor & Kern, the Commission's external auditor.

Chairman Ogilvie acknowledged and welcomed Mr. Allen.

Mr. Allen thanked the Chairman, Commissioners and Staff for the opportunity to present the report of the Annual Financial Statements of the Commission. Mr. Allen stated that his office had concluded the audit of the financial statement as of June 30, 2014 and has issued an unmodified opinion. The Comprehensive Annual Financial Report of the Commission was provided to the Commissioners.

Chairman Ogilvie asked if there were any questions for Mr. Allen or the Chief of Finance and Administration Doug Beatty. There were none.

Commissioner Premsrirut disconnected from the meeting.

**G. For Information Only: Status update on Staff's implementation of the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress.**

Craig N. Pyper, Hydropower Program Manager, provided a report on the Western Area Power Administration's (Western's) Boulder Canyon Project (BCP) final decision on allocations of Hoover Schedule D power and gave an update on the Commission's application progress for allocating its share of Hoover D power.

The Hoover Power Allocation Act of 2011 (Act) requires Western to allocate 69,700 kilowatts (kW) of Hoover capacity and associated energy from a pool that was created by reducing the allocations of existing Hoover customers by 5%. The Act also requires Western to allocate 11,510 kW to applicants in California, and requires the Arizona Power Authority and the Colorado River Commission of Nevada to allocate 11,510 kW to applicants in their respective States.

On August 8, 2014, Western published Federal Register Notice (FRN) 79 FR 46432, the BCP Post-2017 Resource Pool Notice of Proposed Allocation of Hoover Schedule D power. Under this FRN, Western proposed to allocate Schedule D Hoover power from the Post-2017 Resource Pool to nine eligible Nevada applicants under Western's final marketing criteria, as well as to applicants from Arizona and California.

On December 18, 2014, Western issued FRN 79 FR 75544 setting forth Western's final decision on allocations of Hoover Schedule D power. There were some revisions and modifications from the August 2014 proposed allocations after substantiation of applicant loads and data. Western also decided to add two additional Nevada entities to the final list of allottees, and to remove one Arizona applicant from the list.

Chairman Ogilvie asked which two Nevada entities were added to Western's final allocation.

Mr. Pyper answered the State of Nevada Departments of Transportation and Administration.

Chairman Ogilvie asked if all the Nevada entities receiving an allocation through Western also applied in the Commission's allocation proceeding.

Mr. Pyper said that some of the Nevada entities receiving an allocation through Western did not apply in the Commission's allocation proceeding. He stated that Staff closed the application process for the Commission's allocation proceeding on Friday, January 9, 2015. He offered to show the Commission the percentage rankings from Western's original proposed allocations, and from Western's more recent allocations, to provide insight into what will happen post-2017, barring any unforeseen circumstances.

Mr. Pyper provided a report showing Hoover allocations by state and the number of federal contractors (See Attachment A). This report shows that, post 2017, Nevada entities will be allocated slightly more Hoover generation capacity and slightly less Hoover energy, compared to current Hoover power allocations. Staff showed only

percentages because the actual denominator, the amount of generation capacity, has changed, and may continue to change in the future. Any generation capacity above 1,951 megawatts (MW) was previously reserved for Western in accordance with the Hoover Power Plant Act of 1984. This is no longer true under the 2011 Act. If Lake Mead's water level rises, Nevada will see an increase in the amount of capacity. Hoover Dam's nameplate capacity of 2074 MW is now allocated to the Hoover customers. Due to the amount of energy and capacity changing over time, the amounts are presented solely in percentages.

Chairman Ogilvie stated he understood that the amount of energy produced has changed with the lowering lake levels.

Mr. Pyper expounded that it is not just the amount of energy generated but actual contract amounts have changed. The original allocations in the 1930's were based on then current estimates of what Hoover Dam could produce, which was 1,340 MW. After the installation of all hydropower units the estimated amount changed from 1340 MW to 1,540 MW. There were no energy allocations; there were only sharing percentages of what was actually generated. In the 1990's the uprating program made allocations for Schedules A, B and C. Schedule C allocates Hoover power in excess of the A and B amounts. In 1987 Western contracted for 1,951 MW, in 2017 2,074 MW are being allocated. The only thing that is constant is the percentages. The amounts of capacity have changed over time.

Chairman Ogilvie asked Ms. Harkins if Staff ever received any response to the Commission's letters objecting to the proposed allocation criteria.

Ms. Harkins replied that Western has responded in their FRN to some of the Commission's comments. However, most of the Commission comments have been disregarded by Western.

Chairman Ogilvie asked if the Commission has received any direct communication from Western.

Ms. Harkins responded the Commission has not.

Commissioner Coffin inquired if the Commission's comments and Western's responses were published.

Mr. Pyper replied that Western's response is what is in the FRN. Western states that the objections were addressed in the marketing criteria Federal Register Notice (FRN) so the Commission's comments, as well as others, were ignored in the most recent FRN allocating the Hoover Schedule D power.

Commissioner Coffin commented that Western's response was a non-answer, answer, saying if read carefully the objections were addressed.

Mr. Pyper responded that Western's response was that objections were to be addressed during the marketing criteria phase. However, Staff raised questions and objections in the marketing criteria phase. Western disregarded the objections at that time as not being in their interest but he could not recall Western's exact wording.

Commissioner Coffin asked what the differences were between the final FRN 79 FR 75544 and the allocations proposed earlier. He could not see any changes from the document highlighting the Nevada entities.

Mr. Pyper apologized that Staff did not include Western's original proposed allocations from the FRN 79 FR 46432 dated August 8, 2014. If the original proposed amounts were shown, the difference could be seen.

Commissioner Coffin stated that it not easy to tell who the winners and losers are with the information provided.

Mr. Pyper gave an example using Duncan Valley Electric Cooperative, Inc. (Duncan Valley) located in Arizona which was excluded from Western's final post-2017 power allocation. Duncan Valley applied for and received an allocation in the proposed allocation process in August 2014 but after Western completed the process they were removed because their proposed allocation fell below the 100 kW minimum allocation threshold.

Commissioner Coffin asked if there were any losers in the allocation except those that did not get any increase. He asked if that was stated correctly.

Mr. Pyper asked if Commissioner Coffin meant for Nevada.

Commissioner Coffin asked if there were any losers in general.

Mr. Pyper explained that the City of Las Vegas was given a 1,117 kW allocation in August 2014 but their final allocation is 1,054 kW.

Commissioner Coffin replied so that is 63 kW less.

Mr. Pyper responded yes. The City of Las Vegas will receive 63 kW less than what was originally proposed.

Commissioner Coffin commented that it is not a real material difference but it is an odd calculation.

Mr. Pyper responded that Western's calculations for allocations are purely mathematical.

Commissioner Coffin commented that ever since this has come up, he could see that the tribes had the most lobbying power, the ones with the casinos, were getting a lot. This allocation is doing a lot to power some slot machines in Arizona and California; they

received the lion's share. He asked if Duncan Valley is associated with the Native American tribes.

Mr. Pyper responded no. Duncan Valley is agricultural. Western's minimum allocation threshold is 100 kW. There was no required minimum amount to submit an application. If they had a 50 kW load they could apply. Now they would not receive it due to the set threshold but it would be allocated out based on Western's calculations and then excluded for being below 100 kW. The only preferences were given to Native American tribes.

Commissioner Coffin how much of this is calculated on the lake levels. With lower head pressure behind the Hoover Dam is there a clause in these contracts that essentially states that as lake levels drop less power will be received.

Mr. Pyper answered yes. It is called contingent capacity. An entity with an allocation receives its allocated percentage of the total available. For example, if an entity has a 1 MW allocation, when Lake Mead is full and the powerplant is generating its full generation capacity of 2000 MWs, the entity would receive its full allocation of 1 MW. However, if the generation is at 50 percent, of 1000 MWs, the entity would receive 0.5 MW.

Commissioner Coffin responded that there are frequent updates from Southern Nevada Water Authority on the lake levels and calculations of available domestic and/or agriculture water. With the third straw, Nevada can hit dead pool and there will still be water for use in Southern Nevada, which means no electricity is being generated.

Mr. Pyper responded that is correct. Nevada gets its water before the water goes through the Hoover Dam so if it is taken out it will affect the generation. If there is an increase in the amount of water taken there would be less water going downstream through the generators.

Commissioner Coffin replied that he could see a collision pretty soon.

Mr. Pyper provided an update on the Commission's application allocation process.

- Applications were due Friday, January 9, 2015.
- Fifteen applications were received.
- Staff is in the process of reviewing the completeness of the applications as well as the data received.
- Staff is hoping to provide an update as well as a draft order in a couple of months.

**H. For Information Only: 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.**

Warren Turkett, Natural Resource Group Analyst, provided a report on the following:

- Unregulated Inflow Into Lake Powell as of January 12, 2015
- Storage Conditions as of January 12, 2015
- Reservoir Storage as of January 7, 2015
- Lake Powell End of Month Elevations
- Lake Mead End of Month Elevation Projections
- Precipitation – Colorado River Basin as of January 12, 2015
- Snow Conditions – Upper Colorado Region
- Colorado Basin River Forecast Center
- U.S. West Drought Monitor
- U.S. Seasonal Drought Outlook
- Monthly Precipitation for December 2014
- Seasonal Precipitation, October 2014 – December 2014
- Monthly Precipitation, Las Vegas, NV as of December 31, 2014
- Cumulative Precipitation, Las Vegas, NV as of December 31, 2014
- Water Use in Southern Nevada, January-November 2014

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

Chairman Ogilvie asked Mr. Turkett to provide the Commission with a report of the current storage levels compared to average storage levels over the last twenty years.

Mr. Turkett responded that he would do the research and report back to the Commission.

Commissioner Sisolak expressed his appreciation to Mr. Turkett for providing a summary of the Wyoming weather modification pilot program that was requested. He added that he will contact Mr. Turkett if he has any questions.

**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.)**

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, February 10, 2015, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

**L. Adjournment.**

The meeting adjourned at 1:39 p.m.

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Jayne Harkins, P.E., Executive Director

APPROVED:

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George F. Ogilvie III, Chairman