

The meeting was held at 1:05 p.m. on Tuesday, August 12, 2014 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Vice Chairman	Berlyn D. Miller
Commissioner	Bob Coffin
Commissioner	J. Brin Gibson
Commissioner	Duncan R. McCoy
Commissioner	Puoy K. Premsrirut

COMMISSIONER NOT IN ATTENDANCE

Commissioner	Steve Sisolak
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SPECIAL COUNSEL, 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
Manager, Energy Services	Gail A. Bates
Manager, Hydropower Program	Craig N. Pyper
Assistant Hydropower Program Manager	Lisa M. Ray
Hydropower Program Specialist	Sarah Ritchie
Natural Resource Analyst	Jason L. Thiriot
Natural Resource Analyst	Warren Turkett
Senior Accountant	Gail L. Benton
Senior Energy Accountant	Richard M. Sanders
Senior Energy Accountant	Kalora E. Snyder
Office Manager	Judy K. Atwood
Administrative Assistant IV	Brenda Haymore
Administrative Assistant II	Melissa Dibert
Administrative Assistant II	Carla Miguel

OTHERS PRESENT VIA TELECONFERENCE

Division of Internal Audits	Vita C. Ozoude
Division of Internal Audits	Lynette Pagaling

OTHERS PRESENT; REPRESENTING

Congressman Joe Heck
Consultant
Fairchild Consulting Company
Overton Power District No. 5
Self
Southern Nevada Water Authority

Andrew Turcaz
Sara A. Price, Esq.
Sandra Fairchild
Terry Romero
Chelsie Campbell
Jordan Bunker

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF AUGUST 12, 2014**

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OF NEVADA
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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:05 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 from the public. There were none.

C. For Possible Action: Approval of minutes of the July 8, 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: Consideration of and possible action to approve Amendment No. 1 to Contract No. SA-13-01 between PAR Electrical Contractors, Inc. and the Colorado River Commission of Nevada.

Robert Reese, Assistant Director of Engineering and Operations, provided the Commission background of the contract.

The Commission owns, operates and maintains a high voltage transmission and distribution system and is responsible for the operation and maintenance of six additional substations owned by the Southern Nevada Water Authority (SNWA) and three substations owned by the Clark County Water Reclamation District (CCWRD), under existing agreements with SNWA and CCWRD.

Experience has shown that most of the electrical operation and maintenance functions that are performed regularly or on a frequent basis for the Commission's power and water pumping customers can be performed efficiently and economically by Commission staff. However, certain functions are more effectively performed utilizing the services of support contractors. These functions are: (1) infrequent work requiring specialized tools, equipment or expertise; (2) emergency restoration work requiring the availability of an abundance of manpower and equipment; and (3) improvement or replacement projects that require a short-term increase in manpower and equipment.

In 2013, the Commission approved a contract for provision of electric support services with a local company, PAR Electrical Contractors, Inc. (PAR), following an RFP process. That contract is an enabling type contract that allows the Commission's operations and maintenance staff to receive support from PAR on an as-needed basis for certain tasks that

cannot be performed as efficiently with existing Commission personnel. Work is authorized by Commission staff as needed through the development and execution of written task authorizations.

Since 2013, PAR has proven that it is well qualified and fully capable of providing the support services necessary to the Commission's provision of electric facilities operation and maintenance. An example of recent work performed by PAR pursuant to a task authorization was for work on Phase 1 of the Boulder City Bypass Project. An upcoming modification project to be undertaken with the SNWA, will include the installation of new high-speed power circuit breakers and more sophisticated relay systems for pumping plants 3, 4, 5, and 6. To date, 83% of the \$250,000.00 amount previously authorized to be spent with PAR has been exhausted.

Additional funds are needed to carry out this and other electrical projects for the Commission's customers. Therefore, the amendment for Commission consideration today proposes to increase the PAR contract amount by \$350,000.00. The total combined value of task authorizations under this agreement will not exceed \$600,000.00 over the term of the contract.

Staff recommended the Commission approve the amendment with PAR Electrical Contractors, Inc., and authorize the Executive Director to sign it on behalf of the Commission.

Commissioner McCoy asked if Nevada Department of Transportation (NDOT) would reimburse the funds used for the work that PAR had done for the benefit of the I-11 project.

Mr. Reese replied affirmatively, adding that there are typically three funding sources for the Power Delivery Group's operations and maintenance support expenses: CCWRD, SNWA and Basic Management Industries. In addition NDOT is providing funds for an outside projects like the I-11 project. However, even a project like the one paid for by NDOT, goes against the amount of the contract.

Commissioner McCoy asked to clarify if the contract with PAR was just a funding mechanism so that the actual work could be done.

Mr. Reese agreed with Commissioner McCoy that this is correct. He also added that PAR is a publicly traded company, and distributed to the Commissioners the current page 1 of the Disclosure of Ownership/Principals Form that shows PAR is a publicly traded company.

Commissioner McCoy moved for approval of the Amendment No. 1 to Contract No. SA-13-01 between PAR Electrical Contractors, Inc. and the Commission. The motion was seconded by Vice Chairman Miller and approved by a unanimous vote.

E. *For Possible Action: Consideration of and possible action to ratify a Letter Agreement between Nevada Power Company d/b/a NV Energy and the Colorado River Commission of Nevada (Commission), addressing the exchange of information relevant to the administration of the Commission's Hoover Contract with Nevada Power Company and the potential utilization of Hoover Power by Nevada Power in the California Independent System Operator Energy Imbalance Market.*

Gail Bates, Manager of Energy Services, provided a background summary of the Letter Agreement.

On April 16, 2014, Nevada Power Company d/b/a NV Energy and Sierra Pacific Power Company d/b/a NV Energy filed a joint application with the Public Utilities Commission of Nevada (PUC-N) requesting approval of certain amendments to their energy supply plans to reflect their participation in the California Independent System Operator (CAISO) Energy Imbalance Market (EIM). The CAISO EIM is a voluntary, five-minute balancing market. In an EIM, participants commit their excess generation into the EIM and, in return, acquire imbalance energy from the EIM.

The Commission has a statutory duty under Nevada Revised Statutes 538.161(2) to ensure that the Hoover Power it provides to Nevada Power Company and other Hoover Contractors, is utilized "for the greatest possible benefit to this state". The Commission intervened in PUC-N Docket No. 14-04024 so that it could obtain information relevant to NV Energy's use of Hoover Power and understand the impact of NV Energy's future participation in the EIM on the Hoover Power resource.

The Letter Agreement resolves the Commission's participation in Docket No. 14-04024 by addressing the Commission's need to obtain information on Nevada Power's use of Hoover Power. Among other things, the Letter Agreement contains a commitment that Nevada Power will not designate Hoover Power as an EIM Participating Resource unless the Commission and Nevada Power agree that it can and should be designated as an EIM Participating Resource. It also establishes a process whereby the Commission will be able to obtain data relevant to the Commission's administration of the Hoover Power contracts.

At the request of NV Energy, and in order to resolve the Commission's participation in Docket No. 14-04024 prior to the start of the PUC-N regulatory proceedings, the Commission executed the Letter Agreement on July 28, 2014. NV Energy filed the Letter Agreement with the PUC-N on July 30, 2014, and the Commission filed a notice of withdrawal from Docket No. 14-04024 on July 31, 2014. Staff requests that the Commission ratify the Letter Agreement.

Chairman Ogilvie asked if the docket would proceed without the intervention of the Commission.

Ms. Bates replied that she believed that the EIM docket was short-lived and the hearings are over.

Commissioner Gibson asked in reference to the Letter Agreement executed on July 27, 2014, if the Commission received information pursuant to Paragraph 5.

Ann Pongracz, Attorney General Special Counsel, replied affirmatively, adding that Staff is preparing to identify additional requests for information, and working on scheduling the August 19, 2014 meeting with NV Energy.

Chairman Ogilvie asked about the basis of determining whether the Commission should agree on Hoover Power's participation in the EIM.

Ms. Bates said that it could depend on the economic analysis presented, or on whether the Western Area Power Administration (Western) agrees to use of Hoover Power in the EIM. Currently, Hoover contracts have limitations on the place of use of Hoover Power; and participating in the EIM would enable the resources to be in the California market.

Chairman asked if Staff would provide the Commission more information before entering into an agreement with NV Energy.

Ms. Harkins replied affirmatively, adding that Staff would present for Commission review and approval any proposed changes to the contract.

Commissioner Coffin moved for approval to ratify a Letter Agreement between Nevada Power Company d/b/a NV Energy and the Commission, addressing the exchange of information relevant to the administration of the Commission's Hoover Contract with Nevada Power Company and the potential utilization of Hoover Power by Nevada Power in the California Independent System Operator Energy Imbalance Market. The motion was seconded by Commissioner Gibson and approved by a unanimous vote.

F. *For Possible Action:* Consideration of and possible action to adopt the Colorado River Commission of Nevada's fiscal year 2016 and 2017 budget recommendation.

Douglas N. Beatty, Chief of Finance and Administration, provided an update on the changes that were made to the draft budget request presented during the July Commission meeting.

Accompanying the August briefing memo to the Commissioners is a binder with the final draft of the Commission budget for fiscal year 2016 and 2017. The only changes from the budget document reviewed at the July Commission meeting are some cost allocation changes related to a few of the proposed positions. These changes are a result of the request from the customers to refine the allocation of the costs for the positions given the anticipated future workload. The customer comments were considered and resulted in some revision of the anticipated percentages.

In addition to the allocation changes, the binder includes a section with information related to the discussion and questions raised at the July Commission meeting.

Mr. Beatty pointed out the new Section 1 includes an expanded narrative that highlights the changes in the allocation of budgeted positions, and includes answers to the questions posed by the Commission during the July Commission meeting. It also provides some explanations about the requested positions, including the need for the various positions.

Chairman Ogilvie asked for clarification on the NPC reference under tab 1, page 7, on the Contracts to be Negotiated under the column labeled Provider.

Mr. Beatty replied that this references Nevada Power Company.

Commissioner Gibson asked if there is an estimate of the detail of costs included in the overhead allocation of \$97,477.00 for Attorney General costs. He stated his understanding that each agency pays for its own cost, just like with the Commission paying its own overhead expenses.

Mr. Beatty remarked that this question has been posed in connection with prior budgets. He added that, pursuant to the federal requirement for grants, the Attorney General has to allocate all of its overhead office expenses in a uniform manner to agencies that use their deputy attorneys. Staff's understanding of the process is that an outside consultant to the Attorney General makes the computation and the details of computation including cost components is not made available to other agencies.

Commissioner Gibson asked if there were attestations from the Attorney General regarding the overhead cost allocations for the information of the Commission's customers.

Mr. Beatty answered that there was none requested nor received. He further explained the State Budget Office's system includes the schedules that distribute the allocations to all state agencies, and automatically incorporates the allocations to each agency's budget. Mr. Beatty also said that the system does not allow the agencies to access or alter the schedules for the Office of the Attorney General.

Commissioner Gibson stated that he wanted to be clear that the issue was the allocation of the overhead cost and not the deputies, as he is also pleased having them with the agency. He also expressed his assumption that the customers had agreed to the Attorney General's overhead cost allocation, on which Mr. Beatty affirmatively replied.

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

Commissioner Premsrirut moved for approval to adopt the Colorado River Commission of Nevada's fiscal year 2016 and 2017 budget recommendation. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

G. For Information Only: Notification of receipt of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Commission's annual financial report for the fiscal year ended June 30, 2013.

Ms. Harkins commended Doug Beatty, Gail Benton, Kalora Snyder, and Rich Sanders for a job well done in putting together the Commission's annual financial report, qualifying the agency to receive a certificate of recognition from the Government Finance Officers Association.

Each year, the Commission submits its annual financial report to the Government Finance Officers Association (GFOA) for review and evaluation as part of the GFOA's achievement program. The Commission has received the award for its financial report every year since 1977. The report is subjected to a review by two Special Review Committee members. Both committee members must recommend award of the certificate. The review consists of evaluation in a number of categories including:

1. Reporting in conformity with General Accepted Accounting Principles.
2. Demonstration of compliance with finance-related legal and contractual provisions.
3. Completeness and clarity of a letter of transmittal and introductory section.
4. Inclusion of a complete and clear statistical section.
5. Use of standardized terminology and formatting conventions.
6. Disclosure thoroughness and detail sufficiency.
7. Minimization of ambiguities and potentials for misleading inference.
8. Cohesiveness and internal consistency.
9. Implementation of prior year comments and suggestions for improvement.
10. Readability.

Chairman Ogilvie presented the plaque and medallion to Mr. Beatty's group by first reading the commendation letter that states:

“We are pleased to notify you that your comprehensive annual financial report for the fiscal year ended June 30, 2013 qualifies for a Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. We hope that your example will encourage other government officials in their efforts to achieve and maintain an appropriate standard of excellence in financial reporting.”

Chairman Ogilvie congratulated and handed the plaque and medallion to Mr. Beatty.

Mr. Beatty thanked and recognized his staff's hard work and shared with them the recognition.

Commissioner McCoy congratulated Mr. Beatty and his staff, and commented that he was pleased that the agency received the award because of Mr. Beatty and his staff's unrelenting pursuit of surpassing their previous work in financial reporting.

H. *For Information Only:* Review of the State of Nevada Department of Administration Division of Internal Audit's report on the Colorado River Commission of Nevada presented to the Executive Branch Audit Committee.

Vita C. Ozoude, Executive Branch Audit Manager, reviewed the Division of Internal Audits' Audit Report on the Colorado River Commission (CRC).

Mr. Ozoude said that the audit report presented to the Executive Branch Audit Committee on June 26, 2014 specified the audit's objectives and recommendations.

The first objective of the audit is that the CRC can assist Silver State Energy Association (SSEA) improve compliance with its risk management procedures by documenting reviews of all trade transactions; ensuring reviews are performed within the timeframes set forth in the SSEA risk management procedures; and generating confirmation agreements for all physical trade transactions.

The second objective of the audit is that the CRC can enhance its contract process by strengthening its policies and procedures to extend the solicitation period to the recommended six to eight weeks and maintaining the request for proposal (RFP) selection criteria documentation.

The report recommendations are as follows:

1. Document review of all physical and financial trade transactions in the Trade Capture System (TCS) database.
2. Ensure reviews are performed and documented in the TCS database in accordance with the timeframes set forth in the SSEA risk management procedures.
3. Ensure confirmation agreements are generated or validated for all physical trade transactions.
4. Extend the RFP solicitation period to six to eight weeks.
5. Maintain documentation to support the selection process.

Chairman Ogilvie asked Ms. Harkins about the Staff's response to the Division of Internal Audits on these recommendations.

Ms. Harkins explained the Staff's response on the recommendations, and referred to the letter sent by Staff to the Division of Internal Audits dated June 3, 2014, which was included in the Audit Report as pages 13 and 14, with the timetable for implementing the recommendations on page 15.

Ms. Harkins stated that the Commission had accepted the recommendations, and would propose several modifications to Section 3.3 of the SSEA's Risk Procedures. She added that for all physical trades, the modified language will require validation from the Back Office that all deal sheets are accurately entered in the Settlement System within five business days of trade execution, concurrent with the deadline in the Western System Power Pool Agreement for executing confirmation agreements.

Ms. Harkins furthered that the third recommendation – ensure confirmation agreements are generated or validated for all physical trade transactions - has already been implemented. Gail Bates' group (Energy Services), Craig Pyper's group (Hydropower) and Doug Beatty's group (Finance and Administration) are coordinating and teaming up to make sure that this recommendation is accomplished.

On the first two recommendations regarding TCS database, Ms. Harkins added that Gail Bates is currently working with SSEA to consider possible changes to some of the Risk Management Procedures. Staff will also prepare an internal policy to address recommendations 4 and 5, relating to the RFP contract procedures.

Chairman Ogilvie asked if a formal response to the Division of Internal Audits is needed relative to these recommendations.

Ms. Harkins answered that Staff will send the response and attend the next Executive Branch Audit Committee meeting to answer questions about implementation of the recommendations.

Commissioner Gibson asked what initiated the audit: is it a yearly routine or Legislatively initiated?

Mr. Ozoude explained that a risk analysis is done on all state agencies and the Commission was not audited in the past. The Division of Internal Audits was authorized by the Executive Branch Audit Committee to conduct the audit.

Commission Coffin asked if the Audit Division of Legislative Counsel Bureau has audited the Commission in the past.

Ms. Harkins replied that the Legislative Counsel Bureau has previously audited the Commission; and this is the first time for the Executive Branch Audit Committee. She then thanked Mr. Ozoude and Ms. Pagaling for their time.

I. *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.

Ms. Harkins reviewed the Federal Register Notice (FRN) that was released by Western Area Power Administration (Western) on August 8, 2014, and distributed to the Commissioners. The list of the Boulder Canyon Project (BCP) Post 2017 Resource Pool Proposed Allocations includes from Nevada: City of Henderson, City of Las Vegas, City of North Las Vegas, Clark County School District, Clark County Water Reclamation District, College of Southern Nevada, Las Vegas Paiutes Tribe, Las Vegas Valley Water District, State of Nevada Department of Corrections, and the University of Nevada Las Vegas.

The FRN also lists applicants who have not been assigned a proposed allocation because they receive power through an entity currently receiving federal hydropower; and applicants who did not receive an allocation because their load does not meet 100 kW minimum.

Western will hold three public information forums on the BCP Proposed Allocation: August 26, 2014 in Las Vegas, Nevada; August 27, 2014 in Ontario, California; and August 28, 2014 in Tempe, Arizona. Western will also hold three public comment forums following the public information forums. These will be held on September 16, 2014 in Las Vegas, Nevada; September 17, 2014 in Ontario, California; and September 18, 2014 in Tempe, Arizona.

Chairman Ogilvie asked if the Fort Mohave Indian Tribe and the Moapa Band of Paiutes are being served by Overton Power District (OPD).

Ms. Harkins replied that the Fort Mohave Indian Tribe has its own utility, and the Moapa Band of Paiutes is served by OPD.

Chairman Ogilvie remarked that it was one thing that they are served by the Commission customers; and another thing as to what rates they are being charged. He also asked whether the criteria being prepared by Staff has taken the rates into consideration.

Ms. Harkins agreed, stating that Staff could think about including the rates in the criteria.

Chairman Ogilvie said that he did not see why agencies being served by an entity currently getting federal hydropower should be disqualified.

Ms. Harkins agreed, adding that the general thought was that people get a cheaper power from utility who offers it at cost.

Chairman Ogilvie clarified that since NV Energy who has just added hydropower to its portfolio, it figures into the overall rates that they charge to its customers. He also asked if it were the same as to OPD as it relates to Moapa Band of Paiutes.

Ms. Harkins replied that it was the same.

Chairman Ogilvie asked in follow up why it would be a disqualifier.

Ms. Harkins said that it was because Moapa gets cheaper power through OPD; and not only hydropower from Hoover, but also any other federal hydropower like Glen Canyon and Parker-Davis. She also said that Mt. Wheeler was disqualified because it gets power from Glen Canyon Dam. Ms. Harkins added that Staff would think of ways to apply criteria differently in the Commission process.

Commissioner Coffin commented that many end-users of the proposed federal power allocations are casinos in California and Arizona.

Ms. Harkins agreed, saying that many folks, particularly in Arizona, have commented to Western that they did not feel it appropriate that a Hoover power allocation could be used by various casinos.

Commissioner Miller asked why Clark County Water Reclamation District (CCWRD) received an allocation while it was already a Commission customer.

Ms. Harkins replied that CCWRD is a member agency but that it does not get hydropower from the Commission today. She clarified that SNWA has a hydropower allocation today, but its member agencies do not.

Commissioner Miller asked whether Las Vegas Valley Water District (LVVWD) is a hydropower customer today.

Ms. Harkins clarified that, though the Commission buys power for their meters, LVVWD is not a hydropower customer.

Commissioner Miller commented that he was not sure if the Commission would ever be able to figure out Western's reasoning on its decisions.

Ms. Harkins said that Western has criteria under which Tribes could receive a hydropower allocation up to 25% of federal hydropower, and the rest of the allocation would be distributed proportionately to non-tribal entities.

Commissioner Gibson said he would like to know the distinction of Western's reasoning of giving or disqualifying a part of an entity.

Ms. Harkins said that Staff would take a further look into Western's criteria.

Jim D. Salo, Deputy Executive Director presented a brief summary of the history of allocations of capacity and associated energy from Hoover Dam. A copy of the report is attached and made a part of the minutes. (See Attachment B.)

Chairman Ogilvie asked if the allocation criteria would be presented to the Commission for action in two months as noted on the last slide shown, the Timeline.

Mr. Salo said that is correct.

Chairman Ogilvie asked if the publication date of the allocation criteria is sooner than the tentative call for applications scheduled October 27, 2014.

Mr. Salo answered that the allocation criteria would be published sooner than the call for applications. Staff anticipates approval of its allocation criteria proposal for publication during the Commission's October meeting.

Commissioner Premsrirut asked if the allocation criteria is anticipated to be a contentious process among the proposed allottees.

Mr. Salo said that Staff is doing everything it can to avoid it being a contentious process, and hoped that the criteria would be justifiable and understandable so that applicants would accept and not challenge or question them.

Commissioner Coffin asked if the applicants were aware that they should have 100kW usage to qualify for Western's allocation.

Mr. Salo answered that applicants were made aware in advance by Western's publication of its criteria on the minimum of 100kW and maximum 3000 kW use.

Ms. Harkins added that per the Hoover Power Allocation Act of 2011, Western has a statutory deadline and has to finalize the allocations by the end of the year.

Chairman Ogilvie remarked that after the October 22 and 23, 2014 public meetings, the Commission would have a better understanding of who the probable applicants are.

Mr. Salo said that Staff has some sense of who the new applicants might be as a result of the several outreach meetings the Staff had been holding in the past couple of years. He noted that one big difference is the Commission's 1 MW minimum as opposed to Western's 100 kW.

Chairman Ogilvie thanked Mr. Salo for a very informative presentation.

J. 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.

Ms. Harkins said that Item J will cover two items. One is the 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.

The second item is the status update on the Navajo Nation v. the United States Department of the Interior et al case.

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

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Reservoir Storage
- Lake Powell End of Month Elevations
- Lake Mead End of Month Projections
- Precipitation – Colorado River Basin
- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- Monthly Precipitation for July 2014
- Seasonal Precipitation for October 2013- July 2014
- Monthly Precipitation
- Cumulative Precipitation
- Clark County Regional Flood Control District Rain Gages
- Water Use in Southern Nevada
- Water Use Comparison

Commissioner Coffin inquired about the water measurement as water passes over the weir in the wash before it enters the bay as it would give indicate how much water has accumulated from the rainfall.

Mr. Turkett replied that the U.S. Geological Survey rain gage is fairly close to where it enters into Lake Mead.

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

Ms. Crandell provided a background summary of the status of the Navajo Nation case, saying that the case was a challenge initiated in 2003. Navajo Nation claimed that the federal government had failed to comply with the requirements of the National Environmental Policy Act and the Administrative Procedure Act by not taking into consideration the effects of undertaking the actions to manage the Lower Basin programs to the Navajo Nation unquantified water rights in the Lower Basin. The Defendant-Intervenors contend the reservation does not touch the Colorado River and that the Navajo Nation does not have a quantified right to water from the mainstream of the Colorado River in the Lower Basin.

Ms. Crandell explained further that at the July 11, 2014 hearing, which was not an oral argument, the judge had issued five specific questions. The judge's questions pointed to the fact that this case should go to the U.S. Supreme Court. He specifically asked the Department of Justice (DOJ) counsel if it would object to an intervention in the *Arizona v. California* by the Navajo Nation. Although the DOJ attorney said that he was not

authorized to make a policy statement for the government, he said that he felt that the government would not object to the intervention.

Ms. Crandell also said that she believed that the judge was getting ready to make his decision on the case; thus, the specific questions. The judge also asked the Navajo Nation for their comments on how they wanted the dismissal entered – dismissal without prejudice or dismissal with leave to amend. The Navajo Nation chose the dismissal with leave to amend. The judge granted the Federal Defendants’ Motion to Dismiss without prejudice, and directed termination of this action. The Navajo Nation may submit an appeal to the Ninth Circuit by September 19, 2014.

Chairman Ogilvie commented that he was trying to envision a cross appeal on a dismissal in favor of the Defendant-Intervenors.

Ms. Crandell said that the cross appeal was being discussed with the Defendant-Intervenors and Arizona attorneys.

Commissioner Premsrirut asked if there was any consideration to filing a motion for reconsideration for the denial as moot.

Ms. Crandell said that she considered the judge’s order to be satisfactory as it would be less open to reversal by the Ninth Circuit Court of Appeals.

Chairman Ogilvie congratulated Ms. Crandell.

K. 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 other comments or questions from the public. There were none.

L. Comments and questions from the Commission members.

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

M. Selection of the next possible meeting date.

The next meeting was tentatively scheduled for 1:00 p.m. on Tuesday, September 9, 2014, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

N. Adjournment.

The meeting adjourned at 2:50 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

George F. Ogilvie III, Chairman