

The meeting was held at 1:02 p.m. on Tuesday, June 12, 2012 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Commissioner
Commissioner
Commissioner
Commissioner

Tom Collins
J. Brin Gibson
Duncan R. McCoy
Berlyn D. Miller

COMMISSIONER PARTICIPATING VIA TELEPHONE

Commissioner

Bob Coffin

COMMISSIONERS NOT IN ATTENDANCE

Chairman
Vice Chairwoman

George F. Ogilvie III
Marybel Batjer

DEPUTY ATTORNEYS GENERAL

Senior Deputy Attorney General
Senior Deputy Attorney General

Jennifer T. Crandell
Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director
Chief of Finance and Administration
Assistant Director of Engineering and Operations
Manager, Energy Services
Manager, Natural Resources Group
Assistant Hydropower Program Manager
Hydropower Program Specialist
Natural Resource Analyst
Natural Resource Analyst
Senior Energy Accountant
Energy Accountant
Systems Coordinator
Administrative Assistant IV
Administrative Assistant II

Jayne Harkins, P.E.
Douglas N. Beatty
Robert D. Reese
Gail A. Bates
McClain L. Peterson
Lisa M. Ray
Michael S. Harris
Jason Thiriot
Kimberly E. Maloy
Gail L. Benton
Kalora Snyder
Kaleb M. Hall
Brenda Haymore
Gina L. Goodman

OTHERS PRESENT; REPRESENTING

Consultant
Overton Power District No. 5
Self
Southern Nevada Water Authority

Sara Price, Esq.
Mendis Cooper
Todd Farlow
Scott Krantz

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF JUNE 12, 2012**

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The Colorado River Commission meeting was called to order by Commissioner Miller at 1:02 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 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 may be taken.)

Commissioner Miller asked if there were any questions or comments. There were none.

C. For Possible Action: Approval of minutes of the May 8, 2012 meeting.

Commissioner McCoy moved for approval of the minutes of the May 8, 2012 meeting as written. The motion was seconded by Commissioner Gibson and approved by a unanimous vote.

D. For Possible Action: Consideration of and possible action to approve the First Amendment to the Administrative Services Agreement Between NVEnergy and the Colorado River Commission of Nevada.

Gail Bates, Manager of Energy Services, gave a brief summary of the Administrative Services Agreement between NVEnergy and the Commission. In July of 2005, the Commission, NVEnergy, and the Southern Nevada Water Authority (SNWA) entered into a package of agreements called the Business Accord Master Agreement (BAMA). That package of agreements contained an Agreement between the Commission and NVEnergy called the Administrative Services Agreement. Under this Agreement NVEnergy provides certain scheduling services for a monthly fee to the Commission for its retail customers which include both SNWA and the Basic Industries. This Agreement terminates in May 2013.

The First Amendment to the Administrative Services Agreement allows services under the agreement to be suspended for the SNWA in the event that the SNWA begins purchasing its energy supplies and scheduling services from the Silver State Energy Association (SSEA) and no longer requires the services provided by NVEnergy under the agreement. The First Amendment also provides for scheduling services to continue uninterrupted for the Basic Industries in the event that services to the SNWA are suspended.

The First Amendment is enabling in nature and will not go into effect unless the SNWA obtains scheduling services from another provider. Staff recommended that the

Commission approve the agreement and authorize the Executive Director to sign it on behalf of the Commission.

Commissioner Miller asked if there were any questions.

Commissioner Collins asked if a month ahead of time for purchasing power was normal or if that was on the long end of things.

Ms. Bates responded that she was not quite sure she understood the question and added that today the Commission is procuring power several years in advance for SNWA.

Commissioner Collins stated that he knows that. However, he stated that the language was changed in the First Amendment where sections were deleted and Section 4.1.6 was added and asked whether we are going to give NVEnergy a month-to-month forecast of how much the Commission will provide.

Ms. Bates responded that a monthly forecast is typical of what the Commission does today. The Commission informs NV Energy of the resources we have procured for the upcoming month, and NVEnergy schedules resources accordingly.

Commissioner Miller asked if there were any other questions. There were none.

Commissioner Collins moved for approval of the First Amendment to the Administrative Services Agreement between NVEnergy and the Colorado River Commission of Nevada. Commissioner McCoy seconded the motion, which was approved by a unanimous vote.

<p><i>E. For Possible Action: Consideration of and possible action to approve Contract No. SA-12-01 between Schweitzer Engineering Laboratories, Inc. and the Colorado River Commission of Nevada for Substation Automation System Support Services.</i></p>

Robert Reese, Assistant Director of Engineering and Operations, gave the briefing on this contract regarding the support needed for the Power Delivery Project's existing supervisory control and data acquisition system (SCADA) for its substations, which includes the automation system and the business enterprise system. On May 8, 2012, the Commission approved a contract for Survalent Technology Corporation to provide SCADA support services. Now, Staff is proposing a second contract for SCADA support services, with Schweitzer Engineering Laboratories, Inc. which has in the past handled the Commission's communications and relay protection devices that interface with Human-Machine Interface (HMI) and the SCADA systems.

The proposed Contract with Schweitzer is an enabling contract. The term of the Contract will be for three years and is not-to-exceed \$225,000.00 over the term of the Contract. This amount is included in the Commission's operation and maintenance budgets for the

Power Delivery Project, the Clark County Water Reclamation District Electric Facilities Project and the Basic Substation Project.

The significance of this particular Contract is that the Commission selected Schweitzer Engineering Laboratories, Inc. in 1997 to provide SCADA proprietary software and support. Staff recommended approval of this contract.

Commissioner Collins asked if not-to-exceed means the same thing as up to \$225,000.00.

Mr. Reese responded yes, this is an enabling contract so if the Commission chooses not to use it there is no cost.

Commissioner Miller asked if there were any other questions or comments. There were none.

Commissioner McCoy moved for approval of Contract No. SA-12-01 between Schweitzer Engineering Laboratories, Inc. and the Colorado River Commission of Nevada for Substation Automation System Support Services. The motion was seconded by Commissioner Collins and approved by unanimous vote.

F. *For Information Only: Presentation of the Colorado River Commission of Nevada Power Delivery Group's Annual Safety Report.*

Mr. Reese provided the Power Delivery Group's annual safety report. A copy is attached and made a part of the minutes. (See Attachment A.)

Mr. Reese reported that since 1997 when the Commission energized its first substation there have been no incidents or accidents to its facilities or personnel. At that time, the Commission entered into the American Public Power Association's Safety Program and Contest and has received the safety award every year since it became eligible to do so. The award covers 15,000 safe man-hours on over 100 switching operations and 78,000 miles of safe driving throughout the Las Vegas Valley. The Commission was thanked for its support and for providing the resources necessary to get the job done safely.

Mr. Reese noted the extensive safety training that all Power Delivery personnel receive, and reviewed the procedures that are required of the Staff such as switching, grounding and clearance. Pictures of personal protective equipment and gear that is needed for those procedures and the preventative maintenance procedures that are undertaken were described in the report.

Commissioner Miller asked if there were any questions or comments.

Commissioner McCoy commented that with all the installation, repair, and maintenance along with all the other situations being dealt with in addition to the number of miles being driven, the fact that Staff have got through the year without any major accidents or safety problems is remarkable. It is a tribute to the safety and professionalism of the

Power Delivery Group. It is also a tribute to the fact that everybody seems to be coming to work with their eyes open, wide awake and brains engaged year after year after year, and congratulated Staff for fantastic work.

Commissioner Coffin commented that obviously in the back of our minds we know that our organization has performed well without accidents and we cannot help but think about the accident yesterday which was not in our organization, but in kind of the same family just like the SNWA. This was a contractor but to the casual observer he might have seemed to be the same group. He commented further to say how troubled we are with the irony of all of this that a perfect safety record from this organization be announced no less than twenty four hours after someone is killed in an accident in the Third Straw. We know this is dangerous work and tunneling underground is the most dangerous kind of work, he supposed. It is predictable that this rock is unpredictable particularly like what happened yesterday. He hoped that we can honor Mr. Thomas Albert Turner of Henderson who died on June 11, 2012. He hoped that his family is provided for and others on the job are safe in the future.

Commissioner Collins commented that he read a book about trade currents and voltages a long time ago. It was many years later that linemen got smart enough to have to have a grounding mat under a switch when we were throwing the handle and things like that, so I was impressed with the moon suits. Do they wear that moon suit every time they are switching into one of those cabinets?

Mr. Reese responded yes. The Power Delivery Group conducted an Arc Flash Study which dictates what type of class or Arc Flash protective equipment to be worn for a particular operation. Simplifying the process is the purpose of an Arc Flash Study, as time is critical to how you clear a device. So obviously, if you have a slower device more clothing or protection is required. An example, one of the Commission pumping facilities has a 22- foot Arc Flash zone. Anyone in that zone of protection, the 22-foot area, has to have the same Personal Protective Equipment (PPE) as the person doing the operation. It becomes very critical when you do that operation.

We had the opportunity to demonstrate and give classes to Southern Nevada Water System personnel on Arc Flash as we did their study for them. The person conducting the operation has the responsibility to ensure the safety of that zone. During the operation the facility will have to be shut down. It is that individual's responsibility to not only know the appropriate PPE requirements but also the zone of protection for the other personnel in the area.

To answer your question it can be anywhere from a class 0 to class 4 type of clothing. Typically inside a cubicle area the problem is there is no way to dissipate the heat. It is a very small and confined area and the zone of blast is going to be directly at the individual doing the work which requires a higher class of clothing. One slide shown was an outdoor operation with an abundance of air so the protective clothing was a bit reduced. The picture shown has him wearing a class 2 smock because there are a lot of places to exit the area and he is a greater distance from the live component.

Commission Collins asked about the care of all the environmental factors such as lizards, snakes and other animals. For example, when the Commission removed the bees did somebody take them to a bee place or did they exterminate them.

Mr. Reese responded that the bees were relocated.

Commissioner Collins asked did a beekeeper outfit come and get them.

Mr. Reese responded that that is correct.

Commissioner Collins asked about the excessive operation on tap changers. Does the Commission have a phase shifter where you go in and out with other utilities or what is causing all the tap changing?

Mr. Reese responded that that is a very good question because there was a very long discussion on that particular maintenance. The Commission is probably getting about 100,000 operations on those particular units in about a year and one-half. So there is a tremendous amount of shifting going on. In particular, one customer is very sensitive to voltage swings and it was their decision to put the voltage control up on the high side to fluctuate the voltage. That is one of the reasons we have for a lot of operations is the sensitivity of the voltage swing. There has been a lot of conversation about that, should we put some more downstream devices to correct the voltage.

Commissioner Collins commented that APEX has a big phase shifter, 345KV to 230KV, or whatever it is. It has a different producer and different systems, he was wondering if that would relieve some of that operation. Of course, it costs a couple million bucks.

Mr. Reese agreed that it is expensive. Some of the other aspects in the design of their facilities is that we want to have latitude to parallel different systems. Going to phase shifters isolates that piece of equipment paralleling that type of operation. There are a lot of different considerations on what the customer wants to achieve and at this time this is what was decided.

Commissioner Miller commented that he has been extremely impressed over the years with Mr. Reese and his Staff's professionalism, the procedures put in place and the training. I just want to commend Staff for excellent work.

Mr. Reese responded that he appreciated Commissioner's Miller comment. It really does start at the Commission and added that the Commission allows Staff the ability to get the tools and design the system as safely as possible. It is also a credit to the Commission's customers that provided the funding. There are a lot of components. Commissioner Miller's kind words are appreciated and will be passed on to Staff. The Power Delivery Staff appreciates the Commission's effort in allowing the job to be done the best way possible.

Commissioner Miller added that it all starts with the program and procedures Staff has put in place and the supervision of it. The Commission is very grateful.

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, 2011.

Ms. Harkins reported that each year, the Commission submits its annual financial report to the Government Finance Officers Association (GFOA) for review and evaluation. 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.

Staff was very pleased to inform the Commission that the annual financial report again received the certificate.

In the words of GFOA, “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.” The Commission has received the award for its financial report every year since 1977.

Commissioner Miller asked if there were any questions or comments. There were none.

H. *For Information Only:* Status update on the Colorado River Commission of Nevada’s efforts to implement the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress.

Lisa Ray, Assistant Hydropower Manager, provided an update on Hoover Allocation Process.

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

Commissioner Miller asked if there were any questions or comments. There were none.

I. 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.

Kimberly Maloy, Natural Resources Analyst, provided a report on the following:

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Precipitation – Colorado River Basin
- Lake Powell End of Month Elevations
- Lake Mead End of Month Elevation Projections
- Drought & Climate
- Water Use in Southern Nevada

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

Commissioner Miller asks if there were any questions or comments. There were none.

J. 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 may be taken.)

Commissioner Miller asked if there were any other comments or questions from the public.

Mr. Todd Farlow, 240 North 19th Street, Las Vegas, Nevada 89101, commented that he was born in Reno and was raised along the North Platte River. He is trying to make people aware about every ten years the Platte River floods and that water ends up in the Gulf of Mexico completely wasted. There are only five reservoirs that drain that area and once you get to Nevada passed Kingsley Dam there is no place to put a dam, it is too flat.

The Army Corp of Engineers is spending billions of dollars in levy systems around New Orleans to control the water around there. That water does not come from Louisiana. That is flood waters from the Rocky Mountains on the eastside and is drained through the Platte River to the Missouri and into the Mississippi. About forty years ago, as he pointed out to some of the Commissioners, there was a flood with wind conditions that about took Kingsley Dam out. Had that happened it would have been an unmitigated disaster. All of the major cities in Nebraska would have been flooded out from Scottsbluff to Omaha; all of them would be gone. It would be so much easier to address the problem of New Orleans to control the ten year flooding at the source. It would be so easy to take the water from Pathfinder Reservoir and channel it in to the Green River. Once it is in the Colorado River system, there is huge storage capacity; all of that water would flow through generators so it would have the power generation along with the needed water for our people. He is trying to bring people aware, he is not talking about

the normal flow of the Platte River he is talking about the ten year floods and when it floods its “Katy bar the door”. We need to find some way to get a hold with the Army Corp of Engineers and channel that water from Pathfinder to Flaming Gorge. Thank you.

Commissioner Miller asked if there were any comments from the public. There were none.

K. Comments and questions from the Commission members.

Commissioner Miller asked if there were any comments or questions from the Commission members. There were none.

L. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, July 10, 2012, at the Grant Sawyer State Office Building in Suite 4412.

M. Adjournment.

The meeting adjourned at 2:12 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

George F. Ogilvie III, Chairman