

The meeting was held at 1:00 p.m. on Wednesday, June 29, 2016, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Room 4412, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	George F. Ogilvie III
Vice Chairwoman	Puoy K. Premsrirut
Commissioner	Sam Bateman
Commissioner	Kara J. Kelley
Commissioner	Steve Sisolak
Commissioner	Cody T. Winterton

COMMISSIONERS NOT IN ATTENDANCE

Commissioner	Duncan R. McCoy
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DEPUTY ATTORNEYS GENERAL

Special Counsel, Attorney General	Jennifer T. Crandell
Special Counsel, Attorney General	Ann C. Pongracz
Deputy Attorney General	Christine Guerci-Nyhus

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
Hydropower Program Manager	Craig N. Pyper
Assistant Hydropower Program Manager	Lisa Ray
Hydropower Program Specialist	Rebecca Suafoa
Natural Resources Program Manager	Angela K. Slaughter
Natural Resource Analyst	Peggy Roefer
Natural Resource Analyst	Warren Turkett
Senior Accountant	Gail L. Benton
Office Manager	Judy K. Atwood
Administrative Assistant III	Carol L. Perone
Administrative Assistant II	Shylo Endris
Administrative Assistant II	Abigail Price

OTHERS PRESENT; REPRESENTING

City of Mesquite	Aaron Baker
Consultant	Sara A. Price, Esq.
Fairchild Consulting Company	Sandra Fairchild
Fennemore Craig, P.C.	Dan Reaser

OTHERS PRESENT; REPRESENTING (CONTINUED)

NV Energy
Overton Power District No. 5
Southern Nevada Water Authority
Southern Nevada Water Authority
Tronox LLC

Chelsie Campbell
Mendis Cooper
Jordan Bunker
Scott Krantz
John Holmstrom

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF JUNE 29, 2016**

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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:04 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 May 19, 2016 meeting.

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

D. For Possible Action: Consideration of and possible action to approve the Electric Service Contract between the United States Department of Energy, Western Area Power Administration (Western), and the Colorado River Commission of Nevada (Commission), with the concurrence of the Bureau of Reclamation (Reclamation), for the provision of electric power from the Boulder Canyon Project commencing on October 1, 2017 for a term of fifty (50) years.

In 2011, the United States Congress passed the Hoover Power Allocation Act (the Act) (125 Stat. 777), which sets forth terms and conditions for contracts for delivery of Hoover power beginning October 1, 2017. The Act mandated that the Western Area Power Administration (Western) offer new fifty year contracts for ninety-five percent of the current allocations to federal Hoover power contractors, including the Commission, which currently receive Hoover power under Schedule A and Schedule B, under contracts which expire September 30, 2017.

As explained in briefings provided to the Commission by Staff in prior Commission meetings, the Act allocated to the Commission Nevada's share of Hoover Schedule A and B power and directed the Commission to contract with Nevada entities for Hoover Schedule D power. The City of Boulder City also received a direct allocation of Hoover Schedule A power.

The Act also created a pool of the remaining five percent of Hoover power resources, to be offered under a new Schedule D to new allottees which do not currently receive Hoover power.

The Act directed Western to allocate two-thirds of the Schedule D pool, and directed the remaining one-third of the Schedule D pool to be allocated as follows: eleven percent by the Commission to Nevada new allottees, eleven percent by the Arizona Power Authority to Arizona new allottees, and eleven percent by Western, for California new allottees.

Western and the Commission concluded their Hoover Schedule D allocation proceedings in 2015.

In anticipation of the approvals of post 2017 Hoover Schedule D allocations, Staff began negotiations in 2014 with other federal Hoover contractors on post 2017 Hoover contract provisions and began negotiations with Western and Reclamation in 2015. The negotiations with Western, Reclamation, and the other 45 federal Hoover contractors concluded in May 2016. These negotiations resulted in the contract which is submitted for Commission approval today.

Under the terms of this contract, Western will provide to the Commission 1,053,115 thousands of kilowatt hours (kWhs) of firm energy and 402,734 kilowatts (kW) of contingent capacity from Hoover Dam, for a term of fifty years. Western will deliver this power to the Commission over Western's transmission system, schedule the power, administer billing and accounting for power deliveries, and provide related services.

Western will bill the Commission for power provided under this contract at cost-based rates, which do not include any additional profit or rate of return. The contract contains a formula for calculating the annual revenue requirement used to develop the base charge, and provisions providing the Commission and other federal Hoover contractors the opportunity to review and comment upon any proposed adjustment to the base charge.

Additional sections of the contract give the Commission:

- The right to receive increased generation resulting from replacements, modifications and additions to Hoover Powerplant, pursuant to additional agreements.
- The opportunity to utilize more than one scheduling entity.
- The opportunity to utilize Hoover power in transactions with independent system operators and other regional power organizations.
- The mechanism for receiving repayment of repayable capital investments, transitional items and working capital from federal Hoover Schedule D contractors and for refunding such amounts to federal Hoover Schedule A and B contractors.
- More flexibility in meeting resource planning requirements.
- A mechanism for reallocating Hoover power which becomes available due to contractor relinquishment or termination.
- Improved dispute resolution provisions which include a duty for Western to discuss in good faith any disputes regarding application of laws to this contract, the right (but not the duty) to participate in arbitration, and protection from future changes in law which otherwise could have increased the charges for Hoover power.
- The commitment from Western and Reclamation to coordinate with the Commission and other federal Hoover contractors to respond to industry changes and changes in technology and hydrology. The triggers for action, and process for discussions with Western, Reclamation and the other federal contractors, if needed to address reduced hydrology, are set forth in the Restated Implementation Agreement.
- Contractors' rights to utilize environmental attributes.

Finally, the contract provides for collection of funds to support the Lower Colorado River Multi-Species Conservation Program, which provides endangered species coverage for Hoover Dam water and power operations.

At the time of issuance of the Commissioner briefing materials, Staff continued to work with Western on finalizing a few minor items in this contract, including clarification of language regarding Western's provision of firming energy (with or without capacity) and supplemental firming purchases, and the use of incorrect citations in section 31, with the intention of resolving these issues by June 23.

Ms. Harkins asked the Commission to authorize the execution of the contract and additional authorization for the Executive Director to approve the correction of any non-substantive clerical errors in the execution of Contract No. 16-DSR-12669, its attachments or exhibits.

Chairman Ogilvie asked why the authorization to approve any non-substantive changes to the contract is included in the request for approval.

Ms. Harkins explained that there have been some final changes that were proposed by Western to section 31 of the contract. The Commission has had concern regarding section 31 and worked with Western regarding the language in the contract. Staff thought that an agreement in language had been met, but some last minute changes were requested by Western.

Ann Pongracz, Special Counsel Attorney General, stated that there were two changes to section 31 that Western requested. Ms. Pongracz provided an example of the language changes being requested.

Chairman Ogilvie stated that he understands Ms. Pongracz's explanation and asked if the contract is not final, is there an urgency that required the contract to be approved at this meeting.

Ms. Harkins explained that other than the recent changes requested the agreement is final, and Staff is ready to sign the agreement with Western.

Commissioner Sisolak asked who determines what is substantive to the agreement.

Ms. Harkins answered that the determination would come from the Executive Director and counsel. The determination could also be done with concurrence from the Chairman, if that is what is preferred with documentation of the non-substantive changes. There are no further anticipated additional changes, and if that is a concern the recommendation is to approve this contract with the existing changes, and any other changes would be presented as an amendment if it is necessary.

Chairman Ogilvie stated that he would prefer to approve the contract and if any additional changes are needed an amendment would be presented to the Commission for approval.

Vice Chairwoman Premsrirut made a motion to approve the Electric Service Contract between the United States Department of Energy, Western Area Power Administration,

and the Commission, with the concurrence of the Reclamation, for the provision of electric power from the Boulder Canyon Project commencing on October 1, 2017 for a term of fifty (50) years, and authorize the Chairman and Executive Director to sign on behalf of the Commission. The motion was seconded by Commissioner Bateman and approved by a unanimous vote.

E. *For Possible Action:* Consideration of and possible action to approve the Amended and Restated Implementation Agreement among the United States Department of Energy, Western Area Power Administration, the Bureau of Reclamation, the Colorado River Commission of Nevada (Commission), and the other forty-five federal Boulder Canyon Project contractors, to aid in the carrying out of the terms of the Electric Service Contract.

In 1995, the Commission entered into the Contract No. 95-PAO-10616, among the United States Department of Energy, Western Area Power Administration, Desert Southwest Customer Service Region Boulder Canyon Project (Western), the Bureau of Reclamation (Reclamation), and the federal Hoover Schedule A and B contractors, to improve implementation of the Electric Service Contracts in effect through September 30, 2017.

The Amended and Restated Implementation Agreement (Restated Agreement) proposed for Commission approval under this item will replace the 1995 Implementation Agreement as of October 1, 2017.

The Restated Agreement updates the procedures applicable to the existing committees which address Hoover planning and operations and rate-making issues, including the Coordinating Committee, the Engineering and Operating Committee, and the Technical Review Committee. All federal Hoover contractors may participate in these committees.

The Restated Agreement also:

- Provides a series of procedural steps for resolving issues when consensus is not achieved on any matter submitted to the Engineering and Operating Committee.
- Sets forth the parties' agreement to engage in contingency planning in the event Hoover capacity falls below 1000 megawatts or in the case of certain Force Majeure events, to:
 - Identify cost containment opportunities.
 - Review hydrology data.
 - Evaluate the ability of Reclamation to seek alternative funding sources.
 - Evaluate other operational or adverse impacts.
- Provides that Reclamation and Western will meet and confer with federal Hoover contractors to discuss proposed hydropower development and funding options, and develop separate agreements for these projects.
- Provides that Reclamation will bill California Schedule D contractors and tribal contractors for payments to fund the Lower Colorado River Multi-Species Conservation Program.
- Provides the mechanism for receiving repayment of repayable capital investments, transitional items and working capital from federal Hoover Schedule D contractors and refund of such amounts to federal Hoover Schedule A and B contractors.

Commissioner Bateman moved for approval to the Amended and Restated Implementation Agreement among the United States Department of Energy, Western, Reclamation, the Commission, and the other forty-five federal Boulder Canyon Project contractors, to aid in the carrying out of the terms of the Electric Service Contract; and authorize the Chairman and Executive Director to sign it on behalf of the Commission. The motion was seconded by Vice Chairwoman Premsrirut and approved by a unanimous vote.

F. For Possible Action: Consideration of and possible action to approve the Contracts for the Sale of Electric Power from the Boulder Canyon Project between the Colorado River Commission of Nevada (Commission) and each of the Commission's Hoover Contractors for the provision of electric power from the Boulder Canyon Project commencing on October 1, 2017 for terms of fifteen (15) years and fifty (50) years:

- 1. Basic Water Company**
- 2. Lhoist North American Inc.**
- 3. Lincoln County Power District No. 1**
- 4. Nevada Power Company**
- 5. Overton Power District No. 5**
- 6. Southern Nevada Water Authority**
- 7. Titanium Metals Corporation**
- 8. Tronox LLC**
- 9. Valley Electric Association Inc.**
- 10. City of Boulder City**
- 11. City of Henderson**
- 12. City of Las Vegas**
- 13. City of Mesquite**
- 14. City of North Las Vegas**
- 15. Clark County School District**
- 16. Clark County Water Reclamation District**
- 17. College of Southern Nevada**
- 18. Las Vegas Valley Water District**
- 19. Olin Chlor Alkali**
- 20. State of Nevada, Department of Administration**
- 21. State of Nevada, Department of Corrections**
- 22. State of Nevada, Department of Transportation**
- 23. University of Nevada, Las Vegas**

In 2011, the United States Congress passed the Hoover Power Allocation Act (the Act) (125 Stat. 777), which sets forth terms and conditions for contracts for delivery of Hoover power beginning October 1, 2017. The Act mandated that the Western Area Power Administration (Western) offer new fifty year contracts for ninety-five percent of their current allocations to current federal Hoover power contractors, including the Commission, which currently receive Hoover power under Schedule A and Schedule B, under contracts which expire September 30, 2017. Congress allocated to the Commission Nevada's share of Hoover Schedule A and B power and directed the Commission to contract with Nevada entities for Hoover Schedule D power. The City of Boulder City also received from Congress a direct allocation of Hoover Schedule A power.

By way of background, in 2014, the Commission approved amendments to its regulations contained in Nevada Administrative Code (NAC) Chapter 538, to provide for allocation and contracting for post 2017 Hoover power. In 2014, the Commission also entered into contracts with its current Schedule A and B contractors under which these contractors have the right to renew their Hoover contracts for 95% of their current allocations, for a term of fifty years. And, in 2015, the Commission and Western completed their allocations of Hoover Schedule D power.

This item proposes for Commission approval all twenty-three of the contracts with Nevada entities for post 2017 Hoover Schedule A, Schedule B and Schedule D power.

The provisions of these contracts generally follow the provisions of the Commission's federal Hoover contract presented for Commission approval in Item D. In addition, these contracts address Nevada-specific provisions regarding:

- The Commission's scheduling, delivery, pooling and layoff of Hoover power, and purchase of firming energy.
- Compliance with applicable Commission regulations contained in NAC 538, including, but not limited to regulations regarding billing and payment, collateral and advance repayment.
- Reduction of a contractor's allocation in the event that a contractor does not use the full power resource available under this allocation, for three consecutive years.
- Reallocation of relinquished or terminated Hoover power.
- Contractors' right to utilize environmental attributes.
- The right of a Schedule D contractor to ask the Commission, between October 1 and November 1, 2017, to terminate its Hoover power contract. The Commission has agreed to take steps to provide for alternative use of such contractor's allocation, and to refund to the contractor amounts paid under this contract, except for amounts owed for power received by the contractor.
- The Commission's commitment to meet and confer with its Hoover Contractors on any mechanism proposed by Western and Reclamation to reduce Hoover costs and take other measures in the event Hoover Dam capacity is below 1000 megawatts and in the event of certain other Uncontrollable Forces events.
- Contractors' right to use this contract to support certain forms of debt financing.
- Contractors' commitment to execute the Amended MSCP Agreement and pay its proportionate share of the costs of the Lower Colorado River Multi-Species Conservation Program, and language providing that a default under the Amended MSCP Agreement will constitute a default under the Electric Service Contract.
- The agreement of the Commission's Hoover Schedule A and B contractors that this contract satisfies the contractors' right to Hoover contract renewal.

Staff has worked with the Nevada contractors for over a year, to finalize the terms of these contracts. The contracts submitted for Commission approval under this item are generally identical, except for contractor-specific provisions regarding the identity of the contractor, and the amount and term of the contractor's allocations which are set forth in the attached chart. In addition, the proposed contract with Nevada Power Company contains a provision regarding the

flow through of the benefit of Hoover Schedule B to the company's residential ratepayers, which is not included in the other contracts.

Chairman Ogilvie stated that all twenty-three contractors have approved the contracts with their boards prior to being presented to the Commission.

Ms. Pongracz confirmed that each contract has been approved and signed, and not all of the contracts required approval by the contractors' board.

Commissioner Kelley moved for approval to award the Contracts for the Sale of Electric Power from the Boulder Canyon Project between the Commission and each of the Commission's Hoover Contractors for the provision of electric power from the Boulder Canyon Project commencing on October 1, 2017 for terms of fifteen (15) years and fifty (50) years: (1) Basic Water Company; (2) Lhoist North American Inc.; (3) Lincoln County Power District No. 1; (4) Nevada Power Company; (5) Overton Power District No. 5; (6) Southern Nevada Water Authority; (7) Titanium Metals Corporation; (8) Tronox LLC; (9) Valley Electric Association Inc.; (10) City of Boulder City; (11) City of Henderson; (12) City of Las Vegas; (13) City of Mesquite; (14) City of North Las Vegas; (15) Clark County School District; (16) Clark County Water Reclamation District; (17) College of Southern Nevada; (18) Las Vegas Valley Water District; (19) Olin Chlor Alkali; (20) State of Nevada, Department of Administration; (21) State of Nevada, Department of Corrections; (22) State of Nevada, Department of Transportation; and (23) University of Nevada, Las Vegas; and authorize the Chairman and Executive Director to sign it on behalf of the Commission. The motion was seconded by Vice Chairwoman Premsrirut and Commissioner Winterton and approved by a unanimous vote.

G. *For Possible Action:* Consideration of and possible action to approve the First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program among the Colorado River Commission of Nevada (Commission) and the Commission's Hoover Contractors.

In 2005, the Commission entered into an agreement with its Hoover Schedule A and B contractors and Parker-Davis contractors, under which the contractors agreed to pay their proportionate shares of Nevada's portion of the costs of the Multi-Species Conservation Program (MSCP), as defined in Section 9401 of the federal Omnibus Public Land Management Act of 2009 (Public Law 111-11; 123 Stat.1327). The Amended MSCP Agreement proposed for approval under this item will replace and supersede the Commission's original MSCP Agreement.

The MSCP conserves habitat and works toward recovery of threatened and endangered species, providing environmental coverage for Hoover, Davis and Parker Dam's power and water operations.

The Amended MSCP Agreement will go into effect on October 1, 2017, and terminate in 2055, or when the MSCP itself is terminated. In the event a contractor's Hoover allocation is

terminated, the Amended MSCP Agreement will terminate for that contractor at the time the contractor's Electric Service Contract is terminated.

The Amended MSCP Agreement also provides that the Commission will reduce or increase contractors' MSCP payment obligation in proportion to reductions or increases in contractors' allocations, and includes provisions regarding consultation, accounting, remedies and enforcement.

All of the Commission's Hoover and Parker-Davis contractors will be required to execute and comply with the Amended MSCP Agreement. A default under the Amended MSCP Agreement will constitute a default under the contractor's Electric Service Contract.

Commissioner Bateman moved for approval of the First Amended Agreement to Share the Costs of Implementation of the Lower Colorado River Multi-Species Conservation Program among the Commission and the Commission's Hoover Contractors; and authorize the Chairman and Executive Director to sign it on behalf of the Commission. The motion was seconded by Vice Chairwoman Premsrirut and approved by a unanimous vote.

Chairman Ogilvie thanked and congratulated Staff for the hard work in the long process of completing these contracts.

H. *For Possible Action:* Consideration of and possible action to adopt the Colorado River Commission of Nevada's (Commission's) fiscal year 2018 and 2019 budget recommendation.

Doug Beatty, Chief of Finance and Administration, provided a brief explanation to changes to the budget that were a result of customer meetings.

At the May 2016 Commission meeting a draft budget was introduced to the Commission. That budget has been reviewed with the Commission's customers, with the last customer meeting scheduled for June 22, 2016. Accompanying this month's briefing memo to the Commission is a full copy of the budget including an Executive Summary reviewing changes to the budget made since the binder was presented at the May Commission meeting, and some additional comparison information developed as part of customer discussions.

There is only one change from the budget binder document reviewed at the May Commission meeting. The change reflects a correction of an inconsistent allocation of the "Utilities – Cable/Data" costs (category 59) in fiscal 2019. This change can be found on page Ex Sum – Page 1b. The change includes only a correction of the allocation to correlate the methodology used with that used in fiscal 2018. The method used for fiscal 2018 was the correct method. There are no changes in the total budget number for this category or for the budget as a whole, only the way the amount is allocated to the cost centers.

Once adopted by the Commission, the budget process will continue as follows:

- The budget will be conformed to the State Budget format and submitted as part of the Executive Budget.
- The budget will then be reviewed by the Director of the Department of Administration and changed as necessary for inclusion in the Executive Budget as the Governor's Recommended Budget for the Colorado River Commission of Nevada.
- The Commission budget as revised by the Department of Administration will then be returned to the Commission's staff for review, and a budget meeting with the Director of Administration will be scheduled and held as necessary.
- Once this process is complete, the Commission's budget will be included in the Governor's Recommended Budget as a part of the total Executive Budget, and the State Budget document will be presented to the Nevada Legislature early next year.
- The Nevada Legislature then schedules a hearing(s) to review the budget request.
- The budget as approved by the Nevada Legislature is then incorporated into the State Accounting System, and the Commission's accounts are controlled by the adopted budget.

Mr. Beatty stated that at today's Commission meeting replacement budget pages are provided to the Commission for review. The changes to the pages provided are a result of requests from customer meetings and reflect a reduction in out-of-state travel.

Commissioner Sisolak asked if the original budget presented and the replacement pages to the budget will be made a part of the permanent record.

Mr. Beatty answered yes. A copy of the budget is attached and made a part of the minutes. (See Attachment A.)

Commissioner Sisolak asked if the reduced travel amounts reflect a flow through to the bottom line of the budget, and cannot be reallocated without Commission approval at any dollar amount.

Mr. Beatty answered yes, that the change flows through to the bottom line and the State of Nevada budget office can approve up to \$30,000.00.

Commissioner Sisolak asked what amount can be approved if any by Staff.

Mr. Beatty answered that Staff cannot change any amounts, all changes would have to go through the State budget office. Even if it is \$1,000.00 it would still need to be approved by the budget office.

Commissioner Kelley moved for approval to adopt the Commission’s fiscal year 2018 and 2019 budget recommendation. The motion was seconded by Vice Chairwoman Premsrirut and approved by a unanimous vote.

I. *For Possible Action:* Consideration of and possible action to approve Amendment No. 3 to the engineering services contract between Burns & McDonnell Engineering Company, Inc. and the Colorado River Commission of Nevada (Commission).

Robert D. Reese, Assistant Director of Engineering and Operations, provided a brief description of Amendment No. 3 to the engineering services contract between Burns & McDonnell Engineering Company, Inc. and the Commission.

The Commission owns, operates and maintains a high-voltage transmission and distribution system to provide electrical services for its water pumping and industrial power customers, which include, among others, the Southern Nevada Water Authority (SNWA), the Clark County Water Reclamation District (CCWRD) and the Basic Substation Project. The Commission also is responsible for the operation and maintenance of ten additional substations owned by the SNWA and three owned by the CCWRD.

The Commission’s in-house engineer performs the routine engineering support functions. However, the Commission occasionally requires additional engineering support for its operation and maintenance and capital improvement functions and needs an engineering firm to assist with special projects.

In 2013, Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell) was selected through a Request for Proposal (RFP) process carried out by Nevada State Purchasing to provide engineering services for areas of expertise required periodically that include civil engineering for foundation, grading and structural design; communication engineering for assistance with the Commission’s fiber optic and microwave radio communication system; and system studies. On a less frequent basis, the Commission requires expertise in environmental engineering and structural engineering.

Since that time, the Commission’s customers (SNWA, CCWRD and Basic) have asked the Commission’s Power Delivery Group (PDG) to perform this specialized engineering work, which in turn necessitates an extension of the contract term for two additional years and increases in the not-to-exceed contract amount.

These projects are as follows:

- Two phases of the Boulder City Bypass Project (Bypass Project), with its unique environmental concerns and requirements had amplified remediation costs associated with environmental issues that required Burns & McDonnell’s services increasing the agreed to maximum from \$319,899.00 to \$567,920.00. Full reimbursement was received from the Nevada Department of Transportation and the Regional Transportation Commission of Southern Nevada.

- Lower Lake Level Pumping Station (L3PS) project with an estimated completion date in early 2018. Design engineering is currently at 40% with a total cost-to-date of \$481,984.00. The SNWA will provide full reimbursement for this project.

The original Burns & McDonnell contract included work for several small projects and the two phases of the Bypass Project, but did not include the Commission's substantial work performed for the SNWA's L3PS Project, which includes the redesign of the L3PS Substation to accommodate three 69kV circuits instead of the originally planned two circuits, and the redesign of a larger capacity substation. These changes requested by the SNWA required modifications to Burns & McDonnell's scope of work that were not included in the original cost estimates for this project.

Since Burns & McDonnell is the engineer on record for this work and 60% remains of the engineering design, drawings and drafting for professional completion of the Commission's portion of the L3PS project, Staff is requesting an extension to the term of the current contract through June 30, 2018 and an increase in the contract amount of \$750,000.00 to a not-to-exceed contract total of \$1,800,000.00, to allow for completion of this work requested by SNWA, CCWRD and Basic.

Chairman Ogilvie asked if the contract increase request has been discussed with the Southern Nevada Water Authority.

Mr. Reese stated that all of the Commission's customers have been briefed about this contract amendment. This is an enabling contract and the use of the funds from this contract requires task authorizations before it is used.

Commissioner Sisolak asked what is allowed in terms of travel and or accommodations regarding this agreement.

Mr. Reese answered that the contractor would have to follow the State of Nevada guidelines.

Commissioner Sisolak inquired what section in the contract lists the travel guidelines.

Chairman Ogilvie answered that the travel reference is listed on page 31 in section 11.3.4.

Commissioner Sisolak said that section 11.3.4 only states reimbursement rate, how much does the contract allow for travel time and accommodations, how does it work? Travel has been a substantial part of these types of contracts; and gave an example of teams of people who are sent the work sites and chose to stay at higher cost hotels, which causes the bill to get exceedingly large.

Mr. Reese answered that all contractors are required to follow the State of Nevada guidelines.

Ms. Harkins stated that in section 11.3.4.6 the contractor is reimbursed for travel at the rates for State of Nevada employees, the contractor will on be reimbursed the amount of what would be reimbursed for the State, any amount above that would be out-of-pocket.

Mr. Reese added that the amount of people that travel to a project site is the responsibility of the project manager. It is the project manager's decision to deem only the appropriate people are traveling to prevent undo costs from being charged to the Commissions customers.

Vice Chairwoman Premsrirut moved for approval Amendment No. 3 to the engineering services contract between Burns & McDonnell Engineering Company, Inc. and the Commission. The motion was seconded by Commissioner Kelley and approved by a unanimous vote.

J. For Information Only: Notification of receipt of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Colorado River Commission of Nevada's (Commission's) annual financial report for the fiscal year ended June 30, 2015.

Chairman Ogilvie congratulated and thanked Mr. Beatty and Staff for receiving the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Commission's annual financial report. This is the 30th year of receiving this award, the terrific work performed by Staff continues to make the Commission look great and is appreciated.

K. 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 June 27, 2016
- Storage Conditions as of June 27, 2016
- Reservoir Storage as of June 27, 2016
- Lake Powell Projections based on June 2016 24-Month Study
- Lake Mead Projections based on June 24-Month Study
- U.S. West Drought Monitor as of June 14, 2016
- U.S. Seasonal Drought Outlook as of June 16, 2016
- Precipitation – Colorado River Basin as of June 27, 2016
- Monthly Precipitation for May 2016
- Seasonal Precipitation, October 2015 – May 2016
- Colorado Basin River Forecast Center
- Temperature Deviations for May 2016
- Las Vegas Precipitation
- Las Vegas Average Temperature
- Water Use in Southern Nevada as of January – May 2016
- Water Use Comparison January – May
- Monthly Consumptive Use Comparison
- Cumulative Consumptive Use Comparison

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

Commissioner Kelley asked how the diversions increase and the return flow credits decrease.

Mr. Turkett stated that diversions are expected to increase with the economy and growth, and that there are a lot of factors that affect the calculation of return flow credits.

Commissioner Sisolak stated that the simplest explanation that he has received from the Southern Nevada Water Authority is that the water is being used for outdoor irrigation and that water is not being captured as a return flow to the lake.

Mr. Turkett stated that if the diversions go up and it does not make it to the wash there is no credit recorded.

Commissioner Kelley asked if people are just watering more and that is correlating to the increase.

Mr. Turkett stated that is something that is being looked at closely.

L. 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.

Mr. Mendis Cooper, General Manager of Overton Power District No. 5 commented that he wanted to express his gratitude to the Commission and its Staff for approving the Hoover contracts. Overton has received power from the Boulder Canyon Project since the project was completed and it is a very important component to its power portfolio. He is very grateful to Ms. Harkins and Staff and appreciated that Staff came to explain the contracts to the Overton Board of Directors and answer any questions that arose. According to his records this process has been ongoing for ten years and has spanned a few General Managers.

Chairman Ogilvie thanked Mr. Cooper for his comments.

M. Comments and questions from the Commission members.

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

N. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Thursday, July 12, 2016, at the Grant Sawyer Office Building, 555 East Washington Avenue, Room 4401, Las Vegas, Nevada.

O. Adjournment.

The meeting adjourned at 1:53 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

Puoy K. Premsrirut, Chairwoman