

The meeting opened at 10:10 a.m. on Tuesday, September 9, 2008, at the Grant Sawyer Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

**COMMISSIONERS IN ATTENDANCE**

Chairman  
Vice Chairman  
Commissioner  
Commissioner  
Commissioner  
Commissioner

Jay Bingham  
Ace I. Robison  
Andrea Anderson  
Chip Maxfield  
George F. Ogilvie III  
Lois Tarkanian

**COMMISSIONERS IN ATTENDANCE VIA  
TELEPHONE CONFERENCE**

Commissioner

Marybel Batjer

**DEPUTY ATTORNEYS GENERAL**

Senior Deputy Attorney General

Ann C. Pongracz

**COMMISSION STAFF IN ATTENDANCE**

Deputy Executive Director  
Chief, Finance and Administration  
Assistant Director, Engineering and Operations  
Natural Resources Program Manager  
Natural Resource Analyst  
Natural Resource Analyst  
Senior Energy Accountant  
Office Manager  
Administrative Assistant III  
Administrative Assistant II

James D. Salo  
Douglas N. Beatty  
Robert Reese  
McClain Peterson  
Nicole Everett  
Esther Valle  
Gail Benton  
Judy Atwood  
Janet Nuszbaum  
Donna Banks

**OTHERS PRESENT; REPRESENTING**

Clean Water Coalition  
Consultant  
Nevada Power Company  
Nevada Power Company  
Overton Power District No. 5  
Overton Power District No. 5  
Southern Nevada Water Authority  
TIMET  
Ward 1 Liaison for Councilwoman Tarkanian  
Self

Doug Karafa  
Sara A. Price, Esq.  
Vincent Burton  
Gary Craythorn  
Mendis Cooper  
Delmar Leatham  
Michael Weintz  
Jeff Searls  
Robin W. Munier  
Kenneth Long, Esq.

**COLORADO RIVER COMMISSION  
OF NEVADA  
MEETING OF SEPTEMBER 9, 2008**

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The Colorado River Commission meeting was called to order by Chairman Bingham at 10:10 a.m.

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

Deputy Executive Director James Salo confirmed that the meeting was in compliance with the Open Meeting Law.

The Pledge of Allegiance was then recited.

**B. Approval of minutes of the July 8, 2008 meeting.**

**Commissioner Maxfield moved for approval of the minutes. The motion was approved by a unanimous vote.**

**C. Consideration of and possible action to approve the Contract between the Colorado River Commission of Nevada and the Clean Water Coalition for the Purchase and Sale of Electric Power.**

Senior Deputy Attorney Ann C. Pongracz gave a brief overview of the contract.

CWC is proposing to develop a hydroelectric generating facility (Hydro Plant) associated with the System Conveyance and Operation Program (SCOP). The SCOP project encompasses the construction and operation of a pipeline that transports treated effluent through a substantial drop in elevation from the wastewater treatment plants of the City of Las Vegas, the City of Henderson, and the Clark County Water Reclamation District, to an outfall location in Lake Mead, bypassing the Las Vegas Wash. The Hydro Plant will utilize the effluent and the drop in elevation to generate hydroelectric power that will be made available for sale by the CWC.

On May 13, 2008, the Commission approved the contract under which the Commission will, at the CWC's expense, construct facilities interconnecting the Hydro Plant to CRC's electric system, and temporary construction power facilities. On June 10, 2008, the Commission also approved the contract under which the Commission will provide the CWC with construction power.

The CWC has asked the Commission to provide Standby Power to the CWC after the Commercial Operation Date of the Hydro Plant in the event that the Hydro Plant is unavailable to power buildings and other facilities. The CWC also wishes to sell the electricity generated at the Hydro Plant to the Commission. NRS 704.787(1)(b) authorizes the Commission to sell electricity and provide transmission and distribution services to the Southern Nevada Water Authority (SNWA) and its member agencies for their water and wastewater operations. All members of the CWC are also member agencies of the SNWA, and the SCOP Project is a component of their wastewater operations.

Under the proposed contract, Commission shall sell, and CWC shall purchase, Standby Power, for short periods of time when the Hydro Plant is unavailable to power the CWC's buildings and other facilities. The charge for Standby Power includes a commodity charge that is based upon a market index for firm power, an ancillary service charge to reimburse the Commission for ancillary services fees applied to it by the Balancing Authority, and an administrative charge of \$2,800 per month. The Commission also has the ability to assess a charge for power factor correction if the CWC's power factor falls below 95%.

Under the proposed contract, the CWC shall sell and the Commission shall purchase hydro power that is generated by the Hydro Plant. The Commission will pay a commodity charge for Hydro Power that is based upon a market index for firm power, discounted by 8% during the off-peak periods and 10% during the on-peak periods. The power that is purchased by the Commission will be made available to the Southern Nevada Water Authority for use at its water pumping and treatment facilities.

Chairman Bingham asked if this was new power that was being generated or if the power was coming out of any other client's pool of power.

Ms. Pongracz stated it was new power being generated by the new Hydro Plant.

Commissioner Maxfield disclosed that he is Chairman of the Clean Water Coalition. He noted that both item C and item D have to do with the agreement between the CRC and the CWC. He asked the Attorney General's office to respond to his disclosure and provide an opinion about his disclosure.

Senior Deputy Attorney General Ann C. Pongracz stated that the Attorney General's office does have a concern about the commissioner voting, as it were, on both sides of these contracts. On the other hand, the Attorney General's office does not believe there is any impropriety or any personal conflict of interest or financial conflict of interest in this particular situation. Rather it is the general policy of the office that a commissioner in this situation might wish to abstain from voting.

Chairman Bingham then asked about situations involving the Southern Nevada Water Authority, in which commissioners sit on both the SNWA and the CRC, and asked whether there is a difference between a transaction between the CRC and the CWC, and one between the CRC and the SNWA.

Deputy Executive Director Jim Salo explained that this question has arisen before. He recalled that the CRC's prior counsel, Mr. Lopez, took the position that there is a difference between transactions involving the CRC and the SNWA, and transactions involving most other commissions, because the legislature directed that a portion of our CRC board should be appointed from the board at the SNWA. In order for the CRC to function, its members who also are members of the SNWA have to be able to vote at a CRC meeting on issues that also may have appeared on the agenda of an SNWA meeting. Any perception of a conflict is a legislatively mandated perception of conflict.

Mr. Salo stated that the designation of the membership of the CRC is by statute and is unique. We don't have a lot of any other agencies that have a similar mix of local and gubernatorial appointments.

Chairman Bingham noted that the Clean Water Coalition is not created by the legislature.

Commissioner Maxfield stated that he sits as a county commissioner on several different boards and there's interaction between their agencies continually. He noted that he has discussed this issue with the district attorney, the Attorney General, and counsel for the Clean Water Coalition. He stated his appreciation for the Attorney General's concern and the concerns from counsel for the different boards.

Commissioner Maxfield disclosed again that he is chairman of the Clean Water Coalition which is another public entity that works in the public's interest and stated that he has no personal relationship or gain in this matter. He noted that his interest on the CRC board and CWC board is a public interest. Therefore, while accepting the Attorney General's concern, he will use the disclosure and vote on the contract.

**Vice Chairman Robison made a motion to approve the contract. Commissioner Anderson seconded the motion, and the motion was approved by a unanimous vote.**

<p><b>D. Consideration of and possible action on the award of Contract No. CRCPDP-30 for the procurement of 69-kV power cable and accessories for the IPS-3 Electric Service Project and the Clean Water Coalition's Substation Project.</b></p>
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Assistant Director of Engineering and Operations Robert Reese gave a brief overview of Contract No. CRCPDP-30.

At its May 13, 2008 meeting, the Commission approved Contract No. CRCPDP-100 to interconnect the Commission's electric system with the Clean Water Coalition's (CWC's) proposed hydroelectric generating facility (Hydro Plant). Concurrent with the CWC's Hydro Plant Project is the plan for the Commission to participate in the construction of Intake Pumping Station No. 3 (IPS-3) in conjunction with the Southern Nevada Water Authority.

Extension and modification of Commission's electric system is required to serve both IPS-3 and the CWC Hydro Plant. The Commission has studied numerous system extensions and modifications to serve both facilities. Under the current plan, the Commission will construct the new IPS-3 substation at Saddle Island and a new underground 69-kV transmission line to the CWC Hydro Plant site.

The projects are currently in the design and material procurement stages. Contract No. CRCPDP-30 provides for the procurement of the 69-kV cable and accessories necessary for the projects and to provide temporary construction power.

On July 15, 2008, Contract No. CRCPDP-30 was released for bid. By bid closing on August 8, 2008, the Commission had received bids from five bidders. The bid amounts are shown below.

<b>BIDDER NAME</b>	<b>TOTAL BID</b>
Brugg Cables, LLC	\$3,387,081.00
Prysmian Power Cables and Systems USA, LLC	\$3,914,718.00
Prysmian Power Cables and Systems USA, LLC (Alternate)	\$3,454,537.00
Silec Cable	\$4,218,934.00
Silec Cable (Alternate)	\$3,441,884.00
Southwire HV Solutions	\$3,459,987.00
Taihan Electric USA Ltd.	\$3,493,500.00

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.

The evaluation confirmed that the Brugg Cables, LLC bid was the lowest evaluated vendor with a bid of \$3,387,081.00. Staff will therefore recommend award of Contract No. CRCPDP-30 for 69-kV cable and cable accessories to Brugg Cables, LLC. Staff is requesting contract authority of \$3,904,343.15 which includes a 15 percent contingency for quantity adjustments, escalating copper costs, and change orders.

Chairman Bingham asked why the Commission is asking for a higher amount than what was bid.

Mr. Reese stated there are two components to the 15 percent contingency. One component is for quantity adjustments which may not have been included in the design process. The second component will cover the escalation of copper prices if the need arises.

Chairman Bingham asked how the price of copper is monitored in the contract.

Mr. Reese stated the then-current market value of copper determines the cost at the time the cost is incurred.

Commissioner Anderson made a motion to approve the amendment.

**Commissioner Anderson made a motion to approve the amendment. Vice Chairman Robison seconded the motion, and the motion was approved by a unanimous vote.**

**E. Update on Nevada’s Colorado River water consumption, the status of discussions regarding shortage criteria, and other developments on the Colorado River.**

Natural Resources Program Manager McClain Peterson and Natural Resources Analyst Nicole Everett provided the updates on the issues regarding the Colorado River.

Mr. Peterson provided a report on the following:

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Precipitation in the Colorado River Basin
- Lake Mead Elevations
- Water Use in Southern Nevada

Ms. Everett provided a report on the following:

- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- Monthly Max Temp Deviation for August 2008
- 3-month Temperature Outlook
- 3-month Precipitation Outlook

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

**F. Comments and questions from the public and discussion. (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 will be taken.)**

Chairman Bingham asked if there any questions or comments from the public.

Delmar Latham from Overton Power District had some comments about the Colorado River equalization criteria. As a contractor of Glen Canyon Power, Overton Power District would like to see the releases come during the months of June, July, and August when the need for power is greater rather than in September when the loads taper off. Western Area Power Association (WAPA) at Glen Canyon determines in April when and how much water to release in September.

Chairman Bingham asked why that occurs.

Mr. Latham replied that WAPA has made that decision and Overton Power District has asked WAPA to consider making the equalization release during the summer months when the increase in water and generation of power would be more beneficial to the power entities.

Vice Chairman Robison asked if that was an arbitrary decision by WAPA or was there an environmental issue with water flow into the Grand Canyon.

Mr. Latham replied there is a water issue at Glen Canyon in that they have to have steady water flows and WAPA is going to be cautious that with the determination being made in April that the water will be available in September. Mr. Latham reiterated that it is

important to the power entities that they receive the water when it is most beneficial to them.

Vice Chairman Robison requested a more thorough briefing on this matter and possible action on the part of the Commission as far as recommendations.

Mr. Salo stated that Mr. Caan would be willing to address this concern in more depth to the Commission.

**G. Comments and questions from the Commission members.**

Vice Chairman Robison requested a briefing on the information gathered from the Northern Resource Properties Tour as he is unable to attend on September 24-25, 2008.

Chairman Bingham asked if another tour could be scheduled to accommodate the commissioners who are unable to attend the current tour scheduled. Commissioners Bingham, Robison, Tarkanian, and Anderson all expressed an interest in attending.

Mr. Salo replied that he will look into the possibility of scheduling another tour.

**H. Selection of the next possible meeting date.**

The next meeting is tentatively scheduled for Tuesday, October 14, 2008, at 10:00 a.m. at the Grant Sawyer State Building, Suite 4401.

**I. Adjournment.**

The meeting adjourned at 10:54 a.m.

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George M. Caan, Executive Director

APPROVED:

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Jay D. Bingham, Chairman