

The meeting opened at 10:06 a.m. on Tuesday, April 8, 2008, at the Grant Sawyer State Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

Chairman	Jay D. Bingham
Vice Chairman	Ace I. Robison
Commissioner	Andrea Anderson
Commissioner	Marybel Batjer
Commissioner	George F. Ogilvie III
Commissioner	Lois Tarkanian

COMMISSIONERS NOT IN ATTENDANCE

Commissioner	Chip Maxfield
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DEPUTY ATTORNEYS GENERAL

Senior Deputy Attorney General	Jennifer T. Crandell
Senior Deputy Attorney General	Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director	George M. Caan
Division Chief, Finance and Administration	Douglas N. Beatty
Energy Services Manager	Gail A. Bates
Assistant Director for Engineering and Operations	Robert Reese
Natural Resources Program Manager	McClain Peterson
Natural Resources Analyst	Nicole Everett
Hydropower Program Manager	Craig Pyper
Assistant Hydropower Manager	Jason Thiriot
Hydropower Program Specialist	Lisa Ray
Senior Energy Accountant	Gail Benton
Office Manager	Judy Atwood
Administrative Assistant III	Janet Nuszbaum
Administrative Assistant II	Gina Goodman

OTHERS PRESENT; REPRESENTING

American Pacific Corporation	Jack Stonehocker
Consultant	Sara Price, Esq.
Piercy, Bowler, Taylor & Kern	Richard Bowler
Southern Nevada Water Authority	Matt Leck

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF April 8, 2008**

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The Colorado River Commission meeting was called to order by Chairman Bingham at 10:06 a.m.

A. Conformance to Open Meeting Law.

Executive Director George Caan 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 January 8, 2008, meeting.

Commissioner Robison moved for approval of the minutes. The motion was seconded by Commissioner Anderson and was approved by a unanimous vote of those present. Commissioners Ogilvie and Tarkanian were not present for the vote.

C. Consideration of and possible action to approve a contract for accounting and auditing services with Piercy, Bowler, Taylor & Kern, Certified Public Accountants.

Douglas Beatty, Chief, Finance and Administration, explained that Nevada state law governing contracting with independent contractors is complex and, in general, certain contracts that go before the State Board of Examiners are under the jurisdiction of the Purchasing Division. Generally, because of the complexity and the distinct nature of the Commission contracts, the Commission receives permission from the Purchasing Division to do Requests for Proposal and contracts in-house.

Commissioner Ogilvie arrived at this time.

On this particular contract, the staff opted to have the State Purchasing Division lead and issue the Requests for Proposal. There were only two respondents to the Request. The proposals were reviewed by two members of the Commission staff, one representative from the State Controller's Office and one representative from Southern Nevada Water Authority. The result of this review was the selection of Piercy, Bowler, Taylor & Kern, Certified Public Accountants, to be our auditor for the next five years. The contract has a not-to-exceed cost of \$59,650.

This contract does not include the costs for some of the negotiated points provided at the back of the contract, for minor items of additional work the Commission may want the auditor to do. There are no dollar values associated with these points and staff will come back to the Commission with an amendment showing these costs if any additional services need to be provided. The review of the internal controls is one of the negotiated points and staff would like that done every year of this contract. Staff recommends that the Commission approve this contract as negotiated by the State Purchasing Division.

Commissioner Batjer asked for an estimate of what the additional services would cost if they do exceed the \$59,650 that is within the contract.

Mr. Beatty replied that the review of internal controls is around \$5,000. Some of the other negotiated points such as the issuance of a “consent and citation of expertise” or issuances of bonds are not known at this time. These are not substantial costs however and staff will come forward to the Commission with an estimate of the cost should they occur.

Commissioner Anderson moved for approval. The motion was seconded by Commissioner Batjer and approved by a unanimous vote of those present. Commissioner Tarkanian was not present for the vote.

D. Consideration of and possible action to approve intervention in a lawsuit filed in the United States District Court, District of Arizona titled *Grand Canyon Trust v. U.S. Bureaus of Reclamation*, with the sovereign State of Nevada as approved by the Attorney General and the Southern Nevada Water Authority, or with a group of Basin States.

Jennifer Crandell, Senior Deputy Attorney General, reported that on December 7, 2007, an environmental organization called the Grand Canyon Trust filed a lawsuit against the Bureau of Reclamation (BOR) challenging the current operations of the Glen Canyon Dam. Currently all Seven Basin States are jointly discussing whether to intervene in this lawsuit. We have a commitment from five of the Basin States and the Nevada Attorney General has authorized Jennifer to enter into the case on behalf of the sovereign state of Nevada. Southern Nevada Water Authority is also interested in joining the group of seven. We are waiting for responses from Arizona and California.

The Seven Basin States have a significant interest because it is seen as a challenge to the legal framework, which we all call the “Law of the River.” Nevada, the Colorado River Commission, and Southern Nevada Water Authority have an interest in the operation of Glen Canyon Dam as it has an effect on power generation and quality of water in Lake Mead.

Commissioner Tarkanian arrived at this time.

The Grand Canyon Trust is a member of the Adaptive Management Work Group (AMWG), a federal advisory committee to the Secretary of the Interior. The Colorado River Commission along with the plaintiff and twenty-five other stakeholders are all members of this federal advisory committee that formed to meet and make recommendations to the Secretary of the Interior regarding research and monitoring programs in the Grand Canyon, as well as experimental modifications to dam operations to benefit the various resources of the River. The Grand Canyon Trust did not like what the Secretary had done and did not like our recommendation as a group to the Secretary

so they went outside to file a lawsuit to challenge the recommendation that was made. The lawsuit attempts to circumvent the AMWG process.

Commissioner Batjer commented that in the write up it is mentioned that the plaintiff claims that the BOR violated the National Environmental Protection Act (NEPA) when it allegedly failed in undergo a NEPA process on the Annual Operating Plans for Glen Canyon Dam. Does the BOR do an annual operating plan?

Jennifer Crandell responded yes, the Commission has been an integral part of the Annual Operating Plan process with the BOR. The plaintiff is seeking to impose a duplicative environmental review that would be impossible to achieve.

George Caan stated that the action we are asking the Commission to approve today gives the Commission the authority to intervene; second, we are hopeful that we can intervene with all the Seven Basin States. This action gives us the right to intervene even if we have to do it solely for Nevada. We are hopeful that other states will join because their interests are no different from ours.

Commissioner Anderson moved for approval. The motion was seconded by Commissioner Tarkanian and Commissioner Robison and was approved by a unanimous vote of those present.

E. Presentation of the Colorado River Commission Power Delivery Group's Annual Safety Report.

Mr. Robert Reese, Assistant Director for Engineering and Operations, presented the Power Delivery Group's Annual Safety Report, which included an overview of the facilities, safety certifications and awards, details of an unscheduled outage that occurred on March 29, 2008 due to a mylar balloon, and the group's preventative maintenance activities. A copy of the report is attached and made a part of the minutes. (See Attachment A.)

F. 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 Resource 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
- Arkansas, Colorado, and Rio Grande Basin Mountain Snowpack
- Spring and Summer Streamflow Forecasts
- Lake Mead Elevations

- 2007 Lower Basin & Mexico Consumptive Use
- Water Use in Southern Nevada

Ms. Everett provided a report on the following:

- U. S. Seasonal Drought Outlook
- Temperature Averages
- Precipitation Averages
- Precipitation Outlook

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

G. 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. There were none.

H. Comments and questions from the Commission members.

Chairman Bingham asked if there any questions or comments from the Commissioners. There were none.

I. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for Tuesday, May 13, 2008, at 10:00 a.m. at the Grant Sawyer State Building, Suite 4412.

J. Adjournment.

The meeting adjourned at 11:08 a.m.

George M. Caan, Executive Director

APPROVED:

Jay D. Bingham, Chairman