

The meeting was held at 1:04 p.m. on Tuesday, December 11, 2012, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4412, Las Vegas, Nevada.

**COMMISSIONERS IN ATTENDANCE**

Chairman	George F. Ogilvie III
Vice Chairwoman	Marybel Batjer
Commissioner	Bob Coffin
Commissioner	Tom Collins
Commissioner	J. Brin Gibson
Commissioner	Duncan R. McCoy

**COMMISSIONERS NOT IN ATTENDANCE**

Commissioner	Berlyn D. Miller
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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	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
Manager, Natural Resources Group	McClain L. Peterson
Natural Resource Analyst	Jason Thiriot
Senior Energy Accountant	Gail L. Benton
Energy Accountant	Kalora E. Snyder
Office Manager	Judy K. Atwood
Administrative Assistant III	Carol L. Perone
Administrative Assistant II	Gina L. Goodman

**OTHERS PRESENT; REPRESENTING**

Consultant	Sara A. Price, Esq.
Piercy, Bowler, Taylor, and Kern	Richard Bowler
Southern Nevada Water Authority	Scott Krantz

**COLORADO RIVER COMMISSION  
OF NEVADA  
MEETING OF DECEMBER 11, 2012**

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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 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 will be taken.)**

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

**C. *For Possible Action:* Approval of minutes of the November 13, 2012 meeting.**

Commissioner McCoy moved for approval of the minutes. The motion was seconded by Vice Chairwoman Batjer and approved by a unanimous vote. Commissioner Collins was not present for the vote.

**D. *For Possible Action:* Consideration of and possible action to ratify the Colorado River Commission of Nevada's (Commission's) petition for leave to intervene in the Federal Energy Regulatory Commission (FERC) Docket No. ER13-255-000 concerning Nevada Power Company d/b/a NVEnergy Notice of Transmission Rate Changes.**

Gail A. Bates, Manager of Energy Services, provided information regarding the Commission's petition for leave to intervene in the FERC Docket No. ER13-255-000 concerning Nevada Power Company d/b/a NVEnergy Notice of Transmission Rate Changes.

In October, NVEnergy made a filing with FERC to increase the transmission rates and most of the ancillary service rates in its Open Access Transmission Tariff (OATT). Several of the Commission's customers are OATT customers and the Commission is a party to various transmission and ancillary service agreements under the OATT. In November, the Commission filed a petition for leave to intervene to preserve our right to participate in the proceedings, if necessary. Staff was unable to bring this matter before the Commission for approval prior to the intervention deadline of November 21, 2012. Therefore, Staff requests that the Commission ratify its intervention in the docket.

Chairman Ogilvie asked if the intervention by the Commission allows the Commission the opportunity to join in the discussion if needed, is that correct?

Ann Pongracz, Senior Deputy Attorney General, stated that is correct. In addition it gives the Commission access to data that is submitted by NVEnergy.

Chairman Ogilvie stated if the Commission had not intervened, we would be unable to have access to those documents and would not have a voice.

Ms. Pongracz stated that is correct; and in addition, the Commission is hoping to support Southern Nevada Water Authority's (SNWA's) involvement in the case through analysis that the Commission can provide to SNWA that they may take forward in the case. The Commission would not have been able to provide that assistance if the petition had not been filed.

**Commissioner McCoy moved for approval. The motion was seconded by Commissioner Gibson and approved by a unanimous vote. Commissioner Collins was not present for the vote.**

**E. *For Possible Action:* Consideration of and possible action to approve an Interlocal Agreement Between the Silver State Energy Association (SSEA) and the Commission for administrative services.**

Gail A. Bates, Manager of Energy Services, provided information regarding the Interlocal Agreement Between the SSEA and the Commission for administrative services.

This item and the next two items that follow all pertain to the Commission's efforts in support of the SSEA. In 2007, the Commission, along with several of its customers, entered into a cooperative agreement to form the SSEA. The members of the SSEA include the Commission, the SNWA, the City of Boulder City, Overton Power District No. 5, and Lincoln County Power District No. 1. The SSEA was formed for the purpose of jointly planning, developing, owning, and operating energy resources. In 2013, the Commission will begin to transition out of its role as energy provider for most of the electrical loads of the SNWA, and the SSEA will assume responsibility for serving those loads.

The SSEA is currently staffed by employees of the Commission and the SNWA in accordance with the SSEA Cooperative Agreement. Because the scope of the SSEA's business has been relatively small and because the Cooperative Agreement contains provisions for borrowed labor, the Commission and SSEA have not had any kind of formal agreement in place for the provision of administrative services to the SSEA. With the transition of the SNWA's loads, a significant part of the Commission's infrastructure including personnel, equipment, and supplies, will be needed by the SSEA. The Interlocal Agreement before you today formalizes the use of that infrastructure, and how it will be paid for. The SSEA Board of Directors approved the agreement at its December board meeting.

**Vice Chairwoman Batjer moved for approval. The motion was seconded by Commissioner McCoy and approved by a unanimous vote. Commissioner Collins was not present for the vote.**

**F. *For Possible Action:* Consideration of and possible action to approve the Second Amended and Restated Electric Power Supply Agreement Between the Southern Nevada Water Authority and the Commission.**

Gail A. Bates, Manager of Energy Services, provided information on the Second Amended and Restated Electric Power Supply Agreement Between the SNWA and the Commission.

Since 1998, the Commission and SNWA have worked cooperatively to establish an energy program to meet the needs of the SNWA and its member agencies for their water pumping and wastewater needs. The Electric Power Supply Agreement between the Commission and SNWA is the contractual vehicle that has been operated under since 1998. It has been amended several times as business needs have changed throughout the years. The Parties now wish to modify the current agreement to allow the SSEA to become the energy provider for most of the SNWA's electrical loads. Among other modifications, the proposed Second Amended and Restated Electric Power Supply Agreement allows the SNWA, with Commission's concurrence, to select the electrical loads for which it wishes the Commission to provide energy. The agreement is amended to make it more flexible to allow for opting into or out of the SNWA's various loads so that it can adapt to changing business needs. When the Second Amended and Restated Electric Power Supply Agreement becomes effective, it is intended that the Commission will provide energy to the loads of the SNWA and its member agencies that are located within the electric transmission and distribution system of NVEnergy (collectively, the Network Loads). The remaining SNWA loads will be served by the SSEA.

**Commissioner Coffin moved for approval. The motion was seconded by Commissioner Gibson and approved by a unanimous vote. Commissioner Collins was not present for the vote.**

**G. *For Possible Action:* Consideration of and possible action to approve the Transmission Service Agreement Among the Southern Nevada Water Authority, the Silver State Energy Association, and the Commission.**

Gail A. Bates, Manager of Energy Services, provided information about the Transmission Service Agreement Among the SNWA, the SSEA, and the Commission.

The Commission and SNWA are parties to the Amended and Restated Electrical Power Facilities Development Agreement between the Commission and SNWA dated July 16, 1998. Pursuant to that agreement, the Commission owns, maintains, and operates certain electrical facilities that are used by the Commission to deliver energy to the SNWA for its consumption. In 2013, the Commission will transition out of its role as energy supplier for the electrical loads of the SNWA that are served from those facilities and the SSEA will become the energy provider for those loads. In order to fulfill its role as energy provider, the SSEA will need to utilize the electrical facilities that are the subject of the Amended and Restated Electrical Power Facilities Development Agreement for the express purpose of delivering energy to the SNWA. The proposed Transmission Service Agreement gives the SSEA the right to use those facilities. Nothing in this Transmission Service Agreement affects the Commission's ownership of the facilities or its operation and maintenance responsibilities. It merely gives the SSEA, as the energy provider, the right to deliver energy over the facilities. The SSEA Board of Directors approved the agreement at its December board meeting.

**Vice Chairwoman Batjer moved for approval. The motion was seconded by Commissioner McCoy and approved by a unanimous vote. Commissioner Collins was not present for the vote.**

**H. For Information Only: Presentation of the Commission's Annual Financial Report for the Fiscal Year ended June 30, 2012.**

Richard Bowler, the Commission's external auditor, reported that the audit of the financial statement of the Commission for the year ended June 30, 2012, is complete. The audit did not produce any comments or findings that need to be reported to the Commission. Mr. Bowler said that he would be happy to answer any questions.

Chairman Ogilvie asked if there were any other comments or questions from the Commissioners.

Commissioner McCoy congratulated the Commission for a great job on the audit.

Commissioner Coffin asked if the agency is exempted from the States single audit performed on all State agencies.

Mr. Bowler stated that the agency does not receive any federal grant funds, so the Commission is not required to participate in the single audit.

Commissioner Coffin asked how long Piercy, Bowler, Taylor and Kern have been the external auditors for the Commission.

Mr. Bowler stated that Piercy, Bowler, Taylor and Kern, has been contracted with the Commission for a long time.

Commissioner Coffin stated that since Mr. Bowler has been involved with the Commission's audit he would know and the Commission is in good hands. The opinion is remarkable and is darn good.

Chairman Ogilvie stated that he would echo Commissioner McCoy and Commissioner Coffin's comments. Chairman Ogilvie also thanked Mr. Bowler and congratulated the Commission for all their work on the audit.

**I. 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.**

Craig N. Pyper, Hydropower Program Manager, provided a status update on the Commission's efforts to implement the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress.

The Commission is still ongoing in its efforts to spread the word of the possibility of additional Hoover power coming to Nevada applicants. Since the last Commission meeting, Staff attended Western Area Power Administration's (Western's) Public Information Forums.

On December 10, 2012 the Commission had a meeting with Nevada entities to explain the Federal Register Notice regarding Western's proposed criteria. There was a large turnout, however not as many participants as the Commission would like. Staff continues efforts to distribute information and await any feedback from Nevada entities.

Staff is internally looking at how the proposed criteria will affect entities in the State of Nevada and is developing the Commission's comments. Once the comments are submitted to Western, Staff will bring them to the Commission, per a previous Commission meeting request.

Western is holding a series of Public Comment Forums next week to allow people to comment publicly to Western. The Commission will have representatives at each of the three meetings to monitor comments made by other states about the process. Staff will finalize written comments more specific to the Commission's concerns that are due January 11, 2013.

Staff is looking at the Commission's processes. Ms. Harkins has met with several State representatives to discuss possible legislation amending the statutes; as well as a lot of other efforts in all aspects of possible agreements that will need to be signed; and Staff is still looking at the ramifications of what new customers could be.

Chairman Ogilvie asked what Mr. Pyper's thoughts are on the less than anticipated interest or response for Nevada applicants?

Mr. Pyper stated that in some cases the entities are paying attention but are not attending the various meetings. It is unknown as to why there is not more of a response.

Vice Chairwoman Batjer asked what questions are being asked at the forums, or when Staff has been able to meet with some of the interested people.

Mr. Pyper stated that most questions are procedural on Western's processes. It is not the type of hearing process which the attendees thought it would be. Entities thought participants would need to present their case on a one-on-one basis to Western. It is a lot simpler than that, but at the same time this is something that will last fifty years and should be taken seriously. This process is Western's regular business operating mode. Staff participates in meetings annually when Western sets its rates on the three different projects and the work plans. There is an interactive relationship where Western has a formal presentation and agencies have a chance to review proposals and issue comments.

Vice Chairwoman Batjer asked once a decision is made what happens next.

Mr. Pyper stated that the Western process is based on priorities. Each applicant will be rated based on the priority system. Western will use that ranking system since Hoover is a finite resource. If three applicants apply to the first group and there are left over resources, it will be shared with the next priority group and so on until the resource is used. We are not anticipating that there will only be three in the first group; we are anticipating that there will be quite a few. The Commission is presenting to Western that their current priority system is not quite fair. Certain items in the statute identify section 5 entities that are not being treated equally in the Western priority process.

**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.**

McClain L. Peterson, Manager of the Natural Resources Group, provided a report on the following:

- Unregulated Inflow into Lake Powell
- Storage Conditions
- Precipitation – Colorado River Basin
- Colorado River Basin above Lake Powell 1 Snotel Group
- Lake Mead End of Month Elevation Projections
- GIS Snow Condition Comparison from December 2011 to December 2012
- Precipitation Summary for October 2012
- Monthly Precipitation for November 2012
- U.S. Drought Monitor
- U.S. Seasonal Drought Outlook
- Water Use in Southern Nevada
- Nevada's Consumptive Use of the Colorado River Water (2011 and 2012)
- November 2012 High Flow Experiment presentation

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

Ms. Harkins stated that Wednesday, December 12, 2012, the U.S. Bureau of Reclamation and the Basin States will be releasing to the public the Colorado River Basin Study that has been ongoing the last several years. The study evaluated scenarios related to water supply and demand in the Basin. The long-term projected average imbalance derived from the water demand and water supply projections is about 3.2 million acre-feet annually by 2060.

There are no decisions made in this document; however it does open up the dialog of what is the strategy for augmenting the system, doing additional conservation in the Basin, and how the Basin States will deal with this shortfall. There will be some press releases out of the Colorado River Water Users Association. When Staff gets availability to the Executive Summary, copies will be provided to the Commission. If there is interest in reading the whole report, Staff will ensure that it is provided.

**K. 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 will 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, February 12, 2013, at the Clark County Government Center, in the Commission Chambers, Las Vegas, Nevada.

**N. Adjournment.**

The meeting adjourned at 1:43 p.m.

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Jayne Harkins, P.E., Executive Director

APPROVED:

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George F. Ogilvie III, Chairman