

The meeting was held at 1:00 p.m. on Tuesday, September 8, 2015, at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 4401, Las Vegas, Nevada.

COMMISSIONERS IN ATTENDANCE

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

DEPUTY ATTORNEYS GENERAL

Special Counsel, Attorney General	Jennifer T. Crandell
Special Counsel, Attorney General	Ann C. Pongracz

COMMISSION STAFF IN ATTENDANCE

Executive Director	Jayne Harkins, P.E.
Chief of Finance and Administration	Douglas N. Beatty
Assistant Director of Energy Information Systems	Joseph Dabrowski
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
Natural Resource Analyst	Warren Turkett
Senior Accountant	Gail L. Benton
Senior Energy Accountant	Richard M. Sanders
Senior Energy Accountant	Kalora E. Snyder
Systems Coordinator	Kaleb Hall
Office Manager	Judy K. Atwood
Administrative Assistant III	Carol L. Perone
Administrative Assistant II	Abigail O. Price
Administrative Assistant II	Angela Sarno
Administrative Assistant II	Rebecca Suafoa

OTHERS PRESENT; REPRESENTING

City of Henderson	David Cherry
City of Henderson	Suzette Wheeler
City of Las Vegas	David Mendenhall
City of Las Vegas	Tom Perrigo
City of Las Vegas	Steve Ross

OTHERS PRESENT; REPRESENTING (Continued)

City of Las Vegas
Clark County Water Reclamation District
Consultant
Fairchild Consulting Company
Olin Chlor Alkali
Overton Power District No. 5
Public Utilities Commission
Self
Self
Self
Self
Southern Nevada Water Authority
University of Nevada Las Vegas
University of Nevada Las Vegas
University of Nevada Las Vegas
Valley Electric Association

Marco Velotta
Mark Binney
Sara A. Price, Esq.
Sandra Fairchild
Lloyd Webb
Terry Romero
Jennifer Diffley
Alice Fessenden
J. Brin Gibson, Esq.
Bryce Thiriot
Crystal Thiriot
Jordan Bunker
Don Land
Brett Phillips
Matthew Whinery
Chris Brooks

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF SEPTEMBER 8, 2015**

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OF NEVADA
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The Colorado River Commission meeting was called to order by Chairman Ogilvie at 1:06 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 or questions from the public. There were none.

Chairman Ogilvie stated that Agenda Item H is a public hearing; and meeting attendees were informed that the general public would have the opportunity to speak regarding Agenda Item H during the public hearing, and requested that the public reserve the comments until that time.

Chairman Ogilvie welcomed the new gubernatorial appointee Cody T. Winterton, Esq. and the new Southern Nevada Water Authority (SNWA) appointee Councilman Sam Bateman, Esq. as new Commissioners to the Colorado River Commission of Nevada (Commission); and stated that he hopes that both Commissioners will find their time on the Commission rewarding and will stay with the Commission a long time.

Commissioner Bateman and Commissioner Winterton thanked the Chairman for the warm welcome.

C. *For Possible Action:* Approval of minutes of the June 9, 2015 meeting.

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

D. *For Possible Action:* Selection of Vice Chairman.

Commissioner Kelley made a motion to select Commissioner Premsrirut as Vice Chairwoman. The motion was seconded by Commissioner Sisolak and approved by a unanimous vote.

E. *For Possible Action:* Consideration of and possible action to adopt Colorado River Commission of Nevada Resolution 2015-1, commending J. Brin Gibson for his service to the Colorado River Commission of Nevada (Commission).

Ms. Harkins read into the record Colorado River Commission of Nevada Resolution 2015-1 commending J. Brin Gibson for his service to the Commission.

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

Chairman Ogilvie expressed his appreciation to Mr. Gibson for being engaged, thoughtful, and bringing a highly intellectual approach to addressing each topic, and commended him for being a true civil servant.

Mr. Gibson thanked the Chairman and the members of Commission for the honor of serving on the Commission and of serving the State of Nevada. The Commission does important work and he appreciates the integrity and thoroughness of the Staff and the Commission.

Commissioner Sisolak moved for approval to adopt Colorado River Commission of Nevada Resolution 2015-1. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

F. *For Possible Action:* Consideration of and possible action to adopt Colorado River Commission of Nevada Resolution 2015-2, commending Jason L. Thiriot for his service to the Commission.

Chairman Ogilvie welcomed Crystal Thiriot and family: Jaden, Carter, Wade, Bonnie and Brooke. Chairman Ogilvie stated that the Commission wanted to take a moment to express to the family the Commission's deep appreciation of Jason Thiriot and the Commission's sympathies for the loss of Mr. Thiriot. Mr. Thiriot was an integral part of the Commission and was well loved by everyone, not only within the Commission but in agencies and states up and down the Colorado River. Mr. Thiriot was a terrific individual and his service to the State of Nevada was above reproach, and always foremost in his mind after his family. The Commission was lucky to be associated with Mr. Thiriot and we express our appreciation and deepest sympathies.

The Chairman presented the family with a framed letter from Governor Sandoval expressing appreciation to the family and a note from the Secretary of Interior, Sally Jewell, recognizing Mr. Thiriot's work on the Colorado River.

Ms. Thiriot stated that it is rare for a wife to express that their husband loved their job, but Jason truly loved his job. Jason loved the Colorado River and loved working with all of his colleagues up and down the river. For a wife to be able to see a husband that came home every day and said how much they loved the work that was being done, with a smile on his face, was just a delight. Ms. Thiriot thanked the Commission for all the love and support the Commission has offered during this difficult time.

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

Commissioner Kelley moved for approval to adopt Colorado River Commission of Nevada Resolution 2015-2. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

G. *For Possible Action:* Consideration of and possible action to determine the contract term for the allocation of Nevada's share of Hoover Schedule D electric power.

Ms. Harkins said that Staff is recommending the Commission apply a term of 50 years to the contracts which the Commission will execute with the new allottees who receive Commission allocations of Hoover Schedule D power. Staff's recommendation is based on the fact that the 50-year contract term will give the new Schedule D contractors the opportunity as current Hoover contractors to receive the benefit of Hoover Power over the time period during which the new allottees will recover the payments that will be required for repayable advances. As the new allottees come in, they reimburse other contractors who have made capital improvements in the dam, for their proportional share. The estimation of that share is about \$75,000 per 1,000 kilowatts of allocation. They have five years to pay that off.

A shorter contract term may leave the Commission at risk if there are no applications. If, for example, water levels are low and no one wants to accept this allocation because the costs are too high, the Commission could be left at risk. There are no up-front fees, but there is the cost, time and effort to apply. People need to be allowed enough time to recover their costs. Administering the various terms will cost the Commission more and will take more time and effort to do reallocations and go through additional reallocation processes. More time will be required to administer those contracts.

It could also increase financial risk to the Commission since we have bond payments that need to be made through 2043, and while we required that each of the Commission's contractors pay their proportional share of those bond payments, we need to assure the revenue for those bond payments.

Chairman Ogilvie expressed his appreciation on behalf of the Commission to Craig Pyper, for all the hard work that he and his team has done on the proposal. He stated that he knows the huge undertaking that this was, and that it is critical to many municipalities and agencies and private entities and tribes. He found the work that Mr. Pyper's team did to be highly analytical and very fair.

Mr. Pyper said thank you.

Chairman Ogilvie asked for comments from the public and potential allottees on the contract term to be applied to the allocations which the Commission will consider under Items H and I. There were no responses.

Chairman Ogilvie next asked if there were any comments or questions from the Commission.

Commissioner McCoy stated that his question was regarding the applicant that is a private corporation. In the event that Olin was absorbed by another company, would that other company get Olin's allocation, or would this power be reallocated?

Special Counsel Ann Pongracz responded that, under the rules of the Commission, the

Commission has the legal authority to require that any applicant seeking to re-assign its allocation must obtain Commission approval to do so. Ms. Pongracz stated further that this requirement applies to all Commission contractors.

Commissioner Bateman asked Ms. Harkins whether Western Area Power Administration's (Western) Hoover contracts include a 50-year term.

Ms. Harkins responded that this is correct. Under the Hoover Power Allocation Act of 2011, the Commission's contract from Western will be for 50 years, as will the contracts of new allottees who receive allocations from Western. The Commission's Schedule A and B contractors also will receive contracts with a term of 50 years. However, the statute and contract requirements which provide a 50-year term for Hoover contracts, do not apply to the contracts with the new allottees approved by the Commission. So, the Commission may approve a different term for these contractors who will receive allocations of the 11,510 kilowatts.

Commissioner Bateman asked whether there was a minimum range Staff would recommend if the Commission decided to apply a term of less than 50 years to these contracts.

Ms. Harkins stated that, if the Commission approved a term of less than 50 years, Staff would recommend a term of 20 years, to allow time for these contractors to receive a benefit from Hoover during high and low lake elevations.

Vice Chairwoman Premsrirut asked Ms. Harkins to discuss the issue of financial risk.

Ms. Harkins explained that there are two financial risks. The Commission needs contractors to pay the costs of all the Hoover power allocated to the state of Nevada. If lake levels are low, it may not be possible to find contractors willing to pay these costs, if the term of the contract is too short to allow contractors enough time to recover their costs, including the costs of repayable advances. If the Commission cannot find contractors, the State of Nevada's Hoover power could go back to Western. The second risk involves our 30-year bonds that mature in 2043. The Commission's contracts and regulations require that, in the event of a contract termination, the future recipient of the terminated portion of Hoover power pay their proportional share of the bond costs out through 2043, but there is still a slight risk. When you have a contract term that ends in the middle of the bond payment, we have to make sure that what we put in there is enough for the bond holders that they won't consider this a material change.

Commissioner Sisolak asked whether bonds have already been sold for this, and whether the revenue streams that we are identifying now will cover those payments.

Ms. Harkins stated that the Commission has contracts with current Hoover contractors under which these contractors have agreed to pay the full costs of these bonds, and the contractors saved \$28 million over the 30-year bonds. We have put into our regulations that new customers will pay their proportional share of bond costs.

Commissioner Sisolak asked who bond counsel on this is, and whether they were present.

Ms. Pongracz answered that John Swendseid is bond counsel on this, and that he was not present. She stated that Mr. Swendseid did advise the Commission on the entire transaction for refinancing the Hoover Dam Visitor Center and Air Slot debt. Ms. Pongracz summarized the Commission's bond repayment contracts with its contractors.

Commissioner Sisolak stated that he wished Mr. Swendseid was present because he does not know how we can require an unknown entity, who might acquire a private business here, to assume this liability.

Ms. Pongracz explained that the Commission made a commitment in the bond repayment contracts, to ensure that its contracts with new contractors, who were not known at that point in time, would include a provision requiring the new contractor to pay their proportional share of the bond costs.

Commissioner Sisolak stated that he does not have a problem with any of the governmental or quasi-governmental entities. He thinks the private sector entity presents a different story.

Chairman Ogilvie asked why.

Commissioner Sisolak responded, because other customers would have to absorb that.

Ms. Harkins explained that the Commission will have the authority to re-allocate such power to another customer, and that new customer would have to accept that liability in order to receive the Hoover power.

Commissioner Sisolak said that he understood that, but would the covenants of the bond allow that flexibility to substitute payees in the middle?

Ms. Pongracz stated that the bond holders know that the Commission is responsible for repayments, and Commission reallocation of Hoover power is not inconsistent with the bond covenants. Ms. Pongracz also pointed out that, unlike other federal hydropower projects, Hoover Dam has had a contractor that is a private corporation, Southern California Edison, since before the dam was built.

Commissioner Sisolak asked the term of the bond.

Ms. Harkins stated the term was through 2043, or 28 more years.

Ms. Pongracz offered to provide a briefing on bond repayment contracts at a future Commission meeting.

Commissioner Sisolak said okay.

Ms. Harkins stated that the Commission currently has a number of other private entities as customers, including NV Energy, and a number of other customers at the Henderson Basic Industrial Complex.

Commissioner Kelley confirmed with Ms. Harkins that the term of the federal Hoover contracts is 50 years, and they discussed other possible terms, including 25 years. Commissioner Kelley stated that 50 years seems like a very long time for a contract today.

Chairman Ogilvie stated that Staff also discussed a possible 50-year term.

Chairman Ogilvie asked for her questions or comments.

Vice Chairwoman Preamsritut stated that she is concerned about possible changes in economic circumstances over 50 years.

Vice Chairwoman Preamsritut made a motion for the Commission to consider a 20-year term.

Chairman Ogilvie asked counsel whether approval of a 20-year term creates an issue with the bonding that we entered into 20 years ago.

Ms. Pongracz stated that is correct. However, in view of the fact that there is a 28-year remaining term on the bonds, she recommended that the Commission also consider a 30-year term.

Commissioner Kelley asked whether there was time to obtain advice of bond counsel.

Ms. Harkins said yes.

Commissioner Sisolak discussed the possibility of a 30-year term.

Ms. Pongracz re-iterated her opinion that the Commission has complete authority to ensure that a subsequent allottee will assume the obligations, and that is the mechanism that was approved in the bond repayment contracts.

Chairman Ogilvie stated that it would be best to get Mr. Swendseid's opinion.

Commissioner Sisolak withdrew his second.

Vice Chairwoman Preamsritut offered to table the motion or withdraw it.

A court reporter transcript of Agenda Item G is attached and made a part of the minutes. (Attachment C, pages 3 through 21)

Commissioner Kelley moved for approval to table the determination of the contract term to be applied in contracts approved for allocations of Hoover Schedule D electric power that will be approved by the Commission. The motion was seconded by Commissioner McCoy and approved by a unanimous vote.

H. For Possible Action: Public Hearing for the Allocation of Nevada's share of Hoover Schedule D electric power.

Ms. Harkins stated that Item H is the public hearing on the Draft Order for the allocation of Nevada's share of Hoover Schedule D electric power, and noted that the Draft Order was published in accordance with the Commission's revised regulations which provide 20 days for review of the Draft Order.

The allocations proposed in the Draft Order are:

- University of Nevada, Las Vegas (UNLV), 3,000 kilowatts
- Las Vegas Valley Water District (LVVWD), 2,510 kilowatts
- Pioneer Americas, LLC, doing business as Olin Chlor Alkali Products (Olin), 2,000 kilowatts
- Clark County Water Reclamation District (CCWRD), 1,000 kilowatts
- City of Mesquite (Mesquite), 1,000 kilowatts
- City of North Las Vegas (North Las Vegas), 1,000 kilowatts
- City of Henderson (Henderson), 1,000 kilowatts

for a total of the 11,510 kilowatts available to the Commission for allocation.

Ms. Harkins stated that the Commission received two letters in the past week, one from the Clark County Water Reclamation District and one from the City of Las Vegas, which have been made available to the Commissioners.

Copies of these letters are attached and made a part of the minutes. (Attachments D and E)

Chairman Ogilvie opened the public hearing under Agenda Item H for the proposed allocation of Nevada's share of Hoover Schedule D hydropower. He invited the public to address the Commission. The following speakers provided statements to the Commission:

- Councilman Steve Ross, Mayor Pro Tem of the City of Las Vegas
- Lloyd Webb, Director of Energy Procurement for Olin Chlor Alkali

A copy of the statement from the City of Las Vegas is attached (Attachment F), and made a part of the minutes.

A copy of the statement from Olin is attached (Attachment G), and made part of the minutes.

A court reporter transcript of Agenda Item H is attached and made a part of the minutes. (Attachment C, pages 21 through 29)

Chairman Ogilvie asked if there were any further statements from the public. There were none. The Chairman closed the public hearing.

I. *For Possible Action:* Consideration of and possible action to adopt allocations set forth in the Draft Order establishing allocations of power for Nevada’s share of Post-2017 Hoover Schedule D electric power.

Ms. Harkins stated this item, following the public hearing under Agenda Item H, is for the possible adoption of allocations set forth in the Draft Order which established allocations of power for Nevada's share of Post-2017 Hoover Schedule D electric power. The Commission will have the opportunity to deliberate and possibly adopt, modify or defer action on the allocation of Nevada's share of Post-2017 Hoover D electric power.

Chairman Ogilvie clarified that there are two criteria the Commission must abide by—it can adopt, in total, the proposed Order or it can modify the proposed Order, as it deems appropriate, provided that there is a minimum 1,000-kilowatt allocation to any single allottee.

Ms. Harkins stated that is correct. There must be a one-megawatt minimum as long as the total allocation equals 11,510 kilowatts.

Commissioner Sisolak stated that he appreciated the presence of Councilman Ross, but questioned whether the City of Las Vegas was asking for the same thing as the Academica group that appeared in a recent Commission meeting.

Ms. Harkins clarified that Academica Nevada was seeking an exemption from the Commission’s eligibility criteria because they did not meet the criteria that were met by other applicants including the City of Las Vegas.

Commissioner Sisolak asked if there was a thought process or a scoring matrix that everybody involved in the process knew about.

Ms. Harkins stated that Staff’s thought process was set forth in the Draft Order issued in March. That Order did not include the Clark County Reclamation District (CCWRD) or the City of Las Vegas, and did include the Nye county entities. Since that time, changes have been recommended. Valley Electric Association (Valley) expressed strong opposition to the Nye County entities’ allocation. Staff had extensive discussions with Valley regarding the burden to Valley, and to Staff, of administering the power delivery to 108 accounts. Both CCWRD and the Las Vegas presented a good rationale for receiving the power that could not be used in Nye County due to the issues identified by Valley.

Commissioner Sisolak asked whether we wanted to start changing it around. He stated that he knows this is a public hearing, and all applicants could have been here.

Commissioner Kelley stated that we are not taking it from anybody because it has not been allocated yet. Is this correct?

Ms. Harkins stated yes.

Commissioner Sisolak agreed, but stated they may think we are taking it.

Commissioner Kelley stated that none of the applicants are bad applicants, and questioned whether there should be a re-apportionment of a portion of the UNLV's proposed allotment, stating she has sympathy for the City of Las Vegas.

Commissioner Bateman questioned whether Staff considered the allocations from Western in making their recommendation.

Ms. Harkins said yes, and said Staff also considered applicants' allocations of hydropower from other projects.

Commissioner McCoy questioned whether UNLV, as a large organization, needs this power as badly as some of the smaller applicants and the municipalities. He also appreciated the hard work done by Staff.

Chairman Ogilvie noted that the primary reason UNLV was granted a 3,000 kilowatt allocation, was that the Governor's main priorities were education and economic development. He noted the appearance at the Commission's prior meeting of Mr. Minwegen from Clark County Reclamation District, stating that he'd asked Staff to meet with Mr. Minwegen. He thanked Staff for doing so.

Chairman Ogilvie stated that Councilman Ross made a very compelling argument in favor of an allocation to the City of Las Vegas. He said that he saw some fairness in awarding some allocation to more rather than less allottees, and looked to the largest proposed allottees, UNLV and LVVWD.

Vice Chairwoman Prensirut questioned whether it would be possible to consider fractionalizing the percentage of the megawatt to allow more allotments. Commissioner Sisolak agreed, and questioned the source of the 1 megawatt minimum requirement.

Ms. Harkins responded that the 1 megawatt minimum requirement is in state statute, noting that the biggest proponent of that requirement was NV Energy. She pointed out that, in view of the 1 megawatt minimum, there are only three applicants whose allocations could be reduced to provide an allocation for an additional applicant, i.e. UNLV, LVVWD and Olin.

Commissioner Sisolak questioned whether these applicants' allocations could be reduced at this meeting and expressed concern that the entities were not present.

Ms. Harkins noted that representatives from UNLV and LVVWD are present at the meeting.

Commissioner Kelley moved to allocate 1,000 kilowatts to the City of Las Vegas, reallocating 750 kilowatts from UNLV and 250 kilowatts from Olin.

Ms. Harkins clarified that 1,250 kilowatts would then go to UNLV, and 1,750 kilowatts would go to Olin. Is this correct?

Commissioner Kelley said yes.

Jennifer Crandell, Special Counsel, Attorney General, clarified that the motion would be to adopt the Draft Order with the following modifications.

Mr. Pyper additionally clarified that it would be necessary to ensure that the motion addressed the capacity with the associated energy.

Commissioner Sisolak asked for a point of legal clarification regarding whether the terms of the Draft Order could be changed without reposting it.

Ms. Harkins quoted the hearing notice which stated that “The purpose of the hearing is for the Commission to consider and take possible action to approve or reject, in whole or in part, the proposed revised Draft Order.”

Commissioner Sisolak asked for Ms. Harkins’ reference to the notice.

Ms. Harkins provided the page and tab number.

Commissioner Sisolak stated that he does not have a problem with the motion, but questioned whether it was worded in a way so that the people that would be affected would know that their allocations could be adjusted as opposed to just eliminated.

Chairman Ogilvie asked for the advice of counsel.

Ms. Pongracz answered that yes, the hearing notice stated that the Draft Order could be adopted or rejected in whole or in part, making clear that there was no defect in notice. She also noted that all three of the applicants whose allocations could be reduced are present in the room for the hearing.

Ms. Harkins noted that Staff maintains a mailing list for all interested entities, and they all received a copy of this.

Commissioner Bateman asked if it is correct that the motion is 750 kilowatts from UNLV and 250 kilowatts from Olin.

Ms. Harkins confirmed that is correct, stating UNLV would receive 2,250 kilowatts; LVVWD, 2,510; Pioneer, 1,750; and then 1,000 kilowatts each to CCWRD, City of Mesquite, City of North Las Vegas, City of Henderson and City of Las Vegas.

Vice Chairwoman Premsrirut stated that she is in favor of including the City of Las Vegas in the allocations.

Commissioner Bateman seconded the motion.

Ms. Harkins stated that there may be some others who wish to make comments now if the Chairman wants to open it up again.

Chairman Ogilvie asked if there was anyone who would like to address the Commission.

Mr. Don Land, Facility Engineer, UNLV spoke about what they have been able to do at UNLV. In the past ten years, UNLV has reduced electrical consumption by 36 percent, reduced water consumption by 76 percent and reduced natural gas consumption by 76 percent, so they are very aware of sustainability. Mr. Land stated that UNLV appreciates the proposed allocation, and would like to be able to continue to receive the allocation.

Chairman Ogilvie asked for other comments. None were received. Chairman Ogilvie reclosed the public hearing.

Chairman Ogilvie stated that he is somewhat supportive of the motion, agreeing that greater participation is better. He is concerned about the significant reallocation of UNLV's proposed allocation. He proposed an amendment to the motion that included a reallocation of 500 kilowatts from UNLV, 250 kilowatts from LVVWD and 250 kilowatts from Olin.

Commissioner Kelley accepted the Chairman's amendment to her motion.

Commissioner Bateman seconded the amended motion.

In response to a request from counsel Pongracz, Ms. Harkins further clarified the motion, stating:

“The motion is for capacity and the revised associated energy, but the capacity being:

- **University of Nevada, Las Vegas, 2,500 kilowatts**
- **Las Vegas Valley Water District, 2,260 kilowatts**
- **Pioneer Americas doing business as Olin Chlor Alkali Products, 1,750 kilowatts**
- **Clark County Water Reclamation District, 1,000 kilowatts**
- **City of Mesquite, 1,000 kilowatts**
- **City of North Las Vegas, 1,000 kilowatts**
- **City of Henderson, 1,000 kilowatts**
- **City of Las Vegas, 1,000 kilowatts”**

Commissioner Kelley confirmed that this was her motion, and Commissioner Bateman confirmed that he seconded that motion.

Commissioner Sisolak stated that he can support the motion. He further stated his is strictly a legal interpretation that this notice of hearing that was given to him is back-up material for the agenda.

Ms. Pongracz stated that that was true, and it was also issued as a public notice.

Commissioner Sisolak said that he still questioned the notice.

Chairman Ogilvie asked if the public notice was issued twenty days in advance of the hearing.

Ms. Harkins said yes.

Chairman asked if the notice was issued along with the proposed order.

Ms. Pongracz stated that is correct.

Commissioner Sisolak stated that he does not want somebody to say later that this was not properly posted, and that they did not know. He stated that he is fine with this.

Commissioner Sisolak stated he was not comfortable that the posting gives us the flexibility to do what was just done. If others are comfortable that it does, he will support the motion. If someone wants to challenge it, it can be changed.

Ms. Pongracz stated that proper notice was given of this hearing, or this agenda meeting, and that the scope of the notice includes the action you are contemplating at this time.

The Chairman called for a vote on the amended motion, which passed unanimously.

The Chairman thanked Mr. Pyper, Ms. Harkins and Ms. Pongracz.

Ms. Harkins thanked the Chairman.

A court reporter transcript of Agenda Item I is attached and made a part of the minutes. (Attachment C, pages 29-53)

J. *For Information Only: Status update on Staff's implementation of the provisions in the Hoover Power Allocation Act of 2011 (H.R. 470) passed by Congress.*

Ms. Harkins provided a status update on Staff's implementation of the provisions in the Hoover Power Allocation Act of 2011 passed by Congress. Now that there is a decision by the Commission on the allocations, the final Order will be revised to be signed by the Chairman.

There is one more statutory step required in Commission statute NRS 538.181. Before any such sale or lease is made, an advertisement and notice must be placed in two papers in general circulation published in the State of Nevada at least once a week for two weeks. People can file objections. If we receive any objections, we will have to go into another hearing process. At that point it becomes a contested case hearing. We will not go through the details of that now.

Negotiations are ongoing with Western and the Bureau of Reclamation. Western markets Hoover power. The Bureau of Reclamation, of course, owns and operates Hoover Dam. There have been four days of meetings with the Colorado River Commission and the Arizona Power Authority. All of the tribes have been allocated power that will be contracting with Western and the California non-tribal entities. It is a big group of about 50 people. It is a little tough

negotiating with that big group.

There are a series of issues we are working on. We have been talking to our current contractors, about issues and what they would like to see in the contracts so that we are clear on how we are moving forward with the negotiations. The discussion has included current contractors, and will now include the new allottees.

We are looking to have another draft contract with Western and Reclamation in November for review. We hope to finalize those contracts in January, and then we will work on contracts with all of our allottees and contractors. We anticipate having that done in the next May/June time frame.

Chairman Ogilvie asked what the period is for objections to be received.

Ms. Harkins answered "The Commission shall require any person desiring to make objection to file the objection with the Commission within ten days after the date of the last publication of the notice." So the Commission will be kept informed. We will send out notices to our mailing list when this gets into the paper. There is not a definitive date at this time, but it is ten days after the last publication.

A court reporter's transcript of Agenda Item J is attached and made part of the minutes. (Attachment C, pages 53 through 56)

K. *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, 2014.*

Ms. Harkins stated each year the Commission submits its annual financial report to the Government Finance Officers Association (GFOA) for review and evaluation as part of the GFOA's achievement program. 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.

We are very pleased to inform you that the Commission's 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.

Chairman Ogilvie congratulated the accounting Staff on a job well done, and thanked them for all the hard work.

L. 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 August 31, 2015
- Storage Conditions as of August 31, 2015
- Reservoir Storage as of August 31, 2015
- Lake Powell End of Month Elevations based on August 2015, 24-month Study
- Lake Mead End of Month Elevation Projections based on August 2015, 24-month Study
- U.S. West Drought Monitor
- U.S. Seasonal Drought Outlook
- Precipitation – Colorado River Basin as of August 31, 2015
- Monthly Precipitation for August 2015
- Seasonal Precipitation, October 2014 – August 2015
- Monthly Precipitation, Las Vegas, NV as of January – August 2015
- Cumulative Precipitation, Las Vegas, NV as of January – August 2015
- Las Vegas Average Temperature
- Water Use in Southern Nevada as of January – July 2015

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

Chairman Ogilvie asked if the water year ends in 22 days.

Mr. Turkett answered yes sir.

Chairman Ogilvie commented so the precipitation slide shows the upper Colorado River Basin received 92% of the 30-year average.

Mr. Turkett answered that is correct. This slide comes from the weekly water supply report. Since September 7, 2015 was a holiday, the Bureau of Reclamation did not get the latest report out in time. The year is probably going to end with closer to 94%.

Chairman Ogilvie stated okay, what is the definition of drought? Because this water year does not seem like a drought water year.

Ms. Harkins stated it is not, it is very close to average. The problem is that over the past 15 years there have been a few good years, but most of the rest have been below average. When is the drought over? When we all feel a little more comfortable? When Lake Mead is a little higher. There is no particular drought definition.

Commissioner Sisolak asked how it is statistically possible that the most probable is more than the maximum probable.

Mr. Turkett stated that the maximum probable and the minimum probable are both based on percentiles of historical data that has been seen in the past. The maximum probable is a value that is exceeded only ten percent of the time in historical data, the minimum probable is the tenth percentile that is going to be exceeded ninety percent of the time. The area between the maximum probable and minimum probable based on historical data is the eighty percent chance that the most probable will fall within that range.

Commissioner Sisolak stated that he understands what is being said but statistically the terminology is incorrect, if it is maximum it cannot be exceeded.

Mr. Turkett stated that the maximum probable is the terminology utilized by the Bureau of Reclamation. The Bureau of Reclamation has the data based on historical data and percentiles. Technically the most maximum probable would be the one hundredth percentile, and it reflects the ninetieth percentile. This is to give a good range of where the measurements will fall.

M. 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 or questions from the public. There were none.

N. Comments and questions from the Commission members.

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

Chairman Ogilvie restated his welcome to Commissioner Bateman and Commissioner Winterton to the Commission, and thanked them for their time.

O. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:00 p.m. on Tuesday, October 13, 2015, at the Clark County Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

P. Adjournment.

The meeting adjourned at 2:49 p.m.

Jayne Harkins, P.E., Executive Director

APPROVED:

George F. Ogilvie III, Chairman