

The Colorado River Commission of Nevada (Commission) meeting was held at 1:30 p.m. on Tuesday, April 13, 2021 via video conference, pursuant to Emergency Directive 006, section 1.

COMMISSIONERS IN ATTENDANCE

Chairwoman	Puoy K. Premsrirut
Vice Chairwoman	Kara J. Kelley
Commissioner	Justin Jones
Commissioner	Allen J. Puliz
Commissioner	Dan H. Stewart
Commissioner	Cody T. Winterton

COMMISSIONERS NOT PRESENT

Commissioner	Marylin Kirkpatrick
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DEPUTY ATTORNEY GENERAL

Special Counsel, Attorney General	Christine Guerci
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COMMISSION STAFF IN ATTENDANCE

Executive Director	Eric Witkoski
Chief of Finance and Administration	Douglas N. Beatty
Assistant Director, Hydropower	Gail Bates
Assistant Director, Engineering and Operations	Robert Reese
Assistant Director, Energy Information Systems	Kaleb Hall
Hydropower Program Manager	Craig Pyper
Natural Resource Analyst	Warren Turkett, Ph.D
Office Manager	Gina L. Goodman
Administrative Assistant IV	Kathryn Aguilar
Administrative Assistant IV	Kira Bakke
Administrative Assistant II	Tamisha Randolph

OTHERS PRESENT; REPRESENTING

Lato, Petrova, & Pearson CPAs	Martha Ford
State of Nevada Purchasing Division	Heather Moon
March Counsel LLC	Craig Silverstein
Moss Adams	Keith Simovic
Southern Nevada Water Authority	Scott Krantz
Southern Nevada Water Authority	Jordan Bunker
Clark County Water Reclamation District	David Stoff

**COLORADO RIVER COMMISSION
OF NEVADA
MEETING OF APRIL 13, 2021**

INDEX

<u>Agenda Item</u>	<u>Subject</u>	<u>Page No.</u>
A.	Conformance to Open Meeting Law	1
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)	1
C.	<i>For Possible Action:</i> Approval of minutes of the February 9, 2021 meeting.	1
D.	<i>For Possible Action:</i> Consideration of and possible action to approve a two-year contract in the amount of \$120,000 between the Colorado River Commission of Nevada and Moss Adams for accounting and auditing services.....	1
E.	<i>For Possible Action:</i> Consideration of and possible action to approve a two-year contract in the amount of \$48,500 between the Colorado River Commission of Nevada and Lato & Petrova CPAs, LTD (dba Lato, Petrova, & Pearson CPAs) accounting services to assist with closing of the books and preparation of the Comprehensive Annual Financial Report (CAFR).....	4
F.	<i>For Possible Action:</i> Consideration of and possible action to approve a four-year contract in the amount of \$150,000 for Personal Services of Independent Contractor between the Colorado River Commission of Nevada and March Counsel LLC... ..	5
G.	<i>For Information Only:</i> Status Update on 2021 Legislative Session and related Budget... ..	6
H.	<i>For Information Only:</i> Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.....	6

COLORADO RIVER COMMISSION
OF NEVADA
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INDEX (continued)

<u>Agenda Item</u>	<u>Subject</u>	<u>Page No.</u>
I.	<i>For Information Only:</i> Status update from Staff on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, the drought contingency plan, impacts on hydropower generation, electrical construction activities and other developments on the Colorado River.....	6
J.	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.)	7
K.	Comments and questions from the Commission members.	7
L.	Selection of the next possible meeting date.	7
M.	Adjournment	8

The Colorado River Commission of Nevada (Commission) meeting was called to order by Chairwoman Premsrirut at 1:30 p.m.

A. Conformance to Open Meeting Law.

Executive Director Eric Witkoski confirmed that the meeting was posted 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 will be taken.)

Chairwoman Premsrirut asked if there were any comments from the public. There were none.

C. For Possible Action: Approval of minutes of the February 9, 2021 meeting.

Vice Chairwoman Kelley moved for approval of the minutes. The motion was seconded by Commissioner Puliz and approved by unanimous vote.

D. For Possible Action: Consideration of and possible action to approve a two-year contract in the amount of \$120,000 between the Colorado River Commission of Nevada (Commission) and Moss Adams for accounting and auditing services.

Chief of Finance and Administration Douglas Beatty explained that the Commission's contract for annual financial audit services (including internal control review) will expire in July of 2021.

The contract is required to provide publication of the Commission's Comprehensive Annual Financial Report (CAFR), audited in accordance with Governmental Auditing Standards as required under bond covenants applicable to the Commission's existing General Obligation Bonds currently outstanding.

In January, Staff requested that the Purchasing Division of the State Department of Administration conduct a request for proposals for audit and accounting services for the Commission's books and records. The Purchasing Division in accordance with state regulations and with input from Commission Staff developed a scope of services for the annual audit and internal control review and issued a Request for Proposals. The request for proposals was released January 15, 2021 with bidders' responses due on February 16, 2021. The Purchasing Division published the request on the applicable State and Purchasing websites and contacted qualified accounting firms in their data base and staff furnished information on additional other firms to contact.

The proposals were provided to a review team consisting of three members of Commission Staff (two from the accounting group and one from the energy services group), one Commission Customer Representative and one from another state agency. The review team was tasked with providing a review and numeric scoring of each of the proposals as they addressed the five Solicitation Evaluation Criteria.

The Criteria were:

1. Expertise and availability of key personnel, including knowledge of CaseWare software where possible
2. Prior experience with vendor
3. Demonstrated ability to meet deadlines
4. Demonstrated responsiveness to customer requests
5. Recommendations of references
6. Review of background and performance data including internet research and other inquiry related to prior audit publications, regulatory review, accounting related licensing information, complaints, sanctions, other publicly available information
7. Experience in performance of comparable engagements
8. Conformance with the terms of the RFP
9. Cost
10. Financial stability

The Purchasing Division developed the draft contract based on the State approved form, obtained signatures from the winning bidder, and provided final copies to Staff to present to the Commission for final approval.

The contract anticipates ongoing audit and internal control review services for the fiscal years 2021 through 2022. The contract provides that the contract may be extended an additional two years. If an extension was to be requested, the Staff would bring back the contract to the Commission for approval with additional funding for two more years.

The contract anticipates the following tasks: the annual financial audit of the Commission's books and records, including review of internal controls as required, assistance with the development of the CAFR, assistance with key accounting entries for CAFR purposes, and assistance with new accounting pronouncements. The total amount authorized under the contract is \$120,000 for the initial two-year term of the contract at which time an additional two-year amendment may be brought back to the commission for consideration with additional funding as needed. If approved today the contract will proceed to the next step which is placement on the next Board of Examiners meeting and final contract approval.

Staff recommends the Commission approve the contract and authorize the Executive Director to sign it on behalf of the Commission.

Vice Chairwoman Kelley asked Keith Simovic, of Moss Adams, to elaborate on Moss Adams' commitment to communication with Staff, as outlined in the scope-of-work for this contract.

Mr. Simovic stated that this focus on communication with the auditing clients of Moss Adams is a standard for the firm and that Moss Adams maintains regular communication and ongoing collaboration before, during, and after an audit in order to streamline the audit process.

Vice Chairwoman Kelley highlighted the several auditing deadlines that are listed in the scope of work, particularly those relating to Staff's obligations to State auditors, referencing instances with prior auditing firms who failed to meet these deadlines. Vice Chairwoman Kelley asked Mr. Beatty if he had any additional comment on this subject.

Mr. Beatty explained that the State audit is reliant on the audits of the individual agencies, agreeing that Staff and their auditors must meet these deadlines in the future.

Mr. Simovic added that these deadlines are part of the issue of communication between Moss Adams and Staff, and that the deadlines would be re-affirmed during the entire auditing process.

Chairwoman Prensirut asked Mr. Simovic if there were any foreseeable concerns given that Moss Adams would be performing the audit from Portland, Oregon.

Mr. Simovic answered that he did not foresee any issues and that Moss Adams serves clients across the country.

Chairwoman Prensirut noted that Moss Adams has a document retention period of three years, or five years in the event of the inclusion of federal funds, and asked whether this amount of time is consistent with regulations on the subject and if three years is sufficient in the event of an issue where older information needs to be referenced.

Special Counsel, Christine Guerci answered that Staff would be retaining their own copies of the documents in conformance with state and federal document retention regulations and that Moss Adams' records of those documents would be for their specific reference only.

Vice Chairwoman Kelley moved for approval of the two-year contract in the amount of \$120,000 between the Commission and Moss Adams for accounting and auditing services. The motion was seconded by Commissioner Puliz and approved by unanimous vote.

E. **For Possible Action:** Consideration of and possible action to approve a two-year contract in the amount of \$48,500 between the Colorado River Commission of Nevada (Commission) and Lato & Petrova CPAs, LTD (dba Lato, Petrova, & Pearson CPAs) accounting services to assist with closing of the books and preparation of the Comprehensive Annual Financial Report (CAFR).

Chief of Finance and Administration Douglas Beatty explained that approximately three years ago the Commission joined with the State Controller's office as they issued a request for proposal for year-end financial statement preparation software. The Controller's office was moving from an outdated year-end financial preparation software that they had been using to prepare the State's CAFR for many years to a new system. The Commission joined with that request and purchased the system chosen and adopted by the controller. The software is called CaseWare and both the Controller's Office and the Commission have been using the system to assist with preparing the year-end financial statements. Staff is using the software to upload all transactional data from the State's accounting system into CaseWare, produce a closing trial balance for use by the outside auditors and produce most of the basic financial statements.

The software is capable of much more than has been utilized. The software is capable of producing in final print format, the complete CAFR, including the basic financial statements, footnotes, required supplementary tables and schedules, management discussion and analysis section, letter of transmittal, and all other required portions of a full CAFR. However, at the present time, staff has not fully developed all the system capabilities.

As part of the Commission's recent request for proposals (RFP) for audit services, which resulted in the contract described in agenda item D previously, staff included a request for responding audit firms with CaseWare system knowledge and expertise to assist with the full development of the software capabilities. At the time of the RFP staff was aware of one auditing firm here in Las Vegas with staff possessing the required expertise. However, that firm declined to respond to the RFP on the audit and none of the responding firms possess any CaseWare expertise. After the RFP process, staff was informed that the person with CaseWare expertise was no longer with the auditing firm and was interested in helping the Commission with producing the full CAFR using CaseWare with another smaller firm. The assistance would not include any auditing or attest services, only help with help in closing and fully utilizing the CaseWare system.

Staff has developed a contract for the necessary accounting assistance with Lato & Petrova CPAs, LTD for this assistance. The contract form is that developed by the State Purchasing Division for professional services at a cost not exceeding \$50,000. The estimated cost of the contract currently is \$48,500. This contract will provide for assistance with the year-end final closing entries and help with the upload of transactional data as necessary, and then help with further developing the footnotes, schedules, and narrative portions of the CAFR within CaseWare. Staff's goal is to fully produce a finished, print ready CAFR in house and no longer rely on the outside audit firm to produce portions of the financial statements. This

will greatly streamline the annual audit and reduce the time spent by the auditors in non-attest services.

Vice Chairwoman Kelley asked Martha Ford, of Lato & Petrova LTD, about Lato & Petrova LTD's commitment to cooperation, adaptability, and adherence to deadlines.

Ms. Ford acknowledged the importance of cooperation, adaptability, and adherence to deadlines, stating that Lato & Petrova LTD would be beginning their services to Staff well in advance of the next audit.

Chairwoman Prensirut Douglas Beatty if the gross contract price had been determined by a projected number of billable hours.

Mr. Beatty answered that the gross contract price was established as a rough projection in cooperation with Ms. Ford after examination of Staff's current CaseWare and a discussion of potential time estimations. Mr. Beatty explained that a majority of the billable hours would take place within the first year of the contract.

Vice Chairwoman Kelley moved to approve the two-year contract in the amount of \$48,500 between the Commission and Lato & Petrova CPAs, LTD for accounting services. The motion was seconded by Commissioner Stewart and approved by unanimous vote.

<p>F. <i>For Possible Action:</i> Consideration of and possible action to approve a four-year contract in the amount of \$150,000 for Personal Services of Independent Contractor between the Colorado River Commission of Nevada and March Counsel LLC.</p>

Executive Director Eric Witkoski explained that the Commission has utilized the services of March Counsel, LLC (Craig Silverstein), formerly known as Stinson Leonard Street, LLP, since June of 2012 to provide needed outside legal services on issues relating to: (1) Federal Energy Regulatory Commission (FERC) proceedings; (2) compliance with mandatory electric reliability standards promulgated by the North American Reliability Corporation (NERC), market manipulation and other related matters; (3) electric and natural gas supply issues; and (4) other matters as directed in writing by the Executive Director.

This personal services contract will: (1) be for a term of 4 years with an expiration date in 2025; and (2) set the total consideration allowed under the contract to \$150,000. This is an area of legal specialization not available to the Commission through the Attorney General's office. Due to the State-mandated approval process for outside services contracts, it can be extremely difficult to enter into a new contract for outside legal services on short notice when the need is immediate.

It is Staff's recommendation that this contract be approved, to allow for the use of March Counsel's services in FERC and other energy matters on an as-needed basis. It is important to note that the March Counsel contract is enabling in nature only, and that further services from this law firm will be provided only upon the specific authorization of the Executive Director. There is no minimum payment or retainer required; the Commission retains full control over the level of expenditures to be incurred under the contract.

Commissioner Puliz moved to approve the four-year contract in the amount of \$150,000 for Personal Services of Independent Contractor between the Commission and March Counsel LLC. The motion was seconded by Vice Chairwoman Kelley and approved by unanimous vote.

G. *For Information Only:* Status Update on 2021 Legislative Session and related Budget.

Executive Director Eric Witkoski presented an update on the 2021 Legislative Session and related Budget, explaining that Staff presented its budget before the Legislative Counsel Bureau (LCB) on March 24, 2021. The Budget Committee closed the presented budget on March 31, 2021.

Additionally, AB15, which would have placed the State Engineer on the Commission, was not passed out of the Committee on Natural Resources before the deadline.

H. *For Information Only:* Update on pending legal matters, including Federal Energy Regulatory Commission or Public Utilities Commission of Nevada filings.

Special Counsel Christine Guerri presented an update on pending legal matters involving the Commission.

The Commission has filed a request for intervention in NV Energy's annual deferred case before the Public Utilities Commission of Nevada (PUCN) and Staff is awaiting the pre-hearing conference on April 15, 2021 to ascertain whether the Commission has been granted permission to intervene. The intervention was filed in order for the Commission to re-negotiate a tariff applied to its contractors.

I. *For Information Only:* Status update from Staff on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, the drought contingency plan, impacts on hydropower generation, electrical construction activities and other developments on the Colorado River.

Dr. Warren Turkett, Natural Resource Analyst, gave a status update on the hydrological conditions, drought, and climate of the Colorado River Basin, Nevada's consumptive use of Colorado River water, and other developments on the Colorado River.

- Summary of Lake Powell, Lake Mead, and Nevada Water Supply
- Precipitation and Temperature
- Upper Basin Snowpack Accumulation
- Water Use in Southern Nevada
- Unregulated Inflow, Current and Projected Reservoir Status

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

Chairwoman Premsrirut asked that the graph detailing the 2007 Interim Guidelines from the Drought Contingency Plan be retained and updated in future presentations.

Commissioner Puliz asked about the idea of cloud-seeding in the Colorado area

Mr. Turkett answered that the Southern Nevada Water Authority (SNWA) contributes funding to cloud-seeding projects, research has shown this to be effective, and that, to his knowledge, this will continue in the Upper Basin.

J. 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.)

Chairwoman Premsrirut asked if there were any other comments or questions from the from the public. There were none.

K. Comments and questions from the Commission members.

Chairwoman Premsrirut asked if there were any other comments or questions from the commission members.

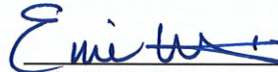
Vice Chairwoman Kelley thanked Heather Moon, of State Purchasing, for her and her agency's role in the contract approval process.

L. Selection of the next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, May 11, 2021, at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

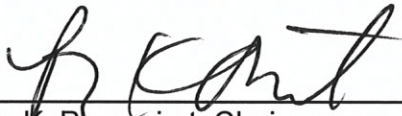
M. **Adjournment.**

The meeting was adjourned at 2:31 p.m.

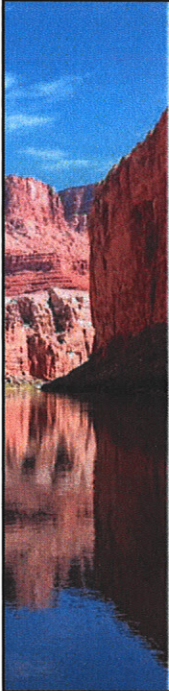


Eric Witkoski, Executive Director

APPROVED:



Puoy K. Pemsrirut, Chairwoman




Colorado River Commission of Nevada

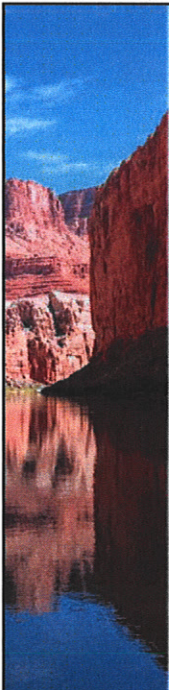
Hydrology and Water Use Update

Warren Turkett

April 13, 2021



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Summary

Lake Powell

- Drought conditions are causing below average inflow forecasts.
- Unregulated inflow for water year¹ 2021 is forecasted at 45% of average.
- Upper Basin snowpack peaked at 83% of the seasonal average.

Lake Mead

- Lake Mead is forecasted to decrease about 16 feet in elevation by the end of calendar year 2021.
- Lower Basin conservation programs have conserved roughly 3.5 million af or about 40 addition feet in Lake Mead.

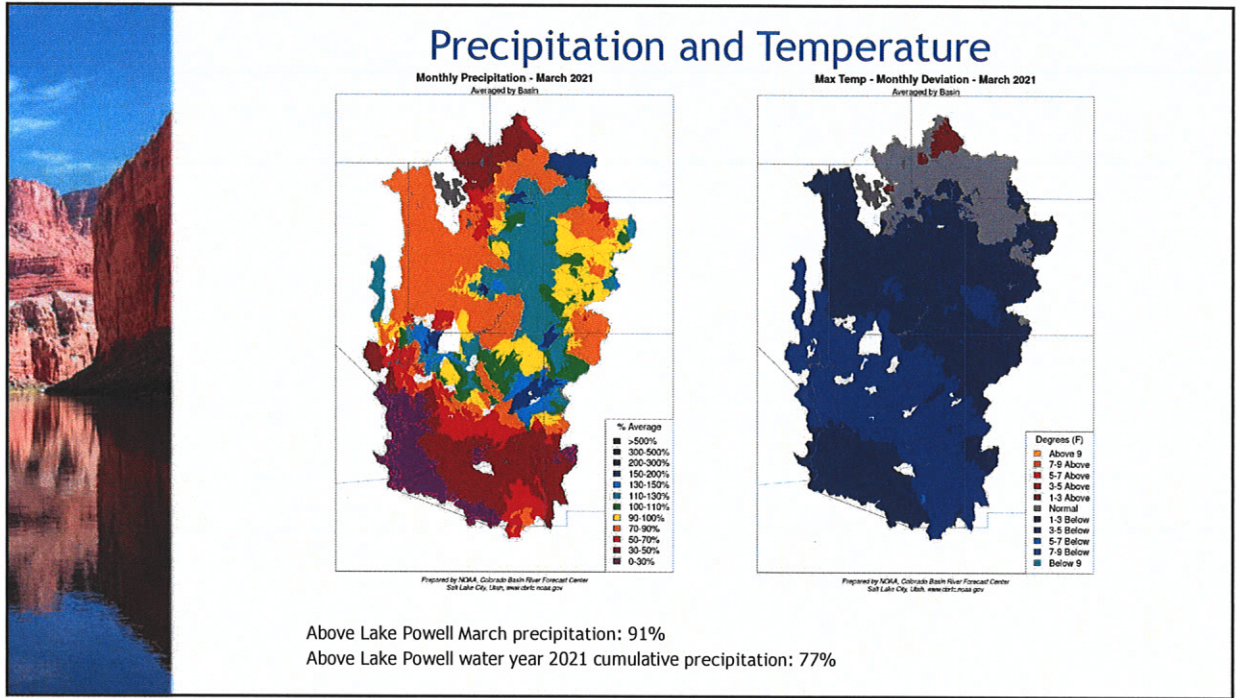
Nevada Water Supply

- Southern Nevada has about 9 years of water supply banked. ²
- **In 2020, Southern Nevada used 15% less than its annual allocation.**

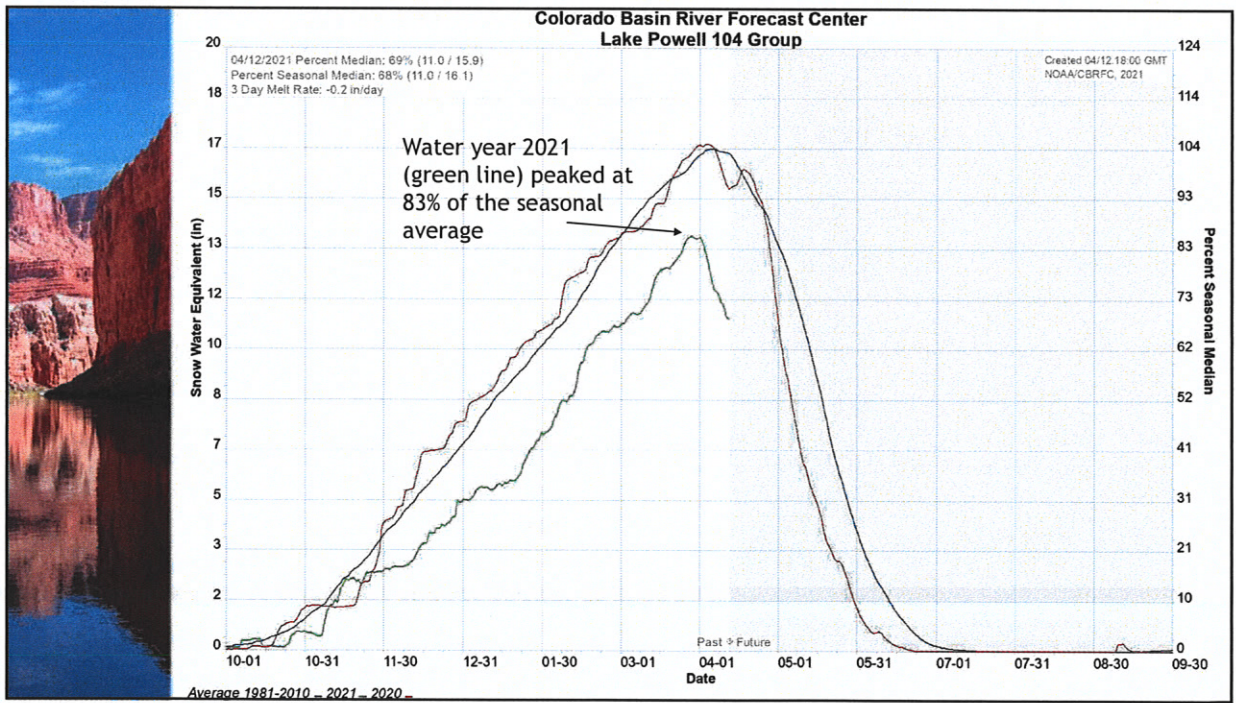
Storage	Elevation (f)	% Capacity	Change since last year
Lake Mead	1,084.0	40%	-14.1 ft
Lake Powell	3,566.2	36%	-34.3 ft

Data retrieved April 5, 2021
¹ Water year is defined as October through September.
² Based on 2020 consumptive use and storage volumes through 2020.

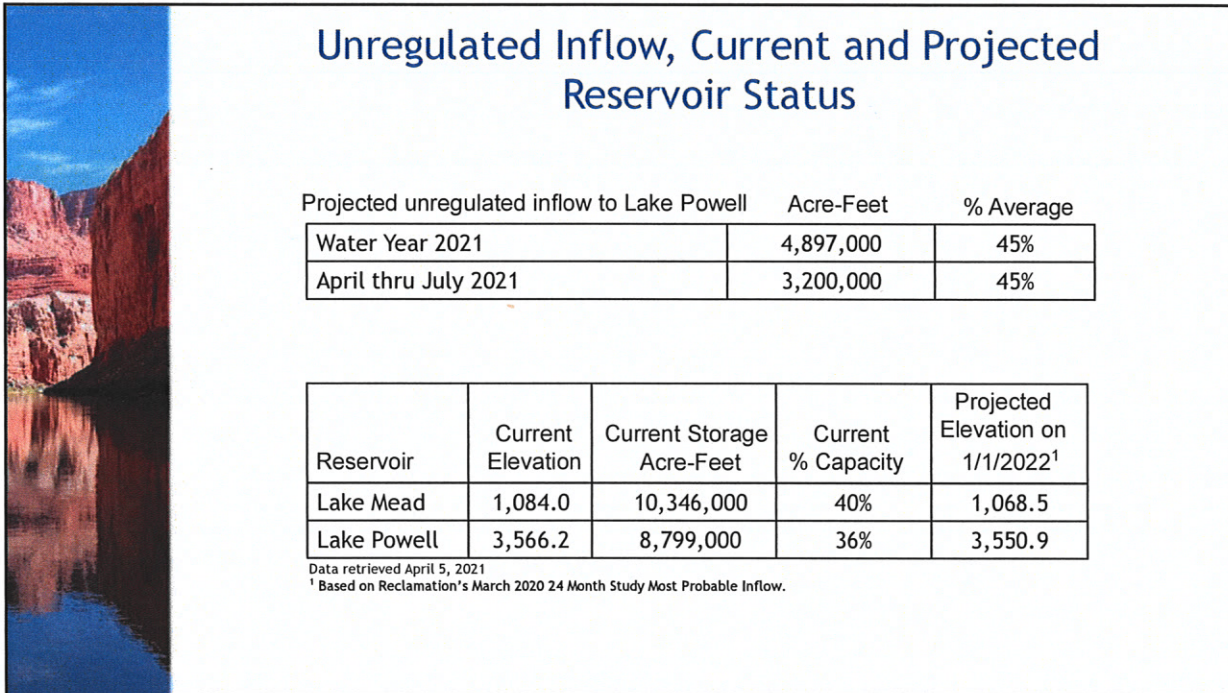
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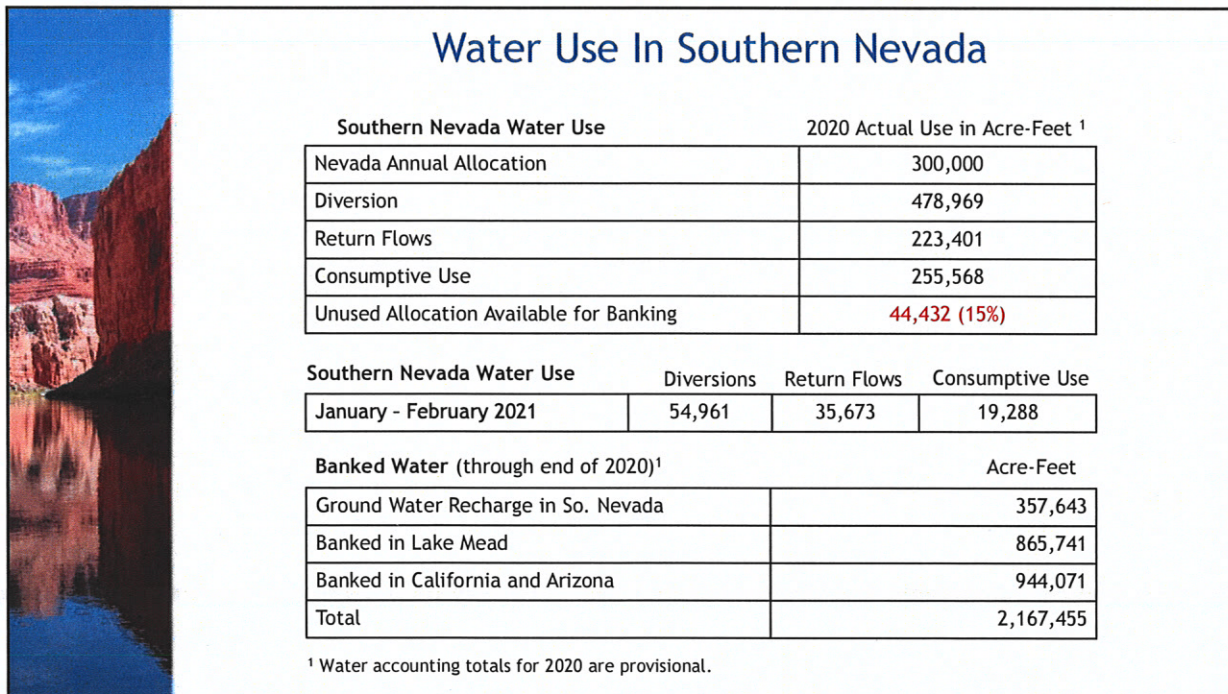
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