

The Colorado River Commission of Nevada meeting was held at 1:30 p.m. on Tuesday, March 12, 2019 at the Clark County Government Center in the Commission Chambers, 500 South Grand Central Parkway, Las Vegas, NV 89155.

COMMISSIONERS IN ATTENDANCE

Chairwoman
Commissioner
Commissioner
Commissioner
Commissioner

Puoy Premsrirut
Marilyn Kirkpatrick
John F. Marz
Cody T. Winterton
Dan H. Stewart

COMMISSIONERS IN ATTENDANCE VIA TELEPHONE

Vice Chairwoman

Kara J. Kelley

COMMISSIONER(S) NOT IN ATTENDANCE

Commissioner

James B. Gibson

DEPUTY ATTORNEY(S) GENERAL

Special Counsel, Attorney General
Special Counsel, Attorney General

Christine Guerri
Jennifer Crandell

COMMISSION STAFF IN ATTENDANCE

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

Eric Witkoski
Douglas N. Beatty
Bob Reese
Gail Bates
Craig N. Pyper
Angela K. Slaughter
Peggy Roefer
Warren Turkett, Ph.D.
Gail L. Benton
Richard M. Sanders
Gina L. Goodman
Kristina Perry
LaTerria Graves
Joshua Cleveland

OTHERS PRESENT; REPRESENTING

Overton Power District
Overton Power District
Self
Southern Nevada Water Authority

Mendis Cooper
Terry Romero
Aleta Dupree
Mitch Bishop

**COLORADO RIVER COMMISSION OF NEVADA
MEETING OF MARCH 12, 2019**

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MEETING OF MARCH 12, 2019

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The Colorado River Commission of Nevada meeting was called to order by Chairwoman Premsrut at 1:36 p.m. followed by the pledge of allegiance.

A. Conformance to Open Meeting Law.

Deputy 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 Premsrut asked if there were any comments from the public. There were none.

C. For Possible Action: Approval of minutes of the February 12, 2019 meeting.

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

D. For Possible Action: Consideration of and possible action to appoint Deputy Executive Director Eric Witkoski as Executive Director of the Commission or to continue or modify the search for an Executive Director.

At the February 12, 2019 meeting of the Colorado River Commission of Nevada (Commission,) Staff was directed to allow a two-week period for internal candidates for the Executive Director position to provide a resume for the Commission to consider. At the conclusion of the two-week period, only one resume had been provided. Eric Witkoski, the current Deputy Executive Director provided a resume and letter of interest as requested. No other internal candidates responded.

Chairwoman Premsrut asked the Commission if they would find it appropriate to continue searching for applicants or proceed with Mr. Witkoski's interview.

Commissioner Winterton thought the Commission should have 30 days to have a subcommittee created to interview the applicant to see if he qualifies for the position.

Special Counsel Jennifer Crandell explained that the Open Meeting Law allows the Commission to meet with the applicant one-on-one to learn more about them but cannot conduct the interview in private, it must be public; in a similar setting as this meeting.

Commissioner Winterton stated that it is very important for it to be an open interview.

Commissioner Stewart asked why the interview could not be conducted as a briefing.

Ms. Crandell stated that one can have a briefing between two people.

Commissioner Kirkpatrick wanted to know if an interview could be held today.

Ms. Crandell confirmed that the candidate could be interviewed today.

Special Counsel Christine Guerri added that if the candidate agreed with conducting the interview, it is legal.

The Commissioners agreed to conduct the interview.

Commissioner Winterton moved for Eric Witkoski to be interviewed on March 12, 2019 during the March Commission meeting. The motion was seconded by Commissioner Stewart and approved by a unanimous vote.

Mr. Witkoski accepted the interview.

An interview was conducted by the Commission wherein Mr. Witkoski outlined his experience and his vision for the agency.

Commissioner Kirkpatrick moved to appoint Mr. Eric Witkoski as Executive Director of the Colorado River Commission of Nevada. The motion was seconded by Commissioner Stewart and approved by unanimous vote.

E. For Possible Action: Consideration of and possible action to approve a Joint Planning Agreement between Western Area Power Administration-Desert Southwest Region ("WAPA-DSW") and its contractors, including the Colorado River Commission of Nevada, that receive transmission service over the Parker-Davis Project and/or Pacific Northwest-Pacific Southwest Intertie Project.

WAPA-DSW provides transmission service to certain of its contractors over the DSW Transmission Systems. WAPA-DSW receives prepayments from its customers for firm transmission service which are used to fund construction projects and operation and maintenance activities. WAPA-DSW and certain contractors, including the Commission, are also parties to a Memorandum of Understanding ("MOU") pursuant to which the contractors that prepay for transmission service over the DSW Transmission Systems vote on the use of prepayment monies to fund construction projects.

Prior to the development of the Joint Planning Agreement (JPA), the contractors, including the Commission, were parties to a Joint Planning Principles Agreement which called for the negotiation of a contract to formalize the agreed-upon principles. The JPA replaces the Joint Planning Principles Agreement and

attempts to memorialize a process for sharing information and collaborating on issues that materially impact the DSW Transmission Systems. More specifically, the JPA provides a framework for WAPA-DSW to provide pertinent materials and opportunities for input and recommendations regarding construction projects, operation and maintenance activities, budget development and execution review, transmission planning, and rate impact assessments.

Staff recommends that the Commission authorize the Deputy Executive Director to execute the JPA.

Executive Director Eric Witkoski commended Ms. Gail Bates and Ms. Guerci as they worked hard on this item.

Commissioner Stewart moved for approval of a Joint Planning Agreement. The motion was seconded by Commissioner Kirkpatrick and approved by a unanimous vote.

F. *For Possible Action:* Consideration of and possible action to approve Amendment No. 1 to Contract No. SA-15-02 for an additional four years for Substation Automation System Support Services between Schneider Electric USA, Inc. and the Commission.

G. *For Possible Action:* Consideration of and possible action to approve Amendment No. 2 to Contract SA-12-01 for a three-year extension and add an amount of \$100,000 for Substation Automation System Support Services between Schweitzer Engineering Laboratories, Inc., and the Commission.

H. *For Possible Action:* Consideration of and possible action to approve Amendment No. 2 to Contract No. SA-12-02 for a three-year extension and add an amount of \$100,000 for Substation Automation System Support Services between Survalent Technology Corporation and the Commission.

Mr. Witkoski suggested that items F, G and H be introduced together because of their relation to each other.

Chairwoman Premsrut approved of the request.

Assistant Director of Engineering and Operations Bob Reese explained, the Commission owns, operates and maintains seventeen high-voltage substations staffed by seven Commission employees in the Commission's Power Delivery Project. In addition, the Commission is responsible for the operation and maintenance of ten substations that are owned by the Southern Nevada Water Authority and three owned by the Clark County Water Reclamation District.

Schneider Electric USA Inc.

On June 9, 2015, the Commission entered into a contract to provide systems support services for a business enterprise system that allows the Commission and

its customers who receive electric service from the Commission facilities, to manage the procurement of electric energy, including scheduling and accounting, more efficiently by the rapid dissemination of real-time metering data. These support services included programming, troubleshooting and modifying software and hardware associated with the energy meters and software as required for routine operation and maintenance.

Due to the proprietary nature of the meters and software used in the Power Delivery facilities, Staff initiated a Solicitation Waiver process in accordance with Nevada State Purchasing guidelines.

The Nevada State Purchasing Solicitation Waiver or Sole Source process omits the Request for Proposals process when, as in this instance, proprietary hardware and software are involved. As noted in the Solicitation Waiver, "Selecting another vendor would require removing and replacing 100+ meters and the operating software, which is not operationally or economically feasible, and the Commission's metering and data collection system would no longer be compatible with the local utility, NV Energy." The Solicitation Waiver #140902 was approved by the Administrator of the Nevada State Purchasing Division.

Amendment No. 1 to Contract SA-15-02 for Commission consideration today with Schneider Electric USA, Inc. (Schneider Electric) is an enabling-type contract that allows the Commission's operation and maintenance Staff to receive support from Schneider on an as-needed basis for certain tasks and software support. Work under the agreement will be authorized by Commission Staff as needed through the development and execution of written task authorizations.

The amendment proposes to retain the services of Schneider Electric for a four-year extension, not to exceed the previously approved total amount of \$350,000¹, upon Board of Examiners' approval, anticipated to be May 14, 2019. The total combined value of task authorizations under this agreement shall not exceed \$350,000 over the term of the contract.

Schweitzer Engineering Laboratories, Inc.

The Power Delivery Project's existing substation supervisory control and data acquisition system (SCADA) is separated into two key components: the automation system and the business enterprise system. The automation system is required for the Commission to operate its transmission and distribution facilities, monitor equipment status and to respond to operational events in providing electric services to its customers including the Southern Nevada Water Authority, the Clark County Water Reclamation District, and the Basic Substation Project.

The services of an outside vendor are needed from time-to-time for the routine operation and maintenance of the system such as troubleshooting, programming and modifying the computer systems associated with the automation system.

¹ The amount listed was originally \$575,000, but Mr. Reese corrected the amount to \$350,000 per the contract.

These services include updating of Human-Machine Interface (HMI) screens or updates utilizing the installed software on the system development node and updating those HMI screens to operating nodes; updating communication processor settings; updating substation automation system database and set points; troubleshooting from remote locations; and, restoration of the automation system in the event software or a server is temporarily or permanently rendered inoperable.

On June 12, 2012, the Commission approved Contract No. SA-12-01 with Schweitzer Engineering Laboratories, Inc. (Schweitzer) to provide the above-mentioned services. Amendment No. 1 was approved on April 27, 2015, extending the term of the contract for an additional four years to June 30, 2019 and increased the contract amount by \$250,000 to a not-to-exceed total of \$475,000 over the term of the contract.

Staff anticipates the continued need for these substation automation system support services, and therefore, asks the Commission to approve Amendment No. 2 to the contract with Schweitzer, in order to enable the Commission and its electric customers to continue to benefit from Schweitzer's proprietary software and to avoid the additional costs that would result from obtaining these services from a different contractor. Amendment No. 2 will extend the contract for an additional three years to June 30, 2022 and increases the contract amount by \$100,000 to a not to exceed total of \$575,000 over the term of the contract.

The contract with Schweitzer is an enabling type of contract which allows the Commission to use none or all of the services listed above. The work is authorized on an individual task basis. If the Commission requires the company to perform work, a "Task Authorization" is prepared and submitted for approval. A task authorization must contain a description of the work to be performed, a list of deliverables, a schedule for completing the assignment and a budget for the task.

Survalent Technology Corporation

On May 5, 2012, the Commission approved Contract No. SA-12-02 with Survalent Technology Corporation (Survalent) to provide the above-mentioned services. Amendment No. 1 was approved on March 11, 2015, extending the term of the contract for an additional four years to May 31, 2019 and increased the contract amount by \$250,000 to a not-to-exceed total of \$475,000 over the term of the contract.

Staff anticipates the continued need for these substation automation system support services, and therefore, asks the Commission to approve Amendment No. 2 to the contract with Survalent in order to enable the Commission and its electric customers to continue to benefit from Survalent proprietary software and to avoid the additional costs that would result from obtaining these services from a different contractor. Therefore, Amendment No. 2, presented today for approval, will extend the contract for an additional three years to June 30, 2022 and increases the contract amount by \$100,000 to a not to exceed total of \$575,000 over the term of the contract.

The contract with Survalent is an enabling type of contract which allows the Commission to use none or all of the services listed above. The work is authorized on an individual task basis. If the Commission requires the company to perform work, a "Task Authorization" is prepared and submitted for approval. A task authorization must contain a description of the work to be performed, a list of deliverables, a schedule for completing the assignment and a budget for the task.

Discussion for Items F, G and H was presented together

Commissioner Stewart asked why staff is adding \$100,000 to Contract SA-12-01 and to Contract SA 12-02. Commissioner Stewart noted that \$575,000 is being requested for all three contracts.

Assistant Director of Engineering and Operations Bob Reese explained that there was an error in the amount for the first contract, Item H (Schneider.) The correct amount was \$350,000. The Schneider contract is an extension-only contract extending it four years. No additional funds are being allocated to the contract with Schneider. The other two contracts with Schweitzer and Survalent are being amended and an amount of \$100,000 is being added to each of those two contracts and extended for an additional three years.

Commissioner Stewart asked why the department needs a buffer for the Schneider contract, and how these changes will affect the accounting.

Mr. Reese replied that the contracts are task-driven. Funds would only be used when needed. Failure or replacements are hard to foresee, so a buffer is added in case of emergency as it takes time to replace infrastructure, and Staff wants to be timely for Commission customers.

Chief of Finance and Administration Douglas Beatty explained that the budget is determined on a five-year basis and uses the highest projected amount, making sure the Commission is prepared for these kinds of emergencies or changes.

Commissioner Stewart moved for approval of agenda items F, G and H. The motion was seconded by Commissioner Kirkpatrick and approved by a unanimous vote.

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| I. <i>For Information Only:</i> Update on the activities of the Financial and Audit Subcommittee. |
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There were no updates at this time.

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| J. <i>For Information Only:</i> Status Update on 2019 Legislative Session and related Budget. |
|--|

Mr. Witkoski explained that there will be a presentation made to the Assembly Growth and Infrastructure Committee on March 14, 2019. Staff would have twenty

minutes to present a PowerPoint regarding an overview of the Commission. There is also a budget hearing scheduled to present the Commission budget and obtain legislative approval on March 29, 2019.

Additionally, Mr. Witkoski explained that Senate Bill 76 was put in place in the event Ballot Question 3 of the November 6, 2018 election passed. As the question did not pass, the bill is no longer needed, and Staff has decided to let the bill die.

Commissioner Kirkpatrick asked Staff to send a letter stating that the Commission requests that Senate Bill 76 not be placed for a hearing or be utilized.

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

Ms. Guerri updated the Commission on the following:

FERC Docket No. EL18-200

The Commission previously filed a document less intervention in this matter.

In its Petition to FERC, Jacksonville Electric Authority asked FERC to declare that it has jurisdiction over its Purchase Power Agreement (and the transactions therein) under the Federal Power Act even though the Municipal Electric Authority of Georgia and Jacksonville Electric are each exempt from regulation by FERC as 'public utilities'.

Among other arguments, Jacksonville asserted that FERC has exclusive jurisdiction over interstate transmission and wholesale sales of electricity, regardless of the entities involved. It also argued that FERC is required in this situation to exercise jurisdiction to avoid a "regulatory gap" relating to sales under the PPA because the sales at issue are not regulated by the Georgia Public Service Commission.

The Commission intervened because the request of the JEA to have FERC assert its jurisdiction over exempt public utilities due to a purported "regulatory gap", could have far reaching impacts.

On February 21, 2019, FERC issued its order denying the Petition due to a lack of jurisdiction over the PPA.

L. *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.

Ms. Crandell informed the Commission that the Metropolitan Water District passed a resolution to undertake all of California's responsibility to make Drought Contingency Plan (DCP) contributions. Imperial Irrigation District (IID) no longer has to create DCP but may join the agreements at a later time.

Commissioner Stewart asked what may motivate Imperial to make the decision to join the agreements later.

Ms. Crandell explained that there are incentives in place. If IID had voted for the plan, they could draw their Intentionally Created Surplus (ICS) water during a shortage, but because they did not join in the agreements, they will be under the 2007 plan and cannot access ICS water during a shortage. There is a way to add to the contracts later by written agreement from all the existing parties.

Chairwoman Premsrirut applauded Ms. Crandell on all the work she has done on this matter.

Hydrology Update

Natural Resources Analyst Dr. Warren Turkett gave a 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.

- 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

Commissioner Stewart stated that one month does not make up for a 20 year down-turn. He then asked if Southern Nevada Water Authority and other entities were still working to continue conservation.

Ms. Crandell explained that we've been in a 20-year drought, had a really great year of precipitation and conservation in 2011, like this year, but it will not take the Basin out of a drought. She stated that everyone knows the severity of the issue and no one is letting up.

Dr. Turkett stated that the conservation in Lake Mead takes roughly 83,000-acre feet to equal one foot, so it requires a lot of conservation.

A copy of the hydrology report was attached and made a part of the minutes. See Attachment A.

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.)

Chairwoman Premsrirut asked if there were any comments or questions from the public.

Aleta Dupree stated that it is important to understand that hydropower is for the people. Dupree uses electricity which cost about 4.5 cents per kWh and said that it was sold to NV Energy for 2.75 cents per kWh. Dupree stands behind Chapter 704B - Providers of new Electric Resources. Their home is all electric and they live by simple means with a disability but is still a person. Dupree asked the Commission that when determining what to do with the kWh, to think about the people.

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

N. Comments and questions from the Commission members.

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

O. Selection of next possible meeting date.

The next meeting is tentatively scheduled for 1:30 p.m. on Tuesday, April 9, 2019 at the Clark County Government Center, Commission Chambers, 500 South Grand Central Parkway, Las Vegas, Nevada.

P. Adjournment.

The meeting was adjourned at 2:45 pm.



Eric Witkoski, Executive Director

APPROVED:



Puoy Premsrirut, Chairwoman

Colorado River Commission of Nevada

Hydrology and Water Use Update March 12, 2019



Summary

Lake Powell

- Water Year 2019 Upper Basin snowpack is 132% of average.
- Water Year 2019 Upper Basin cumulative precipitation is 123% of average.
- Water Year 2019 unregulated inflow is forecasted at 92% of average.

Lake Mead

- Lake Mead is projected to decrease about 18 feet by end of calendar year.
- A Lower Basin shortage is projected for Water Year 2020, but recent snowpack could change projection.

Nevada Water Supply

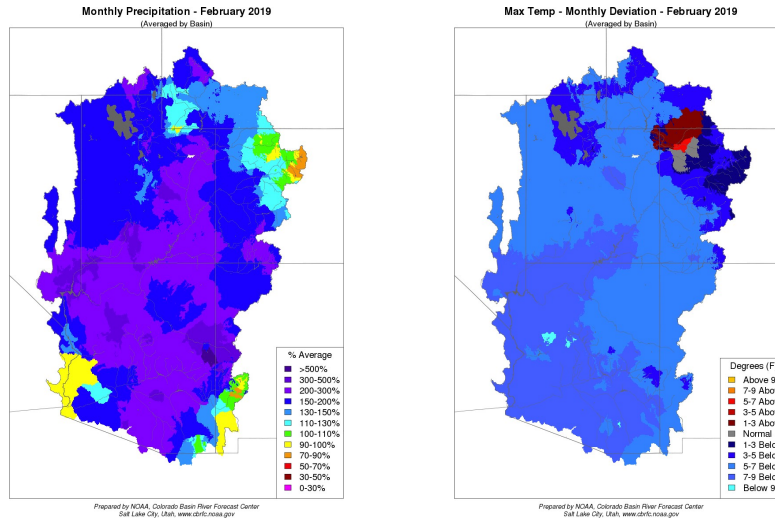
- Southern Nevada has 7 years of water supply banked.
- **In 2017, Southern Nevada used 19% less than its annual allocation.**

| Storage | Elevation (f) | % Capacity | Change since last year |
|-------------|---------------|------------|------------------------|
| Lake Mead | 1,089.2 | 41% | 1.0 ft |
| Lake Powell | 3,571.1 | 38% | - 43.7 ft |

Data retrieved March 11th, 2019

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Precipitation and Temperature

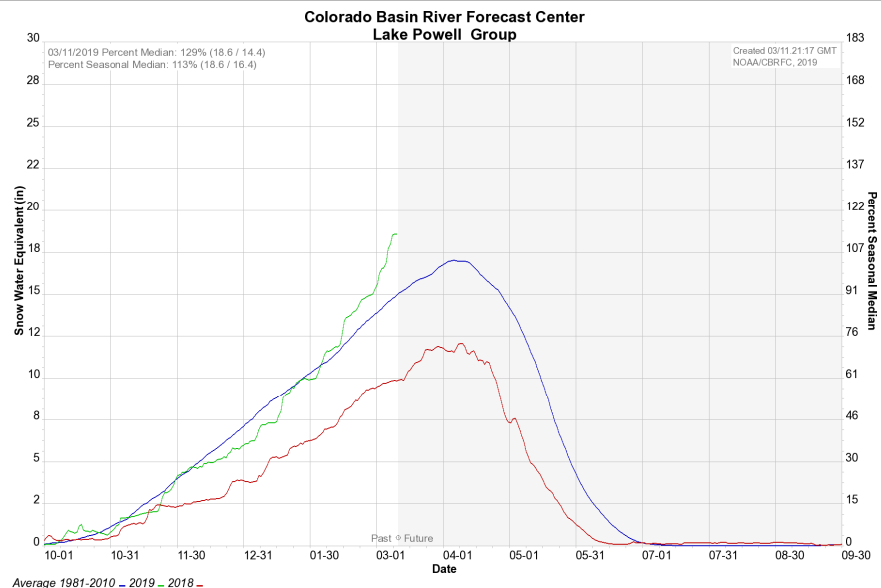


Above Lake Powell February precipitation: 148% Fabulous February!!

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Upper Basin Snowpack Accumulation

October 1st, 2018 to March 11th, 2019



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Unregulated Inflow, Current and Projected Reservoir Status

| Projected unregulated inflow to Lake Powell | Acre-Feet | % Average |
|---|-----------|-----------|
| Water Year 2019 | 9,932,000 | 92% |
| April thru July 2019 | 7,300,000 | 102% |

| Reservoir | Current Elevation | Current Storage Acre-Feet | Current % Capacity | Projected Elevation on 1/1/2020 ¹ |
|-------------|-------------------|---------------------------|--------------------|--|
| Lake Mead | 1,089.2 | 10,702,000 | 41% | 1,071.6 |
| Lake Powell | 3,571.1 | 9,232,000 | 38% | 3,572.2 |

Data retrieved March 11th, 2019

¹ Based on Reclamation's February 2019 24 Month Study.

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Water Use In Southern Nevada

| Southern Nevada Water Use | 2017 Actual Use in Acre-Feet |
|---|------------------------------|
| Nevada Annual Allocation | 300,000 |
| Diversion | 470,271 |
| Return Flows | 226,846 |
| Consumptive Use | 243,425 |
| Unused Allocation Available for Banking | 56,575 (19%) |

| Southern Nevada Water Use | Diversions | Return Flows | Consumptive Use |
|---------------------------|------------|--------------|-----------------|
| January 2019 | 29,275 | 20,741 | 8,533 |

| Banked Water (through end of 2017) | Acre-Feet |
|-------------------------------------|-----------|
| Ground Water Recharge in So. Nevada | 359,045 |
| Banked in Lake Mead | 582,313 |
| Banked in California and Arizona | 931,226 |
| Total | 1,872,584 |

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